



Minister for
International Trade

Ministre du
Commerce extérieur

STATEMENT DISCOURS

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Speaking notes for
the Honourable Pat Carney,
Minister for International Trade,
to the Downtown Edmonton Rotary Club

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Canada

It is a pleasure to be once again in Edmonton and certainly a pleasure to be here with you today.

I am particularly glad to be addressing a group that consists of so many business people, because I know that you will equate with what I have to say.

When you take over a business or start one, your prime concern is to promote that business into a success: to achieve the goals that you set for yourself.

It occasionally happens that a business becomes so successful its owner is suddenly too busy to spend any more time on promotion. At that point, things can start to fall off.

If you're in business, it shows up on the books. If you happen to be in politics, it shows up in the opinion polls.

When this government was elected in 1984, we had spent a lot of time and effort telling the people of Canada of our goals and ambitions for this country.

Obviously, Canadians liked what they were hearing.

And ... they expected us to deliver.

But we've been too busy running the country to run for the next election.

The NDP is in the happy position where they can promise anything -- secure in the knowledge that they'll never have to deliver.

As for the Liberals ... there in the middle ... I am reminded of the words of American poet Robert Frost, who defined a Liberal as a "Man too broadminded to take his own side in a quarrel".

When Prime Minister Mulroney and this government were elected, we had a national agenda for action.

Let me remind you of the four points of that agenda:

- National Reconciliation
- Economic Renewal
- Social Justice
- Improved International Performance

We have delivered on that agenda.

We know the job isn't done -- nor will it ever be until all Canadians, East and West, share equitably in that economic recovery.

But I'd like to point out to you some indicators that we're on the right track ... indicators that the critics of this government are very careful to overlook.

- Economic performance on economic growth a job creation tops in western industrialized world.
- For the first time in eight years the rate of inflation, the unemployment rate and bank interest rates are in single digits.
- We have brought about an economic climate in which business is no longer afraid to do business; where the bank rates are now such that business can operate in a manner that allows it to expand and grow.
- Since the 1984 election, the Bank of Canada rate has fallen by almost four percentage points. The prime rate to bank customers has dropped by three and a half.

As business people, you can appreciate those differences.

But what do they mean in human terms? What's their meaning to the Canadian public?

- It is not a coincidence that overall the unemployment rate has fallen -- from 11.7 percent in September 1984 to 9.1 percent in May 1987 -- and that's the lowest rate in five years.
- It is not a coincidence that 840,000 jobs have been created since September 1984 ... an average of more than 26,000 a month ... and 80 percent of those are full time. More than 43,000 of those new jobs are in Alberta. They are being created across the country.
- By the end of 1986 the value of building permits issued in Canada was 59 percent higher than in 1984. By May of this year, housing starts were at their highest level in eight years, up 74 percent over 1984.

Those interest rates I have been talking about meant that more Canadians could afford to buy those houses. With a drop of three percent on mortgage rates, that's a saving of \$100.00 a month on a \$50,000.00 mortgage.

The inflation rate has been in the four percent range for three years. This is the most stable environment this country has seen since 1971.

All of that leads to consumer confidence.

That confidence is at its highest level in 21 years -- its second highest level on record. Retail sales across this country have increased by 26 percent since the election.

That has been good for retailers, small business, the manufacturers, the unemployed, and for Canada as a whole.

This new climate has provided enough confidence so that the numbers of new businesses increased by 11 percent last year.

The Canadian economy has grown by 10 percent in real terms since we were elected. And by more than four percent in the past year.

When this government was elected, we put into effect a five-year plan based on sound economic and fiscal management to restore stability and confidence in this country.

We promised tax reforms that would ensure citizens and corporations pay their fair share for the upkeep of this country. An important step toward that goal was the recent White Paper tabled by the Minister of Finance.

So far, I've been talking about economic renewal.

Unquestionably, that has been the single most important area that this government has had to deal with.

We were elected on an agenda for action.

That agenda included national reconciliation ... bringing about a climate in which the Provinces and the Federal government could work together for the common good of the country.

We believe that we have brought that about.

- We brought Québec into the constitution.
- We have resolved the conflict about offshore oil rights.
- We have brought the Provinces into the negotiations for a bilateral trade agreement with the United States.

This is a government that listens to the concerns of all its regions and works hard to bring them together to a common resolve.

There will always be regional differences in a country as big and as diverse as Canada.

After this week's First Ministers Conference on the Trade Negotiations, you heard some differing opinions. Nevertheless, the vast majority of the Premiers were pleased with the progress of negotiations to date. They are a lot more conciliatory in the room than on the steps talking to the media.

We will continue to work toward an agreement that benefits the vast majority of Canadians and seeks to meet as many regional concerns as possible.

I think it bears repeating that there will be no deal unless it's a good deal.

But think of the benefits to Canada of a good deal.

- More jobs and lower prices.
- Economic studies show every region will benefit from added economic growth.
- Irresponsible not to pursue in face of growing protectionism.
- There is no status quo. Projections show our economic growth will be stopped by rising protectionism.

The aim of our current negotiations is to create a comprehensive trade treaty. It should reduce and eliminate barriers to trade over a period of ten years. It should establish clear rules to govern our large and complex trading relationship with the United States. And, it should contain a mechanism for settling any trade disputes that should arise between the two countries. The system we have doesn't work.

Let me turn to the actual contracts of an agreement as we envisage it.

First, like other trade negotiations Canada has been involved in under the GATT, the treaty would eliminate the existing tariffs that each country maintains with respect to goods coming from the other. But, it is important to note, not all tariffs would be eliminated at once. Many would be reduced over a period of ten years to allow our industries and producers time to adjust to new competition.

The treaty would address the technical barriers and the non-tariff barriers that can often frustrate trade. Both countries would still maintain their health and safety standards. The object would simply be to reduce the protectionist potential of such regulations. That would help to promote the open access we seek.

Open access can be sought not only by tariff reductions and the removal of non-tariff barriers. We want better access to the procurement practices of U.S. governments. We want our producers to be able to compete on an equal footing with their American counterparts. If our government procurement negotiations succeed we can get access to a lucrative new market in the U.S. worth literally hundreds of billions of dollars.

We are also reaching into the new areas of services, intellectual property, and investment. These areas have not traditionally been the subject of GATT negotiations, although the present Uruguay Round is addressing them.

On services, we envisage three kinds of results. First, a general code on services that would deal with future actions by governments. Secondly, sector-specific codes dealing with such sectors as professional services and financial services. And, thirdly, negotiations on specific services irritants.

The services negotiations are tough. We are entering uncharted waters and are encountering new problems and constraints along the way. But we hope to make significant progress and thereby contribute to the GATT services negotiations.

In the area of investment, the negotiators are dealing with trade-related investment measures, such as domestic sourcing and export performance requirements. We will also look at other investment issues as they arise. Cabinet is playing a particularly active role in shaping the investment mandate. There will be no unfettered access to American investment.

In Agriculture, we are working toward the clarification of miscellaneous issues such as technical standards, tariffs, and import permit systems in an effort to liberalize trade in this important sector. Success in this area will, for instance, end American discrimination against red meat from Alberta.

We know that the major agricultural trade problems cannot be dealt with in bilateral negotiations with the U.S.. They must be attacked on a global front.

Let me now turn to the critical issues for Canada: Changes in the U.S. - and Canadian - trade remedy laws and a new dispute settlement mechanism. Let me set the record straight on these issues.

First, neither Canada nor the United States wants a licence to poach in the other's market. I can categorically state that we are NOT looking to dump or send subsidized goods into the U.S..

Having said that, we are not content with the existing state of international trade rules. We think that Canada and the U.S. can build on those rules and achieve much greater precision and specificity.

What that means is that if we have more precise rules on what subsidies are permissible and what are not, we can move away from border measures such as countervailing duties.

In short, if we can get at the root causes of unfair trade practices, we can do away with the means used to penalize them.

An essential component of this approach to reducing trade disputes is a balanced and equitable mechanism to interpret the Treaty and resolve disputes.

While we are pursuing the new Trade Agreement with the United States, we have not been blind to our other export markets, or to the expanding opportunities elsewhere.

Our Prime Minister's trade mission to Japan, China and Korea was the first ever by a Canadian Prime Minister. It's already paying off. You're beginning to read stories on the business pages more and more frequently about deals with those countries.

As Minister for International Trade I have also visited most Pacific Rim countries as well as Europe to enhance our trade relationships.

The Francophone and Commonwealth Summits this year are an extension of that effort to expand on our exports.

When we were elected, Canadians had other concerns that were not strictly economic....concerns that dealt with the quality of life and justice in this country.

We have concerned ourselves with that too.

One of our first moves was to bring about needed amendments to the divorce act.

We removed the provisions that discriminated against women in the Indian Act.

We have established a Parliamentary Task Force on Child Care to find ways to solve one of the most pressing needs in Canada.

We have taken measures to control pornography, prostitution, and sexually abusive broadcasting.

We have entered into discussions with the Provinces toward a comprehensive overhaul of the Canadian Pension system.

We encouraged Canadians to save for their retirement years by increasing the amounts on which they can defer taxes in RRSP's.

We have extended Spouses' Allowance to Widows at the age of 60.

We have improved the financial situation of Canada's War Veterans.

There is increased Federal support for improvement of community-based health care.

Criminal Code amendments have been brought in concerning impaired driving, soliciting, computer crime and sentencing. Our borders have been closed to child pornography and hate literature.

We have reached agreement with the Provinces to facilitate enforcement of support and custody orders, and to assist the victims of crime.

There's more.

But I think you've probably heard enough.

Enough to recognize that this has already been a Government of action.

In 1984, when this Government accepted the mandate of the people of Canada to govern the country left behind by decades of Liberals, the Throne Speech contained a total of 43 promises.

Within this government's first two years, 17 of them had been stamped 'done'.

Action has been taken on them all. The action is continuing.

We have drawn together the Provinces and we have worked with industry and labour in the spirit of national reconciliation that we promised, to bring about a healthier and more prosperous Canada.

It IS working. Because WE'VE been working.

Canadians can take pride in what we have accomplished together.