

victim of American protectionism. So there are dangers to be avoided. If the Americans had fully countervailed, as they were getting ready to, the countervails that were being contemplated could have ruined 20 of Quebec's towns and villages, and wreaked havoc in British Columbia.

Those situations, Mr. Chairman, are a constant menace for Canada and whole segments of our economy. The rising protectionism in the United States is in fact a constant danger for our country and certainly could have become so, had it not been for the prospect of the Free Trade Agreement with our neighbours down South. And indeed, the Free Trade Agreement is checking that strong American tendency to protectionism while granting Canada a privileged trade status.

That agreement, Mr. Chairman, allows us to maintain our access to the United States and develop the potential of other sectors that until now were being kept away by tariffs that often were very high. We need the American market, as the United States also needs Canada to strengthen their international economic credibility.

On this matter, Mr. Chairman, let me quote Mr. Bernard Landry, an economist and former Minister in the Lévesque government:

For a few years in particular, the Americans have been promoting freer trade on the global scale in a very far-sighted and probably generous way. They are preaching to the rest of the world fair practices and fluid trade.

Their argument stands to lose weight if the economic borders between the U.S. and their main partner are more anarchical and less open than, let's say, those between European allies.

And that is one good reason why the United States want freer trade with Canada. This trade deal is also important to us because it gives us access to the American market. Not only do we have to continue trading with the United States, but we also have to face more aggressive international competitors. The emergence of new industrialized countries from Asia, including the exceptional development of Japan and the growth of China, not to mention Europe of 1992, are all key elements to the new dynamics of international trade. We will have to fight very capable competitors. We already know that. So, it won't be easy to maintain and assert our position on the world economic scene.

Mr. Chairman, in this tough competitive world, Canada was the only big industrialized country which did not have access to a market, at home or abroad, of more than 100 million people. And we all know the importance of such a deal.

Canada-U.S. Free Trade Agreement

The Free Trade Agreement will give us access to a market of more than 250 million people, giving us the opportunity to produce in huge quantities and to lower production costs. This is what we mean by economies of scale. So, who will be the big winner in all of this? The United States compared to us, or us compared to the United States. Obvious, isn't it? We will gain access to a market of 250 million people. Americans are the ones who might have doubts about a market of only 25 million people spread out from East to West! I think the advantages are obvious. Therefore, to succeed on international markets, we must be competitive, Mr. Chairman, and there is no magic formula for maximizing our chances of success. We have to offer the best products at the lowest prices. It's simple logic.

We already have trading relations with Europe and Asia, but we must put all the chances on our side if we want to maintain these relations and develop new ones. The world has changed, Mr. Chairman, and we must be competitive if we are to maintain our standard of living. We must therefore hold our own on the international economic scene and, to achieve this, we must start at the beginning by respecting the nature of our own trading dynamics.

The prosperity of the Canadian economy depends largely on its capacity to export. A third of our GNP depends on trade and accounts for 3 million jobs, 2 million of which are linked exclusively with our trade with the United States.

Mr. Chairman, the Americans are our major trading partners. We are an exporting nation and a lot of our wealth comes from trade. Why seek elsewhere what we already have near at hand?

Mr. Chairman, just south of the border lies the greatest industrial country in the world with which we have been trading for more than a century and which offers us the possibility of developing our economic potential. The opponents of free trade have been desperately trying to have us believe that this agreement threatens our sovereignty, our social programs and our regional development policies.

Finally, if anything threatens our sovereignty, it is our stagnant economy. Mr. Chairman, nothing in this Agreement threatens our national sovereignty. Under this Agreement, we maintain our capacity to manage our own cultural, social, economic and environmental promotion tools, that is our own destiny. How have we managed to implement all those programs so typically Canadian, when for the past 50 years we have lowered