

Inquiries of the Ministry

this country. I expect he knows also that this is a manufacturers' sales tax and not a retail sales tax. And I expect he knows, in the case of the hypothetical customer to whom he has referred, that his best course is to appeal to the retailer in question.

Some hon. Members: Oh, oh.

Mr. Harkness: A further question to the Minister of Finance. Do I understand that individuals who have paid the 11 per cent sales tax have no means of recovering this money, and that the only people who can recover it are the wholesalers who paid it to begin with?

Mr. Gordon: I will try to make this as clear as I can. The customer who paid for the lumber to which the hon. member referred in his example paid a certain price for it. He did not pay a tax. If he paid too high a price, I have no doubt he and the retailer will get together and work it out.

Some hon. Members: Oh, oh.

Mr. Harkness: May I ask another question. Has the minister not contemplated any means by which people who have paid this tax will have the right to recover it? The hon. gentleman is trying to put the onus entirely on the wholesalers and retailers rather than making it the responsibility of the government which made the error to begin with.

Mr. Gordon: It seems to me we are engaging in what is to some extent a debate, but as I said earlier, anybody who has paid the tax could apply to the Minister of National Revenue.

[*Later:*]

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to direct my question to the Minister of National Revenue following the announcement just made by the Minister of Finance. Would the Minister of National Revenue advise the house as to the procedure an individual would follow to obtain a refund in excess of the 4 per cent rate, as announced last night?

An hon. Member: Hire a lawyer.

Hon. J. R. Garland (Minister of National Revenue): Mr. Speaker, I am sure the hon. member who has asked the question will appreciate that as a federal government we cannot enter into the relationship between the vendor and the purchaser, but I did rather anticipate that a question along this line might be asked today and I would be happy to tell him this, if I have permission.

Last evening the Minister of Finance indicated that refunds would be made to those who during the period from June 14 to July 9 have actually remitted sales tax at the full rate on goods they had sold or imported that

[*Mr. Gordon:*]

were previously exempt. When refunds are made to the manufacturers, importers or others who have remitted the tax to the department, or where they have made deductions from the tax they would have had to pay and thus achieved the same result, it will, of course, be expected that they will pass on these benefits to those to whom they sold goods during this period. In fact it is expected that these benefits will be passed along to the final purchaser. The extent to which this will happen will depend to a considerable degree on the legal and even the good will relations between the vendor and the purchaser.

(*Translation:*)

[*Later:*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to put a supplementary question.

Can the Minister of Finance assure the house that he will not, as was done last year in the matter of surcharges, pass a law with retroactive effect, because he is unable to determine who in fact paid the 11 per cent tax? In my opinion, we are faced with a similar situation.

[*Later:*]

Mr. Gerard Chapdelaine (Sherbrooke): Mr. Speaker, I should like to direct a question to the Minister of National Revenue. In view of the fact that he has just stated that the government is relying on the good faith of both buyers and sellers in regard to the refund of the 11 per cent sales tax, could he tell us what steps the government intends to take to do justice to the taxpayers in cases where there would be lack of good faith?

(*Text:*)

Mr. Garland: Mr. Speaker, I do not think this is a question that I can comment on, on orders of the day.

[*Later:*]

Mr. Hales: I have a question to direct to the Minister of National Revenue related to the statement he just made. Are we correct in assuming that an individual who has purchased a can of paint since June 13 is now entitled to ask the retailer for a refund of the amount of tax in excess of the 4 per cent rate announced last night?

Mr. Garland: I am reluctant, Mr. Speaker, to discuss these things on orders of the day. However, I can tell the hon. member that this tax is collected at the manufacturers' level and not at the retail level. Now whether or not the retailer has paid the tax on this particular piece of goods or item of merchandise, no one would know except the dealer himself. Surely the hon. member can appreciate the difficulties connected with a federal