

During the first phase of the negotiations, from April 1998 through to the Ministerial meeting held in Toronto this past November, Canada played a pivotal leadership role as Chair of the negotiations, particularly in overseeing the work of the various Negotiating Groups and other bodies addressing horizontal issues. A key contribution of Canada's chairmanship was the establishment of a sound and efficient institutional and administrative infrastructure that should help with the continued smooth functioning of the negotiations under Argentine chairmanship and beyond.

Canada will continue to play an important role in the negotiations reflecting the importance the Government places on this initiative. Canada has been selected to Chair the Negotiating Group on Government Procurement and to serve as Vice-Chair of both the Negotiating Group on Competition Policy as well as the Joint Government-Private Sector Committee of Experts on Electronic Commerce. The Government is also dedicated to providing leadership on other issues of importance to the FTAA process, in particular the engagement of civil society at both the hemispheric and domestic levels, trade-related environment and labour issues, and addressing the concerns and interests of the smaller economies in the negotiations.

With respect to Recommendation No. 13, it should be noted that the liberal trading regime recognizes the legitimacy and desirability of countries in setting the rules of international commerce and provides a preferable alternative to a power-based system dominated by states with the most economic and political clout. States are also better able to exercise greater influence over matters of public policy related to the effects of globalization from within a fair, rules-based system. Such public policy matters include issues related to economic growth through trade, as well as the social and political dimensions of trade including health, safety, environment, labour and culture. Clearly, a trade-reliant middle power such as Canada is best situated as an important contributor within a rules-based system that allows it to pursue growth through international economic integration, while maintaining full capacity to regulate in other areas of public policy.

The Government agrees with the Recommendation No. 7 that business facilitation remains a priority in the negotiations. The agreement on a number of business facilitation measures (including eight customs- and

