

C-164, which provides for the appointment of auditors, so the bill could be dealt with and passed by this House? Also, is the minister seriously considering appointing the Auditor General of Canada to ratify accounts of Air Canada and the CNR for the last fiscal year?

Hon. John N. Turner (Minister of Finance): I am not seriously considering appointing the Auditor General of Canada. I would hope, if there were general agreement, that the CNR financing bill could be passed by parliament.

Mr. Mazankowski: I have a supplementary question for the Minister of Transport, Mr. Speaker. What initiative is the minister taking with his government colleagues to expedite the referral of these very important documents to the appropriate standing committee so that a number of very urgent and pressing issues may be thoroughly aired?

Hon. Jean Marchand (Minister of Transport): I have no progress to report, Mr. Speaker.

GOVERNMENT ORDERS

[English]

CUSTOMS TARIFF (No. 2)

The House resumed, from Monday, July 16, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-195, to amend the Customs Tariff (No. 2), be read the second time and referred to committee of the whole.

Mr. Stan Schumacher (Palliser): Mr. Speaker, I do not wish to encroach at great length upon the time of this House with my intervention on the bill which is now before us. I believe I am compelled, however, to make some representations concerning the Customs tariff as it relates to certain agricultural implements that are required in this country so that certain phases of our industry in this area will be more competitive and more productive in face of the problem of rising costs. I do not think anyone can say that the rate of inflation and the increase in prices is not affecting the efficiency of the producers of food. There is a worldwide shortage of food, and every step which can be taken to alleviate that shortage will have a wide-ranging, beneficial result not only in this country but in the world at large.

The Minister of Finance (Mr. Turner) has recognized the problem to some extent by cutting duties and providing access to our markets of some foods, but that will not prove very effective if the sources of supply of those foods are limited by the producing countries through export controls. I urge the minister to give some leadership to the officials of his department so that the tariff items in respect of machinery may be brought more in line with modern technology. We find that growers of poultry and producers of meat products, particularly of hogs, have been the beneficiaries of a great deal of technological improvement over the past number of years, which improvement has not been reflected in the Customs tariff.

Customs Tariff (No. 2)

We have situations, for example, in the poultry industry where complete systems have been designed to confine the birds, feed and water them and collect the eggs. This is all contained within an integrated unit. In effect, it amounts to a machine. However, officials in the Department of National Revenue are unable to treat it as a machine because of constraints relating to the Customs tariff. They will allow an exemption for anything that is written down in the tariff, but anything that is not written down in it cannot be exempted. While I am sure the people in the department would like to do something in this area, they are unable to do so unless the Department of Finance takes action, in a budgetary way, to allow them to do so.

In the poultry system, which I have mentioned we find there are elements in the unit such as nests, posts and flooring which are not specifically laid down in the tariff item and therefore cannot be exempted. I should point out that when a large cargo of these items crosses the border, a very complicated situation arises for the Customs officer which involves a great deal of time. He must break down the constituent parts of the system, or machine. I believe the whole problem results from the fact that the tariff item has not kept up with technology.

I think it should be borne in mind by the minister and his officials that there is really no competitive product manufactured in this country. The items about which I am speaking are produced primarily in the United States and in the United Kingdom. I think the technology in the United States is much further ahead and is more suitable to the situation in Canada, although of course that is not of primary importance because agricultural products are supposed to enter the country duty-free. We have here a situation where they do not enter duty-free.

The same situation applies in large measure to the hog operating procedure, whereby pens and parts of those systems are also subject to duty, when in fact the intent of the original tariff was that they should come in duty-free. If these items were duty-free it would be easier for people to expand their operations and production and we would generally be better off, because I do not think the shortage we are facing now will be short-term. Steps must be taken to solve this long-term problem. The intent always has been to give agricultural implements tariff preference. These items must be considered to be implements or machines, and not items of building materials. So I urge the minister to study this matter between now and the introduction of the next budget. I know it is too late at this time; but we must start somewhere. I hope consideration will be given to straightening out this problem before we reach the same point in time next year.

Mr. Kenneth J. Higson (Lincoln): Mr. Speaker, I rise to participate in this debate essentially for two reasons. First, I wish to express my concern with regard to the medium and long-range effect the proposed tariff changes will have for Canada as a major trading nation of the world. Second, I wish to tell you, Mr. Speaker, something about the effect the proposed changes, dealing with the tariff reductions, will have on the Canadian food and vegetable industry and, specifically, the important and unique section of that industry centred in the Niagara peninsula.