

Mr. CALDWELL: I do not think that the manufacturers are under any obligation to reimburse the dealers. If the government had said to the manufacturers, "We will refund you half of yours and the dealer half of his," that would seem to be equitable; at all events, all should have been treated alike. I realize of course that it was not this government that was responsible. But I am not interested in the question as to what government it was; what I am concerned about is to see that there is fair play. In all fairness to the men who were not treated properly, I say that something should be done to put matters right; it is not too late yet to do justice in this connection. I know there is a strong feeling throughout the country not only among the dealers but on the part of the general public that this has not been a fair transaction, and the government would be well advised to reconsider what has been done. I offer it as a suggestion that possibly there might be a conference between the dealers and the manufacturers; the government could then find out what readjustment if any has taken place as between these two classes. If there has been any, I think it would be very slight, inasmuch as the manufacturers were under no obligation whatever in the matter. As things stand now, the manufacturer has the satisfaction of having had his money refunded while the dealer has not. I would very strongly urge upon the minister the desirability of taking steps to see that justice is done.

Mr. EVANS: It would seem that there was some unfairness in connection with this tax at the time of its abolition. Many dealers had put in heavy stocks for the year's trade and the tax was suddenly taken off. I know some who were put out of business during that time. There was some arrangement I believe whereby the manufacturers were to absorb a part of the tax, but although they appeared to make some concessions they did not suffer; they simply put up the price of their cars and so covered what would otherwise have been a loss. Clearly therefore they made no sacrifice. It would seem to me that the government would only be doing the fair thing if it gave bonds for the amount and allowed those who have not been reimbursed the benefit of interest from December 1920 up to the present time.

Mr. ROBB: Where shall we get the money?

Mr. CALDWELL: You have already got it from the dealers; you have their money.

Mr. BUREAU: That is the question, whether it is theirs or ours.

Mr. EVANS: I understood that the matter was at present before the government and that an answer might be expected some time before the close of the session.

Mr. CALDWELL: My hon. friend the ex-Minister of Finance (Sir Henry Drayton) has just returned to the chamber; he went out shortly after we began the discussion of this matter. Perhaps he can contribute a word or two to the debate to enlighten us. I will not say that he was the criminal, but he was Minister of Finance at that time and he would know something about the matter. He might be able to tell us what action was taken by the government as between the manufacturers and the dealers.

Sir HENRY DRAYTON: The action of the government was not precipitate by any means; the matter was passed upon in the first instance by myself and was discussed in the second place by the Minister of Finance (Mr. Fielding). It was a contentious matter, and I may observe in passing that the reason I left the room just now was to get a copy of the record. This memorandum which I shall now read was prepared at the time, or shortly afterwards. So far as I am concerned, let me say at once that I am not going to offer any comment in regard to the question as to who got the money and who did not; my purpose is simply to show the facts as they were. The memorandum is as follows:

A large number of special taxes were suspended by order in council which came into force on the 20th of December, 1920. Having particular regard to taxes on automobiles, before action was taken cancelling them a large deputation of those interested in the industry made specific representations to the effect that in view of the then financial condition of the country and what they stated then existed,—a "buyers' strike"—it was quite impossible for automobiles to be sold. It was represented that if the tax was cancelled men would be put back in employment and conditions greatly improved. Nothing whatever was said about refunds.

Mr. CALDWELL: Were the dealers represented at that conference?

Sir HENRY DRAYTON: Both sides were represented. The memorandum proceeds:

After the order was issued automobile dealers applied for refund of taxes paid on automobiles which were still in stock. The Retail Merchants' Association took the matter up and made very strenuous representations. No refund was granted but at the suggestion of the then Minister of Finance representatives were appointed to go into the matter directly in behalf of the automobile industry, such representation to include not only