

more structured, more plurilateral international economic order. It would also underline for those countries unwilling to move toward greater liberalization, that they risk being left behind in the wake of dynamic regionalism.

In short, a credible, dynamic, outward-looking NAFTA could be a powerful foreign policy message for the United States, Canada, and Mexico to send to other trading partners. Used constructively, the NAFTA could contribute to the goal of greater global — not merely continental — trade liberalization by setting in train an external, competitive dynamic to reduce tariff and non-tariff barriers worldwide; a building block — rather than a stumbling block — for the global trading system. Ultimately, it is to the multilateral trading system in general — and to the newly created World Trade Organization in particular — that we must look for the long-term future of free trade.

Indeed, in building a new rules-based international order, the new World Trade Organization and the NAFTA can reinforce each other. The first priority for the WTO must be to demonstrate results, to demonstrate that it can manage its own agenda, establish its own dispute settlement mechanism and prepare the way for the completion of the unfinished business of the Uruguay Round.

Trade and competition policy should be high on the work order of the WTO, as it must be in the NAFTA, but how quickly other issues, seen by some as trade related, are ready for negotiation must depend upon when, and indeed whether, broad common understanding can be elaborated and universally accepted. There remains the risk that, without such broad understanding, the result of any such initiatives would be simply additional vehicles for protectionism.

So what is to be done? Both of our countries have experienced intense and difficult debates about trade policy. Both have felt the dislocating effects of globalization. And yet, more quickly than most anticipated, both have arrived at a new crossroads. It is my sense that the NAFTA is in a somewhat precarious position at this time, one where it must either move forward — deepening its rules as well as broadening its membership — or risk slipping backward. Trade agreements are not static institutions, but changing, dynamic arrangements. Like bicycles, they thrive on momentum. With political will, we can create a new, more dynamic free trade agreement. With the right direction, the NAFTA can help to drive global free trade forward. The salient question is not so much where do we go from here, but do we have the collective resolve to move ahead?