

### *Supply*

their place of employment closes they go to other places and they are not open, not hiring, or they are closing.

When I talked with some of the industrialists last year they blamed it on the goods and services tax, the high dollar that was hindering Canadian producers from getting the benefit of the tariff reductions, and on the high interest rate and the unwillingness of banks to lend to their industry at all.

One of them has moved his operation from Toronto, Ontario to Buffalo because he is getting a subsidy of \$10,000 per job, as well as other subsidies from the state of New York, to move there to produce his jackets and sell them in Canada and in the United States.

Another one has taken to sourcing many of his dresses that he manufactures in Mexico or in Taiwan through the United States. He has cut his work force from about 100 to about 35, just to take account of small shifts in the demand.

These are people who need retraining, and as far as I can find out from them, the unions and the employers concerned, almost none of them have been able to get effective retraining.

The Canadian Apparel Manufacturing Association called 1991 one of the worst years on record for the Canadian apparel industry. This is its generalization. It applies much more widely than to just Toronto. According to the Apparel Manufacturers and Marketing Association of Ontario, the Consumer and Corporate Affairs figures show that the goods and services tax is having a disproportionately large impact on clothing prices in Canada.

The figures show that the GST added 1.1 per cent to the over all consumer price index. However, for clothing, footwear, and accessories the GST boosted the price by 4 per cent for men's clothing, 5.5 per cent for women, 5.1 per cent for girls, and 6 per cent for boys. It has hit this industry quite hard.

This is not directly a result of the free trade agreement, but it is related to the associated policies of this government.

It also points out that in 1991 the value of imports from the United States grew by 18 per cent while retail sales of Canadian-made apparel shrank by 13.4 per cent. This

relates to the introduction of American-owned chain stores and supplies from American sources, or from overseas sources through the United States, in good part.

• (1250)

Part of the effect of the destruction of almost half of the jobs in Toronto in the garment industry, which we have had for over a century is a great increase of home work. People, nearly all of them women, are pressured by poverty to take work home rather than working in a factory, which they would prefer. The wages are often around \$2 an hour for piece work. This is even with their children sometimes helping and even with providing their own sewing machine, light and power and so on. What they can earn often does not go much above \$2 an hour. This is vastly below anybody's concept of a minimum wage.

There are an estimated 2,000 of these home workers in the city of Toronto and they are definitely among the extreme working poor.

What we need is a basic re-examination of what has been done to the Canadian economy by the free trade agreement, by the goods and services tax and by the high interest rates. These rates have now come down, but during the two years following the free trade agreement, they added to the problems. There is also the high Canadian dollar which lost markets in the United States that might have been gained by the tariff reduction.

We believe the government should reconsider this and seriously consider giving notice to cancel the free trade agreement. It should break off negotiations for the North American free trade agreement and introduce policies that would help to revive the Canadian manufacturing industry under independent Canadian ownership.

**Mr. Don Blenkarn (Mississauga South):** Mr. Speaker, I was wondering if the member had taken a look at the March trade figures where we had the largest trade surplus ever in our history. It was \$12.8 billion. Of that \$12.8 billion, \$9.8 billion went to the United States—those terrible Americans—with the free trade agreement. Again, this was a record export to the United States. Where does he get the idea that the trade agreement is somehow destroying us?