

#### IV. EXPECTATIONS RE ECONOMIC EFFECTS OF FREE TRADE

##### A. Expectations Re Jobs

Among those who expressed an opinion, a slight majority felt that more jobs would be created as a result of new economic opportunities emerging under free trade. Those who believed jobs would be lost also believed that the U.S. labour market was more competitive than that of Quebec and felt that this could be a factor contributing to job losses.

##### B. U.S. Investment

Almost all were concerned about increased U.S. investment under a free trade agreement. The prospect of a large increase in U.S. investment made most participants uneasy about maintaining the political and economic autonomy of Quebec.

Most felt that the relative weakness of the Canadian dollar in comparison to the American dollar would harm Canada's competitiveness. This belief betrays a lack of understanding and comprehension of Canada's export trade at present and how in fact just the opposite is true in terms of exports, with the value of the Canadian dollar enhancing the price competitiveness of Canadian products in the U.S. Increased emphasis in communications on the export side of Canada's trade relationship with the U.S. and the advantages of a relatively lower valued Canadian dollar could contribute to a more complete and more accurate understanding of Canada's trade relations with the U.S., and the possible effects of free trade on that relationship.

The protection of the PME (small and medium size businesses owned by Quebecers) and regulated investment behaviour were seen as being necessary components of a deal in order to protect Quebec's interests. Some even spoke of protecting certain sectors of the economy. Others mentioned that strict environmental regulations should be enforced to limit damage they thought could be caused by American investments. A few also mentioned that Americans should be forced by law to reinvest a part of their corporate profits into Quebec.