

- **Agriculture** — Negotiations resulted in a substantial, fair and equitable outcome, with the rules of international agricultural trade applicable to all countries. Agriculture around the world will gradually move towards more market-based price disciplines, and will eventually be brought fully into the GATT. The level of tariff protection applicable to Canada will allow effective maintenance of marketing boards. Nevertheless, new Canadian export opportunities have been created in several agricultural sectors.
- **World Trade Organization** — Canada played a leading role in GATT reform through promoting the establishment of a new WTO. The WTO will be central to the effective implementation of the Uruguay Round package, and will emerge as the common institutional framework for conducting international trade relations. The WTO will provide a critical forum for further multilateral trade negotiations and will administer the Settlement of Disputes, with its more automatic, speedier and binding Rules and Procedures.

NAFTA: The Unfinished Agenda

Although the governments of Canada, the U.S. and Mexico have approved NAFTA, the NAFTA agenda is incomplete. Work is still required to ensure the maximum benefit from our participation in the agreement. In particular, Canada will press its NAFTA partners to address outstanding concerns with regard to antidumping and subsidy/countervail matters through the two working groups established as a prerequisite for Canadian proclamation of the agreement. Canada will also work closely with our trading partners to oversee the implementation of the side agreements on the environment and labour cooperation.

The federal government will work immediately with the provinces and the Canadian business community to take full advantage of the increased market access opportunities provided by the liberalization of the U.S. and Mexican markets. Privileged access to these important regional markets is extremely valuable in its own right.

Canadian companies can, moreover, deploy their experience and success in the U.S. and Mexican markets to prepare themselves to diversify business linkages beyond North America. The improved economies of scale, product specialization and marketing experience they gain through increased exports to neighbouring markets can further their global competitiveness.

Finally, the Canadian government will actively explore the possibilities for further trade diversification generated through its successful introduction of an accession clause into NAFTA, potentially opening the agreement to other growing market economies. NAFTA expansion to other medium-sized regional trading partners would have the advantage of further balancing a trading arrangement where the U.S. remains the largest producer, trader and investor.

Targeting Bilateral and Regional Opportunities

Canada will also explore the possibilities for trade expansion and diversification through strategic bilateral linkages with individual national partners. Such relations can vary widely, from comprehensive trade liberalizing agreements to less ambitious pacts designed to share technology and know-how. Canada will maintain an open attitude to such options and will work closely with Canadian industry to explore potential opportunities.