

Duty on Automobiles

manufacturers is not too great protection. But I suggest that the real solution will be found in devising ways and means whereby those branch factories which make use of the tariff for purposes of profiteering will have their profits transferred to the national treasury.

It was suggested this afternoon that automobiles manufactured in Canada are sold in foreign markets at a less price than prevails in this country. Obviously so, because the exporter receives, if I understand the situation aright, a rebate not only of all the duties which he himself has paid on foreign materials entering into the manufacture of the exported car, but a rebate of all the duty paid by the minor factories that manufactured the component parts for that commodity. So it is not surprising, as pointed out by my hon. friend who introduced this resolution (Mr. Coote), that when you take any one automobile factory and compare the duty which it pays on American materials entering into the manufacture of its cars with the rebate it receives on those materials which entered into the exported cars, the rebate in many cases is in excess of the duty paid. But the duty paid by that particular factory is not the whole duty, because duty has also been paid on the materials entering into the manufacture of the component parts which are supplied by auxiliary companies from one end of the country to the other.

I trust, Mr. Speaker, that the government of the day does not intend to act hastily in this matter. It is not merely a question of automobiles. If it was, there might be some excuse, because this matter needs explanation. I do not think that the circulars which I, in common with other members of the House,

have received from the automobile companies contain a full and satisfactory explanation. But we must remember that this is only a typical case, and I could give the names of half a dozen other branch factories, some of which manufacture in very large quantities, with regard to whose commodities the same principle must be applied if it is applied to automobiles; and by a reduction of duty we would threaten the very existence of a large number of industries which both sides of this House regard as absolutely essential to the welfare of the country.

Mr. M. N. CAMPBELL (Mackenzie): Mr. Speaker, I regret very much that the discussion should have drifted into one of those fights which we have had so often in this House, a fight between free trade and protection. I maintain that no such issue is

[Mr. Cahan.]

involved in this resolution at all. Rather it is an issue between moderate protection on the one side and extortion on the other. That is what we are called upon to decide.

Now, let me quote a few figures regarding the manufacture and sale of automobiles in 1920. I find in that year we manufactured automobiles and automobile parts to the value of about \$137,000,000. The wages paid amounted to \$19,368,000. We exported nearly \$21,000,000, so the balance sold at home represented a value of \$116,509,000. On the basis of the wages involved in the total manufacture, the part chargeable to the cars distributed in the home market would be \$16,376,000. Taking the value of the domestic consumption, and reducing it to an import basis, that is, the price they would have cost at the port of entry, their value would be about \$101,792,000. Now, had all these automobiles and automobile parts been manufactured in the United States and imported into Canada, there would have been turned into the national treasury about \$35,000,000, or just about double the wage bill. If we can imagine such a condition as no automobiles being manufactured in Canada, and all these goods being imported, and the government out of the national treasury paying the wages of all these men, we might still have had in the treasury about \$19,000,000. We hear a good deal about the cost of wages in Canada. I submit, Sir, that the wages paid in our Canadian automobile factories are in all cases lower than the wages paid for similar work in the United States.

Let me take another year, 1923. In this case I may say that I have not been able to secure the figures for automobile parts. We manufactured automobiles to the value of \$96,614,000, and we imported automobiles to the value of \$32,000,000, while we exported to the value of \$37,000,000. The salaries and wages paid on account of the cars manufactured at home amounted to about \$15,000,000. Reducing the value of the cars distributed in the home market to an import basis, it would be about \$44,000,000, on which the import duty would be \$15,330,000. If we figure in the accessories as well and put them in the same category, it would run the amount up to pretty nearly \$20,000,000, which was estimated by the hon. member for Macleod as the annual bonus that we paid to the manufacturers of automobiles and automobile parts. Last week we had a discussion in this House on a resolution dealing with old age pensions, and several hon. gentlemen took the ground that it would cost the country too much money; they considered that we could