1. Introduction[1]

Canada's trade policy has taken on a certain Latin American colouring. This shift, although inevitably partial, is likely permanent. In light of the negotiation and implementation of the North American Free Trade Agreement (NAFTA), Mexico City has become as central as London or Paris to how we manage our trade policy relations with the United States. In the Asia Pacific Economic Cooperation (APEC) forum, Chile, more consistently than most Asians, pushes toward greater trans Pacific economic integration in close concert with Canada. The Latin Americans tend to share Canadian views on the management of numerous trade policy issues, including the increasingly important trade and environment file, further reform of agricultural subsidy practices and the necessity of considerably tightening the international disciplines on, if not the outright dismantlement of, anti-dumping law. In these matters, we often occupy more common ground with Mexico, Chile, Argentina or Colombia than with the United States or the European Union. On the other hand, the Latin Americans are much closer than most Asians to the developed countries, including Canada, with regard to the importance of negotiating an international framework of binding rights and obligations on investment.

A sea change in Latin American economic policy, albeit still incomplete and tentative in some countries, has finally combined with geographic proximity to ensure that a vigorous hemispheric dimension to Canada's economic diplomacy is no longer primarily the stuff of after-dinner toasts and public posturing.

On the one hand, Canada's commitment to the open, multilateral trade and investment system necessarily remains strong, as evidenced by the policy resources dedicated by the federal government to ensuring an effective launch of the work of the new World Trade Organization (WTO). Canada is a major world trader and will continue to play a very active rôle in key policy development and management fora such as the WTO, the Organization for Economic Cooperation and Development (OECD) and the periodic meetings of the Quadrilateral trade ministers (i.e., from Canada, the European Union, Japan and the U.S.). Moreover, the successful management of our economic relations with the U.S. requires creativity, adroitness and a cool head to a degree unparalleled vis-à-vis any other single partner. These institutions and relationships collectively represent the major league of our global trade and investment policy where the level of Canada's "game" must be and is recognizably of the first order (e.g., the WTO with its over-arching dispute settlement

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