

Supply

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, I must agree with the concluding statements of the member opposite, although I would put a slightly different interpretation on them. He said the government could not be accused of not working as hard as it could. It certainly is working as hard as it can to distort the effects of what has happened as a result of the free trade agreement.

I was referring this morning to the very expensive tabloid the government sent to every household in the country. It said that since the free trade agreement no country has been able to take a larger share of the U.S. market for manufactured goods than Canada. As a matter of fact the U.S. commerce department's figures, obviously different figures from what the government is using, point out it is from simply not the case.

Japan had the largest share increase in manufactured imports both before and after the FTA was implemented. As a matter of fact Australia, Mexico and South Africa had a larger percentage of growth in imports into the United States than Canada, and they do not have a free trade agreement with the United States either. There certainly is a lot of distortion there. I am at a loss to understand why the government would try to convince us otherwise.

I would like to come back to a statement that the member made the other day in relation to the free trade agreement. He said that as Canadians we must take down this wall of high wage protection we have put around ourselves and get ourselves reintroduced to the real world.

There seems to be a tremendous amount of concern on the government side for the workers in Mexico and great praise for the free trade agreement and how much it is going to do for them. The Maquiladora sections of Mexico have had free trade for 20 years. The Mexican workers who work in that area of Mexico are suffering from lower wages than the workers in the rest of Mexico.

I ask the hon. member how on earth he can extrapolate from the evidence that either the Canadians or the Mexican workers will be better off under the North American free trade agreement.

Mr. McCreath: Mr. Speaker, if my hon. friend from Saskatoon—Dundurn really thinks that South Africa

represents serious competition for trade with the United States then I suggest he has a very creative way of looking at the growth of trade in the world.

Let us deal with the point that he makes about wages. I know he takes everything I say as gospel, but just on the off chance that he might be a little bit suspicious let me read from another source, an expert in this area, the Business Council on National Issues, which I know he will recognize as a very reputable source. The council states: "Low wages are just not a main source of competitive advantage for the knowledge intensive industries that play an ever larger role in modern economies. If low wages were the key to investment decisions the poorer regions of Canada and the United States would account for disproportionate shares of domestic business investment. In fact relatively low wage regions of both Canada and the United States generally receive disproportionately smaller shares of business investment including manufacturing investment".

My friend talks about the Maquiladora, which represents about 2 per cent of the manufacturing economy of Mexico. We are dealing with a very unique circumstance in terms of those free trade zones to which he refers. He and his colleague from Nanaimo—Cowichan would have the entire country think that all future manufacturing in North America is to be done in the Maquiladora of Mexico.

The reality of the situation is that our international competitors are not low wage countries. They are Europe, the United States, and Japan. The same thing applies. What is significant is the cost of production and productivity, not just the price of labour.

• (1545)

Mexican cost of labour is less, on average seven and a half times less than the price of labour in Canada. On the other hand productivity of Canadian workers is six and a half times higher. Access to capital in this country is also considerably higher. The productivity of capital technology is higher in this country. That is why Canadians can compete. My friends in the labour movement and the NDP should not be afraid of Canadians they should take pride in what Canadians can do. It will be a success story just as the FTA has been.