

98/5 CHECK AGAINST DELIVERY

**NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
AT THE OPENING OF THE BUSINESS PLENARY SESSION**

BUENOS AIRES, Argentina

January 19, 1998

This document is also available on the Department of Foreign Affairs and International Trade Internet site: <http://www.dfait-maeci.gc.ca>

It is a real pleasure to be with you this morning. I recognize that this is an early hour for many of you -- especially those who have been enjoying the wonders of Buenos Aires all weekend, starting with Friday night's performance of Los Mejores del Tango at the Casa Blanca de Buenos Aires. The good news is that my friend Minister Fernandez and I have agreed not to favour you with our version of the tango this morning!

I must say that this feels very much like a homecoming for me. Argentina is the land of my birth, and although my family emigrated to Canada when I was only two, my parents always reminded me of my Argentinean roots -- a legacy I have valued ever since.

I am due to meet with President Menem in a little over an hour, so all of you will benefit from my schedule and hear a much shorter speech than you would have otherwise!

I am delighted to be part of this Team Canada trade mission -- the Prime Minister, provincial premiers, territorial leaders, and hundreds of Canadian business leaders, all here together to send one simple message: this country and this region is important to us and we want to do business here.

We come to Argentina filled with excitement about the opportunities for our relationship. Ties between our two nations have always been close. We have worked and struggled together in a number of international forums over the years. But we have never developed the kind of economic relationship that we are capable of.

We're here to change that. To the already strong bonds of friendship, we now want to add the strong ties of commerce.

So it is appropriate that we should be here at the start of a new year -- a year of opportunity for governments of this hemisphere to chart an ambitious course; a year when the start of negotiations on a Free Trade Area of the Americas [FTAA] will be a prime objective.

Following this trade mission, many of us will meet again at the FTAA ministerial in Costa Rica in March, and of course, we look forward with great hopes to the Santiago Summit in April.

More than ever before, Canadians are focussing on Latin America. We see ourselves as a nation of the Americas. And we believe that the time has come to heed the ancient advice of Cervantes: "del dicho al hecho hay gran trecho" (from word to deed, long strides we need).

We must take those strides now -- we must move from ideas to actions, from concepts to commitments and from intentions to institutions.

As we pursue the FTAA, we must not lose the momentum we have created. We must not be diverted, for example, by the U.S. Administration's failure to obtain fast-track authority, but must push on, day in and day out, in the challenging task of creating this important agreement.

In this effort, Canada looks to Argentina as both an ally and a kindred spirit. We are both mid-sized nations. We don't have the economic weight to dictate the flow of world events, so it is important that we stick together. And it is essential that we not put all of our eggs in one basket.

For Canada, this means branching out beyond our traditional economic ties with the United States and developing other, long-term markets. And that is why we are looking to Latin America.

This search for new partnerships is consistent with Canada's evolving approach to international trade. Just a few years ago, we were wary of opening up our markets and our borders. Like many people in many lands, there was anxiety about globalization -- about its pace, its scope, its implications.

You know, change is never easy. It disturbs the comfortable. It can detach us from the certain and the safe. But it can also challenge our ingenuity. It can bring out the best in us. And it can open new vistas of opportunity.

Certainly, that has been the case in Canada, and today we see the advantages that freer trade can bring: exciting new markets; increased competitiveness and economies of scale.

We have also seen that Canadians can compete successfully on the world stage, and so we approach future trading partners with both confidence and enthusiasm.

This confidence is rooted not only in our success abroad, but also in the progress we have made at home. In recent years, Canada has turned its economy around, and today it is one of the strongest in the world.

The \$42-billion deficit that our government inherited in 1993 is expected to be eliminated by next year. Our economy is growing at the highest rate of all G-7 countries, and both inflation and interest rates are at their lowest levels in decades. Quite simply, Canada has both prepared for, and benefited from, a more open trade policy.

The numbers speak for themselves, and they speak eloquently: our exports are up more than 45 percent in just four years. Two-way trade with the United States has doubled since 1989, and more than one billion Canadian dollars -- one *billion* -- in trade now crosses our border *every day*. Foreign investment in Canada has also soared.

And as I mentioned, the effectiveness of our more open trade policies is reflected not only in hard numbers, but also in the hearts and minds of Canadians. Seventy percent of Canadians now support freer trade. Support for the NAFTA [North American Free Trade Agreement] in particular is up from just 37 percent in 1993 to 63 percent today. Canadians no longer see trade as some obscure topic that interests only economists and politicians. They see its connection with their jobs and with their lives.

Perhaps it is appropriate that we also celebrate today the opening of a new education centre in Buenos Aires. The education centre will make it possible to introduce young people to a different culture, expose them to new ideas and expand both their horizons and their hopes.

And because these young people are more outward-looking in their approach, more comfortable with technology and more adaptable to change, we look to them for leadership in the exciting years ahead.

One of the things our experience with freer trade has taught us is the importance of a clear set of rules to guide our relationships and mediate our differences. The rules-based trading system provides stability and certainty in an increasingly interdependent world. It replaces the law of the

jungle with a fair and equitable system of rights and obligations -- and it requires us to observe those rules, not only when it is convenient, but even when it is not. And this applies to nations both large and small.

Negotiations are about to get started on the FTAA. As we go forward with this initiative, we must not lose sight of the principles of the Miami Summit.

Those principles, as you know, reminded us that our efforts should be directed at improving the opportunities and living standards for all of our citizens. Trade is not about enhancing the bottom line of a nation, it is about enriching the lives of its people.

So let us emphasize the social dividend of well-administered, open economies: new schools, hospitals, higher incomes and better labour and environmental standards.

In the years ahead, the Free Trade Area of the Americas will be one of the three big trading regions -- along with Europe and Asia Pacific. A great future awaits us. Here in Latin America, economies are growing quickly, and are making the kind of deep, structural changes that will allow them to compete in the new environment of globalized trade.

Canada is firmly committed to this region. We have seen the dynamic growth of Mercosur -- now an integrated market of 240 million people, with a combined economy of more than \$1 trillion.

Trade among its members is four times what it was just five years ago, and their average GDP [gross domestic product] has been growing by more than three percent every year since 1990. Clearly, this is a region on the move.

With this kind of success and this kind of growth in a relatively short time, it would be tempting to pause, to consolidate, to rest a while. But while it might be tempting, it would also be wrong.

Wrong because events around the world are moving too swiftly to permit complacency. Wrong because we will quickly lose the gains we have won. And wrong because if we delay our efforts to create the FTAA, we risk a hemisphere cluttered with overlapping, perhaps even contradictory, trade arrangements.

It is crucial, therefore, for nations of this hemisphere to make a decision about where they want to go -- whether they want to retreat into the old ways of the old days or step confidently into the future, reaping the benefits that freer trade can bring.

I believe this hemisphere is ready to move forward, to make the tough decisions and to do the tough negotiating. I believe it is ready to open the doors and to push down the walls that divide us. And I can promise you that Canada intends to be a strong partner in those efforts.

There is an old saying in Spanish: "*La amistad multiplica los bienes y reparte los males.*" Roughly translated: "Friendship multiplies our blessings and divides our ills."

In the days and weeks ahead, let us work together as friends, plan together as partners and advance together as allies.

With our combined efforts and energies, I have every confidence that we will succeed.

Thank you.