

Canada-U.S. Free Trade Agreement

However, there is also another possibility, and frankly it worries me, Mr. Speaker, because I talked to various business people, to the people who create jobs, and they often tell us that their American competitors pay an hourly wage of \$3, \$4, \$5 to produce exactly the same goods they are making in Canada. Secondly, he tells us that the labour component of products made in Canada is 30, 35, 40 or 50 per cent of the total.

Mr. Speaker, you have to put yourself in this businessman's place. Obviously, if he cannot have conditions similar to those in the United States, he will be very tempted, very interested, to simply liquidate his business and take an option on some land in the United States, so as to benefit from the almost total lack of social measures on the American side. Who will pick up the tab, Mr. Speaker?

Unfortunately, I have a riding whose survival depends on regional economic development. Before the redistribution of the electoral map, I had 60,000 people in my riding, in 60 municipalities. The largest town had a population of 6,500. Fortunately, with redistribution, I will have 67 municipalities, of which the largest has a population of barely 13,000. Given that, the economic survival of my riding depends on regional development policies and is directly related to them.

In the past, we have seen the benefits—the tremendously positive and essential results—of a regional development policy. In 1982-83, we Liberals put forward a program called Canadian Industrial Renewal Board. It enabled us to develop the Sherbrooke region. This program made it possible to create thousands of jobs, which obviously had a beneficial impact on a riding like mine.

With the treaty before us, Mr. Speaker, we risk losing any regional economic development program.

I think it is interesting and very important as well to recall some figures that I think speak for themselves. You will allow me, Mr. Speaker, to refer, for example, to some self-explanatory numerical data.

We are told that only 25 per cent of the unemployed in the United States receive benefits under all the government and federal programs, as well as supplementary and expanded benefit plans . . . Only 25 per cent! The corresponding figure for Canada is 85 per cent. In the United States, our southern neighbour, unemployment insurance benefits amount on average to 8 per cent of the average wage. In Canada, this average is 40 per cent and even exceeds it in some circumstances. Here we have figures, and I think that to make a case, nothing beats having figures to refer to, real, concrete, actual statistical data.

I think this is a good example of what distinguishes us from our American neighbours. And I also think it is a very good indication of the potential risk of this kind of agreement as a result of transfers of labour and companies that will tend to follow the laws of the market place and set up operations in those states across the border where the minimum wage is

much lower and social benefits are far fewer, thus creating an incredible situation in this country. We will lose dozens of companies that will move to the United States, because of the markets and because of the fact that our production costs are much higher, so that companies that stay in Canada will see their premiums for social benefit increase considerably, and so forth. There will be a time when thousands of people are laid off.

Mr. Speaker, there is another aspect I find very significant, and that is the minimum wage. I think the following figures speak for themselves. In Canada, all provinces have a minimum wage policy. When we compare the situation in the United States, we find that nine states have no minimum wage policy; twelve states have a minimum wage of less than \$3; and Texas, with the third highest population in the Union, has a minimum wage of \$1.40. In Canada, only Alberta has a minimum wage of less than \$3. In all other provinces, the minimum wage exceeds \$3.

Mr. Speaker, I am not a businessman but, on the basis of this information, if I had to start a business in which the wage component was at all significant, I would be very interested in setting up operations in the United States. The minimum wage is half what it is in this country, there are no social programs, and I am close to my markets. Mr. Speaker, what happens to Canadians who are looking for a job, especially in disadvantaged regions like mine?

● (2150)

[English]

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, what we are debating tonight is a series of amendments which, if the Government believes what it is saying about the agreement and is not actively misleading the Canadian people, it should be willing to accept by virtue of the same logic used by the Minister for International Trade (Mr. Crosbie) when he justified bringing in an amendment with respect to water exports. He said that the agreement did not affect water exports, and because it did not affect water exports he wanted to make that absolutely clear against what he called "false opposition charges" by bringing in an amendment to the legislation to make it clear that it did not affect water exports.

We continue to believe that it does affect water exports because we know that, in spite of whatever amendments might be moved here, it is the agreement itself which will be the final determiner of what is contained in the agreement and what is not contained in the agreement. But by using the same logic used by the Minister for International Trade with respect to the amendment concerning water exports, I see no reason why the Government could not have risen tonight, in the form of the Parliamentary Secretary to the Minister for International Trade (Mr. McDermid), to accept these amendments. I am sure the Parliamentary Secretary was not rising to accept these amendments.