

• (1600)

**Mr. Cassidy:** Mr. Speaker, I do not want to prolong the debate, but I would certainly welcome the suggestion of the Hon. Member for the Liberal Party. If in fact the Government wished to simply defer this section until the hearings take place next Tuesday, that might be a constructive suggestion. I wonder if the Secretary of State for External Affairs (Mr. Clark), or some other responsible Minister, is prepared to make that suggestion here in this House.

**The Acting Speaker (Mr. Paproski):** The Hon. Member might want to negotiate that with the House Leaders. I will recognize the next speaker. The Hon. Member for Beaches (Mr. Young).

**Mr. Neil Young (Beaches):** Mr. Speaker, I am grateful to have an opportunity to say a few words about the amendment to this particular clause which was put forward by my colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy).

When I first looked at Bill C-87 and read its title, I was quite fascinated, if not confused. Intimidated, perhaps, is a better word. I will take a moment just to read it. It describes Bill C-87 as an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity description and coding system, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof. Even, as I read it again today, I nearly fell asleep. It is one of the most convoluted descriptions of any piece of legislation.

When I actually read the legislation itself, I can understand why not only the Hon. Member for Ottawa Centre, but other Members who have spoken on this Bill, have raised some serious concerns.

These concerns are indeed tied into what may happen under the free trade agreement at some time in the future. The implications are described under Clause 15 of Part 1 of the Bill. The clause reads as follows:

(1) for the purposes of this Act, goods originate in a country if the whole of the value of the goods is produced in that country.

Subclause (2) however, makes an exception to this. It states:

The Governor in Council may make regulations

(a) deeming goods, the whole or a portion of the value of which is produced outside a country, to originate in that country for the purposes of this Act, and

(b) respecting the determination of the origin of goods.

On the one hand the Act talks about any goods originating in a country can come into Canada as long as they are identified as being produced in that country. However, it is then totally reversed. It says, however, exceptions may be made if the goods, the whole or a portion of the value of the goods which is produced outside a country, can be deemed to

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originate in the host country. That is absolutely ridiculous, and I think we owe a debt of gratitude to Mr. John Saul who appeared before the House of Commons committee which is looking into the free trade agreement. He spoke about the dangers of that very thing happening under the free trade agreement. His concerns were expressed because of the very real situation occurring in the United States at the present time with cheap goods produced in Mexico which are in effect considered to be produced in the United States.

You may wonder how that could possibly happen, Mr. Speaker, and rather than go into detail on the comments Mr. Saul made before that committee, several days following his appearance he wrote an article on this very same subject, which is found in *The Globe and Mail*, which I would highly recommend for reading because it sets out the arguments very well and very clearly.

In recognizing these dangers, the Hon. Member for Ottawa Centre has moved an amendment to protect Canadians from the same kind of thing which is happening in the United States. We could be saved from the same experience if this amendment were adopted. What the Hon. Member for Ottawa Centre is proposing is that this clause in the existing Bill be amended by adding the words:

Notwithstanding any regulation made under Subsection (2), goods wholly or partly produced in Mexico shall not be deemed to originate in the United States.

In putting forward that motion, the Hon. Member is not saying we should not enter into any trading partnerships with Mexico. In fact, to the contrary. I remember several weeks ago the Leader of my Party making the same argument to the Prime Minister (Mr. Mulroney), that rather than throwing all our eggs in one basket by entering into a free trade arrangement with the United States, what Canada should press for is a trading agreement between not only the United States but also Mexico. He used the argument that Mexico has in fact proven itself to be a stronger negotiator with the Government of the United States on trading matters than the Canadian Government.

I think if one takes a look at what the Mexicans have managed to do in their trading relationships with the United States, the commentary of the Hon. Member for Oshawa (Mr. Broadbent) is absolutely right on. I want to give a perfect example of the industry I came out of. The electronics industry, at least the section I worked in, used to produce vacuum tubes for radios. These vacuum tubes were the subject of great competition from the U.S. parent company, of which ours was a subsidiary, and from the American subsidiaries located offshore. The end result was that the U.S. owners decided that even though the Canadian plant continued to be profitable, it did not make enough profit, however "enough profits" was defined. In any event, it decided that the Canadian company, which employed at that time some 650 workers, was not making enough profit to keep the head office in Syracuse happy. So it started laying people off. We ended up with a workforce of about 50 people who no longer produced