

Argentina. Not only do the agreements protect investors, they also provide efficient access to markets. Why not now move toward an integrated hemispheric investment regime based on the NAFTA model?

Why NAFTA as the building block? 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 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 the Mercosur?

NAFTA accession also offers entry into an open, dynamic, high-quality agreement that is already in place — no small advantage given the protectionist forces currently arrayed against further trade liberalization in the United States. Not without scars, Canada has run the gauntlet with U.S. negotiators twice in the last five years — and we are the United States' largest trading partner. I leave it to your imagination to guess how a Chile or an Argentina, standing alone, would fair against an increasingly restive and protectionist U.S. Congress.

As for the three existing NAFTA partners, broadening the Agreement offers more than access to growing markets. It offers new partnerships and new alliances to tackle the hard trade issues of the future, as well as a more balanced negotiating framework within which to achieve these goals. Some have argued that the NAFTA should be deepened — and existing problems ironed out — before broadening is contemplated. I would argue that the broadening and the deepening of the Agreement go hand in hand.

Both Canada and Mexico have already signalled their desire to move quickly on NAFTA expansion in the Western Hemisphere. While 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. Nor is there any reason to limit this expansion to the hemisphere. The accession clause of the NAFTA does not speak of "Western Hemisphere countries" but simply of "countries or groups of countries." For their part, Singapore, Australia, Pakistan and New Zealand, among others, have expressed an interest. The only real "acid test" of membership should be a commitment to submit to the disciplines of the Agreement 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 World Trade Organization, this hemisphere has a long-term strategy and a clear policy direction. It would demonstrate that we at least are committed to