

*Canada-U.S. Free Trade Agreement*

Government was only able to attract 43 per cent of the over-all final vote. Of the Territories and the 10 provinces, only Québec with 53 per cent and Alberta with 63 per cent secured a marginal majority of the popular vote. All others were against this trade deal. Atlantic Canada, 57 per cent; Manitoba, British Columbia and Saskatchewan, 58 per cent; and the Territories, 67 per cent.

Although the Government has secured a parliamentary majority, it is clear that Canadians supporting this trade agreement are in the minority. Legally the Government has a right to proceed with this agreement, but those of us elected have the moral right to not ignore constituents who opposed it and elected us on that basis.

Since the election on November 21 we have seen what is potentially the immediate effects of this agreement. Major businesses closing, such as Gillette, Pittsburgh Paint, Northern Telecom and Catelli Spaghetti, could indeed be the beginning of Canada's economic future. What about protection or retraining programs for these hundreds of Canadian employees affected by these plant closures? The Economic Council of Canada's recent research indicates that up to 250,000 jobs could be created in Canada by 1998, but this number represents the over-all net increase of employment opportunities. Even so, approximately 44 per cent of these jobs are earmarked to be in the lower paying service sector field, specifically in the manufacturing sector.

We have been told that the Government will be considering measures to offset the downside of this trade agreement. However, no plans to establish programs or assistance to workers such as the aforementioned are being considered. What about workers in their forties and fifties? Can they be retrained or just given the golden handshake? Or, do we just let these and future unemployed Canadians sign up for existing worker retraining programs and job-creation programs already in existence?

With reference to job-creation programs, it is important to note that funding for the Canadian Jobs Strategy for fiscal year 1988 is \$1.8 million, down from \$2.1 million in 1985. They can even wait for the recommendations of the federal Government's advisory committee on adjustment which are not due until June, 1989. However, this is a hard pill to swallow for people who have given the better part of their working lives to their chosen field.

Social programs are another major concern for Prince Edward Islanders. We have repeatedly been told that

our social programs are not affected by this agreement, yet Canadians are concerned about our safety net. American businessmen will increasingly want to play in the same ball park as Canadians. Bill C-22 is a prime example. To cite a background study commissioned by the Macdonald Commission: "Canadians would be required to make wage and tax rates and welfare policies conform to American practice and to follow all important changes in the United States with virtually identical changes in Canada".

Social programs and tax requirements on Canadian corporate interests could be perceived as an unfair handicap if Americans believe that Canadians are getting the better of the deal. Given that the Government has been less than firmly committed to strengthening our social programs, an example being the deindexing of old age pensions, our social programs could be in jeopardy.

Given that the Government is proposing a continental approach to trade it would be difficult not to do the same in other activities such as social programs. The net result is that Canadian workers' income expectations would have to be substantially lowered to offset the maintenance of our level of social programs. Americans will be demanding that we cut these programs because they will judge them as unfair subsidies, thus giving us an unfair edge in this hypothetical free trade market.

Unemployment insurance benefits have drawn chronic complaints from the Americans. It is important to note that under combined state and federal programs, plus extended and supplemental benefit plans, only 25 per cent of unemployed Americans receive insurance benefits compared to 85 per cent in Canada. There is a strong concern in my province that fishermen's benefits could be considered as an unfair subsidy by our American counterparts and thus subject to a countervail suit.

What assurances do the Prince Edward Island fishermen have that, for example, what happened to the softwood lumber industry in 1986 will not happen to them in the next five to seven years? What will constitute an unfair subsidy? Can the Government assure the House and the Canadian people that unemployment insurance will be exempt under this trade agreement? If so, let us put it in the legislation. Over the next five to seven years Canadians will be entering negotiations on what is an allowable subsidy, yet the Government has not set any guidelines on this very important issue.

With respect to regional economic development programs, what protection do Canadians have if United