

Mr. BRUNSDEN: How does the department differentiate between entries for agriculture and entries not directly for agriculture? You made that distinction a moment ago.

Mr. MCGILL: If an article is provided in a tariff item, without qualification, that may be used any place; for instance, a plow that may be used on a railroad siding. It would still be entitled to free entry.

Mr. PASCOE: Mr. Chairman, my question was along the line of the question asked by Mr. Southam, but perhaps Mr. McGill could be a little more elaborate. At our last meeting it was suggested that a farmer bought a cultivator at an auction sale for \$200, and it was appraised at a fair value of \$600, and he had to pay \$400 difference before he could bring it in. Would you comment on that situation?

Mr. MCGILL: Yes. Firstly he could not be assessed more than 50 per cent of the appraised value, so the maximum could not be more than \$300.

Would you like me to say a word or two in regard to the method we use in appraising agricultural machinery?

The CHAIRMAN: Yes. I think that is what the committee desires to know. Have you a question, Mr. Gundlock?

Mr. GUNDLOCK: Yes, but proceed. I was just trying to catch your attention, Mr. Chairman.

Mr. MCGILL: Used equipment is appraised in accordance with section 38B (ii). That section reads in part: "wherein any case or class of cases the goods imported—" and I am skipping parts of it; "—are used goods, the overall duty shall be determined in such manner as the minister prescribes." So, all used equipment has to be appraised under section 38B (ii).

Mr. PASCOE: I would like to just follow that point up. Where a farmer paid \$200 for a cultivator and it was assessed at \$600, how much would he have to pay to bring this in?

Mr. MCGILL: If it were valued at \$600, did you say?

Mr. PASCOE: Yes, and he paid \$200. It was a cultivator.

Mr. MCGILL: If it were of a class or kind made in Canada it would be free of duty and exempt from sales tax, but it would be subject to a special or dumping duty to the amount of \$300.

Mr. PASCOE: He would have to pay \$300 more?

Mr. HORNER (*Acadia*): He would have to pay \$100 more.

Mr. KORCHINSKI: Would he have to pay \$100 or \$300?

Mr. MCGILL: It would be in addition to the \$200 that he has already paid. He has not paid that to the department. There is no regular duty. There is a special or dumping duty on goods of a class or kind made in Canada.

I believe you are dealing with an extreme case. I do not know of any instance in recent months, at least, where any farmer has gone across the line and bought equipment at an auction where it has been increased three times in value, as has been suggested.

Mr. SOUTHAM: This is exactly the situation I was worrying about, because a particular member of this committee stated that he knew of a particular instance where a farmer at an auction sale across the line in North Dakota paid \$200 for a cultivator and in bringing it back into Canada, had to pay \$400 more. That statement has wide ramifications, and I do not think that impression should be left among the farming population. We would like to know the policy that is involved in regard to this dumping duty, and have the situation cleared up. Could you give us an explanation of this duty?