

this is more than merely a semantic change. It will reflect real progress made toward hemispheric free trade within 10 years. What underpins this overall strategy – deepening the rules as well as broadening the membership – is the central idea that only by moving forward will NAFTA remain a building block, rather than a stumbling block, for eventual global free trade.

The dynamic we have created with NAFTA – and now with the Western Hemisphere free trade area – was one of the factors that led to the APEC initiative. Yet here too regionalism is developing its own momentum. APEC's commitment to trade liberalization in Indonesia last November is nothing short of revolutionary: free trade between the United States and Japan in 15 years; free trade between the United States and China in 25. Indeed, the very dynamism of the Asian economies gives APEC a special significance. This region has become the focal point of immense shifts in the global economy. Beyond the continued and rapid growth of Japan and the "Asian Tigers," the region is the cradle for the emergence of two enormous and hitherto closed economies: China and India. More quickly, I suspect, than most realize, their emergence will send shock waves through the global economic system – shock waves that will need to be managed and ultimately absorbed, principally through membership in the new World Trade Organization but also, at least in the case of China, through membership in APEC. This will make the Asia-Pacific region, almost by definition, a key arena in which the trade policy issues of the future will be played out.

APEC is important too because it bridges both sides of the Pacific. Although some may question the ability of two and potentially three economic superpowers – the United States, Japan and China – to co-exist within the same bloc, APEC has the potential, if managed properly, to provide an interface between the two continental economies. It can act as a geopolitical buffer reducing the possibility of creating a fault line through the Pacific by regional integration within Asia or by the extension of free trade throughout the Americas. This role is not unimportant to Canada given our significant interests on both continents. Here too our goal is to keep the momentum building, to push for a broadening and deepening of the architecture, and to ensure that the collective focus is outward and expansive.

This will not be achieved, however, solely by good intentions. A process is required. It is clear that a challenging task lies ahead of us. It is essential for APEC members to take meaningful steps now to meet the goal of free and open trade in APEC.

I know there are differences of view on how best to proceed but Canada would be concerned if we allowed the fulfilment of the collective APEC commitments to be left to individual or unilateral actions alone. Past experience suggests that the prospects for success through such an approach will inevitably be