

**Senator Murray:** Honourable senators, I must confess that I am not aware. Possibly the Banking, Trade and Commerce Committee will want to look into this matter in due course.

### CANADA-UNITED STATES FREE TRADE AGREEMENT

EFFECT ON U.S. COMPANIES—CREATION OF JOBS IN CANADA BY OPENING OF NEW PLANTS—U.S. REFUSAL TO ELIMINATE TARIFF ON CANADIAN SHAKES AND SHINGLES—GOVERNMENT ACTION

**Hon. Raymond J. Perrault:** Honourable senators, I have a question for the Leader of the Government in the Senate. It is about the impending Free Trade Agreement between Canada and the United States. A spokesman for one of the committees supporting the deal said the other day in Vancouver, "There are going to have to be adjustments on both sides of the line." He said, "Let's face it, some flowers must die so that other flowers can be born"—"flowers" being workers. So some will have to be sacrificed in order to make the necessary adjustments to assure the implementation of this pending agreement.

Since November 21, 1988, we have experienced:

November 24, Gillette Canada, a manufacturer of razor blades and other products associated with shaving, located in Montreal and Toronto, announced that it will shut down its Canadian operations and that 590 jobs will be phased out over the next 18 months.

November 25, Ortho Diagnostic System, a subsidiary of Johnson and Johnson—oh yes, this is one of those drug companies that were going to invest so much more in Canadian research—announced that it will close down its North York laboratory next month, phasing out 16 jobs.

November 26, P.P.G. Canada Inc., a subsidiary of Pittsburgh Paint, and a resin manufacturer located in Toronto, announced that it will close in February, causing the loss of 139 jobs.

November 28, British Footwear, a shoe plant located in Lachine, Quebec, indicated that it will phase out 50 jobs in March.

This is the adjustment process and these are the "flowers" that will die in that process.

December 7, Northern Telecom, Canada, a communications company, indicated that it would close its plants in Aylmer and Belleville, phasing out 870 jobs over the next nine months—another bunch of "flowers" that will die.

December 7, Tapis Elite, a carpet manufacturer, indicated that it would be unable to meet impending competition from Atlanta, Georgia, and other southern producers that pay their workers 50 per cent of the wages paid to Canadians. This company is located in Sainte-Thérèse, Quebec, and it will mean the loss of 87 jobs. It will happen soon.

December 8, Canada Packers Inc. indicated that it would close its poultry processing plant in Winnipeg in February, causing the loss of 90 jobs, according to my information.

I could go on, but I want to ask the Leader of the Government in the Senate this question: In this agonizing process of

adjustment on both sides of the line, would he share with us the names of American companies that are closing down their operations in the United States in order to cope with new Canadian competition? Would he give us an answer to that question before I ask my supplementary questions?

**Hon. Lowell Murray (Leader of the Government, Minister of State for Federal-Provincial Relations and Acting Minister of Communications):** Honourable senators, I regret that the honourable senator did not have an opportunity to make that speech during the free trade debate before dissolution and that he should give it to us tonight.

**Senator Perrault:** The closures have been announced since the election.

**Senator Murray:** Honourable senators, let me say first that barely a study has been done on this matter in this country by qualified organizations that has not forecast considerable increases in employment, in incomes and in living standards throughout this country as a result of the Free Trade Agreement with the United States.

● (2110)

Secondly, I draw to the honourable senator's attention the fact that something like one-third of Canadian workers change jobs every year. That is the extent of the adjustment that takes place in our economy month after month, year after year, and it takes place without the kinds of upheaval and agony that the honourable senator is talking about.

Thirdly, I point out to him that, while I did not take note of all the firms he mentioned, most of the firms whose names have figured in the media have taken considerable pains to emphasize that the decisions they were taking to rationalize their operations, or to adjust, were not taken as a result of or in connection with the Free Trade Agreement with the United States.

Finally, in the context of the very considerable and quiet worker adjustments and job changes that take place in our economy every year, there is in the Government of Canada a whole series of very effective programs to assist communities, to assist companies and, most of all, to assist workers to adjust to changing economic conditions.

**Senator Perrault:** The Leader of the Government's statement will be cold comfort to the workers of Canada who will be displaced in the very near future as a result of this impending trade arrangement with the United States.

He has not answered the questions. He has not cited examples where U.S. companies are going to close down because they are faced with the possibility of increased competition from Canadian companies.

Let me then ask him this question: Have there been any corporate announcements of any extent in recent weeks—post election—that there will be additional plants put in place to create new jobs for Canadians as a result of this trade arrangement? For the Leader of the Government to come here tonight and say that in the normal course of events any of these shutdowns could have happened suggests a naiveté that would