

And, where has Canada gained most? In exports of non-resource-based, high value-added manufacturing products, the areas that are crucial to future growth.

Myth number two: Canadian companies and Canadian workers have been hurt by free trade.

Let's look at two examples, such as GSW Inc., a company that produces water heaters, heating products, pumps and thermoplastics in my home town of Fergus, Ontario. I have a personal interest in this company since it is the successor to Beatty Brothers, Ltd., a business that my great-grandfather and his brother founded over a hundred years ago.

The total volume of sales of GSW's five operating companies increased in 1992 by 14 percent to reach \$166.3 million. Its sales to the United States, some \$52 million worth in 1992, were 29 percent higher than the previous year.

For a town like Fergus, that means more and better jobs for its people, greater economic activity throughout the community, and a more prosperous and secure future.

GSW is not an isolated success story. It is one of hundreds of examples of Canadian companies whose performance pushed Canada's merchandise exports to the United States to an all-time record of \$121.2 billion in 1992, well over 13 percent higher than our exports in 1991.

Another example is RMT Engineering of Grimsby, Ontario, which has introduced new automation systems for material handling. As a result of its participation in a Canadian government-sponsored trade event in Chicago, RMT Engineering has received 200 serious inquiries, \$44 million in new orders, and extremely high interest from United Parcel Post, which could result in additional sales of some \$200 million.

Myth number three: there would be no further incentive for foreign companies to invest in the Canadian market.

The reality is that the FTA has been a boon to investment. In 1991, the net inflow of foreign direct investment reached \$7.5 billion. This was after a year during which we had attracted a record \$7.7 billion worth of net foreign direct investment. Compare this to the 1980-85 period, when there was a net outflow of some \$5.4 billion.

This new investment means jobs for people here in Canada and means more economic activity in communities across the country.

As the Royal Bank of Canada observed, this turnaround in investment performance "suggests that overseas investors see