

*Government Orders*

Moreover the U.S. has agreed to lift the buy America restrictions on loans provided under the rural electrification administration which is a contract pool amounting to some \$1.5 billion U.S. a year. Even more exciting for Canadian firms, the U.S. under the NAFTA will waive the buy America restrictions on contracts let by the Army Corps of Engineers that last year by itself ran up almost \$9 billion in procurement. This new government procurement market is now three to four times the size it was under the original free trade agreement.

We entered the negotiations intent on making improvements to the FTA and I think it is clear that we have done that. The NAFTA also gives a new edge to Canada's international competitiveness. It will enhance Canada's attractiveness as an investment base from which to serve all of North America.

Canada had a choice when it entered the negotiations. We could have stood back and let the United States and Mexico sign a deal by themselves. That is something that the Liberals and the NDP probably would have preferred us to do.

However, such an agreement would have given a tremendous advantage to the United States. The U.S. would have been the only country with barrier-free access to all of North America. Under those circumstances the decision for investors wanting to gain access to the entire North American market would have been obvious: locate in the United States.

Instead we made the right decision and that was to become a full partner of the wider North American market. In addition to the significant market opening to Mexico, the provisions for services and investment will support hemispheric business planning and economies of scale. These are significant advantages in today's global economy.

*[Translation]*

Canadian industry is already responding to the potential of the new larger market in view. Canadian firms are demonstrating the entrepreneurial daring essential to any country that would be a leader in world trade. They have sent delegations in record numbers to our trade missions in Mexico, made contacts, found partners and signed deals. Our embassy in Mexico City received 4,500 Canadian business visitors in 1992, eager to find new customers and partners in that market, up from approximately 1,000 in 1990.

NAFTA is clearly widening Canadian horizons. It is giving us a bigger stage on which to demonstrate our economic expertise and leadership.

*[English]*

Canadians can venture into new markets assured by the growing evidence of our increasing export success. We saw this so clearly last year, which was not a big year in the world economy. World economic growth over all grew by 1 per cent. It was the slowest since 1982 but it was an outstanding year for Canadian exporters. It is the export sector that is leading the way in the current expansion.

Merchandise exports for 1992 reached the record level of \$158 billion, which is an 11 per cent increase year over year. That is the largest year over year increase since 1984.

The increases in our exports to the United States alone were even greater. Sales to the United States, our largest single market, were \$122 billion or a 13.5 per cent increase over 1991.

This picture continues to get better as we move into 1992. Our total exports soared to \$14.5 billion in January or 16 per cent higher than the same month the previous year. Exports to the United States in January were more than \$2 billion higher or 22 per cent higher than the previous year. Our world trade surplus jumped a remarkable \$900 million to reach \$1.9 billion in January alone. When I see figures like these I have to wonder how long the hon. members opposite can continue to criticize the Canada—U.S. Free Trade Agreement. Blaming every sparrow that falls on the free trade agreement is no longer credible and gets less credible with every new report on Canada's economic performance and outlook.

• (1125)

It was the English historian Macaulay who said: "Free trade, one of the greatest blessings which a government can confer upon a people, is in almost every country unpopular". What he meant here was that no country ever pursued free trade without resistance from entrenched interests.

However, the single interest groups cannot fool all of the people all of the time. They can neither hide the evidence nor can they ignore it. All their diversionary tactics—we saw a lot of these this morning—and fear-mongering rhetoric cannot bury the truth. The benefits of the free trade agreement, buttressed as they are by the other economic reforms that we brought in, are emerging in the form of hard economic figures that cannot be denied. Evidence of the value of these policies are there for Canadians to judge for themselves. I am confident that Canadians after a fair appraisal of the facts will recognize where their best interests lie.