

combined have accounted for only one-fifth of the official travel abroad (1988-92) by the Secretary of State for External Affairs and the Minister for International Trade. This imbalance merits a close look.

6. NAFTA: Instrument of Choice

A critical question is the choice of trade policy instruments to develop the key relationships identified in the previous section. One option for reaching across the Pacific could be the Asia Pacific Economic Cooperation (APEC) forum established in the late 1980s and encompassing Japan, Korea, the three Chinas (PRC, Taipei, and Hong Kong), the ASEANs, Australia, New Zealand, the U.S. and Canada (Mexico and Chile are actively seeking membership). APEC is not yet a well-structured organization, apart from a recently established, but small Secretariat, and reasonably regular meetings of senior officials and ministers. It rather resembles a loosely knit consultative grouping also engaged in a limited number of useful, but modest economic and trade-related projects. Some have suggested, nonetheless, that member countries should now deploy considerable effort to transform APEC into a mechanism for trans-Pacific trade and investment liberalization. A number of Australians, Americans and occasional voices from the ASEANs have encouraged this approach.

The APEC has been helpful in ensuring greater dialogue on economic matters between North America and East Asia. Nonetheless, suggestions to transform APEC into a legally binding instrument covering trade in goods and services, government procurement, investment, intellectual property, dispute settlement, or any one of these individually imply a major dedication of scarce negotiating resources that we could justify only if the likely result were worth the effort, i.e., a result that would be both comprehensive and mutually beneficial. From this vantage point, the option of proposing APEC as a negotiating forum suffers from several critical flaws from a Canadian perspective.

First, it is not at all clear how many APEC members might be ready to enter into such an ambitious project. Australia, New Zealand, and Korea could well be. The first two are the beneficiaries of their own free trade agreement and have been active proponents of trade liberalization in the MTN. For its part, Korea has indicated a willingness to make substantial, legally binding commitments in the MTN and some influential policy makers have argued for even broader engagement. Yet, the record of the ASEANs is much more spotty despite their export orientation and their generally favourable approach to foreign investment. The ASEANs' own efforts at trade and economic integration have been painfully hesitant in practice. They have,