

Question:

Mr. Chairman, my name is Jim Stevens. I have a question about the work that's being done on the removal of non-tariff barriers, specifically with respect to the financial services sector. We have achieved, as a result of the bilateral agreement, equal national treatment for players and combinations within our financial services sector but we haven't achieve reciprocity. Could you give me some sense, give the group some sense, of the priority that you might assign to removing the non-tariff barriers as they affect our Canadian financial services sector and their opportunities in the United States?

Answer:

I think it was recognized in the course of negotiations that you are not going to get reciprocity in every area of the Agreement. You are quite right, the financial services sector is not one that has reciprocity. As you described, we have national treatment in the two countries. The national treatment, of course, does provide that in the case of the United States as further liberalization takes place the Canadian firms who are involved in the financial services sector will be able to take advantage of the same benefits American companies will take.

There is also in the Agreement established an ongoing mechanism for further consultation and discussion on financial services issues between the Department of Finance and the U.S. Treasury and that issue is still enjoined. I can't give you very much detail on what progress is being made but I guess I would have to say that it is not being pursued quite simply on the basis of reciprocity since we know that that is not an avenue that would be conducive to progress.

Question:

My name is David Ashley. I'm from Douglas College and I would like to take this opportunity to thank you for inviting us today. My question to you is, have there been any formal negotiations with Japan or any other Pacific Rim countries as far as free trade goes with the Canada-U.S. relationship and will they get first crack at having some sort of trade set up after the Canada-U.S. one has got off the ground?

Answer:

Canada has always pursued its trade policy on a multi-lateral basis and, of course, we've been very prominent in the current Uruguay round of multi-lateral trade negotiations. So, that still remains our first and preferred option in terms of moving forward on trade liberalization. We recognize that in the case of the Canada-U.S. relationship, there were possibilities, that we could move forward in that bi-lateral sense in ways that provided a model, but also in ways more specific than we would be able to achieve in the multi-lateral round. I would want to emphasize that the main push with the conclusion of the FTA is back to the current round of the multi-lateral trade negotiations.

To answer your question specifically, we have not engaged in any discussions with Japan or any other country for an extension of the FTA's provisions. In the United States there have been a number of studies done about the possibility of an agreement with Japan or the possibility of an agreement with Asian countries. Mexico has also been mentioned. In the case of Canada, I think it's fair to say that the economy of Japan and the economies of other countries are ones where it would be more difficult to come to a satisfactory bilateral agreement than, although God knows it was difficult enough in the case of the United States. So, there is no current plan to move forward bilaterally with other countries. We will want to gain the experience that the Canada-U.S. Agreement provides and to see what gains that we can make multi-laterally in the Uruguay round of the trade negotiations before we venture any further afield.

Question:

David Hayden from Seattle First National Bank. I would preface my question by telling you a little experience I had when I crossed the border into Canada yesterday and the official wanted to know where I was from, and where I was going. When I said it was to attend this conference, she squinted her eyes and said, "Are you going to participate in any way?" I thought it was a curious question, so I hesitate to speak!

But I would like your comments on the importance, if you see any, of having both governments encourage joint ventures. A good many of our clients in Washington State are interested in joint venturing with Canadian companies and I think that Canadian companies could bring a lot to the party