

"usual coverings to be used exclusively for covering goods not subject to the consumption or sales tax;" "materials to be used exclusively in the manufacture of usual coverings to be used for covering goods not subject to the consumption or sales tax."

Now, I would direct the minister's attention to the fact that this means a twelve per cent tax on every package which is used in the fish business, whether cask, butt, drum, herring barrel, mackerel barrel or box, because there is a six per cent tax on the finished article, the package itself, and there is also a six per cent tax on the value of the materials. Take herring and mackerel barrels. Men go into the woods and cut staves, which they sell to the coopers. There is a six per cent tax on the staves. There is also a six per cent tax on the lumber which goes into the casks, barrels and boxes. When the barrels or boxes are manufactured there is an additional six per cent. Surely the government never intended that the supplies of the fish industry, the apple industry, and the hundred other industries where boxes are used, should be taxed in this way. But I am pleading especially for the fishing industry—there are others better qualified to look after the interests of the other industries—and I say it is ruinous that the fishermen of this country should have to pay a twelve per cent tax on these packages. I plead with the minister now, if he has not an amendment in his mind—I have written to him and called his attention to it—in regard to the sales tax on salt and the sales tax on the materials which go into the manufacture of fish containers, that he should let section 6 stand and look into the matter with a view to relieving the fishermen of this great burden.

Mr. ERNST: Mr. Chairman, for once I find myself in complete accord with the hon. member for Antigonish-Guysborough.

Mr. YOUNG: Free trade doctrine.

Mr. DUFF: My hon. friend voted for the budget, I did not; there is the difference.

Mr. ERNST: I have no doubt, no matter what was in the budget, my hon. friend would have voted against it. But I am confident of this, that we can combine our efforts for the benefit of the fishing industry and rise above politics, because I am going to protest against this provision by the Minister of Finance. Last year I was under the impression that salt was exempt, together with other commodities used by the fishermen, from the operation of the sales tax, and when I went home I was amazed, as I have no doubt my hon. friend from Antigonish-Guysborough was,

to find that the rider was added that the sales tax was taken off only when the salt was manufactured in Canada. As a matter of fact practically all the salt used by the fishermen in the province of Quebec and along the maritime coast comes from outside of Canada, and those channels of trade cannot be changed in a moment. The result is that this amounts to a six per cent tariff in favour of Canadian salt and a six per cent tax on Canadian fishermen. I have no hesitation in making that statement, and in view of the present condition of the industry such a tax upon the fishermen is unfair. This is an export product, and every product which is exported should be encouraged in every possible way. In addition we have the three per cent excise tax, making a total tax of nine per cent on the salt used by the fishermen.

I should like to see salt exempt from the application of the excise tax as well. I know the minister will say that the exporter can make a return showing the amount of salt which has gone into the product and recover ninety-nine per cent of the tax by way of drawback. Theoretically that sounds all right, but from a practical standpoint it is impossible. Salt is used by so many individual fishermen, who purchase it and pay the tax but do not export the fish, that there is no way under heaven of getting that tax back to them. The same argument applies to the fish containers. Casks containing fish which are exported cannot be used more than once, because it is not economical to bring them back. In many cases individual fishermen will buy these casks, or the barrels used for pickled fish; they will pay the tax, but they do not export the product so they cannot obtain the drawback. I contend that this is unfair, with the industry in its present condition. The same argument applies to apple barrels, which are used in Canada to a very limited extent only, and are almost entirely exported. They are used by the people in the Annapolis valley and are manufactured to a considerable extent in my own county. They too will be subject to the tax. The barrel will go to the exporting firm filled with apples, and the exporting firm may get a drawback but it will not go back to the individual who paid the tax.

There is one other difficulty in this connection. Many of these containers are made by small concerns or by individuals who hitherto have had no system of bookkeeping and would find it impossible to install such a system. Personally I do not see how the minister is going to collect the tax. He may say that is a matter for the Department of