

very much simpler for dealing with this tremendous burden of refunds created by the legislation of last year.

Mr. BUREAU: I do not want to take credit to myself for that. It is the officials.

Sir HENRY DRAYTON: I give credit to my hon. friend if he has been able to do something in that direction, because the mess thrown on the department was something awful, and the expense put upon traders was tremendous. Inventories had to be taken all over the country, and checked, all for nothing, really all for nothing, but it all had to be done. I do not wonder that although the act was brought in last year the department has only now been able to find out some way of dealing with the situation. I am not blaming them for the delay. The legislation itself was of such a character as to invite opposition. Only last week, or quite recently, has the department been able to evolve a workable scheme. But, I repeat, the department is not to blame; the House and the government are to blame. The government are to blame for bringing down legislation they did not understand, and the House is open to censure for passing legislation which it did not understand; and we have had the sorry spectacle this year, with this act, only a year old, of ministers not being able to understand a simple regulation when it was read to them. More than that, they cannot understand how the tax act of last year is working out. Under these circumstances my hon. friend surely will not suggest that under the new act traders should be unduly handicapped. When they do not want to pay \$75 for a bond, surely it would be perfectly easy to provide that it shall be a bond "or other approved security"—something like that.

Mr. BUREAU: You would still put it up to the minister?

Sir HENRY DRAYTON: But the minister takes far more grievous burdens under this act. It really ought to be a matter of regulation. It is only by regulation that the government are going to bring light out of the darkness, or order out of the chaos, that has existed for some time past.

Mr. BUREAU: As far as returns are concerned we are making the law simpler than it formerly was. My hon. friend contends that the guarantee ought to be subject to the approval of the minister. The minister says that will bring up a lot of difficulties. As I

have just mentioned most of the time people come to the department and say "We will give you a guarantee ourselves."

Sir HENRY DRAYTON: A guarantee by the person himself is no good.

Mr. BUREAU: In the case of banks and corporations dealing with us they want to give their own guarantee. The advantage of having a guarantee bond is that when we have a claim it is made good. In other cases it very often means a law suit. I do not want to shirk any burden. On the other hand, in the interest of the better administration of the department, I think the clause as it is now framed should be allowed to stand. In some cases it may not work out with entire satisfaction but there is no regulation or law which works in that efficient manner.

Mr. WHITE: I can see where it might be a just provision to require a bond when a company is liable to the government for a certain amount. But if I am correctly informed in this case the company collects no sales tax, there is no money involved at all. Yet the government insists upon having a bond which costs a certain amount a year. The minister has expressed the opinion that he would accept a bank guarantee. To a certain extent that would relieve the situation but not entirely, because a certain amount of expense is incurred even in providing a bond of that character.

Mr. BUREAU: It is not a question of having sales tax returns. These men are paying the sales tax. But when the wholesaler sells to the manufacturer my hon. friend opposite claims he is entitled to a refund because the consumption tax is paid when the material is put into the article manufactured and that article is ready for consumption. That is the reason why the tax is called a "consumption" tax. The bond is given in order that the books may be accurately kept and the government may be able to obtain proper returns. If proper returns are not kept and there is any delinquency or fault on the part of the man who holds the license, we go to the guarantee company to get our money.

Mr. WHITE: Is the minister still willing to accept the guarantee of the bank?

Mr. BUREAU: I do not object to a bank guarantee.

Sir HENRY DRAYTON: Why not add to the section the words "or a bank?"

Mr. BUREAU: I would suggest the words "or of a chartered bank."