

the Americas by 2005, the target set by hemispheric Leaders in their December 1994 Summit in Miami. The Chilean accession negotiation will take the true measure of the credibility of North American and particularly U.S. trade policy vis-à-vis Latin America. Whether the negotiations conclude in 1995 or 1997 (after the next U.S. presidential election), the Chilean case remains central to Canada's expanding hemispheric foreign policy.

Finally, the Paper looks beyond Chilean accession toward the next steps that should be taken along the road to the 2005 target date. In particular, the issue of how to create sufficient momentum is addressed. Part of the solution lies in further accessions to the NAFTA (with Colombia a possible next candidate on economic grounds). But the central relationship that will make or break the hemisphere-wide goal is that between NAFTA and the MERCOSUR countries, taken collectively or individually. In this regard, the substantive and technical pros and cons of four options are explored: the negotiation of an entirely new agreement that would replace the NAFTA and MERCOSUR; the negotiation of a separate bilateral free trade agreement by each NAFTA member with MERCOSUR; MERCOSUR accession to the NAFTA; or accession to the NAFTA by individual MERCOSUR countries (with Argentina the most obvious candidate, given Brazil's continuing hesitation about free trade negotiations with North America).

The Paper concludes that, while neither automatic nor problem-free, the successful construction of a hemispheric free trade area in the Americas is achievable and makes sense. Moreover, the task ahead would finally cement Latin America considerably nearer the centre of Canada's economic diplomacy.