

Statement

Department of  
External  
Affairs



Discours

Ministère des  
Affaires  
extérieures

88/02

CHECK AGAINST DELIVERY

Speaking notes

for the Honourable Pat Carney,  
Minister for International Trade,  
at a dinner hosted by  
the Canadian Exporters' Association

OTTAWA

January 20, 1988.

Minister for  
International  
Trade

Ministre du  
Commerce  
extérieur

Canada

Good evening, ladies and gentlemen. Thank you, Reg, for your warm introduction. I have been looking forward to this opportunity to spend some time exchanging views with Association members.

Like Frank Petrie, I like this kind of informal get-together and so I intend to keep my remarks quite short. However, there are a few issues I would like to bring to your attention, including many of the points Reg has already mentioned.

As everyone here knows, trade has been at the centre of public attention over the past year. As Trade Minister, it has been a tough but rewarding year for me. We have made real progress in implementing our two-track policy of trade liberalization. First, we have reached an historic agreement with our American trading partners, and, second, we are actively working for trade liberalization in the multilateral negotiations under the General Agreement on Tariffs and Trade (GATT).

Now, as 1988 begins, I want to turn more attention to what Reg has called the "bread and butter issues" of trade development. I'd like to say more about that in a few moments.

First, let me return briefly to the Canada-U.S. Trade Agreement. While the job of drafting the Agreement is done, the job of informing Canadians about it is still in progress. That is a job the Government cannot do without your help.

Opponents of free trade are wasting no time in spreading misinformation across the country. Their position is marked by the presence of emotional outbursts and the absence of rational arguments. Organizations like the Canadian Exporters' Association can help set the record straight. Your voice of reason is needed. Your involvement is crucial.

As Prime Minister Mulroney told this Association last October, "I ask you to join with us in transforming the success of negotiations into a victory for all Canada".

Let me focus for a moment on one particular issue in the free trade debate -- adjustment. Unfortunately, Canadians tend to

hear only one side -- the down side -- of the adjustment story. While we are saying that there will be some contraction and dislocation, we are also saying that there will be expansion and an increase in trade and employment opportunities as a result of the Agreement.

The purpose of the new Advisory Council on Adjustment will be to advise us on the best ways to help Canadian industries and workers on either side of the equation during the transition period.

The Council, which starts its work in February, will benefit from the input of members from business, labour and the academic community. In addition, we are asking the provinces if they have any views they would like to contribute to the Council.

That is the current agenda with respect to the Canada-U.S. Agreement.

Now, let me make several points about the Uruguay Round of GATT negotiations. As part of our two-track trade policy, this Government has actively and consistently promoted the multilateral trade negotiations (MTN). We welcome this Association's strong support for the MTN. The issues at stake are central to the interests of your membership.

We look forward to consulting closely with you as we progress through these multilateral negotiations. Indeed, I would emphasize how much we look forward to the contribution of the Canadian Exporters' Association in helping to clarify and prioritize Canada's export objectives offshore.

The structure the Government put in place two years ago reflected our commitment to consultations with the private sector. My officials are currently reviewing the ITAC and SAGITS to ensure they play as valuable a consultative and advisory role in the multilateral negotiations as they did in the bilateral trade talks. I would be glad to ask them to meet with you to get your ideas.

As you know, there are many very important issues in the Uruguay Round, including agricultural trade. Canada will be attending another ministerial meeting of the Cairns Group of 14 agricultural exporters next month in Argentina. We intend to keep up our pressure for early action. As you know, Canada tabled a comprehensive proposal in the Agricultural Negotiating Group last October.

Now, before I sit down, I want to focus briefly on some of the other points Reg mentioned earlier.

Let me begin with the Canada-U.S. Trade Development Committee. I am pleased that the CEA has taken this initiative and I can assure you that my department will provide full support to establish this Committee and assist it to carry out its mandate.

Establishment of this Committee is particularly timely. My department is currently putting together a new export promotion strategy for the U.S. to capitalize on new market opportunities that arise from the bilateral Agreement. One of the key tasks of the Committee will be to recommend ways in which we can help small and emerging Canadian companies to carve out a permanent stake in the U.S. market.

Now let's turn our attention to what Reg has called the "bread and butter issues". As I mentioned earlier, I intend to spend more time this year on day-to-day trade matters. With respect to the Canadian Commercial Corporation, we have indefinitely suspended the user fee that was introduced in 1986.

As far as the Export Development Corporation is concerned, we have, of course, completed the review of Section 31. We have established three categories of countries:

- ° in Category A, we are receptive to Section 31 requests, subject to our budgetary authorities;
- ° in Category B, support is subject to certain limitations; and
- ° in Category C, support will not be available.

As you know, country lists are not publicized, but my trade development officials as well as EDC staff will be glad to tell you into which category the market falls.

At your request, we have streamlined procedures for routine transactions under \$50 million. As Reg has said, this new method means a much faster turn-around time for applications.

Although the review confirmed that Section 31 will still provide concessional financing, this issue is one of continuing concern because of the rising cost. I firmly believe that concessional financing should be provided by Canada to meet credit mixte competition.

I can assure you that I will be raising this matter with my Cabinet colleagues in the coming months but I do need your help to garner support for this issue.

It is essential for you, as CEA members, to drive home to your elected representatives the realities of competing in today's international market. For example, if our exporters are unable to match the competition's financing, what impact will this have on our companies and our communities in terms of jobs and revenues?

On the issue of the "freedom to move" legislation, let me say first that this will increase the level of competition among carriers to the benefit of our exporters. This legislation, which incorporates modifications to the original proposal, balances the interests of conferences and shippers.

However, let me assure you that complaints of unreasonable reductions in service or increases in cost will be scrutinized by the new National Transportation Agency. In addition, the operation of the Shipping Conferences Exemption Act of 1987 will be reviewed in four years to ensure that shippers will be able to report on their experiences with the legislation.

Finally, I want to comment on Reg's point about some confusion in the minds of exporters about trade responsibilities among federal departments.

I appreciate your frankness on this issue and I would like to be equally frank in my response. Everyone in this room is acutely aware of the increasingly complex nature of international trade. Today, the art of exporting requires more than a good product and a good price. Today's exporters face some very difficult and very complicated issues which require them to rely on government for assistance.

To deal swiftly and effectively with these challenges, we need to consult broadly with both the public and private sectors. Naturally, this involves more players -- including representatives of my department, other federal departments and agencies, the provinces and associations like this one.

As Trade Minister, one of my concerns is that some of our efforts are at times not clearly perceived. To improve this situation, we are developing a new trade communications strategy in my department, which, I think, will significantly improve your access to information on markets, department programs and services.

We have already made considerable efforts to ensure my department's services to exporters have more focus and co-ordination. For example, we have established a unique, fully computerized planning system for trade, investment and tourism marketing which identifies specific market opportunities by sector and region. This system now forms the basis for our consultations with national trade associations, the provinces and other government departments.

I am confident that this system will eliminate uncoordinated trade promotion efforts by the many Canadian interests who are engaged in international marketing.

We have also put the computerized WIN Exports System to work for us, enabling our trade commissioners to access information on more than 22,000 Canadian suppliers almost instantaneously. This system is now in use in our U.S. posts and will be fully operational in our Asia-Pacific offices by September.

We have set up Info Export and increased the circulation of Canada Export to thousands of smaller companies across the country.

We have streamlined the Program for Export Market Development (PEMD) with the help of the private sector, including this Association, and I think we have an improved product as a result.

These are just a few of the efforts we have made to date. And we continue to concentrate a lot of effort -- through greater consultation and better information-sharing -- to put a sharper focus on our international trade program.

I hope, Reg, that I have addressed the important issues that you have raised. I want to thank you for this opportunity to share my views with you tonight. This is the kind of dialogue that is of such practical benefit to both of us. I look forward to increased dialogue of this kind throughout 1988.

Thank you.