

Team Canada Business Luncheon

January 16, 1998
Sao Paulo, Brazil

I want to, first of all, thank our hosts for the great understanding they have shown regarding my absence from the bulk of this Team Canada mission here in Brazil. It is very much appreciated and I along with other Canadians will long remember it as an example of our strong and close friendship.

I also want to thank the whole Team Canada delegation for carrying on without me - and doing such an excellent job. I had the opportunity earlier to personally thank the Governor General. I want to thank Sergio Marchi for doing such able job. I know you impressed a lot of people, Sergio, with the way you have handled these extra responsibilities.

And, of course, the premiers, the mayors, the business people, the whole Team showed the true Canadian spirit by carrying on in the face of adversity. I want you to know that has meant a lot to people back home. Your tremendous team spirit and generosity in raising money for the victims of the storms ... and also your determination to push ahead with the very important task of creating jobs in Canada have made us all very, very proud of you.

I would like to take a moment to report to you on the situation back home. I don't need to tell you that people in the affected regions took a pounding. No one in Canada has ever seen a storm of that magnitude before. And to have hundreds of thousands of people living without power and heat in temperatures that reached 35 degrees below zero in recent days is a frightening and dangerous situation.

But I am pleased to report that the situation is improving. Power is returning to more and more people - although many will be without power for longer because of the severe damage to the hydro infrastructure.

But for them, as for all those who have been hit during these storms, society is coming together in a remarkable act of solidarity. Neighbours helping neighbours. Young soldiers from Alberta or Nova Scotia working side-by-side with linesmen from Hydro Quebec or Ontario Hydro. People in neighbouring communities opening up their homes. People in distant communities, provinces away, showing a great generosity by supplying necessities. Nature has thrown everything she can at our people. And Canadians have met that challenge. And we will continue to meet the challenges of the days and weeks ahead, as we rebuild together.

Challenges and building - of a different sort - are also what this Team Canada mission are about. We want to build a stronger place as a nation of the Americas. More than ever, we understand how closely our future is linked to that of the entire hemisphere.. And Team Canada `98 is our way of telling this continent, telling the world... that we in Canada are putting our trade and our relationship with this region on a fast track!

Look at the growing trade between our countries. Brazil is one of only ten world markets where Canadian exports exceed \$1 billion a year. Our bilateral trade has increased by 32 percent since 1995 - to over \$2.5 billion a year. And the history of Canadian investment in Brazil dates back to the beginning of this century. Since then, Brazil has become our largest investment partner in South America. Canadian companies are now present in a wide range of sectors from natural resources to high technology.

Team Canada `98 is here to build on these foundations. To build new prosperity, growth and jobs for both our countries. We feel truly fortunate to be able to show off such a large and impressive

delegation. Along with a host of government leaders - our premiers and mayors, we have representatives of some of our finest educational institutions. And topping it all off is an array of some of the best in Canadian business talent. Team Canada '98 is the largest ever. It represents a wide spectrum of our economy - from leading exporters to young entrepreneurs; from university leaders to promoters of tourism.

Team Canada also has the largest group of women entrepreneurs ever -- a fact that makes me particularly proud.

Of course, we are here to sell the excellent products and know-how that Canada has to offer Brazil. But our two stops in Brazil are also a vote of confidence in Brazil as a business partner. We have all been affected by the recent turmoil in international financial markets. In the face of this uncertainty, Brazil has taken quick and decisive action to stay on the right economic track. The eagerness of Team Canada '98 to come to Brazil speaks to our continued optimism about the future.

The opening of the Brazilian market offers tremendous opportunities to Canadians. Telecommunications, for example, is a sector in which Canadian expertise and Brazilian need come together nicely. We have in common the challenge of communicating over vast distances. And Canadian expertise is helping Brazil meet that challenge. We are also jointly committed to sustainable development. So, the environmental technology companies on Team Canada '98 have a great deal to offer Brazilian industry.

The efforts of Team Canada to spread the good word about Canada will also be assisted by the surging strength of the Canadian economy. Over the past five years, our government has gotten its economic house in order. Provincial governments have been doing the same. Our deficit has been reduced dramatically. It will be eliminated completely no later than the end of our 1998-99 fiscal year. As a result, interest rates and inflation are at their lowest levels in decades. Over one million net new jobs have been created since our government was first elected in 1993. The unemployment rate has fallen to its lowest level in over seven years. Confidence in the Canadian economy around the world is growing. Indeed, the OECD recently predicted that Canada will lead the G-7 in economic and job growth in both 1998 and 1999.

Let me mention at this point, the opportunities and benefits for Brazilians to invest in Canada, a country in which the quality of life has been rated the best in the world for the last four years. Not only does Canada offer stability, security and excellent living conditions, but investors in Canada, by working with their local partners, can use the Canadian base as a gateway for exports to the lucrative NAFTA market of close to 400 million people.

Canada has always been a trading nation. Exports drive our economy and account for about 40 percent of our GDP.

That is why freer trade is a major Canadian priority. We believe that open trade guided by strong rules benefits all peoples. For Canada there can be no turning back the clock on the process of opening world trade. Standing still is not an option. We are firmly committed to moving forward.

The signing of NAFTA with Mexico and the United States in 1994 was only a beginning for Canada. Last summer, a free trade agreement with Chile was ratified by both parliaments. Canada is now proposing to formalize our relationship with MERCOSUR through a Trade and Investment Cooperation Agreement - an agreement that would create new opportunity, new prosperity and new jobs in both our countries.

And Canada strongly supports the establishment of a Free Trade Area of the Americas (FTAA). We are committed to a solid launching of formal negotiations in April at the Summit of the

Americas. We believe that MERCOSUR is a critical partner and a building block in the establishment of a FTAA.

Ladies and gentlemen, Canada is a country of the Americas. This is more than just a fact of geography or history. More and more, it is becoming an active state of mind. The clearest sign of the Canadian desire to take our place in the Americas is Team Canada '98.

Team Canada '98 is not about fair weather friendships. Team Canada is about establishing and consolidating partnerships for the long term. I am confident that the contracts signed this afternoon will endure and will bring further business in the years ahead.

But the biggest winners today - and every time we can advance our trade and commerce together - will not be governments or businesses. Our biggest winners will be the people of our countries, with new jobs, increased opportunities, and an increased quality of life for themselves and for their children.