

Statement

Minister for
International
Trade



Déclaration

Ministre du
Commerce
extérieur

91/09

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STATEMENT BY

THE MINISTER FOR INTERNATIONAL TRADE,

JOHN C. CROSBIE,

ON CANADA-U.S.-MEXICO

FREE TRADE NEGOTIATIONS

**OTTAWA, Ontario
February 5, 1991**

Affaires extérieures et
Commerce extérieur Canada

External Affairs and
International Trade Canada

Canada

- Ladies and gentlemen, I've called this news conference to expand on the announcement made today by Prime Minister Mulroney, U.S. President Bush, and Mexican President Salinas with respect to free trade negotiations among the three countries.
- As the joint communiqué indicates, the three countries have decided to proceed with the negotiations on a trilateral basis because we believe that an open North American trading area will foster sustained economic growth through expanded trade and investment. We are talking about a market of 350 million people, and \$6 trillion in output -- one of the biggest markets in the world.
- Since last September, in meetings at both the officials level and the Ministerial level, we have sorted out how the negotiations could proceed on a trilateral basis, and we are now confident that we have a workable approach. Formal negotiations are expected to start this spring.
- The three countries are entering the negotiations as full and equal partners. We want the maximum possible liberalization in a comprehensive agreement responsive to the needs and aspirations of all three parties. There is no intention to renegotiate the provisions of the Canada-U.S. Free Trade Agreement.
- While all three parties are committed to a trilateral agreement, we recognize that there may be issues of an exclusively bilateral nature for which bilateral arrangements may be most appropriate. In addition, the parties will also be free to pursue bilateral negotiations if a trilateral agreement does not prove possible.
- Why has Canada decided to enter these negotiations? There are three major reasons.
- First, it is only by direct involvement that Canada can protect its interests and achieve the gains that result from liberalized trade. We want to build on the gains made in the Canada-U.S. Free Trade Agreement, especially with respect to business investment. If Canada were not involved in the enlarged free-trade area, important job-creating investment could well decide to go elsewhere.
- Second, we want improved access for our exports to Mexico, a burgeoning market of 85 million people. We believe that the Mexican and Canadian economies are complementary in a number of important sectors. For example, Mexico has great potential in the mining sector; we are important and highly competitive suppliers of mining operating skills, technology, and equipment. Similar points could be made in respect of our ability to meet Mexican requirements in the

agricultural, telecommunications, transportation and other sectors. But we must have access that is at least equal to that of our major competitors.

- Third, as a trading nation, Canada gains real benefits from trade liberalization, whether it is on a bilateral, regional or multilateral basis.
- Mexico obviously feels the same way. Since opening its market in the late 1980s, Mexico's trade and investment have soared. This will help create wealth not only in Mexico, but also among its trading partners. It's important that we participate in this economic revolution from the outset.
- Our decision to enter the trilateral negotiations reflects the confidence that this government has in Canada's ability to compete. And it is one more element in our overall effort to keep Canada competitive; to provide an environment where our enormous potential can be mobilized and maximized.
- By thinking and acting on a North American basis, competitive Canadian companies will be better able to take on global markets and survive increased competition on the domestic market. This heightened level of competition is, of course, a world-wide phenomenon and there is no hiding from it.
- As we did during the Canada-U.S. negotiations, and again with the multilateral trade negotiations, the federal government will rely heavily on consultations with the private sector, provincial governments, academics and other interested parties in formulating our position in the negotiations.
- I would be glad to answer your questions now.