This Paper, therefore, comes to no easy conclusion on how Canada should proceed toward the hemispheric free trade objective. To remain a central player capable of shaping results in the national interest, we must be active. Engaging resources to move forward the FTAA work programme must be part of our hemispheric commitment. So must the successful conclusion of the Chilean accession negotiations and the prompt initiation of a NAFTA accession dialogue with Colombia. But perhaps the most challenging issue facing Canada is how to work creatively toward a NAFTA-MERCOSUR, or at least a NAFTA-Argentina, understanding. From these strands, the fabric of hemispheric integration will be fashioned.

6. Postscript

Two final thoughts. First, the underlying thesis of this Paper is the importance of rules and rule-making in international economic relations: thus the attention given in this document to formal trading arrangements. Rules bound in treaty form with a strong dispure settlement feature help to open markets and to keep them open for Canadian traders and investors. Rules, of course, have an impact in both directions - Canada also has adopted a much more comprehensive range of international obligations and will further deepen that commitment regionally and multilaterally in the years to come. Why?

For a relatively small, necessarily trade dependent economy that has traditionally relied on foreign investment, the answer is straight-forward. The rule of law is critical to ensuring civilized behaviour both within and among nations. Clearly defined law, or "rules", allow individuals as well as firms to plan their commitments ahead in time with reasonable certainty. This certainty encourages growth and job creation. Just as importantly, carefully crafted rules help to redress power imbalances at the state-to-state level that otherwise can and do distort market results unfairly. That is, from a trade policy perspective, economic benefits should flow from the market-place to those countries, firms and workers who can best deliver a quality product or service on time at a competitive price, not to those countries or industries that rely on sheer market power and ill-defined rules of the road to sustain special "fixes".

Second, proposals to extend free trade through the Americas comprise yet another initiative attempting to define and extend the rules more clearly. It is, perhaps, the regional initiative most likely to achieve substantial concrete results by