

*U.S. Free Trade Agreement After Two Years.* In its discussion of jobs, it stated:

Plant closings and job layoffs tend to be highlighted in the Canadian media, while news of plant expansion and new jobs is usually not headline news. The Canadian Labour Congress recently suggested that 225,000 jobs have disappeared because of the FTA. This is a clear misrepresentation.

As the Canada West Foundation also points out, there were 215,000 more jobs in Canada in September 1990 than in September 1988, prior to the FTA. I am not going to stand here and tell you that all of these 215,000 jobs were created by the FTA. The truth is that no one factor is solely responsible for job losses or job creation.

Everyone knows that the Canadian economy is currently in a recession. This is not our first recession, nor will it be the last. Canadians recognize that our free market economy is not static and that economic cycles are unfortunately part of life.

The Royal Bank found that the job losses associated with the current recession are much lower than what we experienced in the 1981-82 recession and their economists concluded that the FTA "may even have moderated the impact of the recession through higher levels of investment." We believe that the FTA has also positioned Canada for a strong recovery as we move into the next economic cycle.

The Canada West Foundation found that Manitoba had the second highest average U.S. export increase in the country. These facts and economic studies are confirmed by specific examples here in Manitoba.

Take Northern Telecom for example. The FTA has made Northern Telecom more competitive in the U.S. in two ways. First, the American customs duties on some of their exports dropped by about 30 per cent during 1989. Second, the elimination of Canadian customs duties on some of their imported components has allowed Northern Telecom to price finished products more competitively in the U.S. and elsewhere.

Another good example is GPT Canada Ltd., which manufactures electronic products here in Winnipeg. GPT has already benefited from the removal of American tariffs on some of its telephone answering systems and is now gearing up to use European technology to manufacture goods in Winnipeg for export to the large U.S. market. The company currently employs 150 people and has been hiring at a rate of five people per month.

Pollard Bank Note is another Winnipeg company that will benefit from the FTA. It expects to see a big market open up in the