

The CHAIRMAN: The words can be added at the top of page 4 and the line will then read "bond of an incorporated guarantee company or of a chartered bank."

Mr. MARLER: Is it the intention to generally license wholesalers or jobbers under this section?

Mr. BUREAU: We have not discussed the matter yet but it looks like it.

Mr. MARLER: It is a very important question. Any wholesaler or jobber getting a license of that description need not pay the sales tax at all until the goods go into the hands of the consumer virtually.

Mr. BUREAU: Why should the wholesaler have to pay the sales tax? If the manufacturer does not pay the sales tax why should the wholesaler if he is licensed have to pay that too and lose the interest on his money until the goods reach the consumer and we make a refund? I think it is only fair to the wholesaler as it stands.

Mr. MARLER: In some cases my hon. friend is perfectly correct. There are instances where the sales tax may not be paid at all. Is it the intention of the minister to classify these wholesalers as jobbers who may be granted licenses or is it not?

Mr. BUREAU: How would it be with the people who have not paid the tax? They would not pay the tax if they did not sell the goods.

Mr. MARLER: Suppose the return is not made.

Mr. BUREAU: We get a guarantee they will keep their books properly and that we will get a return.

Section agreed to.

On section 8—Refund on goods enumerated in item 445A.

Sir HENRY DRAYTON: This is for the purpose of implementing the budget and is a refund to the agricultural implement firms, under item 445A. It will cost us \$204,000.

Mr. ROBB: It applies to 445A. I gave my hon. friend the figures some time ago.

Sir HENRY DRAYTON: I think it was \$204,000.

Mr. ROBB: That would be the total amount. This would only be a small part of it.

Sir HENRY DRAYTON: Where is the balance of it put in?

[Mr. Bureau.]

Mr. ROBB: It would come under section 4.

Sir HENRY DRAYTON: Why is this dealt with in this way? At the time of the budget it was pointed out by my hon. friend that refunds which were given under the sales tax act itself were quite a proper matter for action under the existing machinery of the Finance department; but when by a budget proposal a direct charge is made on any of the income of the country actually received it is misleading. It is a wrong principle to treat it as a matter of refund because it is not. It is a matter of originating expense as a result of that legislation, and at the time it was discussed my hon. friend agreed with me. What is the reason for the change?

Mr. ROBB: It would be in the same position as the automobile matter we have just been discussing.

Sir HENRY DRAYTON: No, not at all. There was no refund in the case of the automobiles. If there had been, that money having been actually taken into the treasury of the country under the law which put it there, which law had no refund provision in connection with it, there would be no right at all to pay it out. This is put in just where it ought not to be put in; it is made a statutory charge, when it ought to follow the general rule and be voted in the estimates. It is the only proper way of doing it.

Mr. ROBB: The purpose of section 8 is to put Canadian material in the hands of wholesalers, jobbers or other dealers on the same footing as imported material used in the manufacture of articles covered by tariff item 445A.

Sir HENRY DRAYTON: The minister has not answered my point.

Mr. MEIGHEN: The purpose seems quite plain. It is another attempt to bury the estimates.

Mr. ROBB: No, no.

Mr. MEIGHEN: That is what is done. It is something that has to be voted to these companies, and it is going to be done by a statute instead of being put in the estimates and voted dollar for dollar by parliament.

Mr. ROBB: I think the hon. gentleman is wrong.

Mr. MEIGHEN: Tell me what it is.