

Duty on Automobiles

duct to a great many other countries of the world and compete there on an equal basis with American and other manufacturers of automobiles, a reduction of ten or fifteen or twenty per cent in the protection on automobiles is not going to close up that factory and turn all those people out of employment.

The hon. member for St. Lawrence-St. George (Mr. Cahan) makes a strong point of what he calls mass production, attempting to show thereby that the American manufacturers are in a much more favourable position than those of Canada. I admit there is something in that argument. We all know that the same argument applies to every line of business, that doubling the output will naturally reduce cost of the product. Henry Ford, perhaps the greatest industrialist of this continent, has proved that very clearly, and he has repeatedly expressed the opinion that the lower he sells his product the more he can sell, and the more he can sell the cheaper he can produce. Now I say that the very procedure we are advocating to-day will, on that argument, cheapen the cost of production, because there is probably no member of this House who would deny that a reduction in the price would mean the consumption of more automobiles, and the production of more automobiles would naturally reduce the price, and thereby assist the manufacturers in solving the very problem they are so much afraid of.

The automobile manufacturers have tried to make a strong point of the fact that they produce about one hundred million dollars' worth of goods annually, and they think they are entitled to special consideration at the hands of members of this House because their production runs so large. Well, Sir, in comparison with the industry of agriculture their output is infinitesimal. The agricultural industry in 1924 produced one billion and a half dollars worth of goods, and the figures for 1925, which are not yet available, will show a substantial increase in that amount.

Mr. MORAND: How does the income derived by the federal treasury from farm production compare with the income derived from automobile production?

Mr. CAMPBELL: The taxes collected by the federal government from automobile production are largely paid by the farmers. The agricultural industry, in the last analysis, absorbs a great deal of those taxes. Whenever we on the farms buy a tire or the product of any factory, the tax paid by that factory is passed on to us and added to the price of the article. I think the hon. member will
[Mr. Campbell.]

not deny that. The automobile to-day, particularly the cheap automobile, is essentially a farm implement and should be classed as such, and if that be true of the automobile, it is doubly true of the light motor truck. I would suggest to the government that in framing this reduction, and I assume the government will meet the wishes of the people in this regard and make some reduction, they should give special consideration to the motor truck. They have done it already in exempting the motor truck from the excise tax, and I think they could very well carry that a little further. As the hon. member for Willow Bunch (Mr. Donnelly) has pointed out, I think there might not be the same demand for branch lines in many parts of western Canada, and perhaps in eastern Canada as well, if we could secure motor trucks at a considerably reduced price.

But, Sir, when we come to compare the protection afforded the automobile industry with that given other manufactured products there seems to be something entirely wrong. Let us take farm implements. Binders and mowers are protected by a duty of 6 per cent; horse rakes by a duty of 7½ per cent; ploughs by a duty of 10 per cent; and wagons and sleighs by a duty of 10 per cent. I would think that the average protectionist himself, for the benefit of his own party and in order to expedite the adoption of his own ideas, would want to eliminate some of that discrimination and put it on a fairer basis than this. Is there any protectionist in Canada who can justify such a small amount of protection on farm implements and such a high protection on automobiles? I fail to see that there can be any. The onus therefore is on those protectionists to show why this discrimination exists. Either one is entirely too high, or the other is entirely too low. Just to show you how much cheaper our American cousins can buy cars I will quote a few figures, but I am not going to weary the House by quoting many. Classified under cars that can be bought at the factory under 500—that is, bought at retail prices at the factory—I find the Ford roadster selling at \$260, the Ford touring car at \$290. I should say in fairness that these are without demountable rims and starter. With demountable rims and starter added the prices are \$345 and \$375, respectively. The Overland 91 costs at the American factory \$495, the Star touring car \$525, and the Chevrolet roadster \$525, and so on.

The hon. member for East Essex (Mr. Morand) tried to show that the automobile industry in Canada contributed a great deal