

Already, the link between what we have done trilaterally and the broader multilateral trade agenda has been a direct one. For example, on the issue of trade and environment, the discussions that have taken place in the GATT reflect our negotiating experience with the two NAFTA side agreements. In dealing with the ambitious agenda we face at the WTO, especially on newly emerging trade issues, the NAFTA could again provide a crucible for forging a new consensus and for developing new approaches as we seek to expand the boundaries of the rules-based trading system.

The precise nature of future international undertakings on these new "trade" issues is unclear. Issues underlying the relationship between trade and labour standards, trade and competition policy and trade and investment are something with which all nations are grappling. Although I shall not attempt to set out here all the policy choices that lie before us — in any event the international trading system is now too complex to be amenable to single policy prescriptions — we can commit ourselves to the principles that must guide us in shaping a new global economic order.

First, Canada does not support the use of trade sanctions to impose standards of conduct. This may be easy to understand in the Canada/United States context, where we fought hard against such a provision in the NAFTA side agreement negotiations. That position is just as applicable in the multilateral arena. Quite apart from the question of fairness, in a world that is becoming increasingly interdependent, where the one common denominator is adherence to a market-based system, the costs of authorizing any one country to use its economic muscle to impose its own standards are too high for all.

Second, we in Canada are mindful of the need to guard against the possibility that new rules can become a vehicle for new protectionism, unless they are carefully worded and unless they reflect a broad international consensus. In this respect, we are sensitive to the concerns of those countries — developing and developed alike — which fear that new rules may be aimed at erecting barriers to their exports.

Third, Canada does want to ensure that the rules of the multilateral trading system are complementary to, and not contrary to, the attainment of broader societal objectives. In the case of trade and environment, we are committed to the goal of sustainable development. With respect to trade and labour standards, we endorse the need for compliance with internationally recognized labour standards.

Finally, in developing national positions, we must involve all interests in our society — provinces and states, NGOs [non-governmental organizations], unions and the private sector.