

Statement

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**NOTES FOR AN ADDRESS BY
THE HONOURABLE ROY MACLAREN,
MINISTER FOR INTERNATIONAL TRADE,
TO THE SUMMIT OF THE AMERICAS TRADE MINISTERIAL**

**DENVER, Colorado
June 30, 1995**



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At Miami, our heads of government resolved to conclude by 2005 the negotiation of a Free Trade Agreement of the Americas in which barriers to trade and investment would be progressively eliminated.

We as trade ministers were directed to review the initial work called for in the Summit's Plan of Action and to approve a program of further preparatory work to be completed over the next year.

We are "on track" regarding these preparations:

- The work carried out by the OAS [Organization of American States] and IDB [Inter-American Development Bank] under the auspices of the Special Committee on Trade has been first-rate. I look forward to more such analysis from these organizations.
- Our officials have established a number of working groups in priority areas to carry out preparatory work and report back to us at our meeting in March in Colombia.

Although it may appear technical, this type of work is of fundamental importance to achieving a successful negotiation. This is a priority initiative for Canada.

Our officials will contribute actively to this work.

However, as ministers we need to do more than initiate a program of preparatory work. We need to provide form and shape to the commitment of our heads of government to the negotiation of a hemispheric free trade agreement. Their commitment in terms of the scope and timing of such negotiations was ambitious but achievable.

However, two fundamental issues need to be addressed in order to complete the architecture of a Free Trade Agreement of the Americas.

First, how ambitious shall we be in terms of specific obligations and rights?

Clearly, all tariffs will have to be eliminated over 10 years, with some limited exceptions to be agreed. This will be the core of the final agreement. But what about other areas?

Once Panama and Ecuador successfully accede to the World Trade Organization, all countries in the Hemisphere will be WTO members. Do we want to go beyond the provisions of the WTO in certain areas?

In the area of agricultural subsidies, we may be able to go further than the WTO. For example, could we agree to prohibit export subsidies in the region by member countries?

In other areas, we may simply want to use WTO instruments to achieve our objectives, for example, the WTO Agreement on Government Procurement.

We need to have answers to these questions prior to embarking on negotiations.

A second question concerns how to achieve the Free Trade Agreement of the Americas. What approach do we use?

We shall of course build upon the various subregional agreements already in place. The liberalization accomplished through existing subregional agreements will obviously make our task easier to achieve. In that connection, we warmly welcome Chile's decision to accede to the NAFTA [North American Free Trade Agreement]. We would agree to extending NAFTA membership to other countries that can undertake its obligations.

Although we shall naturally build upon the liberalization already achieved in existing agreements, we cannot expect to complete our negotiations by 2005 by passively waiting for these agreements to "converge simultaneously." In short, Canada does not see the negotiation of a Free Trade Agreement of the Americas being achieved by countries joining an already existing agreement.

The Free Trade Agreement of the Americas can only be achieved through deliberate action by all countries in the Hemisphere.

If we are to finalize negotiations of the Free Trade Agreement of the Americas by 2005, it will be necessary to commence negotiations in all or at least some areas by 1997.

To meet this target, we as ministers shall need to have decided by then on the approach we intend to pursue.

- Is it a negotiation among existing subregional agreements, bloc to bloc?
- Or is it the classic approach of a new hemispheric free trade agreement open to all 34 participants?

Although we do not need to answer these questions today, we need to start our discussions.

Can we agree that at our meeting in early 1997 we shall decide on answers to such questions, and today charge our officials with conducting the required analysis in good time for that meeting.

I look forward to hearing the views of my colleagues. Thank you, Mr. Chairman.