

*Customs Tariff*

that the present wording of the resolution would have no adverse effect on farm tractors I can only say that I have dealt with the Department of National Revenue for 11 years as a farmer and I doubt that the officials of that department will take the opinion of the parliamentary secretary when it comes to defining farm tractors. I suggest that the matter should be clarified in the bill. As I said the other day, it is the duty of the Department of Finance officials to insert certain tariff items but it is the duty of Department of National Revenue officials to interpret them. Opinions on the correctness of interpretations vary. On several occasions I have had to deal with Department of National Revenue officials on a matter of interpreting terms inserted in resolutions by Department of Finance officials. I have had some experience in this field.

Frankly, I do not see how we can define an internal combustion tractor as anything but a tractor. You would have great difficulty in convincing Department of National Revenue officials that a farm tractor is not an internal combustion tractor. It is, in fact, an internal combustion machine, tractor or piece of equipment. Yet I doubt whether I could convince officials of the Department of National Revenue of the correctness of my remarks. Item 42711-1 lists:

Machines and tools, including blades, loaders, rippers, rakes and related operating and controlling gear; all the foregoing for use on internal combustion tractors—

Under item 40924-1 I am entitled to bring most of these things into the country; yet unless I show the officials of the department a copy of *Hansard* in five years time and allow them to read the remarks of the parliamentary secretary, there would be no way for them to know what parliament intended with regard to the definition of tractors.

A little while ago the hon. member for Kent-Essex said there is no tariff on farm machinery that is brought into this country. I know that other hon. members have made a similar statement in the past. It has been made over the years, and I can only say that it is erroneous. Everyone in Canada believes that that is the principle under which we operate; yet we do not work that way. Many farmers who have tried to bring in pieces of equipment that are covered by item 40924-1 have had a rude shock.

I received a letter from the Department of National Revenue recently. No matter whether an item says that a piece of equipment is to

[Mr. McIntosh.]

be used for farm purposes only, or whether it says that the implements listed must be agricultural tools not otherwise provided for, the department makes a certain kind of finding. The minister sent me this letter which says in part:

It is the position of the department that in order to qualify as an agricultural machine an article must contain mechanical features and be recognizably "agricultural".

You will notice, Mr. Chairman, the two qualifications, "mechanical features" and "recognizably agricultural". I continue:

The Tariff Board set forth this principle in Appeal No. 237 and it has been followed by the Board on other occasions.

In other words, it must be determined at time of importation whether or not an article is an "agricultural machine". The fact that one particular unit may be for use on a farm does not in itself qualify the product as an agricultural machine.

In other words, there must be a user's certificate that the implement is listed to be for farm use. I continue:

Similarly, an agricultural machine may, on occasion, be for other than farm use.

I said the other night that almost any piece of agricultural machinery may have another use than a farm use. Any piece of farm machinery may be used for a purpose other than that which it was originally intended for, and we do not deny that. We think, however, that the intent of parliament is not being carried out by applying narrow definitions rigidly, since it was the intention to allow farm equipment and machinery into Canada duty free. That is not the case so far as officials of the Department of National Revenue are concerned. My letter goes on to say:

Some of the articles classified as agricultural machines are feed mixing machines, post drivers, stone pickers and transplanters. These articles are considered to be entitled to duty free entry under tariff item 40924-1 irrespective of whether they are for use by farmers or by others.

Certainly post drivers are not mechanical instruments. Other implements covered under item 40924-1 are not mechanical; yet they are allowed in duty free to be used on farms.

I wish to make a few suggestions to the parliamentary secretary who is piloting the bill through the house. He said on the 14th of November that he was in no position to accept proposals. I wonder whether he would not prefer accepting proposals to voting on amendments, since if we introduce amendments much time would be consumed.