

*Customs Tariff*

pass legislation which will give the Government a blank cheque on the trade deal. Certainly the amendment put forward by the Hon. Member for Ottawa Centre (Mr. Cassidy) goes in the direction of helping to prevent the Government from getting a blank cheque which we cannot trust it with.

**Hon. Bob Kaplan (York Centre):** We, Mr. Speaker, in the Official Opposition support the amendment. We are also deeply concerned about the Government bringing forward this piece of legislation at a time when Canadians cannot judge it, as they must, in the light of what the free trade agreement will mean for the opportunities opened in Canada for Mexican production.

Why the Government would take this time—if I may say so as the justice critic, when we were moving well on the obscenity legislation, which is important—to bring forward Bill C-87 and suspend the obscenity legislation can only make us very suspicious, as the New Democrats are.

The Government wants to get this legislation passed before exposing the fine print which may reveal a weakness that will make us want to refuse to pass Bill C-87. Seeing the fine print will make it clear whether or not products produced in Mexico, mostly produced in Mexico or partly produced in Mexico and then finished in the U.S., will get the benefit of free trade entry into Canada. This is an issue relating partly to ownership but mainly to labour.

We know that most of the auto industry production that goes on in Mexico is subject in Mexico to a requirement of Mexican ownership or largely Mexican ownership. We also know that Mexico, in some very far-sighted moves to encourage job creation in that country, has created zones in which the automotive industry can be owned by foreigners, even 100 per cent by foreigners, to take advantage of world market opportunities. There is nothing wrong with that and it is nothing for which you can criticize Mexico. From Mexico's point of view a lot of jobs have to be created in Mexico.

It is all very well for the Government to be satisfied, as it may be, that a lot of Canadians own businesses in Mexico producing auto parts, but the important feature for us, and about which we must be concerned in Canada, are Canadian jobs. Now we are being asked to support legislation, which may well have the effect of giving Mexican companies, whether Canadian owned or not, and Mexican-produced equipment and parts for the automotive industry, access into the Canadian market-place because they will be classed as North American production. What will the fine print say about the free trade opportunities for goods produced partly or largely—whatever the definition will be—in Mexico introduced into the North American market?

The amendment provides clearly:

(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.

There is a concern which may be allayed when we see the free trade agreement. I believe, Mr. Speaker, you yourself expressed some reservations about the propriety of this amendment, but it would be a very important amendment if the free trade agreement permits Mexican produced goods to become part of the North American production that can enter Canada under the so-called free trade agreement.

A committee is at present travelling across the country getting opinions about the free trade agreement. It has been accurately observed that the Government is wrong in saying that what is happening now is that lawyers are settling what the fine print will be of the agreement. One member of the Government characterized it as the period between signing an offer to sell your house and the final closing that takes place sometimes half a year later when the fine print is settled. I do not think that is a proper analogy. This is not a case of lawyers knowing what their job is and sitting down to do it. The fine print is taking a lot of time to settle, and my guess is that many important issues—be they technical or complicated—have not yet been resolved, and that is why the fine print of the free trade agreement is not available.

The Government has had a considerable amount of embarrassment seeing one deadline after another in producing the final text not met. Canadians would be very foolish, and I do not think they are, to believe that it is only a matter of sitting down to draft a deed or a covenant. That is not the type of issue responsible for the delay in this case. There are serious differences to be resolved that I am sure are being considered at a high level between the Governments of Canada and the United States. One must surely be the amount of content of a foreign-produced product, a product partly produced outside the territory of Canada and the United States, and what proportion of it will qualify the good as a Canadian good.

There are similar problems in the clothing industry. We have clothing manufactured in Canada. The fabric may be manufactured in Canada but perhaps the lining or the thread is imported from the U.S. or from some third country. You need to have a value-added or a foreign content rule to assist you in determining how much of a coat made in Canada has actually to be created in Canada for it to be considered a Canadian product for the purposes of the free trade agreement. Very small differences can make a very big difference in production. What about the case of a coat where every single component, the lining, the buttons, the thread, and the fabric were made in Canada? You could not compete in the American market with that coat because lots of coats in the American market are made totally from foreign content. Some coats are imported directly from a third country like Hong Kong, France, Italy, et cetera. There are others finished in the U.S., but like a coat finished in Canada it has a certain amount of foreign content.

When you talk about the automotive industry you are talking about one of the key industries responsible for the trade surplus that we enjoy here in Canada. Knowing that the Mexicans have made a top priority out of getting automotive