

reduces the gains from NAFTA and results in the competitiveness of North American producers being harmed not only in the domestic market, but globally.

Having created a North American market, our governments need to allow businesses to reap its full benefits. If we continue to maintain outmoded practices, we are both forced into conflict, creating delays and inefficiencies that are mutually unprofitable and counterproductive.

Resolving these anomalies must remain the central priority. We have established trade remedy working groups with a mandate to outline possible solutions by the end of this year. We are engaged in more specific discussions with the United States over cross-border trade in grain, steel and lumber to see if tensions might also be defused on a sectoral level.

And more ambitiously, we are studying seriously how a more coordinated, continental competition regime might eventually supersede increasingly outdated national trade laws.

None of these solutions will be found overnight - indeed it is a moot point whether the unfinished business of trade agreements is ever really "finished." Such agreements by their very nature are living, dynamic entities which must continually keep pace with underlying economic change or risk obsolescence.

Nor is it clear that all the answers will be found at the regional level alone. As with so many other facets of international economic policy, we are coming to realize that many of the solutions to globalization must by definition be global in scope. All of which is to say that Canada remains committed to achieving concrete results regardless of the tools or the fora.

On a bilateral level, we can point to achievements such as the "Open Skies" regime for air travel between our countries and increased border co-operation. These successes give additional substance to the notion of an open trading relationship.

Although the pursuit of regional trade agreements might seem contradictory to an orderly expansion of the World Trade Organization, nothing could be farther from the truth.

Just as it is much more effective to deal on a "one-to-one" basis with a supplier who speaks your language or comes from your own town, it is simpler to work out a trade agreement along already established cultural or geographic lines than with 100 or more trading partners.

Such trade agreements can serve as signposts for the multilateral trading system, setting the sights for what can subsequently be achieved on a global basis. By the same token, the relationship