

**NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
AT THE OPENING SESSION
OF THE CANADA-BRAZIL BUSINESS FORUM**

BRASILIA, Brazil

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It is a great pleasure to be with you today in this beautiful capital city. This is my second visit to Brasilia, and I am even more impressed by it this time around!

While I am always delighted to visit your beautiful country, as a Canadian of Italian descent, and as an avid soccer fan, you will understand that coming here can be difficult. It was, after all, Brazil that defeated Italy in the 1994 World Cup!

Later this year, the eyes of the world will be on France for the next World Cup. In the interest of diplomacy, I won't make any predictions! But for the time being, let's just keep our focus on trade and not on soccer and everything will work out fine!

Today, along with the Prime Minister, provincial premiers, territorial leaders and Canadian business leaders, I am here to reaffirm the strength of the Brazilian-Canadian relationship and to pledge our support for freer trade, not only here in Latin America, but around the globe.

We meet today as firm friends, united by experience and by our common commitment to the principles of freer trade. Last spring, those ties were confirmed by the visit of President Cardoso to Canada.

During his time with us, he and Prime Minister Chrétien discussed the creation of a framework for enhanced trade and of a Canada-Mercosur approach, and we remain committed to that strategy.

Brazil is already our most important trading partner in South America, but we know that there is tremendous potential still untapped.

Hopefully, following this trade mission, some of that potential will have been realized!

Of course, impediments still exist. Tariffs remain high in a number of areas, on both sides of the ledger. Customs procedures must be streamlined. And we are determined to work with business leaders to identify and remove roadblocks and red tape, and to let you in the business community get on with what you do best: creating jobs.

As I said, trade between our two nations is significant: two-way trade totalled more than \$2.5 billion in 1996. Our exports here reached \$1.3 billion that year, double the 1992 figure.

Traditionally, our exports consisted of wheat, newsprint and potash. But deregulation is opening up exciting new opportunities for Canadians in the fields of telecommunications and informatics; and in energy and mining.

What began as an investment by Brascan in public works nearly 100 years ago has developed into a mature, diverse and balanced trade relationship today. Increasingly, our small and medium-sized businesses are discovering this region, and their interest is reflected in their preponderant representation in this trade mission. So it is with great optimism that we come here today and look ahead to the prospects for tomorrow.

This past year has been a busy one on the trade front for Canada, culminating with the APEC [Asia-Pacific Economic Cooperation forum] meeting in Vancouver just over a month ago. It has been a year in which hemispheric Trade Ministers agreed that FTAA [Free Trade Area of the Americas] negotiations should be initiated at the upcoming Santiago Summit -- a decision that holds profound implications for the economic course of this hemisphere. And Brazil was central to achieving that consensus.

Whether chairing the FTAA process, forging closer ties within Mercosur or contributing to the broader vision of the Santiago Summit, Brazil has offered strong leadership at an historic moment.

Canada welcomes that leadership, and shares Brazil's vision of a bright economic future for this hemisphere. We have demonstrated our confidence in this region through our commitment to the FTAA process, through our free trade agreement with Chile, and through the development of a trade and investment co-operation arrangement with Mercosur.

The momentum that has been created for freer trade in this region must not be lost. That means that we must press ahead with negotiation of the FTAA, whether the U.S. administration has fast-track authority or not.

Canada's commitment to freer trade is a product of both hope and experience. When we entered into free trade agreements with the United States, and then Mexico in the NAFTA [North American Free Trade Agreement], we turned a page in our history. We moved from thinking of free trade as something to be resisted, to seeing it as something to be embraced.

We recognized that in the world of tomorrow, success will come to those nations that look outward, that see the whole world as their marketplace, and that appreciate the broadened perspective that comes with new partnerships.

To be sure, the adjustment has not always been easy. And I think we have to acknowledge very frankly the anxiety that many people feel about globalization -- in our own countries and elsewhere around the globe. We must acknowledge and address those concerns. We must continue to demonstrate the benefits that freer trade brings and the opportunities it offers. We must show the connection between open markets and increased jobs. And we must prepare our people to take advantage of those opportunities.

Based on the Canadian experience, I can say without hesitation, that free trade has been worth it. The numbers speak for themselves: our trade with the United States has more than doubled since 1993, and now stands at more than one billion Canadian dollars *every day!* All of this has meant jobs for Canadians -- nearly one million since 1993.

It is also interesting to note that the effectiveness of these new trading relationships is being reflected not only in hard numbers, but also in the hearts and minds of Canadians. Seventy percent of Canadians now support freer trade. And support for the NAFTA in particular is up from 37 percent in 1993 to 63 percent today.

Canadians know that free trade works. We have seen it. We are living it. And because we have confidence that freer trade is the wave of the future, we also understand the importance of taking the long-term view in our approach. This means being dependable partners who know better than to pull up stakes every time there's a blip in the markets.

I know Brazil is already realizing the benefits of trade liberalization. And your central role in Mercosur has demonstrated your belief in the value of clear rules and more open markets.

One of the most important new vehicles for trade liberalization is the FTAA. What was once a distant dream is now within our grasp -- but only if we are prepared to make the hard decisions and do the hard negotiating. It is always easier to choose a destination than to chart a course, but chart it we must, and chart it we will.

The liberalization of trade that we seek in this hemisphere is both ambitious and historic. The FTAA will create the world's greatest trading region. But the benefits will extend far beyond the economic. For history teaches us that trade leads to more openness. It breaks down the walls that divide us, and creates common interest that unites us.

For Canada, the FTAA represents an exciting, ground-floor opportunity. Economies in this hemisphere are growing quickly, and are undergoing the deep, structural changes that will enable them to compete in the new global economy.

So the FTAA is a regional priority for Canada, and an integral part of our recognition of ourselves as a country of the Americas.

As we go forward with the FTAA, we must not lose sight of the principles of the Miami Summit: principles that reminded us that our goal in liberalizing trade is not simply to increase national wealth, but to improve people's lives.

Because at the end of the day, we will be judged not on the grandeur of our plans, but on whether we increased the prosperity and expanded the opportunities of our citizens.

I expect that in the months ahead, we will face many challenges and encounter many storms. But when those storms come, we must not run and hide under the shelter of protectionism. We must not succumb to the voices whispering retreat or retrenchment.

Instead, we must stick to our goals. We must continue to pursue the path to freer trade.

Why do I stress this? Because if we let the FTAA slip away, we risk a patchwork quilt of overlapping, even contradictory trade arrangements, cluttering the hemisphere. Such a situation will only serve to frustrate and imperil our broader goals.

As a country of the Americas, Canada is committed to freer trade and to the FTAA. We see a great future in a growing region. And we see Brazil playing a key role in maintaining the momentum for freer trade. You can be sure that Canada intends to be a partner that invests and stays the course.

It was in 1813 that the great statesman and visionary, Simon Bolivar, wrote his famous letter in which he described his vision of what Latin America could become. He said, "the veil has been torn asunder. We have seen the light and it is not our desire to be thrust back into the darkness."

Today, the veil has again been torn. We have glimpsed the kind of progress and prosperity that awaits our two countries. We have seen the benefits that liberalized trade can bring.

Let us resolve not to turn from our course until the full potential of this hemisphere is realized, and all of its people share in its bounty.

Thank you.