

*Excise Tax Act*

**Mr. Benidickson:** On the same page, Mr. Chairman, we are asked to deal with exemptions of a charitable nature and those relating to health, and other things. What has been the recent experience of the government with respect to appeals relating to drugs? I recall we got quite a number in the past relating to some drugs that were close to cortisone. I believe they were refinements of that drug but because they were not called cortisone, although very expensive and used widely in the cure of arthritis particularly, they were not exempt. I think of meticorten and things of that kind.

**Mr. Martin (Essex East):** ACTH?

**Mr. Benidickson:** ACTH is specifically named in the appendix. I was thinking of meticorten and some other drugs close to cortisone. I know that if the hon. member for Sudbury were present he would deal generally with this item and say it is narrow and restricted. There are a great number of essential drugs prescribed today for some of our more prevalent diseases that are exceedingly expensive and should be added to this list. Would the minister comment?

**Mr. Fleming (Eglinton):** Mr. Chairman, I think it is perfectly clear that at the present time the act taxes drugs except those that are made specifically exempt by enumeration in the schedule. Those that are exempted are now specifically enumerated in the schedule.

**Mr. Benidickson:** I take it the minister is not considering any extensions even up to date to include some of the new designations of these drugs?

Last week the hon. member for Nickel Belt dealt very effectively with the question of coverings. We have here a change of definition which I want to remind the committee will bring into tax for the first time under a new principle—not an old one as the minister referred to last week but under his new idea of what should be taxed—certain containers that have not heretofore borne a tax. This, in some instances, will be of considerable significance. This is also contrary to a ruling made by the tariff board, I believe, between now and the last time we had an opportunity to consider the language of the Excise Tax Act.

The minister referred to anomalies. The anomalies are in his mind. Some of these containers and coverings never bore a tax before but in the view of the present minister they should now bear a tax and he is proposing the amending language in the amendment to the act in order to gather tax upon these items which in the past have not been subject to tax.

[Mr. Bell (Carleton).]

**Mr. Pugh:** Mr. Chairman, I want to clear up one point under the heading of coverings. In the Okanagan we have a new method of handling fruit including apples in the orchard. The system is known as the bulk-bin method of handling. These bins are large in construction and hold approximately 50 bushels of apples. I understand that they have been used extensively in New Zealand and are in use here on an experimental basis. I am wondering if the bins will come under the heading of coverings and be included in the exemption for boxes for fruit and vegetables.

I should also say with regard to the construction of the bins that they are a heavy box made of plywood with reinforced corners and have no covers. They hold many boxes of apples. The bins are taken to the orchard and are placed there by the packing houses. They are filled with apples and then taken back to the packing houses where they are emptied. The apples are run over the grader. In the alternative, the apples are left in the bins for storage purposes in cold storage until such time as they are taken out and run over the grader or processed in some other way.

The bins have proved to result in a substantial saving for the farmer. I know that prior to this they did not come under the exemptions in the act but because it has resulted in a saving to the farmer whose costs have been rising I am wondering if on that basis alone or on any other basis the bins could be included as an exemption under the act.

**Mr. Fleming (Eglinton):** Mr. Chairman, if I have correctly apprehended the description of the particular box or container to which the hon. member refers it has not been exempt from taxation hitherto but it will be under this amendment.

**Mr. Benidickson:** We are glad to hear that indication from the minister. We remember, however, that this is not the original proposal for taxation change the minister intended to present to parliament. The original proposal was quite different. I am wondering if such a thing as a box for gathering apples or other agricultural produce would have been taxable under the proposition the minister presented on budget night, March 31? I am thinking of the boxes, baskets, crates, etc. that may not be used to actually deliver the product but are used to gather fruit from the orchard, and so on.

**Mr. Fleming (Eglinton):** I believe not.

**Mr. Herridge:** What about the fruit grower who makes his own orchard boxes? There are