

Customs Tariff

Mr. Hockin: The Americans will probably have it done by January 1.

Mr. Cassidy: The Americans will not.

Mr. Hockin: The Hon. Member wants me to follow the lead of the Americans. We are not going to follow the lead of the Americans. What the Canadians want us to do, we will do. As a matter of fact, the Hon. Member also wishes the detailed free trade document. The reason that some extra time is required to work on that document is that we have some views that are different from those of the Americans.

Mr. Cassidy: It was all signed on October 3.

Mr. Hockin: What we wish to do with those changes is to make it tighter and better from our point of view.

This Bill takes our whole tariff classification system, which has mostly been based on end use, and to classify tariffs as to the nature of the product. Conceptually, this is a big change for this country.

In fact, Canada's Customs Tariff Act has been one of the more cumbersome, and perhaps one of the more anomalous regimes in the industrialized world. A great deal of work has been put into improving the system, perhaps more than other countries, but starting on January 1 we will be in a position to harmonize with other countries.

Does the Hon. Member have any idea what this would mean to the importers and exporters of Canada if this were not in place by January 1? Therefore, I regret the motion.

Let me speak to the motion. The Hon. Member's suggestion is that this Mexico-Canada import problem is not dealt with properly in this legislation.

Mr. Tobin: It is not.

Mr. Hockin: It is our contention, and there is no doubt that this is the case, that among the many positive things the free trade agreement we are putting together with the United States is designed to achieve, is to make this motion by the Hon. Member absolutely unnecessary.

Mr. Tobin: How?

Mr. Hockin: The rules of origin will be stated in detail in our trading agreement with the United States, and will completely rule out the possibility of the concerns and the phantoms produced by the Hon. Member for Humber—Port-au-Port—St. Barbe.

Mr. Tobin: You said that the fine print is not important.

Mr. Hockin: The Hon. Member knows that the principle of rule of origin will be part of this free trade agreement, and it will outlaw the particular phantoms produced by Mr. Saul in his article last week. I think if the Hon. Member asked Mr. Saul, he would agree that this is a red herring.

Mr. Cassidy: No. The power is there and it should be stopped.

Mr. Hockin: There is a second problem. It is not only designed to deal with an alleged loophole, which does not exist and will not exist in the free trade agreement, the amendment of the Hon. Member for Ottawa Centre (Mr. Cassidy) is intended to prevent U.S. goods which have undergone outward processing in Mexico from qualifying for duty-free entry under the free trade agreement. These goods will not qualify under the rules of origin negotiated under the agreement, and hence there is no need for the amendment.

Second, such a provision in Canadian law, the provision that is suggested in this amendment, would be totally contrary to our GATT obligations. I think that the Hon. Member knows that. It would discriminate against goods which incorporated any component from Mexico, and thus indirectly discriminate against Mexico.

As far as I can tell, the result of this amendment is that even a bolt, a nut, or a screw that was in a machine if it was made in Mexico would be banned from being placed in Canada. That is incredible. It is a highly discriminatory provision which is totally against our GATT provisions. It would be challenged by Mexico, which is a GATT member and entitled to the application of the same rules of origin by Canada as are applied to imports from other countries.

• (1150)

In summary, this is an important piece of legislation which is being held up as a result of a motion which is based upon a chimerical allegation that the free trade deal will not deal with the problem and that the wording—

Mr. Tobin: Show us the fine print.

Mr. Cassidy: Where is it?

Mr. Hockin:—uttered by the two Hon. Members must be dealt with.

We have an important piece of legislation which is nothing more than an agreement which we have put together with all other industrialized countries. I think every other Parliament will deal with it in a non-partisan manner. However, these Hon. Members have projected partisanship into stopping the proper progress of the Bill. I must ask, from the point of view of parliamentary procedure—

Mr. Cassidy: That is what happens when you try to run over us. You have no mandate for what you are saying.

Mr. Hockin: If the Hon. Member really believes in what he is saying, why did he not raise these points in committee? He uses a classic technique. He does not raise the points in committee. He trucks them all to Parliament to raise them here and waste the time of the House, when he could have got satisfaction and the answers he wanted and needed in committee.