

NEW PARTNERSHIP

During the visit of President George W. Bush to Canada on November 30 to December 1, 2004, the Prime Minister and President committed to deepening cooperation in North America and in the world. They agreed to work bilaterally to address Canada-U.S. priorities and to continue close cooperation with Mexico on issues of trilateral importance. They also announced a "new partnership" to lay out an agenda designed to increase the security, prosperity and quality of life of citizens on both sides of our border. On March 23, 2005, the NAFTA leaders met in Waco, Texas and announced the Security and Prosperity Partnership of North America, which builds on the New Partnership Initiative and constitutes a trilateral effort to increase the security, prosperity, and quality of life of North Americans. This work will be based on the principle that our security and prosperity are mutually dependent and complementary, and will reflect our shared belief in freedom, economic opportunity, and strong democratic values and institutions. It will also help consolidate our action into a North American framework to confront security and economic challenges, and promote the full potential of our people.

The New Partnership agenda is composed of four pillars: security, prosperity, quality of life, and beyond North America. The security pillar deals with objectives such as improving intelligence gathering, border security, infrastructure and NORAD (North American Aerospace Defence Command) renewal. The prosperity pillar calls for joint approaches to partnerships, consensus standards and smarter regulations and for stepping up efforts to liberalize NAFTA rules of origin. The quality of life pillar covers environmental and public health cooperation, while the beyond North America pillar deals with Canada-U.S. collaboration on issues such as counterterrorism, democratic institutions, humanitarian crises, infectious diseases and multilateral cooperation, including working toward the early completion of an ambitious Doha Development Round.

Through the New Partnership, Canada and the United States will continue their joint efforts on the Smart Border Accord to secure the safe movement of people and goods within North America, keeping our border open for business but closed to terrorism. The Government of Canada is committed to striking the right balance between ensuring effective border security and facilitating the cross-border flow of low-risk goods and services.

The Prime Minister and President also agreed to expand economic opportunity by making businesses more competitive in the global marketplace. Today's economy increasingly reflects a model where design and production are managed on a global platform and where imports, driven in part by direct investment abroad, are critical inputs to exports. Given the integrated nature of industries, Canada and the United States must work together to reinforce North American competitiveness in this new economy.

As one step in reinforcing this competitiveness, Prime Minister Martin and President Bush agreed that officials should work together in developing standards and regulations to promote greater efficiency and competitiveness, while enhancing the health and safety of our citizens.

The two leaders also agreed to accelerate efforts to reduce rules-of-origin costs on goods trade between the two countries. NAFTA has established a strong foundation for work in this area. At the July 2004 NAFTA Commission meeting, ministers endorsed a rules-of-origin liberalization package covering a broad range of food, consumer and industrial products affecting approximately US\$20 billion in trilateral trade. Canada and the United States implemented the package on January 1, 2005, while Mexico's implementation is expected early this year. Work is well under way trilaterally to explore the scope for agreement on a second group of liberalized rules of origin to be implemented in January 2006 in sectors such as chemicals, pharmaceuticals, plastics and rubber and motor vehicles.