

vember 2002 was able to keep the process more or less on track with a tentative signing date announced for end-2004.⁸

In North America, the post-9/11 emphasis in the US on the "homeland" has paradoxically both thrown a spanner in the works of regionalism and stimulated discussion of the need to deepen the current NAFTA arrangements. In the trade/ economic context, the immediate priority has become the border measures implemented as part of upgraded security measures. However, as "secure trade" threatens to replace "free trade",⁹ concern about assuring access to the US market has given a new sense of urgency to the ongoing policy debate about NAFTA. Mexico is on record as wanting economic union by 2020. In Canada, there is no policy consensus but considerable discussion concerning the source of the puzzling counter-theoretical combination of massive expansion of bilateral trade yet diverging productivity and real wage trends in the context of a sharp relative improvement in macroeconomic fundamentals but persistence of an exchange value for the Canadian dollar well below its purchasing power parity. Some analysts see the preferred response as lying in deepening the free trade arrange-

⁸ Ministerial Declaration of Quito. Seventh Meeting of Ministers of Trade of the Hemisphere, November 1st, 2002. http://www.ftaa-alca.org/ministerials/quito/minist_e.asp. It nonetheless remains at least somewhat unclear how the FTAA would work in conjunction with the other regional RTAs, which differ amongst themselves in terms of depth and breadth—NAFTA, Caricom, Mercosur and the Andean Pact in particular. This patchwork quilt of RTAs is being further complicated by the flurry of bilaterals/regionals under discussion or active negotiation involving FTAA members.

⁹ This is the subject of a study by Carolyn Lloyd, "Is Secure Trade Replacing Free Trade?", in this volume. The interesting thing that is emerging in this research is that secure trade might well turn out to mean, perhaps counter-intuitively, free-trade, in the sense that the smart border initiative, which is based on risk management that allows low risk trucks to speed by while higher risk vehicles are subject to greater scrutiny, may actually be more efficient than the border arrangements which it replaced. This just might be shaping up to be a win-win positive story.