

Customs Tariff

Motions Nos. 2, 3, 5, 6, 7, 9, 10 and 11, which relate to parliamentary approval by either resolution or legislation, shall be debated together and a vote on Motion No. 2 will apply to Motions Nos. 3, 5, 6, 7, 9, 10 and 11.

Motions Nos. 4 and 12 will be debated together with a vote on Motion No. 4 applying to Motion No. 12.

Motions Nos. 8, 11A, 12A and 13A caused the Chair some procedural difficulty. I would refer Hon. Members to Beauchesne's Fifth Edition at Citation 523. However, because some doubt existed in these instances, I am prepared to allow the Hon. Member the benefit of that doubt. Therefore, Motions Nos. 8, 11A, 12A and 13A will be grouped for debate and a vote on Motion No. 8 will be applied to Motions Nos. 11A, 12A and 13A.

Motions Nos. 13, 14, 15 and 16 will be debated separately and voted on separately.

I should say to the Hon. Member for Ottawa Centre that I appreciate his co-operation in the discussions that took place in making this ruling and I trust that he and other Members will be satisfied with the decision of the Chair.

The House will now proceed with Motion No. 1.

Mr. Mike Cassidy (Ottawa Centre) moved:
Motion No. 1.

That Bill C-87 be amended in Clause 15 by adding, immediately after line 26 at page 4, the following:

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

He said: Mr. Speaker, I put forward a number of amendments on Bill C-87. The first one happens to deal with Clause 15 of the Bill, which allows the Governor in Council to make regulations that deem goods produced outside a country to have originated in that country for the purposes of the Customs Tariff Act. That does not, perhaps, come directly to the intent of many of my amendments, but it certainly comes there indirectly.

The problem we have with this Bill is that a Bill which in general would be seen as being innocuous—it is a combination of a number of years of work, consultation internationally and consultation with the trade community with respect to the harmonization system of tariffs—also covers a lot of matters which have been revealed as being, perhaps, wanting in the former Customs Tariff Act in the circumstances we face right now.

The circumstances we face now, as the Hon. Minister of State for Finance (Mr. Hockin) is well aware, is that the Government is using its executive powers to take Canada into a free trade arrangement with the Government of the United States without effectively any detailed reference to Parliament or to the Canadian people. Therefore, we have been put in a position where, lacking a detailed text of the trade agreement, lacking an understanding of what the Government intends to do, and facing a deadline by which this deal will be signed,

sealed and delivered a month and a day from today, we simply have to try to anticipate some of the problems which the Government's headlong rush toward this trade agreement is likely to create for Canada, and try to head it off by use of the undoubted powers of Parliament to exercise control over the executive. That is specifically what is being done in the amendment to Clause 15 and the other clauses.

Just the other day in Edmonton the writer and economist, John Walston Saul, made a presentation to the Standing Committee on External Affairs and International Trade which referred specifically to the fact that the United States now has agreements with Mexico which allow the duty free import from Mexico into the United States of goods produced in Mexico, provided they are made with raw materials or components which come from the United States.

In the so-called Maquiladora industrial program which began in the 1960s, this has led to a rapidly increasing amount of trade between Mexico and the United States in which multinational corporations, U.S. based corporations, establish warehouses on American territory but then build factories on the other side of the border. What meaning does that have for Canada? At present none, because those goods if they are imported and treated by the Americans as being American goods are then subjected to Canadian tariffs, most favoured nation tariffs, if they come into Canada. Under the free trade agreement, however, as it will stand, we have a situation where a government may—I do not know if it will, but it may—deem that these goods, which in fact are produced outside of the United States, actually originate in that country. We also have a situation where there may be no effective means of determining that the bulk of the value added on goods coming from the United States into Canada in fact was value added in Mexico and not value added in the United States of America. That is the purpose of my amendment.

I will read the amendment. It states that, notwithstanding any regulation made under subsection (2), notwithstanding the power of a government to deem goods from outside a country to actually come from that country, goods wholly or partly produced in Mexico shall not be deemed to originate in the United States. The purpose of that is just to ensure that that particular loophole, of which the committee and this Parliament were unaware before the limited, truncated hearings began a few days ago, is not either exploited by the Americans or left available to the Americans in the negotiations which are now taking place.

Had we the text of the agreement by Hallowe'en, as was promised, then perhaps this particular matter would not have had to be brought forward. I have no choice now, as a member of an opposition Party which is strongly opposed to the agreement between the Canadian Government and the Government of the United States, as I understand it right now, but to put forward this kind of amendment.

It is not meant to inhibit Canada's trade with Mexico. I believe Canada should be seeking to expand its trading and