

send a strong signal to the world that we believe it important to complete the Round quickly, and make it clear that we will send our negotiators back to Geneva this month with renewed vigour and flexibility.

There are tough obstacles and hard decisions ahead for us if we are to get the comprehensive, balanced and substantive result that we all know will be good for our own countries, for the Asia-Pacific region, and for the world as a whole.

For those of you who think that trade negotiations are interminable, let me say that they can indeed come to an end. Hard work, political will, and a fundamental commitment to trade liberalization are the ingredients needed to bring a negotiation to a conclusion. And that is how we achieved the major trade liberalizing arrangement between Canada, the U.S. and Mexico.

The NAFTA, involving two developed nations and a major developing country, represents a significant step forward in the global trade system. It strikes another blow against protectionism and will strengthen the concept of open regionalism that is so much a part of this Asia-Pacific community of ours.

The central feature of the NAFTA is the reduction of trade barriers within North America. I know that certain media reports, including some in this region, have interpreted this to mean a move toward a "fortress North America." As I said on Saturday in Kuala Lumpur, building a trade bloc was not our intent going into the negotiations, nor has it been the result. Frankly, an economy the size of Canada, with our global export interests and our reliance on trade for growth, cannot afford to be part of an inward-looking trading arrangement.

The NAFTA is clearly different from the European Community's common market. The Community has eliminated internal trade barriers but has established a common external tariff and is moving toward common internal regulations covering goods, services, capital and people. The three NAFTA members will maintain existing import regimes with our other trading partners. There will be no comprehensive harmonization of internal regulations -- economic, social, cultural or otherwise. Such harmonization would be quite unacceptable, certainly to the people of Canada.

I know there are also concerns that NAFTA could lead to some trade diversion. I don't think any one of us here could claim that regional trade arrangements will not in any way alter existing trade patterns. But nor can one easily link changes in trade flows to regional trade arrangements, given the wider process of globalization under way in the business community.