

Canada-U.S. Free Trade Agreement

well as businessmen, industry, and large and small companies see eye to eye on the need for the Free Trade Agreement.

The Quebec economy simply cannot do without the American market where, I would remind the House, the province sells in excess of 75 per cent of its products, and that works out to roughly \$16 billion a year.

Our major companies and our service industries, not to mention hundreds of small- and medium-sized businesses, have long since lived up to the challenge of competitors and they report massive exports to the United States. Our people are not afraid of free trade. They have been asking for it for a long time now because they know that tariff elimination spells lower production costs, higher productivity and guaranteed access to a huge consumer market.

When talking about such a sensitive sector as the forest industry we must keep in mind that Quebec exports to the United States total \$3 billion. This is where we can see that for such an important sector—particularly in my riding where a lot of people depend on forestry products—untold benefits will flow from the implementation of the FTA. In recent years Quebec, like other Canadian provinces, was hard hit by American protectionism, especially in connection with softwood. Signing an agreement with the United States will put our producers beyond the reach of these countervailing trade measures.

Our petrochemical industry, which is also facing high tariffs, will benefit from the elimination of U.S. trade barriers which, in turn, will promote the processing of our products to a larger degree within our boundaries.

For Quebec's outlying regions which have suffered for a long time from being far away from markets, the free trade agreement offers an unprecedented opportunity for economic renewal. The Government has already clearly determined that regional development policies will be implemented so that our regions can benefit from the new climate created by the free trade agreement.

National reconciliation that this Government has tirelessly championed will not be brought about merely by a constitutional agreement, it will also require an increase in a better distribution of collective wealth. This, in turn, will not be brought about by protectionism but rather through openness, a greater awareness of our capabilities and a willingness to tackle difficulties.

This is the way our businesses have set out to capture the American market. The way, Hydro-Quebec, with our huge hydro resource base as well as an expertise which is second to none, has gained faithful customers among New England States and is selling them its power surpluses, so much so that at this time, Hydro-Quebec has already signed for the coming years power delivery contracts totalling more than \$32 billion. Now that the Quebec Government wishes to launch Phase II of the James Bay development, the free trade agreement with the United States confirms and clarifies our access to the

American market for this energy resource as well as for other energy sources originating in Canada.

At the same time, with this deal, Quebec electricity becomes much more attractive to U.S. suppliers of energy. Under the provisions of the agreement giving our partners access to energy supplies, it will be easier to finance such ventures as Phase II of the James Bay project.

For Quebec, as for all provinces with energy resources, the free trade agreement will mean new investments in the energy sector and its related industries.

As a Quebecker, I am particularly sensitive to the new horizons this agreement opens for Quebec. The creative enthusiasm of our young people and the calm self-confidence of our older entrepreneurs who have already started to gain access to the U.S. market will now be visible throughout the North American continent.

Of course, opponents of our initiative have implied that, for all practical purposes, this agreement would put an end to the provinces sovereignty over their natural resources. Far from the truth!

In no way will the provinces lose their natural resources because of the free trade deal. The provinces will continue to own, manage and preserve, as is the case now, the various resources located within their boundaries.

Naturally, exporting provinces will have to abide by this Agreement. Nevertheless, they will gain enormous benefits as far as investment, guaranteed access to the market and jobs are concerned. The provincial Governments involved in no way attacked those special provisions in the Canada-United States agreement.

In the area of energy, as in other areas of the trade agreement, Canadian sovereignty never was put into question, nor were the traditional rights of Canadian provinces to manage their resources.

Canadian sovereignty, Madam Speaker, has been at the heart of the free trade debate. And no doubt that aspect of the debate gave rise to the most evident signs of demagogy and assumed outrage.

However, nothing that makes this country politically, socially and culturally different from the United States is affected by the agreement's provisions. Our cultural industries—the publishing industry, the film industry, TV, music and broadcasting are specifically excluded from the free trade agreement.

The century-old commitment of the Canadian Federal entity to fight regional economic disparities also is outside the scope of the Canada-U.S. agreement.

This means that the negotiation of regional development agreements will go on between the Canadian Government and provinces. This involves the essence of this country, its perception of equality, its social justice goals.