

with competition policy -- that have arisen through greater global integration. We shall also actively encourage means by which the new WTO, the World Bank and the IMF [International Monetary Fund] can co-ordinate their efforts to reach mutually reinforcing objectives. And we shall actively encourage the prompt accession of China, Taiwan and Russia to the new WTO, with all its rights and obligations.

An active, dynamic World Trade Organization will assist us in managing our economic relations with the United States and Europe, while preparing the groundwork for negotiating better access for Canadian exports to all major markets.

The fact remains that Canada's most critical economic relationship is with the United States -- which is the destination of over 70 percent of our exports -- and indeed with North America as a whole. To manage this relationship, Canada has a more comprehensive rules-based framework in the recently proclaimed North American Free Trade Agreement (NAFTA). This government's commitment to strengthening this framework is underscored by our successful efforts to establish NAFTA working groups that will strive to reform practices related to the inappropriate use of anti-dumping and countervailing duties.

Yet the NAFTA can provide a complementary tool for expanding opportunities for Canadian exports only if it remains fundamentally open to the world economy. What we do not want to see is a NAFTA that turns inward on itself, devolving into a form of continentalist, protectionist bloc. For this reason, we must focus our attention on the accession issue and underscore its importance as a means of strengthening trade and investment relations, not only within our hemisphere but across the Pacific for those Asian countries ready for a comprehensive economic partnership.

We want to see the NAFTA used dynamically to attract high-quality, committed partners -- partners that are prepared to open their markets and to play by the NAFTA rules; partners that take a constructive approach to international rule-making and that can provide further balance in a trading arrangement where the United States remains the largest producer, trader and investor.

Chile clearly is a case in point. Chile would be an excellent addition. Canada would welcome Chilean accession to the NAFTA. We are engaged with Mexico and the United States in identifying the criteria for extending the NAFTA to certain other Western Hemisphere countries.

The new WTO and the NAFTA are not the only tools available to Canada to expand our trade relations beyond North America. Another approach could be to explore the prospects for negotiating a range of bilateral trade arrangements with selected high-growth economies overseas. Such a policy would in no way compromise our existing and vital relationship with the United States -- the goal is not to increase Canada's sovereignty