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**NOTES FOR AN ADDRESS BY
THE HONOURABLE ROY MACLAREN,
MINISTER FOR INTERNATIONAL TRADE,
AT THE INAUGURAL DINNER OF
THE NORTH AMERICAN BUSINESS
OUTLOOK CONFERENCE**

**MONTREAL, Quebec
May 3, 1994**

Canada

The North American Business Outlook Conference is a timely initiative. I wish to convey my appreciation to Ambassador Blanchard and his staff for bringing together such a broad range of business and government representatives from all three NAFTA [North American Free Trade Agreement] countries. On behalf of the Canadian government, I am pleased to welcome you to Montreal and to Canada.

The choice of Montreal as the venue for this conference is also appropriate since, as you all know, this great Canadian city has just recently been selected as the home for the Secretariat of the new North American Commission on Environmental Co-operation.

This conference provides us with the opportunity to underline the fact that the tremendous trade and investment opportunities made possible by the NAFTA will only be realised if the business community, with the support of governments, pursues them aggressively.

In the last decade, governments have engaged in an unprecedented series of negotiations which have led to numerous regional and world trade liberalization agreements. The recent signing in Marrakesh of the Uruguay Round creating the World Trade Organization was the crowning achievement of these efforts. It is, incidentally, an achievement in which Canadians should take pride, since Canada played a critical role in proposing and developing the concept. Our common challenge now is to ensure that it is an effective organization.

I was struck, however, by the irony of the fact that, while we were in Marrakesh signing the biggest trade liberalization package ever, we were also engaged in complex agricultural trade discussions with the United States. I would simply like to stress that, in this case, as in the case of numerous Canada-U.S. trade disputes, we would have benefited had we been able to draw on clear and agreed-upon definitions of subsidies and dumping. This is why the Canadian government is so committed to the negotiation of subsidy and anti-dumping codes with our NAFTA partners. They clearly constitute a crucial missing element necessary to secure market access within North America for our companies.

I did not come here tonight, however, to talk at length about trade policy. Trade policy in itself does not generate growth and employment. The challenge ahead is to take full advantage of recent trade policy advances, however imperfect and incomplete they might be, and to translate them into business opportunities. This is your role and the role of the business community--both multinational corporations and small- and medium-sized enterprises [SME].

The Canadian government will not sit waiting for this to happen. We have been partners in designing trade policy for Canada. We shall continue to be partners in developing trade and investment opportunities. One of the best mechanisms for support which the Canadian government provides companies based in Canada, be they

Canadian or foreign-owned, is its extensive network of trade commissioners located in more than 150 cities around the world. This includes 26 locations in the United States and Mexico, including the Canada-Mexico Business Center which will open soon.

The year 1994 marks the 100th anniversary of the Trade Commissioner Service. Trade commissioners have provided a century of invaluable and unquantifiable service to Canadian industry. Today, more than ever, they stand ready to assist individual companies. I invite you, particularly the small- and medium-sized enterprises, to call on them, to use their services and to develop a solid and ongoing working relationship with them. They can help you identify opportunities and ways of developing your business in the United States and Mexico. They can also advise you on government programs and activities which might complement your strategy. In return, they ask that you share information with them on your business objectives and contacts and that you commit yourselves to a well thought-out business development and marketing strategy.

This conference is timely, as I believe that the time is right for Canadian companies, particularly those SME's which have not already done so, to adopt an open and confident approach to exporting. Canada's economic fundamentals are sound. The recession is behind us. Inflation and interest rates are at very low levels. Our manufacturing and service industries have made substantial productivity gains. Domestic and foreign industrial investment has remained high while Canada was undergoing a profound industrial restructuring.

In addition, governments across the country are committed to fiscal discipline to support economic growth and job creation. This, in turn, should provide for an increasingly competitive tax system. There are already areas, such as the tax treatment of industrial research and development activities, where Canada stands at the forefront of most industrialised countries.

The new business environment which has emerged from the 1990-91 recession appears to have benefited most those sectors of Canadian industry which produce higher value-added products and services. These products and services are largely responsible for the surge in Canadian exports to the United States over the last three years. Overall, exports to the United States increased by 35 percent during that period. In comparison, imports from the United States during the same period increased by 24 percent.

The United States is, and will continue to be, Canada's largest trade and investment partner. We value our bilateral relationship with the United States but I would hope that we are able to address our differences without disrupting trade and investment flows and that the number of trade disputes which face us decline. We are also eager to expand our trade with Mexico and we are confident that many of our successes in the United States market will be

replicated in Mexico as it opens up to Canadian high-technology products and services.

I hope that our American and Mexican guests take full advantage of the next several days to increase further their knowledge of Canada and to explore the business opportunities we offer. As is evident from the trade and investment flows between our countries, many of you are already familiar with the Canadian market and our supply capabilities. As an investment site, we merit your attention: Canada offers the lowest aggregate risk of any international destination for U.S. and Mexican investment.

Governments in Canada are committed to enhancing the business environment and to creating or maintaining competitive conditions in which your Canadian and North American business can grow--now and for many years to come. We place particular value on the contributions that American foreign investors have made to our development and our well-being, and I look forward to working with you in the development of your international export business from your Canadian base.

Directly and indirectly, exports sustain over two million jobs in Canada. The export sector has recently been the most dynamic in stimulating economic growth, and I believe that the importance of international trade for job creation and growth in Canada will continue to increase. With exports and investment so vital to Canada's economy, we are focussing not only on the U.S. and Western European markets but also on those of the high growth countries of the Pacific Rim and Latin America.

We believe in "open regionalism" and not in closed regional trading blocs. We therefore believe that it is important that other nations have the opportunity to become part of the NAFTA, to have access as full members--committed partners prepared to open their markets and to play by the NAFTA rules, partners that take a constructive approach to international rule-making.

The Canadian government supports the improvement of the fairness, openness and predictability of world trade and investment. The multilateral trade framework continues to form the basis on which our trade policy is constructed and we shall continue to provide our active support to the GATT [General Agreement on Tariffs and Trade] system and to the new World Trade Organization.

During the course of this conference, you will be able to assess the prospects for your businesses in the new North American marketplace. The opportunities are vast and the horizons are wide. Let us draw together our skills and advantages to create an economy of unsurpassed dynamism and let us build enterprises that are even more competitive in global markets.