
system over the past 50 years, a conviction reflected in the fact that the foundation of the WTO was a Canadian proposal that enjoyed all-party support. Canadian vision, based on a broad consensus at home, thus made a major contribution to the way the world will carry out its commerce in the future.

Looking ahead, we will engage actively in addressing new challenges. In part, this requires concluding the supplementary negotiations, already envisaged under the aegis of the WTO, on government procurement and on trade in certain services. As well, we are ready to meet the challenge of moving beyond the current agenda. We will, for example, promote careful analysis, now underway in the WTO, on how to increase the compatibility of international trade and environmental obligations and policies where these overlap and conflict. We will initiate the careful groundwork needed to establish the next round of trade and investment liberalization upon which Canadian prosperity depends. We will also promote work at the Organization for Economic Cooperation and Development (OECD) and the International Labour Organization (ILO) on the relationship between internationally recognized labour standards and the multilateral trading system.

Strengthening economic ties with Europe.

- Our mature trade and economic relations with Europe continue to be of great importance. We will ensure that they are supported at the bilateral level, especially with our major partners. However, we will devote particular attention to the EU, which is increasingly exercising jurisdiction in areas of interest to Canada. The Government will review how to build on the results of the recently implemented multilateral trade negotiations to deepen further trade liberalization with the EU. In consultation with the business community, we will carefully explore the possibilities of reducing or eliminating barriers to trade between Europe and North America for the full range of Canadian export interests (particularly agricultural exports), including through a free trade agreement between the EU and NAFTA.

Building relationships in new markets.

- **Asia-Pacific**
 - The Government intends to pursue actively APEC's call for freer trade in the Pacific Rim region in the decades ahead, and is prepared to participate in phasing out barriers to trade within APEC. Key economic challenges include the need to liberalize practices that have distorted investment flows across the Pacific,