

countries must be prepared to commit themselves to a transparent, market-based economy; to embrace the basic principles of the multilateral trade system; and to improve access to their markets. On the other hand, the WTO must not impose on potential members requirements that are more onerous than those which apply to members.

The trading system is also being presented with new challenges. These policy issues have arisen as a result of the impact of global economic integration on domestic economies. The relationship between international trade and environmental, competition, and investment policies; labour standards; and other policies is little understood and is potentially divisive for the world trading community. Nonetheless, Canada believes that certain principles must be kept in mind as these relationships are developed.

For example, Canada does not support the use of trade sanctions to impose standards of conduct. Quite apart from the question of fairness, the cost of authorizing any one country to use its economic muscle to impose its own standards is too high in a world that is becoming increasingly interdependent, and where the one common denominator is adherence to a market-based system. As well, nations must guard against the possibility that new rules could become vehicles for new protectionism. In this respect, Canada is sensitive to the concerns of developing and developed countries that fear that new rules in these areas may be aimed at erecting barriers to their exports. Canada wants to ensure that the rules of the multilateral trading system complement, not contradict, broader societal objectives.

The increasingly integrated world is driving the new trade agenda. This integration extends to the way in which the major multilateral institutions should function. The creation of the WTO completes the original vision of the Bretton Woods postwar reconstruction effort — a vision of a system of rules, practices, and multilateral institutions to promote the smooth functioning of the world economy. It will be important that the WTO, the International Monetary Fund, the World Bank and the Organization for Economic Co-operation and Development co-operate and complement one another within their own areas of responsibility.