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US accounts for 65% of foreign direct investment in Canada. As such, good management of that relationship is our overriding priority. Much of what we do bilaterally, regionally and internationally, relates directly to the management of that special relationship. Careful account must be taken of both the real differences and the considerable similarities between the interests of the two countries. Canada-US relations are based on common values and myriad economic transactions that underpin mutual prosperity. Yet differences of view do arise in such an intense, multifaceted relationship. They are differences between sovereign partners, acting as equals within that relationship.

Consequently, the Government plans to secure and enhance our economic partnership with the US in a variety of ways. We will deepen and broaden NAFTA by negotiating further reductions in trade and investment distorting practices and by expanding NAFTA membership to other countries in the hemisphere, starting with Chile.

More generally, we will continue to work hard to encourage outward-looking and cooperative US economic policies, for example, by advancing trade liberalization in our hemisphere through NAFTA expansion and by encouraging the work now underway on a Free Trade Agreement of the Americas; by intensifying the scope of continental environmental cooperation; by encouraging creative US engagement in the prompt and dynamic launch of the new WTO; and by strengthening the trade and investment links being developed through APEC. Engaging the US constructively on these and other international issues not only assists in managing our bilateral relations where we have differences of view, but also permits both countries to cooperate with greater international impact in the many areas where we have similar policy objectives.

We will accelerate efforts to manage sectoral irritants through an active advocacy program in Washington, D.C., the recruitment of like-minded allies in the various regions of the US and the encouragement of sectoral partnerships between the private sectors of the two countries. Moreover, we will encourage provincial governments and parliamentarians to be more fully involved in this work through a more structured sharing of information and a coordinated design of advocacy programs.

*Working towards an open international trading system.*

- Multilaterally, we will accord the highest priority to the full and effective implementation of the WTO. Our intra and inter-regional efforts will all have as their objective the reinforcement of the global trading system. We are deeply convinced of the great economic benefits that we, as a nation, have derived from this