

Statement

Minister for  
International  
Trade



Discours

Ministre du  
Commerce  
extérieur

89/63

CHECK AGAINST DELIVERY

NOTES FOR A SPEECH

BY THE MINISTER FOR INTERNATIONAL TRADE,

JOHN C. CROSBIE,

TO THE

CANADIAN CHAMBER OF COMMERCE

TOKYO, JAPAN

November 15, 1989.

Thank you, Mr. Otley, for that kind introduction and for that great all-Canadian meal -- Alberta beef, B.C. salmon, Quebec maple syrup.

Looking around the room, it's obvious that Canadian business interests in Japan are strong and growing, and I'm glad that the Chamber is providing a rallying point for our trade and commercial interests here.

I am also pleased to see so many familiar faces. It was only a couple of weeks ago that I was talking in Ottawa with some of the members of the Japanese Investment Study Mission who are with us here today, such as Mr. Sugiyama, Mr. Mizuno and Mr. Ohta.

Those of us who are involved in international trade policy are running into each other in venues all around the world, at an accelerating rate, as we enter the final stages of the Uruguay Round.

This is the biggest and most complex set of trade negotiations ever undertaken.

If the current round of multilateral trade negotiations is successful we will have the freest international flow of goods and services and capital in this century perhaps in the history of mankind.

In such an environment, we will have to develop a fine balance between competition and co-operation; between national self-interest and international harmony.

We are motivated by the knowledge that given an improved trading environment, we will be opening the doors for future economic growth. We will be giving men and women a practical tool for expanding their businesses and generating wealth in the economy. We will help allow the entrepreneurial spirit to flourish.

That spirit has become the new status quo in Canada.

I was very pleased when Mr. Morohaski, the leader of the Japanese Investment Study Mission, told me that he and his group had discovered a Canada which had taken on the spirit of the Free Trade Agreement, eager to compete not only on a North American basis but also around the world.

That's the spirit the federal government has tried to foster since we took office in 1984.

One of our first acts as a government was to implement a policy which welcomes foreign investment. We introduced deregulation, and returned many Crown corporations to the private sector. We reduced personal and corporate income tax rates. We brought in the Free Trade Agreement, and we took a leadership position in the Multilateral Trade Negotiations.

Canada depends on exports for fully one-third of its Gross National Product. That ratio is second only to West Germany's, and it's nearly twice as high as Japan's. That's why it is so vitally important for Canada and Canadians to operate in an open market environment.

I visited the Tsukiji fish market last week -- the world's largest. There were vast amounts of every kind of marine life you can imagine, and I was pleased to see a goodly amount of fine Canadian products.

But I know that Canada could have an even greater share of that market. I know there are barriers that stand between our fisheries products and willing consumers. Those are the kinds of barriers that Canada and the other members of the GATT are trying to bring down through the Uruguay Round.

Of course we are sensitive to the vested interests in maintaining the status quo; they are politically powerful.

We are sensitive to the need for gradual phasing in of policy changes because there will be adjustments.

But we are committed to change. We are committed to letting the market place work. We are committed to the ideal of trade liberalization, in Canada and around the world.

Canada is and will remain a competitive force in world markets as we head into the 21st century.

But Canada is not an economic behemoth. We are a middle power, and we will only survive in world markets if we have access to markets, and fair rules to govern trade. We need multilateral solutions to trade issues. And that brings me back to the absolute need for a strong General Agreement on Tariffs and Trade and a successful completion of the Uruguay Round.

In the past two weeks, the Round has received a fresh infusion of political will, first with the Ministerial meeting in Canberra on Asia-Pacific Economic Co-operation (APEC), then with the Quadrilateral Trade Ministers' meeting, which concluded in Hakone yesterday.

Let me say a few words about the Canberra meeting first. As you probably know, the meeting was initiated by Australian Prime Minister Bob Hawke. His aim was to find some way of increasing the level of knowledge, co-operation, and hopefully, consensus among 12 key Asia-Pacific nations -- the 6 ASEAN nations Japan, Korea, Australia and New Zealand, the United States and Canada.

Why would we go along with the idea, when our countries are so dissimilar? When we are competitors? When we are in the middle of multilateral trade negotiations? And when there is already a network of organizations serving the region?

The answer is simply that all of our countries are deeply affected by the astonishing rise in economic growth and growth in trade across the Pacific. We need to know more about the phenomenon, how we are responding, and how we can co-operate in an effort to maintain the maximum possible level of growth in an environmentally-safe manner.

An important accomplishment in Canberra was the consensus reached on the need for a successful completion of the Uruguay Round.

From Canada's point of view, it was also important that management of marine resources in the Pacific was recognized at the APEC meeting as an important area which could benefit from the co-operation of APEC nations.

Let me turn now to the Quadrilateral meeting of Ministers from Japan, Canada, the United States and the European Community.

These informal meetings are designed to take stock of where we are in the trade negotiations and what steps we need to take to ensure a large, successful conclusion to the Round next December.

We reaffirmed our political will to take the difficult steps towards real progress in trade liberalization.

We agreed to stick to our deadline of tabling position papers in all the negotiating groups by the end of this year, so that the detailed negotiations can start strongly in the new year.

And we agreed on the necessity of responding to the legitimate needs of developing countries.

The progress that's been made should be further advanced when representatives from 27 GATT contracting parties gather for the Informal Trade Ministers meeting, starting tonight.

After that, the difficult, and critical, area of agricultural trade reform will be addressed when the Ministers from the Cairns Groups of agricultural exporting nations meet in Thailand next week.

In terms of Canada/Japan bilateral relations, I have great hopes for Canada's future trade with Japan, our second largest trading partner, as the doors open wider.

Last year, two-way trade between our countries amounted to \$18 billion - a 23 percent increase over 1987. Japanese investment in Canada has grown by about 20 percent a year over the past eight years. Japanese tourism in Canada has boomed, with annual growth rates of 25 to 30 percent in the past three years.

The relationship is developing at a tremendous pace, as Canadians take an increasingly active role in developing this great market.

This is evident in the food and beverage area. In 1988, Canada exported \$2.1 billion in foodstuffs to Japan, an increase of \$450 million from the previous year. To put this into perspective, Canada exports 70 percent more food to Japan than to all members of the European Community combined.

This dynamic increase in food exports has occurred because Canadian industry and government have worked together to expand our food business in Japan.

For example, last month, the Newfoundland fisheries industry launched a \$2-million campaign to boost consumption of caplin, or shishamo, as it's called here.

This \$94-million program targets the three giant markets of the United States, Europe and Asia-Pacific. Fully \$65 million of the funds are devoted to the Asia-Pacific component, entitled Pacific 2000.

Pacific 2000 includes a Business Strategy to support large-scale sectoral exhibitions, permanent exhibition centres in key locations, the establishment of small-scale satellite offices in Japan and Korea, and tourism promotion.

In support of our investment goals, Pacific 2000 includes the establishment of on-line data bases to foster technology transfer and information programs designed to explain to potential investors the benefits of the Canada-U.S. Free Trade Agreement.

In the area of Science and Technology, Pacific 2000 aims to strengthen Canada's scientific and technological base through expanded bilateral links.

There is also a Pacific 2000 Language and Awareness program, whereby funding will be directed towards the education of our private sector in Asian languages, particularly Japanese.

And a Pacific 2000 Project Fund will support special activities aimed at improving Canada's visibility in this region.

I have not reviewed all of the initiatives to be undertaken in our Pacific 2000 program, but I am sure you will recognize from the examples I have given that the federal government is genuinely interested in assisting Canadian business in this region.

You will see another prominent sign of the federal government's commitment to building our trading ties in this area in the spring of 1991, when the new Canadian Embassy will be completed here in Tokyo.

It will be a magnificent structure, including a 700-square foot exhibition-reception hall, a 240-seat auditorium, a research library and an art gallery.

These facilities will help Canadian industry take our trade with Japan to new heights, and I urge all of you to use it to the fullest.

I'm sure that Ambassador Steers, who has served Canada to great effect here since 1981, will always be associated with the building, and I hope he can come back from his retirement home in Toronto for the official opening.

Mr. Steers made a lot of friends for Canada here. He's helped a lot of Canadians cross the ocean. He's helped establish Canada as a Pacific nation, and good trading partner. And that's how I want the world to see us.