

## **TEXT OF REPORT BY THE MINISTER FOR INTERNATIONAL TRADE TO THE PRIME MINISTER**

My Dear Prime Minister,

The March 18 Quebec Declaration on Trade in Goods and Services charged United States Trade Representative Clayton Yeutter and me to chart all possible ways to reduce and eliminate existing barriers to bilateral trade and to report to you and the President of the United States within six months. We have met several times in the interim and our officials have worked closely together.

I have now concluded that the time has come to explore more directly with the United States Administration the scope and prospects for a new trade agreement. We should advise the Administration of our intentions as early as possible to enable the Administration to consult with Congress and the private sector. I would envisage exploratory negotiations beginning early in 1986. I would see the period between then and now as providing an opportunity to continue consultations with the provinces, private sector and labour. Should negotiations start in January, your next meeting with the President in the spring of 1986 would provide an opportunity for a more definitive report on the nature and prospects for an agreement.

I see the broad objectives of such negotiations from Canada's perspective to be:

- to save jobs in the short term and create jobs in the medium and long term.
- to create a stronger economy in all regions of Canada.
- to stimulate balanced growth and job creation throughout the nation.
- to allow all Canadians to share in the benefits of this national effort.
- to strengthen the economic basis for our cultural objectives.
- to secure and enhance our access to the U.S. market by enshrining a better set of rules whereby our trade is conducted.
- to develop a more predictable environment for trade and investment.