



# communiqué

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## SPEECH IN LOS ANGELES BY MINISTER KELLEHER

The Minister for International Trade, James Kelleher, today made the following points in a speech to the Canada-California Chamber of Commerce and California Council for International Trade in Los Angeles:

### 1- IMPORTANCE OF CANADA-U.S. TRADE:

- "The volume of our cross-border trade in 1984 was 120 billion American dollars -- or roughly 1/15th of all world trade."
- "Canada is your biggest customer in the world. You sell more to 25 million Canadians than you do to the 280 million Europeans in the Common Market. You sell us twice as much as you do Japan. Indeed, my home province of Ontario alone takes more American exports than does Japan."
- "Not only is Canada your largest market, it's also your fastest growing market. Your exports to us climbed 20 percent in 1984."
- "We are your largest and fastest growing market, and the one that is easiest to penetrate."
- "The jobs of more than two million Canadians -- and of more than two million Americans, as well -- are directly dependent on our mutual trade."

...2

2- SOFTWOOD LUMBER:

- "There are now three bills before Congress to curb your imports of our lumber. These bills are the product of heavy lobbying by U.S. lumber producers. They were introduced in spite of two separate investigations by the U.S. Department of Commerce -- both of which concluded that Canadian timber is not subsidized and does not present unfair competition to American producers."

3- REASONS FOR A NEW CANADA-U.S. TRADE DEAL:

- "There is plenty of historic precedent for a bilateral trade agreement between us. Five decades ago, the world was in the midst of the Great Depression, and trade wars had broken out to make things worse, Canada and the U.S. were the first to react to the rampant protectionism of the times. In 1935, we signed a bilateral agreement to bring the barriers down, and its principles became the foundation for the multilateral trading system we have today."

4- GATT:

- "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."

5- OBJECTIVES OF A CANADA-U.S. TRADE DEAL:

- "From Canada's perspective, our bilateral trade negotiations should aim to achieve three major mutual objectives:"

"The first is assured and stable access to each other's markets so as to create employment in all regions of Canada and the United States and to stimulate balanced economic development in our two countries."

"The second is to attack the remaining tariff and non-tariff barriers."

"And the third objective is a better framework of rules for the settlement of disputes. With more certainty and predictability, we will both have a more confident basis for investment, expansion, modernization and specialization."

6- CULTURAL INDUSTRIES:

- "We also have special policies to protect and promote our cultural industries -- such as publishing, broadcasting, records and films. These are vulnerable in any small country that borders on a large one, and we take -- and will continue to take -- special pains to preserve them. In this regard, the distribution of Canadian feature films is becoming something of an issue in Canada. The problem is that we do not have our own distribution system. Hollywood treats us as part of one North American market. For commercial reasons, the Hollywood distributors want films that appeal to the market as a whole, which is predominantly American. As a result, it has been very hard for Canadian films to get shown in our own country. We are looking at ways to give our film makers a little better chance at the box office."

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