practice regionalism can be a tool to achieve a positive end: growth and job creation.

The two processes, the multilateral and the regional, have often interacted, sometimes easily, sometimes with a certain creative tension, to improve overall access to markets. For example, the establishment and increasing scope of western European integration is the most ambitious and comprehensive example of the regional process at work. But the challenge of a more dynamic Europe has also encouraged others to deepen international trade and investment rule-making. To take another example, the agenda established at the launch of the Uruguay Round in September 1986 helped to shape the Canada-U.S. Free Trade Agreement (FTA) which in turn had a positive demonstration effect on the Round. This creative tension extended to the NAFTA and the final Uruguay Round package.

These mutually reinforcing efforts are salutory. They strengthen the pace of reform internationally. They lock-in domestic reforms that might otherwise suffer backsliding under pressure from local special interest groups unless underpinned by enforceable treaty obligations. And, consequently, they help to contain the unilateral impulses of the larger economies. Regional as well as multilateral efforts help to maintain the momentum for strengthening the rules-based trade and investment system.

The past ten years have witnessed other important efforts to build on regional strengths and opportunities in search of improved and more secure access in neighbouring markets. For example, proposals for enhanced regional integration in south-east Asia and recent efforts to deepen trans Pacific trade relations are important signposts.

Since the late 1980s, free trade activity in the western hemisphere has also sharply increased. For Canada, the first major step towards playing the regional trade and investment card came with the negotiation of the Canada-U.S. FTA, which entered into force in January 1989. There have also been important efforts to revitalize the Andean Pact, the Central American Common Market and the Caribbean Community. Mexico and Chile negotiated a free trade agreement that entered into effect in 1992 (the focus is primarily on the phase-out of import duties on bilateral commerce), while Mexico, Colombia and Venezuela have done the same (with their agreement becoming operative in January 1995). Other such agreements have also been completed or are under consideration. Amid this activity, two agreements in particular stand out, because each contains the promise of a much more ambitious hemispheric project: the North American Free Trade Agreement (NAFTA) and MERCOSUR.