

"You may write anything I have said," he answered. "What are the things I've said?"

"You've admitted that tariff protection encourages indolence in manufacturing and that tariff reduction must produce greater efficiency and economy in your Canadian plant?" "That is true," he said. "What's the other?"

"You've admitted that Ford cars have been getting a higher price than necessary in Canada." "As part of the general tariff situation in Canada—Yes. It works that way with every commodity and under every tariff. Free trade and free competition are the only healthy conditions," he repeated.

"I would like to ask you about another point which disturbs us in Canada." "Go ahead," said Mr. Ford.

"There is some belief that tariff reduction may mean withdrawal of American branches in Canada and that all this business will now be placed in United States factories." "I don't know anything about the other fellows," said Mr. Ford briskly. "I only know about our business. It is not that way with us."

#### How Canadian Company Started

"Did you establish your plant in Canada because of the tariff?" "No, I didn't establish it at all. It happened this way. Mr. McGregor (referring to the late vice-president and general manager of the Ford Company of Canada) was running a buggy works over at Windsor. He came across the river to me one day, about twenty years or so ago, and said: 'Look here, my buggy business is going to pass. I'd like to make your cars in Canada.'

"I'd never seen him before but I liked his looks and said: 'All right, I'm interested in that sort of thing. Three months later McGregor opened the plant. I remember that conversation. We were standing in the alley back of our first plant over on Mack avenue. That's how the Canadian company started. I never thought anything about the tariff. I never have in starting a plant.'

"What about Manchester?" I asked. "I started the plant in Manchester," said Mr. Ford, "to put industry into the country. Tariff had nothing to do with it. All our plants have been located to serve different localities, like the twenty or more we have in the United States. I would want to manufacture in Canada for the same reason."

"And you believe the tariff is not a factor in locating in Canada?" "It is not with me," replied Mr. Ford.

Mr. Ford was silent for a moment, thinking. "The stockholder," he said at last, "is the only person who may lose in the tariff reduction, and he's had enough anyway. We shouldn't worry about stockholders. They don't deserve profits; they don't earn."

Mr. GOTT: Is the hon. gentleman aware of the fact that in the same edition of the *Border Cities Star* from which he has just quoted, Mr. Henry Ford denied being president of the Ford Motor Works of Canada?

Mr. BOTHWELL: I do not care whether he is president of the Ford Motor Works or not. We know Ford is a manufacturer of automobiles; that he has been in this business since the Ford plants were started, and that he has an interest in the Ford plant in Ontario. I presume he can speak with authority as to how the plant there was established.

Mr. GOTT: It is remarkable that he should be president of an institution of this size and at the same time not be aware of the fact. I would discount his whole interview.

Mr. BOTHWELL: That is the second interview with Mr. Ford. If my hon. friend wants the name of the writer of the article I will give it to him.

Mr. GOTT: I have them all.

Mr. BOTHWELL: He can verify it if he likes. It is an article compiled by Charles Vining. It is probably only fair to state in connection with this Ford industry that it may be an exceptional kind of automobile plant. But the other plants that are manufacturing in Canada are making automobiles with wheels, rubber tires and equipment to some extent similar to that used in the making of Ford cars. There is of course a difference. There are a number of different cars made in Canada, and other plants may have to import certain parts. But if Henry Ford is correct, as we believe he is, in the statement that wages in Canada are no higher than they are in the United States, and we have the raw material in this country just as they have across the line, then if the other manufacturing concerns in Canada are not able to produce at a profit with the protection that is still afforded them after the reduction has been made, they must be poorly organized or poorly managed. There must be inefficiency somewhere. If the Ford manufacturing concern, getting at least 85 per cent of its raw material in Canada, is able to compete with the Ford companies in the United States, then the other automobile factories here should be able to do the same with a protective tariff of 20 per cent.

Mr. GOTT: Do you call the Ford an automobile?

Mr. BOTHWELL: Well, my hon. friend may live so near the border that he has some slang expression descriptive of it.

Now I want to touch for a moment on the reduction in income tax, and in dealing with this question I desire to read just a brief extract from an address delivered in England by the Right Hon. Lord Decies, D.S.O., director of the Income Taxpayers' Society. The address is reported in the *Daily Mail Yearbook* at page 20, and reads in part:

The present Chancellor of the Exchequer, the Right Hon. Winston Churchill, in his biography of his father, Lord Randolph Churchill (also a Chancellor of the Exchequer) says: "He (Lord Randolph) desired especially to diminish those taxes which fell upon the lower middle class. He laboured to transfer the burdens, so far as possible, from comforts to luxuries, and from necessities to pleasures. He applied much more closely than his predecessors that fundamental principle of democratic finance—the adjusting of taxation to the citizen's ability to pay." There can be