If the international community, whether multilaterally or regionally, or (most likely) both, crafts new rules of the game for old and new issues alike, who will be our "friends in the game"? The important cooperative work done in the multilateral trade negotiations through the Cairns Group of medium-sized agricultural exporters provides a valuable lesson in this regard. A reasonably cohesive group of south-east Asian and Latin American exporters joined with Canada, Australia and New Zealand and ensured that the three majors heard another voice at the MTN table.

In fact, such Latin American and Pacific Rim players share many interests with Canada, including the hunt for improved and more secure access to Triad markets, the continuing importance of resource trade (including value-added processed products) for their economies (with Korea being the major exception in this regard), and a concern that emerging trade rules related to issues as diverse as competition policy, investment and the environment remain sensitive to the different structural characteristics of smaller, more trade-dependent economies. Moreover, these countries are also active players internationally and bring some leverage to the bargaining table in the form of dynamic markets of interest to exporters and investors from the Triad. Although the coalition building will inevitably vary with the specific issue under consideration, closer, more persistent and sustained cooperation with selected Pacific Rim and Latin American economies can only increase Canadian leverage both within the NAFTA and multilaterally, in pursuit of the ultimate goals of improving access to Triad markets and crafting balanced rules of the game that best reflect Canadian realities.

The logic of our new backyard also requires greater recognition with regard to the use of increasingly scarce financial and human resources. Asia Pacific has recently accounted for almost 30% of the trade development resources of the Department of External Affairs as well as 24% of the government's trade and economic relations staff at bilateral missions abroad. Given a better than average rate of return on PEMD funding, the dynamism of these markets, and the strategic requirements identified in this Paper, some increase in the share of resources available seems merited. But the greatest deficiency in the way we deploy our activities abroad is with regard to our presence in Latin America. With a very high PEMD rate of return, an economic dynamism beginning to match that in the Pacific Rim and an increasing willingness to forge closer trade and economic relations with North America, Latin America nonetheless received only 5-6% of the Department's trade development resources in the early 1990s and has just 12% of our trade and economic staff located at bilateral missions abroad.[32] Moreover, Asia Pacific and Latin America

[32] Griffith, "From a Trading Nation to a Nation of Traders", pp. 32, 44, 104-11; EAITC/MCBA.