

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

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NOTES FOR AN ADDRESS BY  
THE HONOURABLE MICHAEL WILSON,  
MINISTER OF INDUSTRY, SCIENCE AND TECHNOLOGY  
AND MINISTER FOR INTERNATIONAL TRADE,  
AT EXPORTVISION '92 CONFERENCE

MONTREAL, Quebec  
OCTOBER 14, 1992

Ladies and gentlemen, I am very pleased to be here today, in the heart of Montreal, this great and vibrant metropolis of French life in North America.

Montreal is Canada's second-largest city and is the hub of the Quebec economy. It is also a leading cultural and financial centre. Just six months ago, here in Montreal, I met with my U.S. and Mexican counterparts in the midst of negotiations on the North American Free Trade Agreement (NAFTA). This Agreement, which I am going to talk about today, was signed in its legal version just last week in San Antonio, Texas.

The NAFTA is another pillar in the edifice being raised by the government to give Canadian exporters better access to international markets. It is precisely this -- the search for new outlets for our products and services -- that has brought us here for ExportVision '92.

This afternoon, you will be able to continue this morning's sectoral and geographical discussions, and the one-on-one meetings with our trade delegates from various parts of the world. The whole program has been designed with you exporters in mind.

Why is exporting so important to us? The answer is quite simple: our survival depends on international trade. One out of three jobs depends on exporting. Our standard of living, envied worldwide, also depends on it.

Largely through its success as a trading nation, Canada boasts a gross domestic product (GDP) of over \$22,000 per capita. In real terms, this is twice as much as in the mid-1960s.

True, the competition is fierce. But we can and we must continue to look for new foreign markets. After all, it is the exporting sector that will bring us out of this recession.

Already, signs of emergence are becoming evident. The Free Trade Agreement (FTA) with the United States is paving the way. During the first three years of the FTA, our merchandise trade increased by more than 10 per cent, from \$292 billion between 1986 and 1988, to \$323 billion between 1989 and 1991. During the first quarter of this year, exports to the United States reached an all-time high.

This is why I wish personally to take part in the ExportVision initiative. I believe that by working together, we can maintain our export effort.

This joint effort is going ahead under full steam. For the most part, the exporters of Quebec, and of Montreal in particular, are

already quite familiar with the services available from External Affairs and International Trade Canada. At the Montreal International Trade Centre, our trade commissioners respond to more than 10,000 requests for information yearly.

Across Canada, these specialists dedicated to assisting exporters have directly assisted 30,000 exporting companies to garner orders totalling \$140 billion this year. These foreign service officers provide such assistance through a network of offices located across Canada and worldwide. Montreal is an important part of this network.

The best and most recent example of success in Quebec, and in particular Montreal, on the international exporting scene, is the Canada Export Awards. The awards were given out right here last week. Of the 14 winners, three were from Quebec, including one, Eicon technology, from Montreal.

Most of the exporting done by Eicon, which designs and produces hardware and software for business computer systems, is to Europe and the United States. Nearly 90 per cent of its \$50-million turnover comes from exporting.

We can also raise our glasses to Nora Beverages Inc., another award winner centred not far from here, in Mirabel. The company predicts that 84 per cent of its sales will be from exports this year. Nora is already the second-largest producer of imported bottled water in the United States. It also sells to Australia, Hong Kong, Japan, Africa and Mexico.

As you know, our exporting companies have not waited for the NAFTA, modelled after the FTA, to be signed before starting to sell in Mexico. However, this accord will make it easier for us to export to this rapidly changing country, which is opening up to foreign products and services.

To backtrack a little, Canada entered the NAFTA negotiations with the confidence inspired by the success of the FTA. This confidence is fully warranted.

When the NAFTA negotiations began, we consulted the business community at length, putting forth three objectives.

- \* To begin with, we wished to obtain greater access to Mexico for Canadian products and services. This we obtained.
- \* Second, our aim was to reinforce the FTA with the United States and to improve our access to the world's richest market. This we succeeded in.

\* Finally, we wished to make sure that Canada would continue to attract investors interested in the North American market. This we also achieved.

We therefore fulfilled our three main objectives.

Like the FTA, the NAFTA has attracted worldwide attention. Foreign observers, impressed with Canada's ability to guarantee access to the American market through the FTA, are now taking note of the innovation of the NAFTA, whereby a mutually beneficial partnership has been formed between two industrialized countries and a developing nation.

The magazine *Les Affaires* recently wrote that by unlocking the door to the Mexican market, North American free trade was offering Quebec companies a fabulous opportunity to grow. I agree. The NAFTA is also a solid advantage to Canada as a whole.

For Quebec in particular, the Agreement immediately does away with Mexican customs duty on the province's main exports, such as certain types of newsprint, coated and uncoated paper, chemically treated wood pulp, construction lumber, aircraft, commuter train rolling stock, medical products and various types of industrial equipment.

The large Quebec auto industry will also benefit from clearer, more precise rules of origin, in particular in calculating North American content in cars and car parts. But the Canada-U.S. pact remains unchanged.

Increased quotas for textiles and clothing will give Canadian exporters special access to the U.S. market in products that do not meet the new rules of origin.

Intellectual property, especially in pharmaceuticals, is also a subject of detailed provisions in the NAFTA. These provisions conform to Canada's recent decision to extend patent protection, and to the provisions of the General Agreement on Tariffs and Trade (GATT).

Other benefits afforded by the NAFTA include better access to the dynamic Mexican market for financial institutions and for professional services. These include management, engineering, accounting, data processing, legal services and trucking. The accord also gives better access to Mexico for agricultural products, including pork and processed foods. And maple syrup, that Québécois trademark, will be flowing freely to Mexico when

the customs duties on it have been removed upon ratification of the Agreement.

These benefits accrue not only to Canada, a developed, industrialized country, but also to Mexico, a developing country.

Developments in the European community have shown that it is beneficial for low-income and high-income countries to draw closer together economically. This was precisely the challenge in the NAFTA discussions -- to find a winning combination for all three parties.

In creating an open economic zone containing 360 million people and having a combined gross national product of more than \$7 billion, we are creating a climate in which ideas, energy and creativity can flourish. This Agreement can make all of us more competitive in world markets.

The new spirit of economic dynamism in Mexico, which is modernizing at an amazing rate, opens up many possibilities for our exporters of goods and services. The Bank of Nova Scotia's recent announcement that it is returning to the Mexican market, in association with a local establishment, is a good sign.

Slowly but surely we are seeing the world market recover. Our solid results in exporting are pointing the way. When full recovery has come, the NAFTA should be in force and everything will be ready for a real resurgence of the North American economy.

But sustained world recovery is contingent on the nations of the world successfully completing the Uruguay Round. We have no higher trade priority than this.

As a nation where more than one-quarter of the GDP is generated by international trade, Canada has benefited tremendously from a 10-fold increase in world trade since the creation of the GATT in 1947.

Now, like the other countries, we have a heavy stake in the Uruguay Round. Success in these negotiations would mean new tariff reductions and an expansion of the GATT rules to include agriculture, services and intellectual property.

Its failure would, at the very least, leave the world's trading system stalemated in the essential areas: it would favour a new and virulent increase in protectionism and would reverse the worldwide trend toward economic liberalism.

I believe that significant progress has been achieved in the GATT negotiations since last spring. Canada has made an important contribution toward the liberalizing of world trade in negotiating the FTA and the NAFTA. In the coming months, we will continue to do our part to successfully complete the round, which will bring world trade liberalization to fruition.

This is the ultimate goal of Canada's trade strategy. In the meantime, we are concluding free trade treaties at the regional level, and are looking forward to the time when trade relations worldwide are liberalized and barriers to the free circulation of goods and services are eliminated.

Fortunately for the exporters of Montreal, facilities for international trade are already in place right here in the city. This great cosmopolitan trading city can boast of having the largest international trade centre in all of Canada. Not only does it respond to more than 10,000 requests per year and manage \$3.5 million under the program for export market development (the PEMD), but it is, above all, a one-of-a-kind institution.

It is the only one to possess a multilateral aid resource centre. With this centre, it is possible to follow up on all the world's international financial institutions, which is a great help to exporters wishing to bid on projects tendered by these institutions.

The Montreal International Trade Centre is also a model of co-operation between External Affairs and International Trade Canada and Industry, Science and Technology Canada. Nor does this model of co-operation end here. It extends to the regions, where the centre offers support for numerous regional clubs made up of new exporters.

I invite you to become a part of this co-operation, whether you are just beginning or whether you are continuing a career in exporting. You are not alone. The trade commissioners in Canada and abroad are there to help you. Together, "Team Canada" will experience new successes on the world markets. The key is team spirit.

This is the model of co-operation we are looking for regionally (the FTA and the NAFTA), internationally and worldwide (the Uruguay Round within the GATT). It is one more reason why we must strive to maintain such a model within our Canada.

Today, we are facing a major decision on our future: the referendum of October 26. Some would reject the Charlottetown

accord; I disagree with them. I think the agreement is a very good agreement; I think it should be supported.

We have a compromise here that is probably unique in Canadian history. We have a prime minister, ten premiers, three federal political parties, two territorial leaders and five leaders from the Aboriginal communities, all in agreement. The leaders involved represent four Conservative, four liberal and three NDP governments. I don't think that such a consensus has ever occurred before in our history.

This referendum, I believe, is about three things: the economy, the economy and the economy. It is extremely important to the economic future of this country to get a "yes" vote on the referendum.

The Charlottetown agreement means good news for the economy. A "yes" in the referendum will let us get down to the real economic priorities in every region. Governments will be able to work together on economic growth, cost-cutting and better services. This is what Canadians clearly want and deserve to have.

Constitutional peace means that businesses and workers can focus on making companies healthier and jobs more secure. Investors want to know what the future holds before they put money into our economy.

Ending the constitutional wrangling, whatever fine-tuning may be needed, will mean the end of year after year of paralysing negotiation, which has kept us from dealing with other important matters.

Settling the new roles of the provinces, territories, Aboriginal peoples, the federal government, the Senate and the House of Commons is the key step in making serious constitutional wrangling a thing of the past. The plan set out in the Charlottetown agreement is a key element in reshaping Canada, to give it back its true nature, that of a dynamic country of compromise, care and understanding, ending, by the same token, a number of years of confrontation and divisiveness.

A "yes" vote on the 26th also means a promising, certain future for our young people. Today's young people are already facing enough challenges, without having more constitutional paralysis and economic uncertainty added on. Let's help them by settling the constitutional issue and by working to build more and more economic opportunities for them in the future.

But let's say it is rejected -- what then?

That is a question I cannot answer. But I do know that for all Canadians, and for Quebecers in particular, it would be another wasted chance to end ongoing uncertainties about our political future.

I do know that renewed political uncertainty would result in increased pressures in favour of Quebec's independence with its political, social, economic and financial implications. That would not be good for our economy.

A "no" vote would also mean ongoing and legitimate concerns for Anglophones and other cultural minorities about Canada's future, concerns shared by the rest of Quebec's population. So you have to ask yourself, is it worth the risk? I do not think so.

Could we get a better deal if we reject it? I do not think that is likely either. There is a good reason why I say that.

All of the leaders who were involved in the negotiations have faced criticism when they returned home to their communities: criticism on what they gave up, criticism that they did not go far enough, criticism that they did not get enough. I think it is quite unrealistic to expect those same leaders to come back to the table after October 26 and expect them to have a greater degree of flexibility than they have now.

Some people say, let's scrap it all. Let's leave it to a new generation of politicians. That would take another 5, 10 or 15 years to happen. I do not think for a minute that people who are anxious to have a triple-E Senate are going to sit around and wait for another 15 years. I do not think that the Aboriginal leaders who have been seeking self-government are ready to wait that long.

Certainly those who are pressing in the province of Quebec for separation are not going to sit by and wait for another 10 or 15 years either.

So, my friends, we would be right back at the negotiating table. We would be right back in the constitutional debate on October 27 if there is a "no" vote, with less chance of obtaining an honourable compromise.

I think we should ask ourselves, "Why would we want to take that risk? Why would we want to continue these endless constitutional talks that have been going on for years and years now?"

If I had been in this room two or three months ago, and I had asked you the question, "What should we do about the



constitutional debates?", you would have said to me, probably unanimously, "Let's get it behind us, let's get on with the economic issues, let's get on with the things that are so important with our day to day lives."

Turning the page on the constitutional debate will enable the country to tackle its economic and social priorities. On the other hand, a "no" means wasted energy. A "no" means a difficult future. A "no" is no solution to our bread and butter economic issues.

Common sense tells you that there are bound to be negative economic consequences that flow from a "no" vote. Common sense tells you that the supporters of a "no" vote are dreaming, at best, if they believe that a "no" vote will not have negative economic consequences for Quebec and for Canada.

Whatever their long range or personal motives may be, we must not allow them to fool themselves or to try to fool other Canadians into believing that a negative vote will produce anything other than negative consequences.

Common sense also tells you that there is something wrong with a group such as the "no" forces, who are quite prepared to tell you what they are against but who respond with total silence when asked to spell out their alternative.

Criticism alone is not good enough, and Canadians in Quebec and across the country have a right to know exactly what Mr. Parizeau, Mr. Bouchard, Mr. Manning and the other "no" advocates would do to resolve the constitutional issue.

But let's look at it from another standpoint. Major-General Lewis Mackenzie, who commanded our peacekeeping force in Yugoslavia up until the end of July, said in a recent speech in Toronto that before Canadians voted in the referendum he would have liked to take each and every one of us to spend six hours in Sarajevo, and demonstrate in that way how fortunate we are as Canadians.

We Canadians have a great deal to be proud of, and by and large, we know it. But we tend to be modest and unassuming people, not much given to boasting.

Last April, however, no less an advocate than the United Nations declared to the world something that we ourselves might never have boasted on our own behalf, but which, by and large, deep in our hearts, we know: that ours is the best country in the world to live in. Think of it. The best country. We are so highly

regarded internationally that foreigners observing our unity debate can only shake their heads in amazement at what we are risking.

Canada has traditionally been one of the most prosperous countries in the world. At a time of rapid change around the world, the structure of our country and of its institutions has to develop in a way that will help us maintain and improve our high standard of living. The renewal of Canada, as set out in the Charlottetown agreement, will enable us to achieve these objectives.

The agreement seeks to secure that high standard of living by reforming and improving our political institutions so that they will work as well in the future as they have in the past.

Indeed, Canada's traditional stability attests to the political arrangements and institutions that have served the interests of Canadians in the past. As a united country we have achieved a proud economic record, a record that gives us every reason to feel confident about our future together.

Let us open our eyes and realize how fortunate we are to be Canadians. In closing, let me say that the decision you make on the 26th will be crucial. Do not take it lightly. For me, the choice is clear. I am voting for the future, and the future begins with a "yes."

Thank you.