
Canada-United States Trade Negotiations

On March 18, 1985, Prime Minister Mulroney and President Reagan agreed in the Quebec Declaration on Trade in Goods and Services:

- to give the highest priority to finding mutually acceptable means to reduce and eliminate existing barriers to trade in order to secure and facilitate cross-border trade and investment flows;
- to revitalize the unique Canada-U.S. economic relationship through the creation of greater predictability and confidence for Canadians and Americans alike so that entrepreneurs can plan, invest and expand their operations both domestically and in each other's markets;
- to support the multilateral trading system and a new round of multilateral trade negotiations.

Last September, the Canadian Minister for International Trade, Mr. James Kelleher, and the U.S. Trade Representative, Mr. Clayton Yeutter, recommended that broad bilateral trade negotiations be pursued. On September 26, the Prime Minister announced in the House of Commons that, concurrent with efforts to initiate a new round of multilateral trade negotiations, the Canadian Government would propose to the U.S. Administration, in accordance with U.S. trade law, that the two countries jointly explore the scope and prospects for a new bilateral trade agreement. Canada formally proposed such negotiations on October 1, and on December 10, President Reagan forwarded to Congress the Administration's formal notice of intent to negotiate an agreement with Canada. Congress has sixty legislative days in which to consider the notice of intent. This means that negotiations could begin early in May.

On the Canadian side, preparations are actively under way. A senior and highly experienced official, Mr. Simon Reisman, has been appointed Ambassador and Chairman of the Preparatory Committee for Trade Negotiations and will lead the negotiations for Canada. Canada's First Ministers met in Halifax last November 28-29 and reached an agreement which will permit the preparatory work and negotiations to be carried out with full federal-provincial consultation and co-operation. The Canadian Government has also established an International Trade Advisory Committee System, similar to the U.S. Industry Sector Advisory Committee system, which will provide a two-way flow of information and advice between the government and the private sector on international trade matters. States will be sitting down to negotiate trade questions. In all multilateral trade negotiations, the Canada-U.S. negotiations are the most important. Furthermore, our two countries concluded a bilateral trade agreement in 1935. This agreement was expanded in 1938 and the principles underlying the Canada-U.S. agreement was instrumental in laying the foundations for the post-war multilateral trading system. Once again, when Canada and the United States sit down to negotiate, they could lead the way and demonstrate to the world that trade liberalization is to the advantage of all participants.

The Canadian Government is pursuing a multi-dimensional trade policy. Simultaneous pursuit of bilateral negotiations with the United States and multilateral negotiations bears testimony to this. The Canadian Government wishes to increase trade not only with the United States but also with all Canadian trading partners worldwide. The Canadian Government considers bilateral trade negotiations to be a joint objective and of mutual benefit to both countries. A stronger North American economy leads to more investment, more jobs, higher real incomes, lower consumer prices, lower costs of production, and increased global trade.