

CPP retirement pension leading to pressure for a lowering of the "normal" retirement age.

Mr. Knowles (Winnipeg North Centre): Hear, hear! That's the idea.

Mr. McRae: The costs associated with this would be in the order of \$2.0 billion now—and would increase rapidly over time given the age structure of our population.

CUSTOMS—ALLEGED DISCRIMINATION IN IMPOSITION OF
DUTIES ON AUTOMOBILE PARTS ENTERING MANITOBA—
GOVERNMENT ACTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, on November 1 I introduced a motion under the provisions of Standing Order 43 calling upon the Minister of Finance (Mr. Macdonald) and the Minister of National Revenue (Miss Bégin) to take immediate action to rectify the unjust and discriminatory import duties being levied against automotive parts coming into the Manitoba region.

I introduced that motion, Mr. Speaker, because it had come to my attention that the Customs and Excise Branch of National Revenue has refused, and still is refusing, to allow entry into Manitoba of automotive parts at the import duty rates being allowed elsewhere in Canada and cleared in the Manitoba region. Naturally this puts the automotive replacement industry in Manitoba at a disadvantage with similar businesses elsewhere.

Until recently I had always presumed that the Customs and Excise regulations were standard right across Canada because of the federal nature of the Department of National Revenue. When I received a letter from the Automotive Industries Association of Canada, Manitoba Division, stating that they have detailed documentary evidence that the tariffs on automotive parts entering Canada are not standard in all parts of the country I began to wonder what type of a bureaucracy we have in the Department of National Revenue that allows such variation in the application of customs regulations.

When the local Customs and Excise officials in Winnipeg were told about the variations in the interpretation of customs regulations they stated that they were only following directives received from Ottawa and that uniform interpretation is being made at all ports. I contend that this is not the case.

For the record I would like to cite some examples of the variations with regard to the import duties on automotive parts. However, before doing so I should like to touch briefly upon how this discriminatory action against the automotive replacement parts industry in Manitoba commenced.

● (2210)

Over the past many years tariffs relating to importation of replacement parts for automobiles, trucks, industrial vehicles and farm tractors have been interpreted on more or less a uniform basis. While some parts are duty free, some are dutiable at 7½ per cent, some at 12½ per cent, and some at 15 per cent. Generally the end use or type of vehicle in which the

part is finally used is the determining factor in establishing the duty rate.

In the past few months Customs and Excise in the Winnipeg area has taken the position that all parts, regardless of end use and regardless of whether made in Canada or not, must be dutiable at the highest possible rate, namely 15 per cent, which normally applies to vehicles used for industrial purposes.

While these changes have been made in the Manitoba region of Customs and Excise it has not been the case in the rest of Canada. As I stated earlier, Mr. Speaker, I will cite some examples. In Saskatchewan there is no duty on solenoid switches, while a 15 per cent charge is in effect in Manitoba. In the same province of Saskatchewan there is a 12½ per cent charge on automotive parts, while in Manitoba it is 15 per cent. In southwestern Ontario and Toronto, while there has been no duty on carburetor parts, in Manitoba the duty charged has been from 7½ per cent to 15 per cent. One large automotive parts firm with branches in various parts of Canada has reported that in each case of goods being imported into Manitoba they were assessed at higher rates than in other provinces.

I could, Mr. Speaker, cite a considerable number of examples of the higher duties paid on automotive parts by Manitoba firms. In the short time I have that is not possible, but I can honestly say that automotive parts firms from various locations in Canada, along with firms in Manitoba, have supplied me with documented proof to substantiate this discrimination.

In light of the problems the automotive parts industry in Manitoba faces because of higher customs duties, I would urge the Minister of National Revenue to investigate this matter personally to determine why there is not a uniform application of customs regulations on automotive parts, and indeed to determine how widespread the variation on the application of duties might be on other goods being imported into Canada.

It is absolutely imperative, Mr. Speaker, that the Minister of National Revenue take the necessary steps to guarantee that uniform interpretation and application of customs regulations and tariffs take place all over Canada. If this does not take place we will see the development of a bureaucratic quagmire with regional Customs and Excise branches empire building. This could have a severe effect not only on the automotive parts industry but indeed on all businesses engaged in importing. Such discrimination must stop.

Furthermore, Mr. Speaker, Manitoba based automotive parts manufacturers and importers should be compensated directly by the Department of National Revenue for the additional duties they have been assessed in the past few months. They should not be subjected to the burden of going through the red tape of an appeal procedure that takes forever and a day.

When one takes into consideration that the staff size at National Revenue increased by 40 per cent over the past eight years, and that their total salaries increased by 324 per cent, then surely we should be able to expect this department to carry out customs regulations efficiently and uniformly. If this