

News Release

Minister for
International
Trade



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INTERNATIONAL TRADE MINISTER CROSBIE COMMENTS ON THE FREE TRADE AGREEMENT

International Trade Minister John C. Crosbie today outlined the Government's view on the first year of the Free Trade Agreement and released two reports.

In releasing a detailed chapter-by-chapter report on the implementation process, Mr. Crosbie stated that implementation of the Agreement is proceeding in an orderly fashion.

"The legislation, regulations, processes and institutions are now all in place; tariff cuts have been made on schedule; we have expanded the provisions for temporary entry of business visitors; the technical working groups are up and running; and we are preparing for negotiations on subsidies and trade remedies which will build on current multilateral discussions."

The Minister noted that isolated trade disputes continued between Canada and the U.S. in 1989, but the new dispute settlement process now ensures these disputes are settled in a timely and effective manner. "While these disputes get a lot of publicity, they only account for about one per cent of our total \$200-billion worth of bilateral trade," Mr. Crosbie said.

He also expressed satisfaction with the 1989 agreement to accelerate the elimination of tariffs on 400 items covering approximately \$6 billion worth of bilateral trade.

Mr. Crosbie noted the enthusiastic response of small and medium-sized firms to the Government's expanded U.S. market development program, with more than 10,000 firms expected to participate during the 1989-90 fiscal year. He urged other potential Canadian exporters to take advantage of these programs.

The Minister also released a study by the consulting firm, Informetrica. He concurred with the independent consultant's conclusion that it is too early to make a definitive assessment of the economic impact of the agreement.

Mr. Crosbie stated the Canadian economy is adjusting well to the many forces of change, including the Free Trade Agreement.

"Recently received figures for job creation in the past year indicate that 193,000 new jobs were created for Canadians in 1989. We don't have annual figures for investment yet, but investment in non-residential construction, machinery and equipment is up 12 per cent for the first three quarters of 1989 over the same period last year. And, as Statistics Canada announced on Wednesday, Canada's balance of trade for November was back in the black, with a surplus of \$679 million.

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