

in 1994, Canada's goods exports to the United States and Mexico have doubled to over \$348 billion.

At the same time, regional agreements may explore commitments and disciplines in areas that are not fully covered by multilateral agreements, such as investment, services or competition. Such innovations or extensions of current provisions may then furnish models for the world trading system. The Canada-Costa Rica Free Trade Agreement, for example, contains novel provisions on trade facilitation. As for the biggest regional negotiation of all, the FTAA, we are still at such an early stage in the detailed talks that we do not yet know how the links will be made to other elements of the Summit of the Americas agenda, including the reinforcement of democracy, environmental cooperation and labour rights, though we and our negotiating partners certainly share a fairly expansive vision of the coverage of the agreement in trade and investment terms.

It is worth recalling how we have proceeded in environmental and labour side agreements so far. This has been a learning experience for us as we have moved from NAFTA, through the Canada-Chile FTA and the Canada-Costa Rica FTA, to the current bilateral negotiations. Throughout, we have consciously eschewed the "coercive" approach, which would see standards adopted or upheld on pain of loss of trade privileges. Even supposing that any of our trade partners would have agreed to such a linkage—and there is no evidence that they would have—there is a fundamental contradiction in threatening to take resources (gains from trade) away from a country that should be devoting more resources to help it meet its labour and environmental standards. Our approach in both fields has been facilitative rather than confrontational, aimed at helping our developing partners to implement their domestic laws and at increasing the transparency, and therefore scrutiny, surrounding their enforcement activities.