

demon FTA when without the FTA and those increased exports Canada's recession would only have been worse and restructuring more difficult".

If my hon. friends in the Liberal Party are not going to accept the gospel according to *The Toronto Star* then the universe is really not unfolding as it normally does.

Let us take a look at the evidence and the facts on what the impact of free trade agreement has been. A recent study by the C.D. Howe Institute shows that since the FTA Canada's trade balance with the United States has improved more than its trade balance with other regions. The C.D. Howe study also shows it is in those sectors liberalized by the FTA that exports have increased the most, in particular those in non-resource based manufacturing.

Total merchandise exports to the U.S. have increased to record levels since the FTA. From \$102.6 billion in 1988 exports reached \$122 billion in 1992. This is a 19.2 per cent increase in four years. Exports in 1992 increased 13.6 per cent over 1991. Canada's merchandise trade surplus with the United States was \$17.7 billion, a 27.3 per cent increase over 1991. In December alone Canada's trade surplus with the United States increased by \$411 million to a record \$1.96 billion.

Those are pretty extraordinary figures and it is hard to say: "What does that mean for me as an individual?" What it means quite simply is that exports mean jobs. If our Canadian companies are to continue to grow and prosper they have to be able to compete where the markets are. If we are to try to shelter our Canadian workers from the rest of the world then quite simply there is not going to be an opportunity to sell in those markets. We have to be competitive.

Clearly the FTA has contributed to our competitiveness. I noticed in January 1993 our exports to the United States were 23 per cent higher than in the same month only a year earlier.

Another impact of the FTA has been the sharp increase in foreign direct investment into Canada since it was implemented, clearly showing confidence in the Canadian economy and in the government's structural reforms. Investors from all over the world know, and indeed Canadian investors know it, they can invest in factories and the expansion of businesses in Canada and that they have access to the largest market in the world in the United States.

### Supply

Investments quite simply means jobs. The growth of investment that has been the direct result of the FTA clearly has been beneficial. Our exports to the U.S. are setting record levels. Our merchandise trade surplus with the U.S. is at record levels. All this has had a positive effect on job creation with a net increase, as I said earlier, of 118,000 new jobs more than in the previous year.

That is performance. That is the outcome of the FTA. What does the Conference Board of Canada say about the FTA? "Free trade critics are confusing the facts. They are blaming the FTA for job losses that are attributable to a variety of other economic circumstances such as the recession. There is also evidence that the FTA, rather than hurting the economy, may have actually offset some of the damage that the recession has done to the Canadian economy today".

I could go on and on. I have a lot of quotes here that I would be pleased to read into the record for the benefit of my hon. friends, but I think the point is clearly and unequivocally made. The fact is that the free trade agreement is doing for Canada exactly what it was supposed to do, creating economic opportunities and creating jobs.

• (1530)

When this recession is fully behind us there is absolutely no question that the Canadian economy is going to be booming as never before.

Now we are moving into the next step, the North American free trade agreement, which has been signed and which adds another 85 million people, creating the largest market area in the world with Mexico, Canada and the United States.

It builds on the FTA. It is interesting to note a number of features of the NAFTA. Already I hear my colleagues opposite, particularly my friends in the New Democratic Party who seem to be out to convince the entire world that NAFTA is going to put them out of business and make them all unemployed.

It is interesting to note with respect to the NAFTA the auto pact remains the same. Agriculture will see some barriers removed to the export of Canadian goods into Mexico. Yet our supply management system for poultry and dairy remains untouched, exactly the same, protecting the food supply of Canadians and protecting Canadian farmers.