

is an issue which perhaps with the stroke of a pen can be straightened out. However, in view of the bureaucratic nature of certain individuals and the propensity of people involved in government to complicate issues, this is a matter with which they are unwilling to comply.

The letter of May 31, 1974, sent to the Minister of Agriculture by the Canadian Federation of Farm Equipment Dealers draws attention to this anomaly. I should like to refer to it because I think the representations made therein have a certain amount of significance regarding the manner in which this matter has been casually looked into. It was forwarded by Mr. William Armstrong, secretary to the Canadian Federation of Farm Equipment Dealers, and reads as follows:

I am taking the liberty of writing to you to enlist your support to correct what we believe to be an obvious case of discrimination, and one which the farmer finds difficult to understand.

The problem referred to is the duty and sales tax presently charged by the Department of National Revenue, Customs and Excise, on air coolers for mounting in the cabs of combines and harvesters.

These same air coolers qualify for exemption of duty and sales tax when sold to bona fide farmers for mounting on tractors used in their farming pursuits, under certificate.

In my opinion, an error was made in establishing tariff item 40916-1 and can be easily rectified by amending this item to include accessories.

Your assistance in having this matter rectified by the Department of National Revenue will be much appreciated.

The letter was acknowledged by the office of the Minister of Agriculture on June 4, with an indication that the matter would be looked into. The minister was obviously busy in June and July, but on July 30 Mr. Armstrong reminded him of his original representation and asked whether he was going to take action upon it. Mr. Armstrong then received a reply dated July 25, 1974, signed by the Minister of Agriculture, which read as follows:

I have pursued the matter raised in your letter with my colleague, the Honourable Robert Stanbury, the Minister of National Revenue . . .

That is a "has been".

. . . and he has advised me that air coolers are classified under tariff item 42700-1 at 15 per cent ad valorem, most-favoured-nation tariff and also are subject to the federal sales tax of 12 per cent calculated on the duty paid value.

Your suggestion that the amending of tariff item 40916-1 to include accessories could solve the problem has been noted. However, as you may be aware, amendments to the Customs Tariff come under the purview of the Department of Finance. Your suggestion has therefore been forwarded to the Honourable John Turner, Minister of Finance, for his consideration.

Then on August 26 another letter signed by the Minister of Agriculture was sent to Mr. Armstrong indicating that "such amendments are considered during budget preparations, and Mr. Turner has assured me your representations will be carefully reviewed at the appropriate time". I do not know whether the Minister of Finance will still be around at the time of the next budget; he may have taken off for more lucrative fields and challenges. They tell me that he may be taking on a larger portfolio. Nevertheless, these representations have been made and I must say I am somewhat disappointed that this very simple anomaly, though very glaring, has not yet been rectified.

My colleague the hon. member for Edmonton West followed the matter up in a letter to the Minister of Finance on December 24, and we were again assured that any

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amendments to the Customs Tariff Act would have to be approved by parliament; that such amendments are considered during the preparation of a budget, but that our representations would be carefully reviewed. That is all well and good if the present Minister of Finance still is Minister of Finance at the time of the next budget. Whatever happens in the interim, I hope we will be able to get some assurance that this glaring anomaly will in fact be rectified.

I have another point with which I would like to deal. It is similar in nature. I refer to the application of tariff and sales tax on various types of cattle-handling equipment manufactured from steel, again for agricultural use. In my view, there are a number of anomalies in this area as well, largely, I contend, as a result of questions of semantics or interpretation and perhaps because of judgments based on historical precedents and relics of the past.

I suggest that the provisions relating to steel corrals and various types of cattle-handling and livestock-handling equipment used for purposes of agricultural production should be reviewed and in fact updated. For example, portable steel corrals are manufactured in 16-foot sections. I may say I have had experience with this sort of item. A group of individuals who sell these items approached me in connection with the application of sales tax on these products. During my investigation of this subject I learned that pens constructed of the component parts of the fabricated 16-foot sections were in fact sales tax exempt, whereas corrals were subject to sales tax. Therefore, I would simply ask the officials to explain the difference between a pen and a corral. It is quite obvious that it cannot be called a corral, because a corral is simply a continuation of a pen; you just add more sections and you have a corral. Perhaps this is the difference between western and eastern interpretation: we call them corrals in western Canada and you may call them pens here in eastern Canada. In any event, we were successful in getting that little idiosyncrasy resolved to the benefit of the agricultural producers in western Canada.

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In respect of tariffs, however, we find that the 17½ per cent duty still applies to cattle-handling items such as corrals, portable feeders, stock watering troughs, bunker feeders, and so forth. I am told by the people engaged in this business that there is no reliable or continuing supply of such items on the Canadian scene. Of course, the steel shortage which has been prevalent in this country has made matters even worse. It has been found that these items are very difficult to fabricate locally by small entrepreneurs.

On the other hand, we have a situation in which stock chutes, squeezers, calf-tipping tables, bull-trimming tables and head stanchions are all items manufactured in this country and carry no tariff. I would point out to the minister that herein lies a glaring anomaly. I do not believe there is any rhyme or reason in the application of taxes and tariffs to these particular items. Surely some clarification should be given. These items should undergo a complete review and updating based on the reality of current conditions. Perhaps during this upgrading process the appropriate recommendations should be instituted to remove these anomalies.