

limited by the absence of a more structured process aimed at achieving a balance of concessions and benefits.

I hope that we can reach agreement at the APEC summit in Osaka in November on a package of concrete steps, to be taken collectively, towards our common goal of free trade. Canada has no objection to individual economies presenting unilateral gestures on liberalization at Osaka. Indeed, such actions may be of some limited help in building confidence and momentum, but taken alone unilateral actions fall short of what leaders agreed at Bogor.

To be viewed as credible, this year's APEC summit must at minimum agree on a timetable to commence negotiations on a meaningful package of measures leading to regional trade liberalization as well as trade facilitation. As chair of APEC in 1997, Canada will be well placed to follow up on any such undertaking from Osaka. Canada and Australia have much to gain from the success of APEC. We both agree that progress of a substantive and demonstrable nature is essential at Osaka. I look forward to our continuing collaboration with Australia as we move towards our common objective.

An increasingly central issue now is how long Europe - or at least the key economies in Europe - can remain outside this dynamic interplay between Asia and the Americas. Already there are signs that Europe feels itself in danger of being isolated by events outside its borders; hence its recent overtures to explore ways of establishing a closer economic association with Mercosur beyond that offered by the new World Trade Organization.

From a Canadian vantage point, now that Canada has committed itself first to free trade with Latin America and later to free trade with much of Asia, the continued existence of barriers to trade with Europe seems increasingly anomalous. This is especially true since Europe represents an important trade partnership - a partnership, moreover, defined not simply by the traditional exchange of goods and services but by an increasingly intricate web of transatlantic investment and technology.

It is clear that regionalism has helped push the trade agenda forward in a manner and at a pace not easily achieved in the traditional GATT framework, but at some point it is reasonable to ask where all of these disparate paths are leading. Does the rapid expansion of NAFTA, APEC and the European Union signal the triumph of regionalism? Or is expansion itself a sign that the regional blocs must ultimately build toward a more comprehensive trading order? Are we coming to the realization that global firms operating in global markets will sooner or later need global rules? Can we all move further and faster toward free trade - and maintain the dynamic of competitive liberalization -