

- "The historical response of the average Canadian firm has been to become more efficient, not to disappear. Most domestic firms have reacted to competition by specializing in fewer product lines, increasing the scale of production and generating more exports to sell that production. As a result, both imports and exports have grown. In 1960, for example, our exports accounted for only 12 percent of our national income. Today, they are closer to 30 percent."

7- WHAT ABOUT U.S. SUBSIDIARIES AND BRANCH PLANTS IN CANADA:

- "Branch plants haven't pulled out so far -- despite 40 years of progressive tariff reductions."

- "High tariffs are not the main reason for establishing subsidiaries. Survey after survey of multinational enterprises' investment intentions for Canada show that what count most are proximity to customers, market potential, market access, quality of the labour force and return on investment, while tariff and non tariff barriers are of secondary importance. Research on the behaviour of foreign owned firms shows that when faced with lower trade barriers, their preferred reaction has been specialization to serve larger markets, rather than plant closures. After all, scrapping of operations is a very costly alternative. You can't pick up your plant and move it."

8- WHAT ABOUT JOBS?:

- "All major studies on the impact of trade liberalization show labour as the main beneficiary -- through more jobs and higher real wages."