arbitrary power to Cabinet to make regulations and appointments, and to be able to do this without public input, without the Canadian people having an opportunity to have a real impact on the decisions Cabinet makes? I call upon this Government to withdraw this legislation and take an open approach to Government.

Mr. George Minaker (Winnipeg—St. James): Mr. Speaker, I would like to make a few comments with respect to this debate on free trade, particularly as it relates to the wage factor. Not only the New Democratic Party but the Liberal Party have continued to drag a red herring across the floor of the House of Commons with respect to wages and how the wages of employees will be affected by the free trade deal. The Right Hon. Leader of the Opposition (Mr. Turner) went so far as to ask on June 29 of this year: "Do they want us to harmonize our minimum wage rates with Texas where the rate is $1.40 an hour, or the nine other States in the American Republic which have no minimum wage rate?" I guess the Leader of the New Democratic Party (Mr. Broadbent) wanted to get into the act because he thought perhaps he was being outdone by the Leader of the Liberal Party.

• (1230)

On July 5, 1988, the Right Hon. Leader of the Opposition said: "Eight states in the U.S. have absolutely no minimum wage whatsoever, and three are set at less at $1.60 an hour." This is a real red herring. While in Canada the provinces primarily look after minimum wage legislation, in the United States the Americans have both state and federal legislation dealing with minimum wages. In fact, whichever is the larger will prevail in the states. In other words, if a state does not have a minimum wage, then the federal minimum wage law is in regulation.

To give Hon. Members an idea of comparisons of the minimum wages in the two countries, in the United States virtually all workers are protected by federal or state minimum wage laws, whichever is the greater. Most workers in the states where there is no minimum wage protection are in fact covered by the U.S. federal minimum wage, $3.35 U.S. per hour. If we translate that figure into Canadian dollars it is equivalent to about $4 Canadian. This is in line with the minimum wage that applies in five out of ten of our Canadian provinces.

Further, the state minimum wage prevails when it is higher than the federal standard. Thus, for example, most workers in California have an hourly minimum wage of $4.25 U.S. per hour which, when translated into Canadian funds, is equivalent to $5 per hour.

Mr. Orlikow: Tell us about Georgia and South Carolina.

Mr. Minaker: If the Hon. Member for Winnipeg North (Mr. Orlikow) had been in his chair when I was opening my remarks, he would have heard me say that where there is no state minimum wage the federal minimum wage prevails.

Mr. Orlikow: They have minimum wages—they are low.

Mr. Minaker: The greater of the two standards apply in instances in which materials are purchased from another state, or when the product is shipped outside one state. The competitive advantages to trade arising from low minimum wage laws in the U.S. are virtually nil. Yet members of the Opposition would try to create a situation in which there was an extreme difference. It is interesting because the NDP concern about the U.S. minimum wage laws is curious, given the foreign aid policy of dropping barriers to manufactured imports from countries in the Third World, where wages often average less than $1 per hour. Perhaps the Leader of the Opposition has never read the NDP policy bible entitled "Resolutions Reference". We see that these people are trying to create a red herring on the wage situation.

Further to that, I received a very interesting letter in July of this year from the President of the C. D. Howe Institute, Maureen Farrow. The letter was written to me as a Member of the House of Commons Standing Committee on Finance and Economic Affairs.

Mr. Langdon: Who finances them?

Mr. Minaker: The letter states:

Dear Mr. Minaker:

I am pleased to enclose an advance copy of the C. D. Howe Institute's latest publication, *Evaluating the Free Trade Deal: A Guided Tour through the Canada-U.S. Agreement,* which will be released on July 19, 1988. In this study, authors Richard G. Lipsey and Robert C. York analyse and interpret the contents of the bilateral treaty.

The authors' main conclusion is that the Agreement represents a win/win situation for both countries. From Canada's perspective, the Agreement will increase access to the U.S. market significantly and make that access more secure.

The Agreement goes most of the way toward completing the policy of trade liberalization that Canada has been pursuing since 1935. It also represents a complementary strategy to Canada's active participation in the Uruguay Round of GATT negotiations.

The next paragraph in the letter is very important. I quote:

The authors work through the Agreement chapter by chapter, reviewing the content of each chapter, analyzing the significance of that content, and examining the major concerns that have been voiced with respect to the chapter. Altogether, they examine over 50 such concerns, making the text an invaluable handbook for all those interested in the public debate on free trade.

They show that Canada has not relinquished its sovereign right to pursue independent policies on energy, social services, cultural industries, investment, and public ownership—assertions to the contrary notwithstanding.

That is from a letter signed by the President of the C. D. Howe Institute, Maureen Farrow.

Mr. Langdon: Who finances them?

Mr. Minaker: It is an independent study. I suggest to members of the Opposition that they read that book. They would find that the myths they are trying to create are completely wrong. They are trying to put falsities into the minds of the people of Canada. The people will recognize that as they come to understand that the C. D. Howe Institute supports the trade Bill. The Economic Council of Canada has made recommendations that this deal is good for the country.