

Mr. KELLNER: Would the minister name the rate?

Mr. ROBB: It would be 5 per cent now or, if the articles are boots and shoes or some other articles that come in under the 2½ per cent clause, the latter percentage is the amount that would be levied.

Mr. CALDWELL: I wish to call to the attention of the minister—and I presume the matter has been brought to his attention on various occasions previously—an old claim pending against the government by the automobile dealers of Canada. It is not in reference to the sales tax, and I may not be in order, but I hope I will be permitted to present the case as it is a very sore point with automobile dealers all over Canada. In 1918, when the luxury tax was imposed on automobiles, jewelry and a lot of other things, it was made retroactive in the case of the dealers in automobiles. I do not know whether it was made retroactive in other cases or not but I think not. The automobile dealers had to pay the luxury tax on the cars they had on hand at that time, although these cars had been bought previously. I think in all other cases the luxury tax was paid when the merchandise was disposed of by the merchant. In the case of the automobile dealers they had to pay the tax on the cars on hand, even though they did not sell them for six months. That was a discrimination against them. That is not what they are finding most fault with however. When the luxury tax was repealed in 1920, I think it was, they expected that they would be refunded the luxury tax they had paid on the cars they had on hand, as the tax, when it was imposed, was made retroactive, to cover the cars they had on hand at that time. This has never been done. I believe in the case of a merchant who had stamp taxes on hand to attach to the goods that he sold, the government did grant a refund amounting to \$169,426.97. There was another feature that was still worse, I think. Automobile manufacturers who were maintaining retail establishments were I believe, given a refund on all the cars they had in their retail warehouses. This refund amounted to \$171,650.53, but the dealer who was not a manufacturer was not given any refund. I know of dealers in my own province who were pretty nearly ruined at that time, because they had a large stock of automobiles on hand on which they had paid the luxury tax. They certainly felt that they had the same right to a refund of the luxury tax as the manufac-

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turer who possibly had a retail establishment on the opposite side of the street, and was competing with them. When the luxury tax was abolished the dealer who had paid the tax and did not get a refund had to sell in competition with the retailer across the road who did get a refund, and it put the former in a very unfair position. I desire to say however that I firmly believe that the luxury tax never should have been repealed. I know it was a tax that brought the government a good deal of money, obtained it from the source from which the government should obtain it, namely the people who were able to buy high-priced articles and luxuries.

Mr. ROBB: Blue-nose potatoes are a luxury.

Mr. CALDWELL: I would hardly credit that statement. When we have been selling our potatoes for fifty per cent of what it cost to grow them they could not be considered a luxury; but if you speak of the quality of the potatoes, they certainly are a luxury. When you speak of the price of the potatoes they could not be classed as a luxury. Has the minister considered the representations of the automobile dealers? I will admit that it is pretty late in the day now to bring the matter up. However, I do not consider that this was a bit better than stealing the money from the dealers. When the government imposed the tax they made it retroactive, but when they abolished the tax they did not make it retroactive. I think two million dollars was the amount paid by these dealers. At the time they paid this money it was virtually promised that they would be enabled to pass it on to the people to whom they sold. They were not able to do this; they lost this money and it very nearly ruined a good number.

Mr. ROBB: If my hon. friend sat in this chair and had to defend the policy of the department, he would be against any person who comes forward looking for refunds or rebates. This question has already been considered, not by two governments but by two different ministers, and was very carefully gone into. I have looked through the files. Representations have been made that there should be a refund. I have consulted some of the officials of the department and it has been represented to us—and I think the records confirm the statement—that there was a conference between the manufacturers and the dealers; and the government of the