

WOMEN
Vote!



NATIONAL ACTION COMMITTEE
ON THE STATUS OF WOMEN

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What every
woman
needs to know
about

**FREE
TRADE**



NATIONAL
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THE GENDER GAP

Across the country, polls show a large "gender gap" on the issue of free trade. More women than men are against the free trade deal. This is because it will affect every issue women of this country are concerned about including, employment, wages and conditions of work, education, day care, health care, the environment, consumer protection and prices, and peace issues.

Free Trade is more than the removal of tariff barriers. It would mean a much closer integration of the economic and social systems of the United States and Canada.

The supposed reason for entering into the agreement in the first place was to counteract U.S. protectionism. The United States was using its trade laws to challenge the Canadian way of managing the economy — arguing that a wide range of Canadian practices are "unfair" subsidies to export industries. The intent of negotiating the agreement was to ensure that U.S. trade legislation could not be used to retaliate against Canadian exports.

The tragedy is that the agreement did not deal with the issue of how an "unfair subsidy" would be defined. And the promised exemption from U.S. trade laws never materialized. As a result, Canada would be undertaking a whole range of changes which would dramatically affect our way of life, without any guarantees of access to the U.S. market for Canadian industries.

The free trade deal is packaged in two parts: The Canada/U.S. Free Trade Agreement and Bill C-130, the federal government's legislation to change Canadian Laws. The commitments in the Free Trade Agreement itself will require other changes, beyond these contained in the Bill C-130 legislation. All of these changes will be devastating to women, should they eventually come into place.

JOBS

Manufacturing: Women's employment in manufacturing is concentrated in industries where jobs are most at risk: textiles, clothing, food processing, electrical and electronic products, and other consumer goods. These are often characterized as "sunset" industries, not deserving to survive. Yet textiles and clothing, for example, are the

JOBS

largest industrial employers in Canada and account for 7% of our total national income.

The women who will be particularly affected by job losses in manufacturing are immigrants, women of colour, older women, disabled women, and women with low levels of formal education.

While new and better jobs are promised there is little real evidence that this will occur. Where women have moved out of manufacturing jobs in recent years, they have tended to find work only in low-paying, unorganized, and part-time work in the service sector.

Services: The majority of women work in the service sector (84%), where jobs will be threatened as restrictions on the provision of services from outside the country are removed. Just about every type of service can be traded internationally, including banking, data processing, telecommunications, computer services, and culture. The removal of the current restrictions on data processing, for example, will eliminate many clerical jobs which will shift to low-wage states in the U.S. Also, in the Free Trade Agreement, there is no "country-of-origin" provision for services. This means that much of our data processing could also occur in low-wage countries and be imported into Canada via the U.S. Almost one-third of all women in the labour force now hold clerical jobs.

The Free Trade Agreement also lays the groundwork for the privatization of public services. This will result in the loss of many women's jobs in areas of work which are among the better paid in Canada.

Agriculture: According to the National Farmers Union, almost half of the production from family farms in Canada is the result of women's labour. Women's work in agriculture is jeopardized because so many of our agricultural industries are at risk under free trade. With increased competition with U.S. agribusiness, Canadian farmers will lose access to our own domestic market. Canadian grain growers, fruit and vegetable farmers, the dairy industry, the grapes and wine industry, the horticulture industry, and poultry and egg production are particularly threatened by free trade.



JOBS

Wages and Working Conditions:

Under Free trade, women and men would also have lower wages and poorer working conditions. With increased U.S. competition here, Canadian firms would be forced to cut costs by lowering wages, ignoring health and safety standards, and fighting legislative protection which ensures equal rights and equal pay for women. They will do this because their major competitors will be companies located in U.S. states with low or no minimum wage, poor labour legislation and very low levels of unionization.

Some product sectors in Canada are at a disadvantage because the comparative U.S. industries are not as unionized. Therefore, fundamental realignment in legislated benefits programs and labour union organization will be required. As well, Canadian workers' income expectations will have to be substantially lowered.

— **Grocery Products Manufacturers of Canada comments on free trade to the Macdonald Commission**

SOCIAL SERVICES

Our social services (such as health care, daycare and unemployment insurance) could also be endangered by free trade. U.S. firms can challenge any public program they feel is an unfair subsidy to business. In the past, the U.S. has challenged aspects of the unemployment insurance system, the national railroads, and regional development schemes. Particularly troubling is the Free Trade Agreement's provision for on-going negotiations over the next five to seven years on the definition of "unfair" subsidies.

In addition to the problem of subsidies, the free trade deal provides "right of establishment" and "right of national treatment" to U.S. companies in 299 different service categories. This means that U.S. firms may freely do business here and receive treatment "no less favourable than that accorded to Canadian service enterprises."



SOCIAL SERVICES

The prospect of U.S. firms taking over our service sector is only half the tale. Canadian businesses can be expected to apply pressure on all levels of government to lower the taxes that support our social programs — all in the name of becoming more competitive.

Health Care: Canada and the U.S. have radically different ways of providing health care. In Canada it is publically supported while in the U.S. it is run by private enterprise.

Under free trade, U.S. businesses will be free to come in and manage (and/or own) our hospitals, nursing homes, homes for the disabled; our halfway houses, and community health clinics; our ambulance services, medical labs, x-ray labs, and even our blood banks.

A few hospitals in Canada are already run by such private U.S. management firms. They cut costs by using "patient classification systems." These are computer programs which determine the type and amount of nursing care necessary. As a result, the full-time nursing staff is cut to a minimum, and the part-time nurses are expected to follow the computer printout with regard to time and care for each patient.

In the U.S., 36 million people (including 12 million children) have no form of medical insurance.

— **National Anti-Poverty Organization**

Day Care: Under the investment chapter of the free trade deal, private U.S. day care corporations could claim access to public funds for establishing centres here. They would be allowed to compete for such funding on an equal basis with our own non-profit day care centres. This could lead to a preponderance of "for-profit" care delivery in Canada. Private day care companies usually pay lower wages to their workers and have lower standards for care giving.



SOCIAL SERVICES

New Social Programs: Under free trade it would be virtually impossible to set up new publically provided services, as Canada did in the 1960's with Medicare with agreement from the provinces. For example, many Canadian women feel that we should be moving toward things like public auto insurance and public dental coverage. Under free trade, Canada would first have to get approval for such programs from the U.S., and then our governments would have to financially compensate U.S. insurance firms for losses they would experience under such new programs. Obviously, no province could ever afford this.

Education: Free trade gives U.S. private educational firms rights of national treatment and access to public funds for training programs. This means that our local training programs for women through our community colleges, vocational schools, trade schools, schools of art and performance, and business colleges will have to compete with big U.S. private firms for public funding.

We expect that publically-supported elementary and secondary school systems across Canada will face increasing pressure (under free trade) to conform more closely to their generally less adequately funded and less equitable U.S. counterparts.

— Canadian Teachers' Federation

THE CONSUMER

Those in favour of free trade usually claim that the Canadian consumer will be better off as a result of the deal. This claim deserves careful examination.

Duty-Free Goods: Canadian authorities have admitted that under free trade there will still be the normal limits on the amount of duty-free purchases tourists can make across the border.

THE CONSUMER

Taxes: Under free trade, the Canadian government will lose more than \$2 billion a year by not collecting tariffs. The government plans to recover this loss by extending the federal sales tax to include not only manufactured items, but taxes on all goods (except food) and taxes on all services. This may mean that every time we ride the bus, make a banking transaction, and have our hair cut, we will have to pay a tax on the service.

Prices: The recent changes which Canada has been forced to make in our drug patent legislation are a direct result of the government's push for free trade and pressure from U.S. drug firms. This resulted in higher prices for Canadians and this is a forerunner to what will happen to prices for many items under free trade.

While the elimination of tariffs would seem to suggest lower prices, the Federal Finance Department's own studies acknowledge that there is no control over whether savings will be passed on to consumers or be kept in the pockets of suppliers and retailers. Prices can be kept lower when there are domestic producers who compete with importers — otherwise importers can charge whatever they want. This happened in the Canadian shoe industry when tariffs and quotas were removed and import prices increased by as much as 26%.

Pesticides and Food Additives:

For decades, Canadian women have been leaders in changing attitudes and practices with regard to harmful additives in our foods. Ironically, the Free Trade Agreement commits Canada to "work toward equivalent guidelines, technical regulations, standards and test methods" for use of chemical substances such as herbicides, pesticides, growth hormones and steroids.

As a result of this "harmonization" under free trade, Canada will have to adopt the far more lax U.S. approach towards regulating chemical substances based on a "risk/benefit" analysis. This means that if the economic benefit in using a chemical substance outweighs the health risk, then that is the deciding factor for licensing the product.



THE CONSUMER

U.S. "factory" farms make extensive use of hormones and antibiotics to speed growth and counter the disease-ridden conditions in which they confine farm animals. These additives are a danger to human health.

Energy: Under free trade, the Canadian government is committing itself to a one-price policy on oil and gas and energy exports. This means that it can't impose a policy whereby Canadian consumers buy energy at lower prices than those charged to U.S. consumers.

Equally important, the Free Trade Agreement obliges Canada to share our energy — even in times of shortages. The Agreement guarantees U.S. buyers the same proportion of Canada's energy resources that they now receive. In the case of some resources, such as oil, the U.S. uses more Canadian oil than Canadians do and we will be locked into this, even where there is not enough oil for our own use.

THE ENVIRONMENT

Canadian women are increasingly concerned about our environment and the need for environmental protection. All governments in Canada, including the federal and all provincial governments, have endorsed the need to integrate environmental protection with economic planning and policy. However, the free trade deal will seriously erode governments' ability to take such measures.

Acid Rain: The acid rain which is destroying our lakes and forests is caused by the sulphur dioxide emissions released from the smokestacks of industries relying on coal for fuel. Under free trade, government subsidies to help Canadian industries cut acid rain pollution may be seen as unfair trading practices. "Harmonizing" standards will likely mean that Canada will have to accept the lower U.S. standard for emissions control of acid gas pollution.

THE ENVIRONMENT

Water: The trade agreement does not allow Canada to limit exports of natural resources on the basis of shortages, unless restrictions are also placed on Canadian consumption. In addition, it does not permit export restrictions for the purpose of protecting the environment.

Every Canadian resource is subject to the provisions of the Free Trade Agreement. **THERE IS NO EXCLUSION FOR WATER.** Where the agreement intends to exclude an item, as in the case of logs, it explicitly states this.

The fact is that countries look after their national interests to the extent that they are capable of doing so and when the devil drives, watch out. Sooner or later the U.S. is going to go after our water.

— Simon Reisman, shortly before being appointed Canada's trade negotiator

Forests: What little reforestation is carried out in Canada is heavily subsidized by the government. The U.S. lumber industry regards reforestation grants as "unfair" trade practices and subsidies to Canadian lumber exports. Because of the Softwood Lumber deal, the B.C. government has already agreed to end its replanting subsidies to the forest industry.

Another casualty of free trade will be our prospects for adding to Canada's parkland and wilderness areas. Unimpeded development in the oil, gas, mining, and lumber industries will have a tremendous impact on our wilderness areas, on aboriginal hunting grounds, and on areas that support traditional ways of life.

PEACE ISSUES

The trade deal will reduce the possibility for an independent Canadian voice on peace and security issues like the U.S. "Star Wars" initiative. Women are in the forefront of the peace movement and are concerned about the potential use of our resources and labour for military purposes under free trade.

PEACE ISSUES

Militarization of Regional Development:

The ostensible objective of entering the free trade agreement was to eliminate the ability of U.S. firms to challenge Canadian policy, such as regional development schemes, as unfair subsidies to trade. The agreement failed to achieve this. Most government subsidies to poor regions can still be challenged. But there is one exception. If any government subsidy is "sensitive to the defence of the country," it will be permissible. The result may well mean the increased focus on military industries in the economies of poorer sections of this country.

Militarization of Jobs:

Building weapons is not the answer to Canadian unemployment, but as thousands of jobs are lost in other sectors, this is one area where the free trade deal allows governments to subsidize and intervene as much as they wish. Already in Quebec, female employment levels are down as textile companies relocate to low-wage states in the U.S., and the defence-related industries expand.

OUR WAY OF LIFE

The Canada/U.S. Free Trade Agreement is not simply about tariff reduction and trade, as the proponents of the Agreement would have us believe. It is about how much control Canadians will have over our future.

Women have long recognized that we need the modifying influence of public policy to correct the most discriminatory and unjust features of the market system. Market forces alone cannot provide us with sufficient jobs and eliminate the grossly unfair ways women and minority groups are treated.

Our experience is that justice and fairness have to be imposed on business. Yet the move toward free trade is an attempt to return to a greater reliance on the workings of the international market to determine our economic and social policies. Once we embark on the free-trade route our ability to establish priorities, other than those dictated

OUR WAY OF LIFE

by profit-making and the private market mechanism, will be relinquished.

Trade is important for Canada. We are a great trading nation and will continue to be one. But the main issue now is the role of trade policy: it should serve economic and social goals — not determine them.



NAC urgently needs your contribution to educate women on Free Trade.

I enclose \$25 \$50 \$100 Other

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