



America Four (CA4) countries (El Salvador, Guatemala, Honduras and Nicaragua). We are also holding preliminary discussions toward free trade with the members of the Caribbean Community (CARICOM — Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago), the Dominican Republic and the five members of the Andean Community (Bolivia, Colombia, Ecuador, Peru and Venezuela).

Strengthening our trade relationship with countries in the Americas also provides an opportunity for Canada to promote its broader social values in the hemisphere. In this respect, Canada will continue to make labour and environmental cooperation a critical element of its approach to expanded trade in the Americas.

These initiatives will enhance Canada's trade relationship with these countries, and, at least equally importantly, they will also help the Government to form alliances to move forward issues of mutual interest and build consensus in the FTAA negotiations.

Recommendation 2

"That Canada form alliances with like-minded countries and regions within the hemisphere to encourage reluctant countries to become more active in economic integration efforts and to dissuade potential FTAA partners from resorting to protectionist measures."

The Government fully supports this recommendation, and progress in forming these alliances is already considerable. Canada's experience with trade liberalization at all levels has been very positive, in particular at the bilateral and regional levels. The rules-based regime created by our existing free trade agreements (NAFTA and the CCFTA), combined with the World Trade Organization (WTO), has stimulated growth, raised standards of living and promoted competitive prices for consumers, setting a valuable example of the benefits of trade and investment liberalization. Our success with trade and investment liberalization is broadly recognized, placing Canada in a privileged position to encourage greater efforts on the part of our hemispheric partners to support economic integration.

Canada's commitment to the hemisphere, as evidenced by the conclusion of a bilateral FTA with Costa Rica in April 2001, and our ongoing negotiations with El Salvador, Guatemala, Honduras and Nicaragua, as well as our preliminary discussions toward free trade with the CARICOM countries, the Dominican Republic and the Andean community countries, has helped the Government develop stronger ties with its counterparts. These ties, and the recognition of the concerns of our lesser-developed hemispheric partners, have proven effective in forming alliances and building consensus in various forums and negotiations such as the FTAA.

