

day did everything possible to see that there was a fair adjustment as between the manufacturers and the dealers.

Mr. CALDWELL: I do not consider the dealer had any claim against the manufacturer. He did not pay the manufacturer the money. He paid it to the government under a public act. When the government abolished the

luxury tax, if they had not refunded the money to the manufacturer who, in a great many cases had a retail establishment just alongside of the retailer, it would not have been quite so bad, I will admit, because all of them would have held up their prices and got something out of it. The fact that the manufacturer, who in many cases was carrying on a large number of retail establishments, was refunded the luxury tax on the cars he had in his warehouse, put the regular dealer who was not a manufacturer in a very awkward position indeed, and he was not able to get his money back. For the minister to say that there should be a readjustment between the manufacturer and the dealer—

Mr. ROBB: No, I say the government of the day tried to arrange a readjustment, and it was represented to the government, I understand, that they had got together and had an understanding.

Mr. CALDWELL: They may have got together but I can assure my hon. friend that the dealer did not get any money out of it, and when a group of men are deprived of two million dollars in such a manner that they cannot get it back, they do not feel pleased about it. Does the minister think it was a fair thing at the time? I am firmly convinced that if my hon. friend had been Minister of Finance at that time this refund would have been given.

Mr. ROBB. Do not be too sure about that.

Mr. CALDWELL: I will admit that while my hon. friend is not all Scotch, he has quite a Scotch disposition, and I think he would have made the refund. Practically everybody else affected by the luxury tax got the refund. I think the luxury tax never should have been abolished, and I think we should institute a luxury tax to-day. But if you are going to impose a tax and abolish it, if you make the imposition of it retroactive, you certainly should in all fairness refund the tax to the man who has the stock on hand when it is abolished.

[Mr. Robb.]

Mr. ROSS (Kingston): Will the minister tell me if the retail automobile dealers had a conference with him, and if a decision was arrived at?

Mr. ROBB: What I said in reply to my hon. friend from Victoria and Carleton (Mr. Caldwell) was that it had been represented to me that the government of the day had a conference at the time with the manufacturers of automobiles and the dealers in automobiles. It was not our administration at all.

Mr. CALDWELL: Could the minister tell us what decision was arrived at in the conference between the automobile dealers and the manufacturers?

Mr. BUREAU: It was not the present government.

Mr. CALDWELL: No, I think it was before the present government came in. If my hon. friend had been Finance Minister they would have got the rebate.

Mr. ROBB: The hon. member is wrong.

Mr. CALDWELL: I think he is very much Scotch.

Mr. BUREAU: Yes, all Scotch.

Mr. CALDWELL: I think a Scotchman tries to be fair. I am pretty nearly all Scotch myself and I would hate to think that anybody could tell me I would not be fair. When it comes to the question of being tight-fisted I may be all Scotch. I have always considered these automobile dealers did not get a fair deal. What was the result of that conference and what action was taken?

Mr. ROBB: I was not present at the conference but I have been informed by officials of the department who were present representing the government that there was an understanding that the manufacturers should deal fairly with the dealers and settle with them in the event of there being a rebate. That has been represented to me but I am not going to vouch for it because I was not present. We were in opposition at that time.

Mr. CALDWELL: I cannot see the force of the statement that the government urged the manufacturers to deal fairly with the dealers; as I have pointed out, the dealers did not pay the manufacturers the money, they paid the government.

Mr. BUREAU: The manufacturers would absorb part of the tax.