

mechanism was a Canadian idea launched in 1990).

On the other hand, this "big league" approach, while central, is no longer sufficient. Additional active countries have come forward, while since the mid 1980s the dynamism of international trade and investment rule-making has flowed as much from regional reform efforts toward the WTO/OECD/Quadrilateral world as the reverse. Trade and investment opportunities are emerging in the Americas that appeared to be pipe-dreams just ten years ago. Moreover, and just as importantly, several Latin American countries seek further clear, balanced and enforceable rules of the game that often coincide with Canadian views and will help to enhance and secure our access in the other Quadrilateral markets. In this regard, for example, the management of economic relations with the U.S. is no longer solely a matter for intense bilateral efforts underpinned by hard work multilaterally in the WTO in Geneva. The broader hemispheric neighbourhood, that ten years ago was frustrating as an export market and irrelevant to managing our relations with the U.S., has now unmistakeably "arrived".

This Paper will: (a) review how the international trade policy context has changed in recent years; (b) discuss the continuing vitality of regional initiatives; (c) outline the possible direction of Canada's new hemispheric trade policy; and (d) identify and review a number of techniques for achieving a freer trade and investment system in the Americas.

2. Backdrop

Over the past ten years, the world has undergone stunning, fundamental change. Perhaps most spectacularly, the end of the Cold War has forced a radical reinterpretation of the meaning of security, while also removing a major ideological barrier to the further integration of the world trade and payments system. The stark demythologizing of central planning and the so-called workers' state has combined with the at best mediocre gains generated by import substitution policies in many countries compared to the relative success of those régimes that wagered heavily on export growth and the careful management of domestic fiscal and monetary fundamentals. The balance sheet - while inevitably replete with nuances - indicates more clearly than ever before the substantial merits of the competitive market-place for sustaining growth.

Persistent economic and social failure in some countries, especially in sub Saharan Africa and in Haiti in the western hemisphere, and the deterioration of income