

demonstrate a continued reluctance to cross the intellectual bridge (which is, perhaps, as much cultural as anything else) from practising an important degree of free trade to accepting a comprehensive, legally binding commitment with industrialized countries to enforce trade and economic disciplines.

For its part, the PRC has made impressive economic gains in recent years, but formalizing comprehensive trade and domestic economic liberalization in binding international agreements would demand a commitment that goes considerably beyond what the Chinese leadership has accepted to date, not to mention the potential political sensitivity in Canada and elsewhere in the West about forging direct, significantly closer bilateral ties with the PRC as long as it adheres to political totalitarianism. Moreover, the PRC has not yet even acceded to the GATT, although tentative steps in that direction are underway. A better option for Canada with respect to the PRC is likely to be found through seeking concrete market gains in a Chinese GATT accession negotiation.

Of the remaining APEC Asian countries, there is little indication that Japan is ready to cross the threshold and enter into a comprehensive APEC negotiation in the near future in which they would be exposed to a full court press from the U.S. with a chorus of others (such as ourselves and the Australians) supporting the charge. They appear to prefer managing trade through less transparent and more piecemeal bilateral discussions with the U.S. (although this approach may be gradually becoming less effective) and through informal, often private sector networks in the south-east Asian countries where they have created market, investment and technical assistance power and influence.

This leaves Australia, New Zealand, Taiwan and Korea, where the mind-set may well be more open. The first two are the beneficiaries of their own successful free trade agreement and were active proponents of trade liberalization in the MTN. For its part, Korea has indicated a willingness to make substantial, legally binding commitments in the MTN. Some policy makers in that country may be uncomfortable with Japan's informal regional dominance (history weighs heavily here) and could argue for even broader trans-Pacific engagement. In fact these countries, like a number of the Latin Americans including Chile, Argentina, and Colombia, 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 the major exception), and a concern that emerging trade rules related to issues as diverse as competition policy and anti-dump harassment and the environment remain sensitive to the different structural characteristics and political concerns of smaller, more trade-dependent economies. Moreover, these countries are also active players internationally. They