

Statement
Minister for
International
Trade



Discours
Ministre du
Commerce
extérieur

EMBARGOED UNTIL 20:00 HOURS

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CHECK AGAINST DELIVERY

NOTES FOR A SPEECH

BY THE MINISTER FOR INTERNATIONAL TRADE,

JOHN C. CROSBIE,

AT THE 46TH ANNUAL CONVENTION OF THE

CANADIAN EXPORTERS' ASSOCIATION

OTTAWA CONGRESS CENTRE

October 2, 1989.

LADIES AND GENTLEMEN:

IT GIVES ME GREAT PLEASURE TO JOIN YOU TONIGHT AT THIS, THE 46TH ANNUAL CONVENTION OF THE C.E.A.

THE THEME OF THIS YEAR'S CONVENTION IS "THE 1990'S -- MEETING THE CHALLENGE". TODAY, YOU HAVE HEARD EXPERTS FROM THE PUBLIC AND PRIVATE SECTORS DISCUSSING SPECIFIC ASPECTS OF THE EXPORT CHALLENGE.

TONIGHT, I WOULD LIKE TO COMPLEMENT THE EFFORTS OF TODAY'S SPEAKERS BY OUTLINING THE CHALLENGES WHICH I SEE AHEAD FOR ALL OF US AND BY EXPLAINING HOW THE GOVERNMENT OF CANADA WISHES TO HELP YOU MEET THOSE CHALLENGES.

AND I WANT TO EMPHASIZE THE WORD YOU. WE HAVE ADOPTED THE NAME EXTERNAL AFFAIRS AND INTERNATIONAL TRADE CANADA FOR A REASON: TO MAKE SURE YOU KNOW THAT WE ARE YOUR DEPARTMENT IN OTTAWA; TO REAFFIRM THAT OUR ROLE IS HELPING YOU SUCCEED; AND TO RECOGNIZE THE

CENTRAL ROLE WHICH INTERNATIONAL ECONOMIC RELATIONS MUST PLAY IN OUR FOREIGN POLICY FOR THE 1990s.

SO, WHAT KIND OF WORLD DO WE SEE IN THE DECADE AHEAD? WHAT ARE THE CHALLENGES WHICH WE MUST MEET TOGETHER? OF COURSE, NO ONE CAN TRULY SEE THE FUTURE. BUT SOME OF THE FEATURES OF THE YEAR 2000 ARE SURELY CLEAR ENOUGH.

WE KNOW, FOR EXAMPLE, THAT THE POPULATION OF THE WORLD WILL INCREASE BY ONE BILLION PEOPLE DURING THE 1990'S, MOSTLY IN THE POORER COUNTRIES OF THE SOUTH. THIS WILL MEAN ACCELERATED INDUSTRIAL PRODUCTION WORLDWIDE AND INCREASED ENERGY CONSUMPTION.

BY THE YEAR 2000, ASIA-PACIFIC WILL ACCOUNT FOR 60% OF THE WORLD'S POPULATION, 50% OF PRODUCTION AND 40% OF CONSUMPTION -- WITH TRANS-PACIFIC TRADE REACHING AS HIGH AS \$500 BILLION.

COMPETITION WILL INCREASINGLY BE CARRIED OUT ON A GLOBAL SCALE BY GLOBAL COMPANIES, WITH SMALLER COMPANIES SEEKING THEIR OWN NICHE MARKETS.

A GROWING NUMBER OF COUNTRIES WILL ACQUIRE THE CAPACITY TO PRODUCE SOPHISTICATED GOODS AND SERVICES AND TO SELL THEM ABROAD.

TECHNOLOGY WILL CONTINUE TO ACCELERATE THE PACE OF CHANGE, AND RAPIDLY EVOLVING, SCIENCE-BASED INDUSTRIES WILL BE KEY SECTORS.

NO COUNTRY WILL BE ABLE TO ENJOY AN ACROSS-THE-BOARD TECHNOLOGICAL LEADERSHIP.

MEETING THE NEEDS OF CUSTOMERS WILL REQUIRE AN INCREASED COMMERCIAL PRESENCE IN FOREIGN MARKETS, RATHER THAN JUST INCREASED EXPORTS.

AND WE KNOW THAT WHILE IT MAY BE THE MEEK WHO WILL INHERIT THE EARTH, IT WILL BE THE DEDICATED AND THE EDUCATED WHO EARN THE PROFITS IN THE MEANTIME. LANGUAGE SKILLS WILL BE IMPORTANT; RETRAINING WILL BE A STANDARD FEATURE OF WORKING LIFE; AND THERE WILL BE A PREMIUM ON SCIENTIFIC EDUCATION AND ENGINEERING.

SINCE 1984, MY COLLEAGUES AND I HAVE BEEN IMPLEMENTING A BROAD-BASED STRATEGY TO MEET THESE CHALLENGES. OUR GOAL HAS BEEN TO PROMOTE THE DEVELOPMENT OF AN INTERNATIONALLY COMPETITIVE, VALUE-ADDED CANADIAN ECONOMY -- AN ECONOMY WHERE SKILLED CANADIANS PRODUCE AND SELL VALUE-ADDED GOODS AND SERVICES.

CENTRAL TO THAT GOAL WAS THE FREE TRADE AGREEMENT WITH THE UNITED STATES -- AN AGREEMENT WHICH WILL ALLOW OUR COMPANIES TO DEVELOP COMPETITIVE SCALE AND SPECIALIZATION AND WHICH WILL INCREASE OUR ABILITY TO EXPORT VALUE-ADDED FINISHED PRODUCTS.

IT HOLDS THE POTENTIAL OF BEING A MAJOR CATALYST FOR CANADIAN COMPETITIVENESS.

THE WORLD ECONOMIC FORUM IN GENEVA CERTAINLY AGREES.

WHEN WE CAME TO OFFICE, CANADA RANKED ELEVENTH IN THE WORLD IN ECONOMIC COMPETITIVENESS. NOW, THAT SAME ORGANIZATION RANKS US FOURTH.

FROM ELEVENTH TO FOURTH IN LESS THAN FIVE YEARS. PROOF THAT SOMEBODY IN THIS COUNTRY MUST BE DOING SOMETHING RIGHT.

BUT YOU AND I KNOW THAT CANADA WOULD BE MAKING A SERIOUS MISTAKE IF WE RESTED ON OUR LAURELS. IN THIS COMPETITIVE WORLD, STANDING STILL MEANS FALLING BEHIND. THERE ARE A NUMBER OF TRADE INITIATIVES WHICH MUST BE PURSUED AND IMPLEMENTED IF WE ARE TO CONTINUE TO MAKE PROGRESS.

LET ME LIST THREE MAJOR TRADE OBJECTIVES.

FIRST, WE MUST SEIZE THE OPPORTUNITIES AVAILABLE THROUGH THE FREE TRADE AGREEMENT. MY JOB WILL BE TO MAKE THE AGREEMENT WORK FOR THE COUNTRY. YOUR JOB WILL BE TO MAKE THE AGREEMENT WORK FOR YOUR COMPANY;

SECOND, WE HAVE TO CREATE MORE OPPORTUNITIES THROUGH MULTILATERAL TRADE LIBERALIZATION; AND

THIRD, WE HAVE TO GO GLOBAL. WE HAVE TO SELL OUR GOODS AND SERVICES TO THE WORLD. WE HAVE TO POSITION OURSELVES TO SEIZE THE OPPORTUNITIES IN CHANGE, WHETHER IT BE CHANGES IN THE GATT, CHANGES IN EUROPE CAUSED BY THEIR 1992 MARKET INTEGRATION, OR CHANGES IN THE DYNAMIC ASIA-PACIFIC.

THE FIRST CHALLENGE LIES IN MAKING THE FTA WORK FOR CANADA.

WE HAVE ASSEMBLED A FIRST-RATE TEAM TO MANAGE THE CANADA-U.S. RELATIONSHIP;

THE COMMISSION HAS HELD ITS FIRST MEETING;

THE DISPUTE SETTLEMENT PANELLISTS HAVE BEEN SELECTED, AS HAVE THE MEMBERS OF THE BLUE-CHIP PANEL ON AUTOMOTIVE TRADE;

SOME DISPUTES ARE BEING ADJUDICATED;

THE TECHNICAL GROUPS ARE GETTING DOWN TO WORK;

TONY HALLIDAY HAS BEEN NAMED OUR CHIEF NEGOTIATOR FOR THE
SUBSIDIES AND ANTI-DUMPING NEGOTIATIONS; AND

THE TARIFF ACCELERATION PROCESS HAS PROMPTED THOUSANDS OF
REQUESTS ON BOTH SIDES OF THE BORDER.

WITHIN THESE REQUESTS ARE SOME OF A SERIOUS NATURE AND OTHERS OF
THE MORE WISHFUL VARIETY. SO LET ME MAKE IT CLEAR THAT REQUESTS
WILL ONLY BE MET WHEN AN INDUSTRY CONSENSUS IS REALIZED; AND THEY
WILL BE REFUSED WHEN THE INDUSTRY OBJECTS. WE HAVE NO DESIRE TO
REDUCE OUR TARIFFS ON U.S. GOODS AT A FASTER PACE THAN IS
REQUESTED BY CANADIAN INDUSTRY.

AND LET ME ALSO MAKE IT CLEAR THAT IN DISCUSSING THE OPPORTUNITIES IN
THE AGREEMENT, LET US ALL RECOGNIZE IT IS NOT GOING TO BE EASY.

THE FTA IS NO PANACEA TO OUR PROBLEMS. IT REPRESENTS PROGRESS --
NOT PERFECTION.

AND AS CANADIANS DO SUCCEED, SOME WILL NO DOUBT BECOME POTENTIAL VICTIMS OF THEIR OWN SUCCESS. AMERICAN PROTECTIONISTS WILL NO DOUBT TAKE A RUN AT CANADIANS WHO ARE TAKING THEIR MARKET, JUST AS OUR COMPANIES DO AGAINST IMPORT COMPETITION. WHAT WE HAVE IN THE FTA IS A BETTER SET OF RULES TO ENSURE A FAIR HEARING WHERE WE WILL NO DOUBT WIN SOME AND LOSE SOME.

IF SEIZING THE OPPORTUNITIES IN THE FREE TRADE AGREEMENT IS ONE GOAL, OUR SECOND MUST BE INCREASED MARKET ACCESS TO ALL MARKETS THROUGH THE GATT.

IN TODAY'S TRI-POLAR WORLD CENTRED ON THE U.S., THE EUROPEAN COMMUNITY AND JAPAN, THE GATT TAKES ON CRITICAL IMPORTANCE FOR SMALLER TRADING NATIONS LIKE CANADA. IT IS YOUR DOOR INTO EUROPE AND ASIA.

LAST WEEK IN GENEVA, WE TABLED A COMPREHENSIVE AND, WE BELIEVE, REALISTIC PROPOSAL TO IMPROVE YOUR MARKET ACCESS.

OUR PROPOSAL IS AIMED AT ACHIEVING THE OBJECTIVES SET OUT IN THE MONTREAL NEGOTIATING FRAMEWORK.

WE SEEK A SUBSTANTIAL REDUCTION OF TARIFFS BY ALL PARTICIPANTS TO ACHIEVE LOWER AND MORE UNIFORM RATES, USING BOTH A TARIFF-CUTTING FORMULA AND A REQUEST AND OFFER APPROACH.

WE ALSO WANT A SUBSTANTIAL REDUCTION OR ELIMINATION OF NON-TARIFF BARRIERS THROUGH A REQUEST AND OFFER TECHNIQUE, SO THAT TARIFF CUTS ARE MEANINGFUL.

WE RECOGNIZE THAT TARIFFS MUST BE REDUCED OVER APPROPRIATE PHASE-OUT PERIODS.

WE ENVISAGE A SUBSTANTIAL INCREASE IN THE SCOPE OF BOUND TARIFFS WITH APPROPRIATE CREDIT FOR THE BINDING OF PREVIOUSLY UNBOUND RATES;
AND

WE WANT DEVELOPING COUNTRIES TO PARTICIPATE IN ACCORDANCE WITH THE ORIGINAL PUNTA DEL ESTE DECLARATION, WITH DEVELOPED AND NEWLY

INDUSTRIALIZED COUNTRIES MAKING EVERY EFFORT TO MEET THE NEEDS OF
LEAST DEVELOPED COUNTRIES THROUGH PREFERENTIAL ARRANGEMENTS.

OUR GOAL -- INCREASED MARKET ACCESS -- IS CRITICAL TO MANY CANADIAN
FIRMS. THE NEGOTIATIONS AHEAD WILL BE TOUGH. WE ARE LOOKING FOR
YOUR SUPPORT AND CONTINUING INPUT.

AND THE THIRD CHALLENGE -- THE CHALLENGE OF GOING GLOBAL. AS
GERRY SHANNON OUTLINED EARLIER TODAY, WE WISH TO PURSUE A
THREE-PILLAR STRATEGY TARGETED ON THE AMERICAN, EUROPEAN AND
PACIFIC MARKETS.

IN THE U.S., WE ARE PLANNING INCREASED PARTICIPATION IN TRADE FAIRS
AND MORE TRADE MISSIONS.

THERE ARE NEW PROGRAMS TO HELP CANADIAN EXPORTERS ACCESS
REGIONAL U.S. MARKETS -- SUCH AS THE NEXUS PROGRAM GEARED TO
THE SOUTHERN UNITED STATES -- AND ENLARGED OLDER PROGRAMS SUCH
AS NEBS FOR OUR MARKETERS IN BORDER STATES.

MARKET STUDIES ARE ALSO BEING PREPARED ON A SECTORAL BASIS; AND

SEMINARS ARE BEING CONSTANTLY HELD TO HELP YOU LEARN MORE ABOUT EXPORT FINANCING, U.S. PROCUREMENT OPPORTUNITIES AND OTHER KEY SUBJECTS.

WE ARE ALSO MOVING FORWARD ON THE EUROPEAN AND ASIAN FRONTS.

TOMORROW, I BELIEVE YOU WILL BE DISCUSSING OUR RESPONSE TO THE EUROPEAN 1992 INITIATIVE. LET ME JUST SAY THAT THERE ARE CLEARLY OPPORTUNITIES TO BE SEIZED. I WANT TO TELL YOU HOW IMPRESSED I HAVE BEEN ON MY RECENT MISSIONS TO EUROPE WITH THE SENSE OF DYNAMISM IN THE AIR, PARTICULARLY IN PLACES LIKE SPAIN. THE OPPORTUNITIES FLOWING OUT OF 1992 ARE SIMPLY TREMENDOUS. AND THE TIME TO SEIZE THOSE OPPORTUNITIES IS NOW.

AS YOU KNOW, WE HELD A MAJOR CONFERENCE EARLIER THIS YEAR IN TORONTO ON THE SUBJECT OF 1992. AND THERE IS A SECOND CONFERENCE SCHEDULED FOR MONTREAL IN EARLY DECEMBER. I HOPE MANY OF YOU CAN ATTEND.

AS WE MONITOR AND ANALYZE EUROPE AND 1992, WE WILL ALSO BE BUILDING TRADE AND INVESTMENT LINKS TO THE PACIFIC RIM.

WE HOPE TO STRENGTHEN THE LANGUAGE AND CULTURAL EXPERTISE OF CANADIANS, RECOGNIZING THAT THE LANGUAGE OF BUSINESS MUST BE THE LANGUAGE OF THE CUSTOMER; AND THAT TOO FEW CANADIANS SPEAK ASIAN LANGUAGES.

WE WANT TO INCREASE SUPPORT FOR MARKET PENETRATION;

WE HOPE TO ENCOURAGE SCIENCE AND TECHNOLOGY COOPERATION; AND

WE WANT TO PROMOTE CANADIAN INTERESTS THROUGH A MORE VIGOROUS COMMUNICATIONS PROGRAM AND CULTURAL EXCHANGES, SO THAT ASIANS KNOW MORE ABOUT US.

AND IF WE ARE COMPETITIVE IN ASIA, EUROPE AND THE UNITED STATES, WE WILL BE COMPETITIVE ANYWHERE IN THE WORLD -- WHETHER IN BRAZIL OR IN EASTERN EUROPE.

I KNOW THAT EXPORTERS HAVE BEEN SUCCESSFUL IN WINNING PROJECTS IN DEVELOPING MARKETS ON THE BASIS THAT WE CAN PROVIDE FINANCING EQUIVALENT WITH THAT OFFERED BY OUR COMPETITORS. LAST YEAR AT YOUR ANNUAL CONVENTION, WE INDICATED THAT WE HAD REACHED THE POINT WHERE WE NEEDED TO ADDRESS THE DEMAND FOR SECTION 31 CONCESSIONAL AND NON-CONCESSIONAL FINANCING IN THE CONTEXT OF THE FISCAL ENVIRONMENT.

THE GOVERNMENT RECOGNIZED THAT THE AVAILABILITY OF CONCESSIONAL FUNDS HAS BEEN INSTRUMENTAL IN PROVIDING EQUAL FOOTING FOR OUR EXPORTERS, AND CONSEQUENTLY WE INCREASED THE AVAILABILITY OF CONCESSIONAL EXPORT CREDITS IN THE LAST BUDGET. HOWEVER, DUE TO A STEADILY INCREASING DEMAND FOR SUCH FUNDS, THEY REMAIN IN TIGHT SUPPLY. CONSEQUENTLY, EDC AND MY DEPARTMENT ARE NOT ABLE TO MEET ALL THE EXPORT COMMUNITY'S REQUESTS FOR NEW INITIATIVES.

I AM COGNIZANT OF THE PRESSING NEEDS OF EXPORTERS. WE ARE DOING EVERYTHING POSSIBLE, DOMESTICALLY AND MULTILATERALLY, TO FIND MEANS TO MAXIMIZE THE USE OF OUR SCARCE RESOURCES. BUT A SUBSIDIZED

CREDIT WAR IS SURELY NOT THE WAY FOR CANADA TO GO. JUST AS IN THE FLOW OF GOODS, WE REQUIRE BETTER RULES GOVERNING EXPORT FINANCE. AND THAT'S WHY WE PUSHED SO HARD AND WITH SUCCESS TO GET OUR ECONOMIC SUMMIT PARTNERS TO AGREE TO REVIEW THE EXPORT CREDIT ARRANGEMENTS WITHIN THE OECD SO WE CAN ESTABLISH SOME ORDER AND STABILITY IN THE SYSTEM.

THAT BEING STATED, MY OFFICIALS AND I REMAIN DETERMINED TO HELP YOU ACHIEVE GLOBAL SUCCESS IN OTHER WAYS.

THE INTERNATIONAL TRADE CENTRES LOCATED ACROSS THE COUNTRY ARE THERE TO HELP YOU.

OUR TRADE COMMISSIONERS AROUND THE WORLD ARE AN INVALUABLE RESOURCE -- THEY RANK WITH THE BEST IN THE WORLD.

AND I WANT TO TELL YOU I SEE IT AS A PERSONAL CHALLENGE TO LEAD THE CHARGE AND TO RAISE OUR FLAG AROUND THE WORLD, WHETHER IT BE THROUGH LEADING TRADE MISSIONS TO THE U.S., OR HONG KONG AND KOREA, LIKE LAST WEEK, OR NEXT WEEK'S TRIP TO FRANCE AND GERMANY.

BUT GOING GLOBAL AND DEVELOPING A GLOBAL MINDSET IS SURELY ALSO AN IN-HOUSE CHALLENGE WITHIN YOUR COMPANIES. IT IS A SOMETHING NEITHER GOVERNMENT NOR INDUSTRY CAN DO ALONE.

THAT IS PERHAPS THE GREATEST CHALLENGE WE FACE -- THE CHALLENGE OF DEVELOPING AN OUTWARD-LOOKING TRADING CULTURE, WHERE THE KNOWLEDGE AND EXPERTISE OF CANADIANS MATCHES THE IMPORTANCE OF INTERNATIONAL TRADE TO OUR ECONOMY. THE CHALLENGE OF TRAINING A GENERATION OF MEN AND WOMEN WITH BOTH THE CONFIDENCE AND COMPETENCE TO FUNCTION SUCCESSFULLY IN COMPLEX, FOREIGN ENVIRONMENTS. THE CHALLENGE OF MAKING EVERY CANADIAN LESS PAROCHIAL, LESS COMPLACENT AND MORE AWARE OF OUR PLACE IN THE WORLD. THE CHALLENGE OF NOT JUST PRODUCING A QUALITY PRODUCT, BUT MARKETING AND SELLING IT TO THE WORLD.

AND TONIGHT, WE ARE HERE TO HONOUR SOME OF YOUR COLLEAGUES WHO HAVE ALREADY MADE THE TRANSFORMATION TO WORLD TRADER. WE WILL BE HONOURING THE LATEST WINNERS OF OUR ANNUAL EXPORT AWARDS -- COMPANIES THAT ARE SETTING AN EXAMPLE OF EXCELLENCE TOWARDS WHICH

WE SHOULD ALL STRIVE.

OCTOBER IS EXPORT MONTH. BUT MEMBERS OF THE C.E.A. KNOW THAT EXPORTING IS A GAME THAT LASTS 12 MONTHS A YEAR, 30 DAYS A MONTH AND 24 HOURS A DAY. SUCCEEDING IN TODAY'S GLOBAL ARENA IS AN ENORMOUS CHALLENGE. BUT I AM CONFIDENT THAT IF WE CONTINUE TO WORK TOGETHER, WE CAN MEET THIS CHALLENGE, TO THE BENEFIT OF ALL.

THANK YOU.