

tariff is finally ending, and to get on with more pressing business.

Even with an ambitious WTO work program, regional agreements will remain a central feature of our economic landscape. The point is that regionalism and multilateralism do not have to be irreconcilable. Bilateral, plurilateral and regional deals are necessary to resolve many of the complex issues and relationships associated with deeper integration, which cannot yet be tackled directly in the WTO itself. At the same time, a strong multilateral architecture is necessary to provide coherence to the system as a whole and to prevent regionalism from spinning out of control. The key is to ensure that regional arrangements build upon the multilateral system - providing deeper levels of rule making - without acting as alternatives. They must be trade-creating, not trade-distorting. And they should be fundamentally open to any country prepared to accept deeper levels of discipline and integration. In other words, regionalism should be multilateralized whenever possible.

We also need to focus on the question of how the various blocs interact and how, when rules and structures overlap, common threads might be drawn together. Is there potential for new kinds of trans-regional arrangements that can provide bridges between the blocs - what I have described elsewhere as a form of WTO plus? Already a step has been taken in this direction with the decision to negotiate a high quality investment agreement in the OECD. Similarly, deeper integration in areas such as standards, telecommunications, or competition policy could prove more manageable in a transatlantic context. We are perhaps reaching a point in economic relations where geographical proximity is becoming less salient to economic integration than structural symmetries. We are also reaching a point where rule making will concentrate increasingly on the deeper co-ordination of government policies and regulations - a process which, in theory, does not imply preferential relationships so much as harmonized relationships. Should we be examining how agreements of this type might be incorporated better into the WTO system?

Regionalism should not be an end in itself; it should contain the seeds of its own destruction. Although regionalism is helping to push the trade agenda forward in a manner and at a pace not easily achieved in the traditional multilateral framework, it is worth asking ourselves where all of these disparate paths are leading. Perhaps the rapid expansion of the NAFTA, APEC and the EU does not signal the triumph of regionalism. Perhaps expansion is a sign that regional blocs must ultimately build towards a more comprehensive regime. Perhaps we shall wake up in the middle of the negotiation of a Multilateral Agreement on Investment or an APEC and realize that we are already launched on the next Round - or whatever it will be called. The fact remains that global firms operating in global markets sooner or later