7.4

The Committee reaffirms Canada's commitment to the goal of a rules-based international system, built on expanding the application of international law, and on making multilateral institutions more effective, better managed and more democratically accountable. For this purpose the Committee recommends a strategy of "directed multilateralism", that is, a strategy which gives priority to those institutions that best serve Canadian interests. This should be combined with vigorous bilateral co-operation with like-minded countries best situated to help advance the common cause. Beyond the Commonwealth and la Francophonie, the targets for this strategy should include the United Nations (UN) and the specialized agencies, the World Trade Organization (WTO), the International Financial Institutions and the Group of Seven (G-7). Canada should actively promote the early establishment of the WTO. It should also promote urgent and thoroughgoing reform of the UN system and the Bretton Woods institutions. The relevant standing committees of Parliament should reassess Canada's membership in the various multilateral institutions, with a view to making recommendations about its future participation.

## <u>Response</u>

The Government agrees with the Committee and is committed to the goal of a rules-based international system, built on expanding the application of international law, and on making multilateral institutions more effective, better managed and more democratically accountable. The Government will continue to take initiatives toward the realization of this goal.

At the same time, the Government recognizes that participation in multilateral institutions is not an end in itself but a means to an end. Canada will give priority to the institutions that can best meet our objectives. These are to promote prosperity and employment; to protect our security within a stable global framework; and to project Canadian values and culture.

Within multilateral institutions, Canada will not remain confined to traditional partnerships. Instead, it will seek alliances with countries on the basis of shared interests and objectives, according to the issues under consideration.

As suggested by the Committee, an important Canadian objective is reform of the United Nations system, especially its peace and security function. Also important is early consideration by the WTO of unfinished business (e.g., agricultural export subsidies, trade remedy laws) and new issues (e.g., competition policy, environment, labour). In addition, the Bretton Woods institutions and the regional development banks are central to world development. The Government will pursue their reform through the upcoming Halifax Economic Summit.

The Government welcomes the intent of the relevant Standing Committees to examine further Canada's membership in various multilateral institutions.

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