

Minister of Industry,
Science and Technology and
Minister for International Trade



Ministre de l'Industrie, des
Sciences et de la Technologie et
ministre du Commerce extérieur

Statement

Déclaration

93/14

A STATEMENT BY

THE HONOURABLE MICHAEL WILSON,

MINISTER OF INDUSTRY, SCIENCE AND TECHNOLOGY

AND MINISTER FOR INTERNATIONAL TRADE,

ON THE OCCASION OF THE

INTRODUCTION OF THE NAFTA IMPLEMENTATION ACT

OTTAWA, Ontario
February 25, 1993

Today in Parliament, the Government introduced the legislation to implement the North American Free Trade Agreement (NAFTA).

This Agreement is the culmination of 14 months of negotiations and six more months of careful drafting of the text and the legislation.

The NAFTA will create a North American free trade area with important economic benefits for Canadians for many years to come.

Of course, this is not the view expressed by the Opposition. Their policy is either planned paralysis or reckless abandonment of our largest trade relationship.

Today they are even asking why we are introducing the legislation now. They argue that we should wait until the United States and Mexico dot the "i's" and cross the "t's" of their legislation.

Let me be very clear. Canada signed this Agreement because it will be good for the country and will provide opportunities for Canadians in the future.

We are the first of the three partners to formally introduce legislation, but the approval processes in both the U.S. and Mexico are well under way. Mexico has sent the Agreement to its Senate. In the U.S., the approval process started many months ago, with the Administration's 90-day notification of the Agreement to Congress on September 18, 1992. The new Administration is now continuing the necessary discussions on implementation with the U.S. Congress.

But that's neither here nor there. This is Canada. We have our own Parliamentary process; they have theirs.

What would happen if we waited -- if we sat on this Bill until our partners were quite far advanced in their process?

Our critics would accuse us of not giving them enough time to examine and debate the Bill, or our critics would accuse us of not acting until the Americans had.

In Canada, the level of interest in the Agreement is high. That is why this Government strongly supported the all-party hearings that took place on the NAFTA in nine cities across Canada over the past four months. It is now time to start the debate on the legislation itself.

We introduced the Bill now because we want everyone to have ample time to examine and debate the Bill.

We introduced the Bill now because the sooner Canadian businesses know about and understand this legislation, the sooner they can prepare for the opportunities that await them.

I know there will likely be questions about the environmental and labour agreements we will be negotiating with the U.S. and Mexico.

Some may argue that we should wait for the conclusion of these talks before proceeding with the NAFTA implementing legislation. They note that the Clinton Administration will present the environmental and labour agreements and the implementing legislation to Congress at the same time.

That is their business. From our perspective, it is in the interests of Canadians to get the Bill out in the open and to start the parliamentary debate.

Let me point out that all three governments have agreed that the NAFTA will not be reopened. We have also all agreed to implement the Agreement on January 1, 1994. We expect all NAFTA partners will live up to that commitment. The negotiation of the NAFTA is over.

That said, we are encouraged that the Clinton Administration shares our determination to pursue discussions on the environment and labour. Frankly, we now have a golden opportunity to pursue further Canadian interests that will go far beyond the technicalities of trade agreements.

When we concluded the negotiations of the NAFTA last August 12, we had created a trade agreement that was more sensitive to the environment than any previously negotiated.

But equally important, at that time we agreed that Environment Ministers should meet to discuss the establishment of a North American Commission on the Environment. Work on its mandate has been slow because of the change in the U.S. Administration.

But the renewed interest in this area by the Clinton Administration and the importance they are attaching to an early agreement in both labour and the environment are indeed welcome.

When the three sides meet in mid-March, Canada will come to the table with constructive proposals.

But let me make the obvious point. The NAFTA negotiations have been a catalyst for trilateral co-operation in these important fields. Bluntly stated, without a NAFTA, there would be no trilateral agreements on labour and the environment.

We are confident that informed and serious consideration will confirm the NAFTA's rightful place as part of Canada's economic strategy.

The NAFTA is only one component of that strategy. That is why the Government continues to press for the successful conclusion of the Uruguay Round of Multilateral Trade Negotiations under the General Agreement on Tariffs and Trade (GATT). Nothing could send a more powerful signal of economic confidence to all world markets.

But we have to move on several fronts at once. That is why more than four years ago we negotiated the Canada-U.S. Free Trade Agreement (FTA).

Frankly, it surprises me that the controversy over the FTA continues.

Our exports to the United States are setting record levels month after month. Last year, exports to the United States rose a remarkable 13.6 per cent, to \$122.3 billion, up \$14.7 billion from 1991.

Our merchandise trade surplus with the United States was a record \$17.7 billion, \$3.8 billion or 27.3 per cent higher than the previous year.

All this is having a positive effect on job creation: a net total of 118,000 jobs were created in 1992.

So I say to our critics: What's your point? We reached a trade agreement with the United States in 1989. Now in the fifth year of this agreement, our trade has never been larger and is growing much faster than the rest of our economy.

The NAFTA builds on that success.

We wanted an agreement that would maintain Canada as a solid location for investment in the North American market. We succeeded.

We wanted to make some improvements to the FTA. We succeeded.

And we wanted to gain better access to the Mexican market of 85 million people that had been largely closed to us by high tariffs and other barriers. Again, we succeeded.

Canada cannot afford to be standing outside the NAFTA, looking in.

We don't claim this Agreement will produce economic miracles. But it will, in time, contribute to solid job-creating economic activity.

During my visits to Mexico in the last year, I have seen increasing numbers of Canadian firms actively seeking sales there. I have also seen the heightened interest in other Latin American markets that, I believe, is largely inspired by the new trade frontier we are opening with Mexico.

And let's not forget the real winners in a free trade agreement: Canadian consumers. They benefit from lower prices and a greater variety of products and services.

There are exciting times ahead.

The tabling of the NAFTA legislation today marks an important moment in Canadian history.

Through the open and democratic parliamentary process, all Canadians will have ample time to examine the NAFTA and listen to the debate.

I believe they will conclude this is the right course for Canada.