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AM-Cda-U.S.-Trade, Bgt

Canada to proceed with trade deals despite U.S. setback

By Robert Russo

WASHINGTON (CP) - Canada's effort to sign bilateral trade deals in Latin America will proceed undeterred by the failure of the Clinton administration to win congressional authority for accelerated hemispheric free trade talks.

"Canada does not intend to allow a delay in securing fast-track to slow our own agenda to further trade liberalization in the Americas," Trade Minister Sergio Marchi told a U.S. business audience Thursday.

President Bill Clinton withdrew a bill from the U.S. Congress this week that would have given him fast-track authority.

The bill was headed to certain defeat after most of Clinton's fellow Democrats in the House of Representatives said they would not support the legislation.

Fast-track authority would have allowed Clinton to negotiate trade deals in Latin America without concern that they would be re-written by Congress.

Marchi said Clinton's failure to secure fast-track authority from the U.S. Congress would not be "a fatal blow" to efforts to establish a hemispheric free trade zone encompassing North, South and Central America.

But it is unlikely that any country would risk negotiating trade deals with the United States if there is a chance that the deal would be picked over by the U.S. Congress.

"Canada needs an America that looks outward, not inward," Marchi said.

The Latin American market is too important to Canadians to wait for the U.S. to settle domestic squabbles over fast track, Marchi said.

"The growth is there. The opportunities and partnerships are there," said Marchi. "By the year 2000, this region will have a population of nearly 500 million and a GDP of \$2 trillion."

While Canada insists it will press ahead, increased trade between North and South America depends to a large extent on U.S. leadership in the fight to drop trade barriers.

The Americans have led the charge to lower tariffs around the world since the 1930s.

Marchi met with U.S. Commerce Secretary Bill Daley and U.S. Trade Representative Charlene Barshefsky to gauge the Clinton administration's willingness to pursue fast-track authority.

Daley told a luncheon meeting of Canadian businesswomen the fast-track bill would be re-submitted to Congress, likely next year.

"The business that Canada and the United States do together will stand as a very important model," Daley said. "We must continue to set that model for the rest of the world."

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