

What disadvantage would it be to Mr. Ford to remove the tariff on automobiles? Why, the removal of the tariff is the very thing which Mr. Ford and his associates are anxious to obtain, for tariff removal would enable them, by increasing their production in the American factories by five per cent, to supply all the requirements of Canada for Ford automobiles annually at any price that Mr. Ford might be prepared to fix. There may be a reduction in the price of automobiles, because a number of dealers have automobiles on hand, which, as a matter of fact, they are advertising at lower rates in order to get rid of them. But while I am neither a prophet nor the son of a prophet I venture to suggest that within a year American factories will be supplying these same automobiles to the Canadian consumer at relatively higher prices than they are now supplied by Canadian factories. Furthermore, I have not seen any statistics—although I have tried to read them all and examine them fairly—which indicate that any other factory than the Ford has been making an undue profit out of the automobile industry in Canada.

An hon. MEMBER: That is due to organization.

Mr. CAHAN: Yes, but it is due as well to patents and a thousand other things. It is due chiefly to the fact that Mr. Ford controls a market in the United States of 110,000,000 which he is supplying with 2,000,000 cars of a standard size every year. In addition to that he has the advantages of mass production, so that he can undersell any competitor or raise or lower his price as he sees fit. But if the Canadian government were to impose a proper excise tax upon the Ford company in this country it would stop the profiteering complained of. I would impose such a tax as would prevent that \$6,000,000 from reaching the pockets of Henry Ford. I would put on such a business tax as would make it unprofitable for him to charge the consumers of this country a price higher than would yield him a reasonable profit.

Mr. POWER: Does the hon. member wish to return to the business profits tax?

Mr. CAHAN: We have a business profits tax in this country at present. Whether we might amend that provision or levy a special excise tax I am not suggesting at the moment.

Mr. POWER: A tax based on profits.

Mr. CAHAN: Based on undue profits. I would take away the extravagant profits from industrial concerns which make use of the

[Mr. Cahan.]

Canadian tariff for the purposes of profiteering. I would discharge my public duty to the consumers of Canada by thus dealing with the ten per cent or five per cent of the factories that make that improper use of our tariff. We are, I believe, sufficiently intelligent in this country to devise ways and means of preventing profiteering to any undue extent, and certainly we can devise means of limiting the profits of a company such as the Ford.

Mr. POWER: The moment we applied any such excise tax, does the hon. member not think that we should hear a wail from certain towns and villages in which these concerns were situated to the effect that we were putting them out of business?

Mr. CAHAN: Possibly, but I am not dealing with wails of that kind.

Mr. POWER: What have you been doing all evening?

Mr. CAHAN: That is a fair retort, although I think it is a discourteous one. However, I accept it as courteous.

Mr. POWER: I am sorry if the hon. member thinks it was otherwise.

Mr. CAHAN: We are living in proximity to the United States and for years we have been endeavouring, Liberal governments as well as Conservative, to induce large producing manufacturing industries across the border to come into Canada and establish branch factories here. They have come in and given employment to thousands and tens of thousands of our people; new towns have been built up; new municipalities and cities have been established with all the various forms of municipal and civic life. Now we find one man profiteering unduly, and the only remedy that the Minister of Finance can suggest is to reduce quite materially the tariff which safeguards that industry. If carried to its logical conclusion that tariff reduction will result in the destruction of the automobile industry in this country, enabling the parent Ford industry in the United States to supply all its products to this country at prices which Mr. Ford may choose to fix.

Mr. STEWART (Edmonton): I am interested to know how my hon. friend arrives at the conclusion that interference with the tariff here will affect the fixation of prices in the United States.

Mr. CAHAN: I am dealing with the Ford Company, which is charged with undue profiteering. Mr. Henry Ford can fix prices in Canada just as he sees fit if the tariff is removed.