

and France). These are the world's dominant economies whose actions determine, to a large extent, the direction of the global trading system. The United States remains Canada's primary partner in all areas of economic activity described in this Paper. The other major players have become increasingly important as sources of investment capital in Canada. At the same time, Canada's interests do not always converge with those of several or all of its Quadrilateral partners, for example, with regard to the urgency of reforming the anti-dumping practices of governments, the use of agricultural export subsidies, or the nature of the relationship between trade and environmental and labour standards and their enforcement.

On the other hand, some of the most important economies of the Pacific Basin and Latin America are of growing importance in achieving Canadian trade policy objectives. These are countries which have both important economies and an increasingly strong commitment to a rules-based international trading system rooted in their own national interests. The list of these countries includes: Mexico, Chile, Brazil, Argentina, Colombia, South Korea, Australia, New Zealand, Indonesia, Singapore, Malaysia and Thailand. It is not coincidental that many of these nations are becoming increasingly important economic partners for Canada.

While the focus of much of our trade policy efforts is on the Quadrilateral grouping, we should continue to give increased consideration to working more closely with countries from this second list on an issue-specific basis. Many of them have proven to be good allies on trade policy issues where our interests coincide. During the lead-up to the launch of the Uruguay Round of multilateral trade negotiations, several of these countries worked closely with Canada in Geneva to emphasize the importance of significant further liberalization in trade in resource-based products. More well-known and institutionalized, the Cairns Group on agriculture was another example of the MTN-related usefulness of alliances with these countries in pursuing Canadian trade policy objectives.

There are at least two potential forms of cooperation on trade policy issues with these other "middle powers". Canada can take the lead in forming coalitions of nations with similar interests to help achieve our objectives in WTO-related negotiations. We can also work on a bilateral level and regionally to build formal structures that will solidify and strengthen already existing economic relationships. Extending the NAFTA accession process to South America, and possibly across the Pacific, would be one way that this might be accomplished. Other avenues we should pursue on a complementary basis include the 2010/2020 free trade vision endorsed by leaders of the Asia Pacific Economic Cooperation (APEC) forum in November 1994 and the 2005 target for establishing a free trade Area of the Americas agreed to during the Miami Hemispheric Summit held last December.