

## Interdependence and multilateralism

As global interdependence has accelerated, domestic and foreign policies have become more closely interwoven. New technologies have generated unprecedented flows of people, capital, goods, information and ideas across national borders. The international system that Canada has worked with other countries to construct offers benefits by allowing us to collaborate on shared problems too large for any nation to solve by itself. In a rules-based framework, nations can address their differences through dialogue rather than conflict. Canadians have been leaders in shaping much of this international system, and we have reaped the benefits at home. The Government believes that Canada should remain in the forefront of nations crafting innovative international institutions and adapting existing institutions in ways that enhance their ability to address global problems. In the years ahead, Canada will need to support the evolution of international institutions, and to participate in them in ways that serve our country's values and interests.

## The Canada-U.S. relationship

Even in a pervasively interdependent world, certain relationships have particular importance for Canadians. None is more vital than the one we share with the United States, our closest ally and continental neighbour. That relationship is our most important—not only because of shared values, history, geography and countless family ties, but also because of the currently unmatched global power and reach of the United States. Our trade relationship is central to our economic well-being: Americans buy over 85 percent of our exports of goods and services; we purchase 25 percent of their exports; and our countries are partners along with Mexico in the North American Free Trade Agreement (NAFTA). The busiest trade corridor in North America is the Windsor-Detroit gateway, which handles nearly one third of this two-way Canada-U.S. trade flow.

Since the September 11, 2001 attacks, Canada has joined the United States in the new global fight against terrorism. The threats posed by global terrorism and weapons of mass destruction are matters of grave concern to both Canada and the U.S. They require vigilance and cooperation by our two countries, in partnership with other nations and international institutions. Ultimately, our expressed resolve to address these threats may require firm action, with multilateral support. The U.S. has been playing a unique leadership role in this effort. That is why Canada has strongly encouraged and supported U.S. engagement and cooperation with the United Nations in dealing with the particular threat posed by Iraq. We will continue to work with the