

Check against delivery

Quebec: Partner in a New North American Agenda

Distinguished guest and friends.

Let me begin by expressing my deep appreciation to Congressman Lee Hamilton, the *Woodrow Wilson International Center for Scholars* and its *Canada Institute* for inviting me here today. The *Center* has been a fruitful meeting ground for scholars, policymakers and statesmen and is a fitting memorial to Woodrow Wilson, who was himself both a scholar and a statesman, a man of action and vision.

President John F. Kennedy once said of Canada and the United States that: “Geography has made us neighbors. History has made us friends. Economics has made us partners. And necessity has made us allies.”

All of this is true, still today. We have a mature partnership. Our border is certainly an example to the world in its openness to trade and its demonstration of trust. Of course, our relationship has not always been easy and will not always be smooth.

Though we are of different nationalities, we have much in common, we share core values, which make up our North American identity, such as democracy, freedom of speech, civil liberties, free enterprise, and cultural pluralism.

North America and the New International Context

Our relationship has evolved as the International context has changed since the last 15 years.

- Cold war is over.
- The United States has become the number one superpower.
- The Construction of Europe has accelerated. A new currency has appeared, the Euro.
- Emerging economies are having a major impact on both our countries.
- The rise of new science-based economic sectors fed the boom of the 1990s and will be the root of future expansion for our economies. However, most industrialized societies will have to address within the next half-century acute demographic issues stemming from falling birth rates, aging population and growing diversity.
- Since the tragic events of September 11, security has become the number one issue. On that fateful day, terrorists attacked America, and challenged our shared political and social values.

Since then, security and the fight against terror have become the priorities of the United States, and these are priorities with which my Government agrees.

Our steadfast cooperation in the area of homeland security attests to that. And while the decision to intervene in Iraq generated much debate around the world, we have witnessed in

recent months a trend towards the genuine democratization of parts of the Middle East.

We all know that this will be a long journey fraught with temporary setbacks, but it is a development that we all welcome.

- And in the last fifteen years, Canada, the United States and Mexico signed the North American Free Trade agreement. This economic partnership has been hugely beneficial to all of us. We all experienced a remarkable decade of growth in the 1990s and few would deny that NAFTA helped making it happen.

Quebec-Canada-US relations

Canada and the US maintain the largest bilateral trading relationship in the world. Since 1989 when the Free Trade Agreement was implemented, trade between the two countries accelerated, more than doubling from 192.4 billion to 441.5 billion US dollars in 2003. In fact, for Quebec, it is close to 82% of exports that goes to the US.

Fifteen years after Free Trade, more than a third of our GDP is directly attributable to commerce with the U.S.

In all our cities and all our regions, we recognize the fact that our prosperity depends on the constant access of our goods, services and people to the United States. The United States also benefits.

Globalization and the growth of the world economy are having their impact on the U.S. as well. Two million American jobs depend directly on trade with Canada, which buys a quarter of the United States' exports.

Good relations between Canada and the United States are also a *sine qua non* condition to U.S. homeland security.

The United States need to protect its border and therefore homeland with Canada's active cooperation, which includes the active engagement of provincial governments.

Fifteen years of free trade have strengthened our bonds and interdependencies the length of our very long border.

Through pipelines, data and communications networks, shared electrical networks, intrafirm trade, and just-in-time distribution systems, our two countries have common infrastructure which is increasingly integrated. An attack on one would be devastating to the other.

Quebec has been and will continue to be a key partner of the United States. Working to provide concrete and effective solutions to the challenges we face.

New Frontiers in North American integration

Last month, President Bush, President Fox and Prime minister Martin launch the Security and Prosperity Partnership (SPP).

We are encouraged by this initiative. Why?

Because it is necessary. We are moving our relationship forward. And we need a more cohesive continental region.

Though NAFTA has been a great success, we made real progress, with better defined rules, tribunals and a more predictable and sound future. However, the rules are not always respected in major economic sectors, and are often subject to "trade remedies," such as countervailing duties.

Also, the new global context has raised issues, such as security, energy, and regional competitiveness, which cannot be fully addressed at the level of individual nation-states.

Therefore, Canada, Mexico and the U.S. must maintain and enhance their cooperation.

In many areas of strategic concern, Québec has been a reliable partner who has worked to provide solutions.

I want to single out three issues upon which the success of our relations depends: they are security, energy, and economic competitiveness.

Security

Today, any debate over trade relations must include security issues. Post 9/11 brings new challenges to the integration of our economies. Security is the foundation of our freedoms and our prosperity, and we have undertaken several steps to ensure that this foundation remains solid.

Poorly managed Canadian-American security can undermine trade.

We have capitalized on excellent relations with our immediate neighbors to sign bilateral and multilateral cooperation agreements on security and emergency assistance with northeastern states and provinces.

Together, these agreements form an effective framework of regional cooperation for the protection of our borders and our peoples.

As former Canadian Ambassador Burney wrote “We should make the border part of the solution and not part of the problem on trade between Canada and the United States”

We must see the new security regulations not as a cost but an investment that will enable us to maintain and enhance the largest trade relationship in the world. That relationship, and the millions of jobs it has created, point toward a key conclusion: security and prosperity go together.

Energy

In the twenty-first century economy, energy security is of vital strategic importance. Present and future prosperity depends on securing access to abundant and diverse energy supplies.

Québec has been and will remain a key American ally in the energy field. As the world’s 4th-largest producer of hydroelectricity, Québec supplies America with a source of clean, affordable, safe and renewable energy.

We are a major partner on infrastructures, particularly with respect to the North American grid. Québec companies are investing in the development of traditional and renewable power plants on U.S. soil.

With new hydropower and wind power projects, currently in the works, we should be able to increase our production by 15% by 2014. Together, these initiatives make us a key player in regional energy stability and environmental sustainability.

Economic competitiveness

Facing the challenge of a united Europe and of the emerging economies of the Far East, the long-term competitiveness of the

North American economic area has become a salient issue, as anyone who watches Lou Dobbs could attest.

The easy argument on this issue is to use temporary setbacks as pretexts for protectionism. This is no solution; rather, it compounds the problem.

In today's economy, industrial sectors and businesses function on a continental and global basis; protectionist practices are thus both bad business and bad government. Students of history will remember that a landmark domestic achievement of President Woodrow Wilson was the first major decrease in trade barriers since the Civil War.

That gesture embodied Wilson's vision of international order, in which freer trade played an integral part.

Fortunately, North America has followed Wilson's lead in reducing trade barriers and impediments to business.

The FTA and NAFTA succeeded precisely because they were designed not to resist change but welcome it.

They are a resounding vote of confidence in our ability to compete internationally. Far from challenging its relevance, foreign competition should make us more conscious of the dividends of continental integration, of the need to secure access to natural resources, a large domestic market and skilled manpower, and of our vulnerability to political and economic whims.

It is unfortunate that the great achievements of the past fifteen years are now overshadowed by piecemeal protectionism, particularly with respect to the softwood lumber and BSE files.

We should be building on past experiences, preserving what works and fixing what doesn't. In most cases, that means agreeing to more homogenous rules, standards, and application procedures.

Conclusion

As a society of 7.5 million people, blessed with abundant resources and a diversified economy, Québec has embraced free trade because international trade has played a central part in all stages of its historical development.

This commitment has never wavered because we know that our prosperity depends on access to international markets, and especially the North American market.

Quebec was a leading advocate of Canada-U.S. free trade and of NAFTA. I am a strong supporter for NAFTA plus. So today, I would like to state the Quebec government full support for the Security and Prosperity Partnership (or SPP), announced by President Bush, President Fox and Prime Minister Martin during their meeting in Waco last month.

We need to move forward. And I am encouraged by the process launched by the United States, Mexico and Canada.

I appreciate that SPP focuses on areas such as security, economic growth, and quality of life, where our long-term competitiveness will be tested, and where Québec can make a significant contribution.

I am encourage that the ministerial-level working groups that have been set up will conduct meaningful consultations of all stakeholders, including state and provincial governments.

This reflects on the importance and quality of the contribution states and provinces have made to deepening and strengthening Canada-U.S. relations.

More than half of American states interact directly with federal and provincial governments in Canada and Mexico. There are more than 300 treaties in force between Canada and the US.

For 40 years, Quebec has operated internationally in the same jurisdictions it holds within Canada. We do so while respecting Canada's foreign policy and the organization of the international system, which remains essentially inter-state.

Quebec maintains a network of delegations throughout the world and in particular in the United States. We maintain 25 offices in 17 different countries.

Through them, we develop relations with American states, and have signed many sector and multisector cooperative agreements.

I am looking forward to working together with our Canadian, American and Mexican partners to build a stronger, safer, and prosperous North America.

Woodrow Wilson once said:

“We grow great by dreams ... Some of us let these great dreams die, but others nourish and protect them; nurse them through bad days till they [flourish]; bring them to the sunshine and light, which comes always to those who sincerely hope that their dreams will come true.”

By working together, nurturing and fulfilling the vision of a strong, secure and prosperous North America, we will achieve greatness because no matter the size of the obstacles and hardships we face,

the strength of our shared values and our friendship will remain greater, for we are countries built upon the dream of a better tomorrow.

Thank you very much.

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