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SPEECH IN NEW YORK BY MINISTER JAMES KELLEHER

The Minister for International Trade, James Kelleher, told a group of 400 senior American business executives in New York City that Canada is ready to negotiate a trade agreement with the United States. Mr. Kelleher said he was very pleased that President Reagan has notified Congress of the Administration's intention to engage in bilateral trade talks with Canada.

"The significance of this initiative, and of the President's action yesterday, cannot be overstated. These bilateral trade negotiations will, I believe, be of historic importance for both the United States and Canada, and I look forward to getting them underway soon," Mr. Kelleher said.

Minister Kelleher also made the following points to the United States Council for International Business:

- The agreement reached recently "in Halifax by the Prime Minister and all the provincial premiers in no way diminishes the primacy of the federal government. What it does is recognize the unique and special character of the Canadian federation. It will serve as a mechanism to ensure that our negotiators are kept aware of provincial interests, and that an eventual trade agreement will have the support of all provinces."
- "Our bilingual character, our social programs and our culture are all part of what we Canadians regard as our unique identity. They are part of what makes us Canadians, and they are not at issue in the negotiations we will hold."

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- "Some people in both our countries have questioned the need for bilateral negotiations. They say we should rely only on the multilateral process under the GATT. But they are wrong. The GATT is vital to the maintenance of an orderly trading system throughout the world, and it has brought real gains in attacking trade barriers. But it must take the needs and aspirations of a hundred nations into account, and so its progress is necessarily slow. By itself, it is not equipped to address the needs of a bilateral trading relationship as extensive, dynamic and complex as the one between Canada and the United States.

- Mr. Kelleher said that, according to an American study, restrictions on Canadian lumber imports to the U.S. would cost thousands of American jobs. The Wharton Econometrics study concluded that such restrictions would curtail housing in the United States and result in a net loss of 15,000 American jobs.

- "From Canada's perspective, a bilateral trade agreement should aim to achieve three mutual objectives:

- 1- we seek assured and stable access to each other's markets;
- 2- we should attack the remaining tariff barriers;
- 3- we need a binding agreement to institute a better framework of rules for dispute settlement."

- "A new bilateral trade agreement would be in the interest of both sides." "We do far more business with each other than do any other two countries in the world. The volume of our cross-border trade in last year was 120 billion American dollars - or roughly 1/15th of all world trade." "Not only is Canada your largest market, it's also your fastest growing market."

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