

*Supply*

every trade agreement it has ever entered into, particularly the one with Canada. Up here we are suggesting just the opposite.

He is pointing out an extremely high unemployment rate in that country and says it exists for only one reason, because we got the better of them.

I guess time will tell whether we did or did not. The point is that it is always easy to look at that number, especially during a recessionary period, and blame it on the government of the day, the President of the day or the Prime Minister of the day.

The fact is that we are doing okay, and we are doing okay compared to our neighbour to the south. Those figures suggest to me that our numbers on a percentage basis are not much different than the United States.

One state I would like to examine in comparison to Canada is California. In terms of sheer size, the growth of the economy or the Gross Domestic Product of California's economy is somewhat similar to Canada's, and the population of the state of California is similar to that of Canada. We are a nation of approximately 27 million people and it has a population of approximately 30 million.

The opposition in this House accuses us of having lost 350,000 or 400,000 jobs because of the free trade agreement with the United States. What it does not realize is that the state of California, which has approximately the same number of people as the country of Canada, has lost 600,000 jobs in the last two years. That suggests to me that we are doing okay.

Let us take a look at the merchandise trade surplus. In the first quarter of this year it was up \$3 billion, compared to a surplus of \$7.4 billion for the entire year of 1991. We cannot help but see that is a very positive sign, it is a healthy trend developing.

They go into our exports and tell us that in the first three months of 1992 we are up a record 6.7 per cent. Our manufacturing output is up around 2.5 per cent.

Those trends are continuing and they are going to continue because we do have the fundamentals right. That is something that not one of them on the other side will argue, if they really want to argue in real terms about the definition of a healthy economy. They cannot argue that because they know that we are absolutely on the right track.

Not too long ago they attempted to argue that our position was being threatened by a high Canadian dollar. However that high Canadian dollar—although it has slid back a little, not a lot, and I mentioned the 7 per cent figure since December—forced us to become more efficient, to become better at what we do. In some cases it meant streamlining and in some cases it meant investing in new equipment. In some cases it meant dealing with fewer employees to compete with the rest of the world.

We have gone through some of those structural changes. In my own constituency I can point to businesses, in some cases major businesses such as pulp and paper companies, that had to go through that experience. They invested in new equipment and they had to scale down the number of employees within their plant in order to compete. That is very difficult for a company to do and it is very painful. It is something that none of us could actually stand up and support because it means that at the end of the day there is a family member, a friend or acquaintance who has lost a job because of this restructuring or streamlining within a particular business.

There are businesses back in my constituency that have done that and have survived the very tough last couple of years. They bit the bullet when they had to, although not too many of us were happy with them for having done it at the time.

Their productivity since that time has increased. They are actually increasing their output and decreasing the number of employees. They have done the streamlining necessary to compete in the 1990s and into the turn of the century.

There is a very high human cost to do that, none of us denies that. However, it is something that every country in the world is going through. I think we have gone through it sooner than some of the others and that is one of the reasons that the export capacity numbers are increasing.

If we examined those numbers most of us would find them most impressive. For example, last year we exported \$12 billion in farm and fish products, \$15 billion in energy materials, \$19 billion in forestry products, \$6 billion in aircraft parts, \$32 billion in motor vehicles and parts, \$7 billion in chemicals and fertilizers, \$4 billion in office machines and equipment, and \$4 billion in industrial machinery.