



# Statements and Speeches

---

No. 85/21

## CANADA-NEW ZEALAND TRADE

Notes for Remarks by the Honourable James Kelleher, Minister for International Trade, to the Auckland Regional Chamber of Commerce, Auckland, New Zealand, November 4, 1985.

...Canada, like New Zealand, is a trading nation. Exports bring us 30 per cent of our national income, and they bring you nearly a quarter of yours. They are very important to both countries.

The government in which I have the honour to serve came into office committed to economic renewal. I can assure you that improving our trade performance is at the top of our priorities as we strive towards this goal. It is something we work at very hard. As Minister for International Trade, I consult frequently with my colleagues from the ten provincial governments in Canada. Together, we have developed a national trade strategy.

Perhaps the most significant item on which we reached rapid agreement was that there are two market regions that must get our priority attention — the United States and the Pacific Rim. The importance we give to the United States is no surprise. It takes more than three-quarters of our exports. Indeed, the trade between Canada and the United States exceeds in volume and value the trade between any two other countries in the world.

As for the Pacific Rim, it is the fastest growing region in the world. Canada's trade across the Pacific exceeds our trade across the Atlantic, and it is growing more rapidly. Again, no surprise. Our trade, like yours, was once directed heavily toward London and the Continent. But look what's happened since the war. In Europe, the Common Market has encouraged the Europeans to trade with each other first. And the Pacific Rim has come alive.

It would be something of an understatement to say that Japan has risen from the ashes. And Korea, where both Canadian and New Zealand fighting men were part of the United Nations forces only 30 years ago. At that time, a "nic" was something you got shaving. Now it stands for "newly industrialized countries", and most of them are in the Pacific. The new policies being pursued in China, with its potential market of a billion people, are enormously encouraging. And of course, when we come here to trade, we feel like we're coming home.

Canada is no latecomer to the Pacific region. The airline that brought me here, CP Air, is one of the offspring of the Canadian Pacific Railway, which united Canada from sea to sea nearly 100 years ago. Vancouver has been a major Pacific port ever since. We posted our first trade commissioner to New Zealand, by the way, in 1912.

For Canada, New Zealand is a market whose importance far outweighs its population. It may be the best example of what Canadian industry can do in the Pacific.

On a *per capita* basis, New Zealanders import more from Canada than does any other nation in the Pacific region. On a *per capita* basis, we sell much more to you than to large European trading partners such as Germany or France. In many markets Canadian exports are dominated by foodstuffs or crude materials. But half of our sales to New Zealand are finished manufactured goods. Canadians have shown that they can succeed in New Zealand and almost 600 Canadian firms are sustaining markets and actively seeking new opportunities through local New Zealand firms acting as their representatives.

We want to build on what has been accomplished to date. Travelling with me, for example, are executives from a rather wide variety of Canadian firms, all of whom are familiar with New Zealand and anxious to expand their business here. Included are experts in investment, in the design and construction of large mining projects, in telecommunications technology, in aviation technology, in railway control systems, in oil and gas projects, in agricultural machinery, in fisheries and in forest products.

Another example of Canadian activity will be our participation in WOODDEX here in Auckland next week. Canada is the world's largest exporter of forest products and the leading producer of forestry equipment — both in the woods and in the mill. This trade fair, at which our forest industry equipment will be on display, will be our largest single promotional event in this market.

Two years ago Canada opened a consulate in Auckland headed with distinction by our honorary consul, Jim Spratt. The best expression of our seriousness of purpose here today is the decision to base a trade commissioner here in Auckland to provide support for the Canadian and New Zealand business communities. This afternoon I will take part in a small ceremony to open the new office.

I think many of you know Jim Ganderton, our commercial counsellor in Wellington. I hope you will soon get to know Scott Fraser, our new trade commissioner in Auckland. We also have a new high commissioner, Douglas Small, and he'll be visiting Auckland frequently, taking an active role in promoting commercial links between Canada and New Zealand.

We have traditionally received much assistance from your business community. On those many occasions when Canadians needed a hand or a bit of advice the Auckland Chamber of Commerce has always been of great assistance. In particular, I want to take this opportunity to thank Michael Barnett, the international manager of the Chamber and the members of his committee.

Canadians have seen New Zealand not just as a place to sell their wares. They have also invested here. Alcan aluminum, Bata shoes, Canada Wire and Cable, Home Oil and Seagrams are among the Canadian firms that have investments in this country. The participation by Alberta Gas Chemicals in the methanol plant at Taranaki is probably the most notable Canadian investment in recent years.

There is also New Zealand investment in Canada. Fletcher Challenge has a significant stake in the Canadian economy through its ownership of Crown Forest Industries. Canadians would welcome further New Zealand investment in Canada. Indeed, those of you who follow Canadian affairs will know that our government this year created Investment Canada, an agency designed to encourage foreign investment. We believe that Canada is an advantageous base of operations from which to tackle the entire North American market.

The close relationship we have developed in private sector commercial contacts also applies to our official relationship between governments. We can only applaud the actions of your government to phase out the import licensing system and reduce over-all tariff levels. On a more personal level, I look forward to conveying the greetings of Prime Minister Mulroney to Prime Minister Lange in Wellington tomorrow. The two prime ministers last met in the Commonwealth heads of government meeting in Nassau only three weeks ago.

We were pleased to welcome Deputy Prime Minister Palmer and Minister of Transport Prebble to Canada in September. A bilateral air agreement signed by Mr. Prebble was the basis for resumption of direct air services. Mr. Palmer and the Canadian Deputy Prime Minister, Mr. Neilsen, signed an agreement for exchanges of public servants which both governments hope will bring needed new ideas to each other. Their visits also signified New Zealand's desire for a closer, more active relationship with Canada; we share that desire.

Tomorrow I will have a chance to see again my New Zealand counterpart, Mr. Mike Moore, and I hope I can entice him to visit Canada. After all, we can be a good market for you, too.

One topic I will be speaking about in my talks in Wellington will be the prospect of a new round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade. There is agreement between our two countries that a new round is needed to combat growing protectionism in the world, to bring the international trading system into phase with the changes that have been taking place in world markets, and to address long-standing problem areas such as agriculture, quotas, subsidies and safeguards.

Forward movement toward an era of diminished trade obstacles would benefit us all. No single nation can set the pace for such a round of talks, nor can anyone set a precise agenda.

The fact is that trade between nations is no longer what it was ten or even five years ago. We used to trade goods and that was it. Now we trade ideas. Much of the trade between Canada and New Zealand is still composed of tangible commodities, but more and more our firms are associated in other ways. We produce goods under licence. We use each other's brand names. We take a television program and produce new wealth by rebroadcasting it. We have one country's pop music stars record in another country's studio. We assiduously follow the latest twist in production methods, which often turn out to have been developed in Japan. The Japanese tell us that they simply followed advice received 30 years ago from the United States.

It is in the context of such a changing world that we in Canada have urged that progress toward a new round of negotiations proceed with the minimum of delay. And we are happy that New Zealand agrees.

Not only have we called for progress on the world stage, we have also served notice of our intention to begin talks with our neighbour and predominant trading partner, the United States, about ways to reduce or eliminate the barriers that still exist between us. We believe this step could do more than serve the particular interests of Canada and the United States. We believe it could also set a positive example

---

for the other trading nations of the world. It is our hope that the initiative we are taking with the United States will hasten, rather than impede, a wider and more general easing of trade barriers.

There are obvious similarities between what we hope to do with the States and your arrangement of closer economic relations (CER) with Australia. The disparity in size between the two partners is one of them, and we have been watching your example with interest. There may be other wrinkles we should consider as well as we begin discussions with the United States. We know how the CER works on paper, of course, but the ins and outs of practice might have some relevance for us. I hope that corporate executives I meet in New Zealand will give me the benefit of their personal experience with the CER.

We all have much to share. The complex web of commercial links we simplify and call "trade" has brought us together in ways we could not have imagined a few years ago. The furry and exotic "Chinese gooseberry" of the past, for example, is now the kiwi-fruit, and a Canadian housewife can drive through the snowdrifts to her neighbourhood supermarket to buy it. She may not even know that it was picked halfway round the globe.

Trade is a wonderful thing. It does not force us into paths of uniformity, it allows us to wander away from them. It gives us a means of broadening and enriching our lives, and our nations. Trade is not a zero-sum activity, it is one by which everybody gains. But it is also a fragile web. We must work together to keep it in repair.

---

S/C