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Marchi chides U.S. for free-trade setback

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Says Canada will keep chasing Latin deals

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WASHINGTON — Trade Minister Sergio Marchi says he doesn't need the United States to pursue Canada's free-trade ambitions in Latin America.

President Bill Clinton's failure to win fast-track trade negotiating powers from Congress this week won't knock Canada off its own game plan, Mr. Marchi assured about 150 members of the U.S. Chamber of Commerce in Washington yesterday.

"Canada does not intend to allow a delay in securing fast-track to slow our own agenda to further trade liberalization in the Americas," Mr. Marchi said, straying from an early draft of his speech.

"... The global economy is becoming increasingly interconnected and we do not intend to watch from the sidelines."

Ottawa is negotiating a trade and investment co-operation agreement with the Mercosur trading bloc — made up of Brazil, Argentina, Paraguay and Uruguay — and hopes to have a deal as early as January. Last year, Canada and Chile signed a full free-trade agreement, modelled on the North American free-trade agreement.

Mr. Marchi chided the Americans for missing lucrative trade opportunities in their own backyard while the European Union is "very aggressive and engaged" in trade talks with Mercosur.

More importantly, he warned that the signing and implementation of a sweeping free-trade area of the Americas (FTAA) deal will be delayed unless the Clinton administration can regroup and secure fast-track by next April. That's when the 34 North and South American leaders are due to kick off the hemispheric free-trade talks at the Summit of the Americas in Santiago, Chile.

"You will not have 33 countries ne-

gotiate twice" with the U.S., he said. "They will obviously want to do it once and to do it right. It is not fatal to the start. It will get launched. But it hampers and delays the process, if in fact fast-track is delayed."

On Monday, Mr. Clinton, facing defeat, decided to delay the vote in Congress on the bill that would renew his fast-track negotiating authority, which expired in 1994. Fast-track authority allows the administration to enter new trade deals and then simply put those agreements to a yes or no vote in Congress. Without it, Congress can amend trade deals at any stage of negotiations. A vote on the fast-track bill is expected next year.

"We need to decide, collectively or individually, if we want to get in on with this [FTAA] request. . . . For Canada's part, we have accepted to go through that door," Mr. Marchi said.

Various U.S. officials, including Mr. Clinton, have pointed to last year's Canada-Chile free-trade deal as a key reason for granting fast-track authority. They have argued repeatedly that the deal gives Canadian companies, such as Northern Telecom Ltd., a leg up on U.S. rivals.

Mr. Marchi said one way to overcome resistance to free trade, in the United States and elsewhere, is by highlighting "the fiscal dividend" that flows from more open economies, including higher incomes, higher labour and environmental standards and more money for schools and hospitals.

He added that he's still "confident and hopeful" that Mr. Clinton will win fast-track authority in time for the Santiago summit.

Mr. Marchi also said he reminded U.S. Trade Representative Charlene Barshefsky and Commerce Secretary William Daley in separate meetings that he will resist attempts by the administration to buy fast-track votes by cracking down on Canadian imports.