

Customs Tariff—Excise Tax Act

machinery," so as to give a clear interpretation of the intent of Parliament. On December 3, 1968, at page 3434 of *Hansard*, I suggested the item should read, "All equipment, apparatus machines and implements N.O.P. for agricultural use", N.O.P. meaning "not otherwise provided". We are not asking for much; in fact, we are not asking for as much as is now enjoyed by eastern industry. I would ask that the minister consider this suggestion in view of his statement of December last that he was under the impression that all agricultural implements and machinery are entering Canada duty free. I can assure him from personal experience that they are not.

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I shall not impose myself upon the House for any great length of time, but some of the remarks of my colleague from Swift Current-Maple Creek (Mr. McIntosh) have prompted me to raise a point or two for clarification of the expression "all agricultural implements and machinery". I trust that I may be permitted to refer specifically to certain machines as an example of the frustration experienced by farmers in southwestern Ontario. I have no intention of pointing the finger at anyone, but I suggest there should be more flexibility and more imagination used by those who administer the regulations. I hope the example I use will clarify my meaning.

A number of years ago ammonium or nitrogen fertilizers were a new thing in the agricultural industry and anhydrous ammonia was one of the wonder fertilizers introduced. It did a tremendous job of improving the growth of corn, for which our part of the country is famous. This chemical is applied under pressure into the ground by an applicator—the uninitiated may call it a cultivator. The cultivator has three or five teeth. Mounted on this machine is a 250 or 500-gallon tank holding the anhydrous ammonia which is released underground by pressure. This was fine in the days of 50 or 60-horsepower tractors, but we have been encouraged to modernize in order to meet competition in the North American market and now have much more powerful tractors of 100 and 125-horsepower. In turn, to work efficiently these tractors need bigger machines with which to apply the anhydrous ammonia to the corn crop.

According to our regulations, Mr. Speaker, a tank on a three or five-tooth applicator

supposedly comes into this country duty free. This means that we can compete with our American counterparts. But in order to become more efficient some people are using much larger applicators; instead of the three or five they are using seven, nine or even eleven-teeth applicators which in turn require a larger tank. You can go only so far with a mounted piece of equipment. These 1,000 gallon tanks cannot be mounted on the cultivator, so they are being pulled behind the outfit on a wagon. But in this case they do not come under the same regulation as the cultivator type. If I am wrong, I hope somebody will correct me.

That is all I have to say, Mr. Speaker. To my mind it is completely incongruous that machines doing the same job and differing only in size should be treated differently under our Customs Tariff. On their tour through southwestern Ontario the agricultural committee—and I see some of the members here tonight—saw what I am referring to. They know what I mean when I speak about the big outfits, and I hope some of them will back up my presentation in this very serious matter, this unfair competition which is facing the farmers of southwestern Ontario.

In conclusion, Mr. Speaker, I hope that our administrators will stay abreast of current advances in technology and will treat the new, larger outfits the same as the old-fashioned ones. As my hon. friend from Swift Current-Maple Creek has pointed out, this is done in industry and it should also be done in agriculture in order to encourage the modernization of our farms.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I should like to say a few things about these changes. I really do not think they will do a great deal for the western part of Canada, the part which I represent. The Kennedy Round has not been one of the most fortunate things that ever happened to us and I expect it to run true to form in the matter we are now discussing. In 1969 the government stated that a very useful method of intensifying competition would be to put into effect immediately following the remaining tariff reductions of the Kennedy Round. I suppose the government believed this to be true, but as I watched the oil companies increase the price of fuel to the farmer by a cent a gallon I lost a lot of faith in the hope of competition changing the input costs to the farmer in western Canada. I suppose this would also be true of eastern Canada. I have