

Implementing this system is expected to save the taxpayer \$109 million in the next six years. It is also expected that the streamlining will result in savings of \$2.5 million to \$3 million annually in administrative costs incurred by Customs and Excise. Naturally, as the Chairman of the Public Accounts Committee, I am very happy to see the Government moving to reduce some of these administrative costs and I will watch with interest to see if indeed the system works as well as planned.

The proposed new system has been endorsed by the Canadian Manufacturers' Association and other interested groups. One of the main changes is that the Bill now classifies goods based on what they are rather than how they are used. The Bill itself is not very large but the schedules accompanying it are enormous. There are several columns in it. Brokers, and especially the small importer, are going to have some problems with new names. For instance, propane torches will become blow lamps, and hoods for automobiles will take on the British name "bonnets", so I hope we do not have the milliners looking through the wrong place in the schedules.

Revenue Canada has been conducting seminars. It has sent out, in addition to the great complex information, some small manageable general information. This information I hold in my hand is headed "New Customs Commercial Procedures to begin on January 1, 1988". The sub headings are: "What will they mean to importers?" "When does it happen?" "Who is involved?" "How can I get more information?" Thousands of these have been distributed. Nevertheless, I think we have to anticipate that with such a very radical changeover as this, there will be problems and the smaller companies, in particular, may have difficulties adapting.

One would hope that the Department of Customs and Excise will be prepared to continue to be helpful to users of the system. We are told that 75,000 brochures were sent out in 1986, that detailed information kits were sent to 10,000 importers, brokers and others, and that some seminars were conducted in all regions of the country. But even the Minister is not anticipating that this will be quite trouble-free as of January 1.

There is a clause in the Bill, Clause 131, which provides broad authority to amend the rates of duty for an 18 month period following implementation. We do not know exactly how this clause will be used, but there is a possibility under the clause to help companies which may be caught unaware by the legislation. Clause 62 provides compensation to another country, which is similar to Section 11 of the existing legislation which has been used to implement the results of GATT negotiations. However, this one is more worrying because of the broad powers it gives the Government, which is worrying in the context of the present Canada-U.S. trade agreement. It reads:

The Governor in Council may by order, reduce or remove the duties on goods imported into Canada from any country or countries by way of compensation for concessions granted by any such country or countries; and

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extend the benefits of any order made pursuant to paragraph (a) to any other country or countries as may be required by Canada's international obligations.

• (1250)

In the past, that kind of authority was used simply to give effect to a grievance under GATT. It is worrying to think of that kind of broad authority remaining in this Bill in the context of the Canada-U.S. agreement.

We have seen the Government take the unprecedented step of imposing a duty on our own domestic industries in response to pressure from the United States. We will be watching very carefully to see that Clause 62 is not misused in that way. If it were to be misused to implement the Canada-U.S. trade agreement through the back door, this is something about which members of my Party would be very exercised and would quickly call the Government to account.

One should also mention that although Canada is proceeding with this legislation which takes effect on January 1, the United States has not yet passed similar legislation. It is expected to separate out the clauses responding to the harmonized system from its omnibus trade Bill and therefore pass it separately, but there is no guarantee.

The Government is proceeding on the assumption that the harmonization will occur on January 1, 1988, without a clear guarantee that our major trading partner, the United States, will have a comparable system in effect at the time. If that should be the case, instead of a more orderly and efficient system providing savings to the taxpayer, we will have utter and complete chaos.

The Government likes to get its legislation through first and worry about its effects afterward. For the sake of the country, I hope it knows what it is doing and can manage it.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I do not want to say many words on this because I think it is time to force a vote on third reading of this Bill. I see my friend from Calgary running out of the Chamber. I know that he was in a car accident in Switzerland. I would like to tell him not to hurry. I can speak for a few moments until he gets the members of his Party in the House. I am very co-operative.

I do not want to hold up the show because there is other business to deal with today.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on the motion of Mr. Hockin.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.