

by a collective commitment to deeper levels of free trade: the nucleus of a new global GATT-plus. The underlying idea would not be to replace the existing multilateral system — still less to set up a discriminatory regional bloc — but to establish a coalition of countries willing to move further and more quickly toward the goal of trade and investment liberalization.

Why view the NAFTA as a building block for further trade liberalization in the Western Hemisphere? Because the original three NAFTA partners made a commitment to "open regionalism" — the idea that this agreement should be open to all countries prepared to accept its rules and disciplines. Through the accession clause, the NAFTA has the flexibility to incorporate additional countries individually or "groups of countries." Why not use the NAFTA as a bridging mechanism to all other free trade initiatives in the region — the G-3, the Andean Pact, and especially Mercosul?

Both Canada and Mexico have already signalled their desire to move quickly on NAFTA expansion in the Western Hemisphere. This position was highlighted at two recent meetings, which Prime Minister Chrétien had, first with the Chilean Minister of Finance and Trade, Eduardo Aninat, and subsequently with Mexican President-elect Ernesto Zedillo. Although it is critical to get Chilean accession right, there is no reason why, in time, all countries that agree to abide by the NAFTA rules and disciplines should not be welcome in a free trade area. The only "acid test" of membership should be a commitment to submit to the disciplines of genuine free trade and a willingness to work together to push the trade and investment agenda forward.

Such an evolution of the NAFTA could in turn have implications far beyond the hemisphere. It would show other countries that refuse to address our market access and market reform objectives that, in addition to our prime commitment to the new World Trade Organization, this hemisphere has a long-term strategy and a clear policy direction.

As most would agree, trade liberalization and domestic economic reform go hand in hand. And nowhere in the world is the drive for economic reform and liberalization more vigorous and more revolutionary than in this hemisphere. Brazil has recently provided a good example of this trend, and the recent election of Fernando Henrique Cardoso bodes well for the future.

Faced with a clear choice in last month's elections, between integrating into the world economy — with all its challenges and opportunities — or withdrawing into a predictable, but shrinking national cocoon, Brazilians chose to embrace the world. Anyone who believes in trade and economic liberalization must feel, as I do, that this election marks a major step forward for Brazil.