

Federal Sales Tax on Drugs

tion Act however, did undertake a survey to determine if the savings represented by the repeal of the tax had been passed on to the trade. For a number of reasons this test could only be a rough one, although the broad conclusion reached that on approximately 90 per cent of the items the savings were passed on is believed to be dependable.

The survey was carried out on the basis of price data obtained from roughly 60 drug manufacturers. In total, the prices of approximately 7,500 items were examined. The problem was complicated by the fact that the application of the sales tax on drugs was subject to rulings by the Department of National Revenue which permitted a manufacturer to deduct allowances for transportation and cash discounts from the base to which the sales tax was applied. In addition, the base varied from sale to sale depending upon the type of customer, whether wholesaler or retailer. A further complication was that some price lists showed suggested resale prices, while others showed prices to the trade. It was therefore necessary to calculate many prices in order to make a meaningful comparison.

The documentation arising out of this survey is therefore voluminous, involving several file drawers of price lists for approximately 60 companies, and of worksheets relating to approximately 7,500 drug items. Without the expenditure of an inordinate amount of time this material could not be assembled in any way which would be meaningful, beyond the broad conclusion mentioned. With this information, I hope the hon. member will agree to withdraw his motion.

Mr. Saltsman: Mr. Speaker, I wonder whether the Parliamentary Secretary will answer a question, since he recognizes that there is much detailed information available. Was there an accurate evaluation made of this vast amount of material? Is there some kind of a workable presentation? Surely, the department did not collect all these figures, make this investigation and then not reach some kind of conclusion or prepare some kind of breakdown to show what these figures represent. It is not my intention to ask for every scrap of paper in the file. That would be rather pointless. What I want to know is what conclusions the department reached and what studies arose from the collection of this data? Could that be presented to the members of this House so that they can form an opinion as to the effectiveness of the reduction of the sales tax?

Mr. Forest: Mr. Speaker, I cannot readily inform the hon. member whether a resumé of all this information has been prepared by the department and, if so, whether they are prepared to table it. I am not ready at this time to deal with this request.

Mr. Saltsman: May we adjourn the debate at this stage until more information can be supplied, Mr. Speaker? I might perhaps lodge a small grievance at this point. I placed this question on the Order Paper a considerable time ago. If the department felt that the information was not available to them, as a matter of courtesy and as a matter of expediting the work of this House, surely I could have been informed that the question should be directed to the Department of Finance. I would have been quite willing to do that. There are various ways in which this question could have been handled without allowing it to reach this stage. An answer could have been made in a cursory way in the House when the order for motions for papers was called. I still find the government's position is most unsatisfactory, and I would appreciate having the debate adjourned at this point in the hope that a better approach may be taken next time.

• (5:10 p.m.)

Mr. Deputy Speaker: Order. There is a slight procedural difficulty here. The motion before the House at this time is the hon. member's motion. I do not think it would be proper for him to move the adjournment.

Mr. Knowles (Winnipeg North Centre): Could I do that? Could I move the adjournment of the debate, seconded by the hon. member for Surrey (Mr. Mather)?

Mr. Forest: I do not think we could consent to that, Mr. Speaker. The minister has already informed the hon. member that the reports, reviews and studies mentioned in the motion comprise work sheets and memoranda made up for the internal use of the department, that they are privileged documents and cannot be revealed. We have given further information as to the complexity of this question, the amount of time and money which would be involved in furnishing this material. We could not agree to such a motion as the hon. member suggests.

Mr. Deputy Speaker: There is one further objection. I am informed that the hon. member for Winnipeg North Centre seconded