

quite importantly also about strengthening the power of the largest corporations to increase their profits through investments in war preparations and in active war as is going on in the southern hemisphere where a good many of our arms will go.

The direct lowering of wages and working conditions through this trade deal will be made easier by transferring jobs to low wage, non-union areas of the United States, primarily in the south. It is hard to beat a \$1.74 minimum wage in Texas or no minimum wage in some other States.

During the election campaign, we saw an ad from the State of Georgia which said to our companies: "Come to Georgia because only 18 per cent of our labour force is unionized, we have no minimum wage, and we don't worry about the environment". That is the direct wage lowering and that is what James Fleck followed except that he carried it to a further logical extreme. He went down to Mexico where it is a 50-cent wage. He did that during the election campaign while he was telling us how many more jobs would be created in Canada.

The indirect lowering of wages will be pushed by using the threat of rationalization, the runaway shops, to blackmail Canadians into accepting wage cuts. This is particularly noticeable in my own constituency of Trinity—Spadina, especially among the workers in the factories making women's clothing. There has been an unprecedented rate of shutdown as the trade deal comes closer, banks, for example, refusing loans because the Prime Minister (Mr. Mulroney) has said that this is not one of the industries that is expected to do well.

It will wipe out Canada's tariff and non-tariff import restrictions so that Canadians must compete with workers in the southern U.S., as I said, whose wage is very often \$2 or less. You may be able to live in Georgia on \$2, but you cannot live in Canada on \$2 a hour because, for one thing, we have some heating problems here.

In fact, Mr. Nygard, the millionaire manufacturer of clothing who was the Government's chosen chairman of the SAGIT, the committee for negotiating in that industry in the trade deal, has quit the chairmanship of it in protest earlier this year because as the deal came out it was a bad deal for Canada, so he said, and bad for his industry.

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The trade deal, in fact, is intended to protect the power of the owners of these industries by making it

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more difficult for any future Canadian Government to act so as to create a democratic, full employment economy. That is why the Deputy Prime Minister (Mr. Mazankowski) went to Alberta a year ago to tell the executives of the oil companies that this trade deal would protect them from a future NDP Government.

In other words, this agreement is to protect the profit and the power of the owners of industry operating in Canada from the Canadian workers who produce that profit and who might vote for a political program that would get them a better share of it. Another indirect way of lowering wages is to transfer production costs to the public. Economists have a nice word for this. They call it externalization. It is: "Don't let our company pay for it. Let someone else pay. Let the taxpayers pay."

Reducing environmental standards is an example of externalization. We have barely begun the struggle in Canada to make the polluters clean up the poisons which they dump into our rivers and lakes and other parts of our country. Low health and safety standards are another way of transferring the costs of doing business to working people, so also is low severance pay. The pressure to transfer costs from owners to workers will increase with the trade deal. Harmonization, as Chapter Six lays it out in the Free Trade Agreement, will be the chief means of lowering both working and living conditions for Canadians.

The second round of the so-called free trade negotiations will begin to establish common standards from everything from the quality of plywood used in housing construction, to health and safety requirements for pesticides and food additives. It is only reasonable to expect that the business dominated Governments of both Canada and the U.S. will choose the cheaper standard for each country. The American law is to balance profit and health. If it is a danger to health, the Canadian law is: do not use it. We will get the American standard. The Americans will get the profit. We will get the danger to health.

In this country there are two sources of power. There is the power of ownership and wealth and the power of the workers through their unions and political movements. The Free Trade Agreement advances the power of the owners over the power of the workers. It has more to do with promoting unrestricted mobility of investment capital than with trade. Increased mobility of capital is only a means to an end. The end is decreased wages, externalized costs, and increased profits. That is why Chapter Sixteen of the Free Trade Agreement opens our investment industry to control by U.S. corporations.