

wages paid by the industry in Canada without salaries, was \$10,938,202. Sixty-five per cent of these cars consumed in Canada would make the wages paid on Canadian cars consumed in Canada \$7,109,831, or an average wage of \$92.42 per car. The manufacturer charges us because of the tariff an extra \$255 per car; he pays in wages \$92.42, yet we are told that protection is for the purpose of enabling our manufacturers to pay a living wage to those engaged in the industry. I say again, Mr. Speaker, that surely this tariff on automobiles is a violation of the spirit of the National Policy.

I have no doubt that someone will say, "See the large amount of customs duties which these manufacturers pay to the government." On page 22 of this yellow booklet it shows that in the year 1924 they paid as customs duty on engines and parts \$5,745,813; in 1923 they paid \$5,857,689, a total for those two years of \$11,603,502.

But I find that in the year 1924 we paid to those manufacturers as drawbacks \$5,223,341 and in 1923 \$3,216,396, a total of \$8,439,737. The net customs revenue for those two years, when you deduct the drawbacks, was \$3,163,765, or an average for each of the two years of \$1,581,882. The wages and salaries paid on cars consumed in Canada in 1924 amounted to \$9,242,429; the wages alone paid on cars sold in Canada amounted to \$7,109,831; the net customs paid to the government was \$1,581,882. You will find that in wages and customs duties they have paid a little over half of the excess price which they charged us for the cars. If there had never been any motor cars made in Canada and we had paid customs duty of 35 per cent of the value of those cars, instead of that money going to the manufacturers, we would have a revenue of \$20,000,000 a year, and just think what we could do with that \$20,000,000. Given to the railways as a bonus for hauling coal, it would solve the coal problem; it would, I am told, amortize our national debt in sixty years, and I think it would more than pay—

Mr. GARLAND (Bow River): Would it build the Hudson Bay railway?

Mr. COOTE: It would pay, I am sure, our share of the old age pensions. I would like to point out here that the revenue which we are receiving on cars imported into Canada is not increasing, but seems rather to be decreasing. People are buying more Canadian made cars and the duty is going to the manufacturer. The revenue to the government on automobiles imported in 1923 was \$4,133,321. In 1924 it dropped to \$3,316,369 and in 1925

to \$3,038,851. I think that point is worth bearing in mind. If we maintain this policy there will soon be no revenue from the customs tariff on automobiles, unless the people accept the advice given by the Local Council of Women of Toronto, and buy American cars just to be patriotic.

What effect would reduction of duty have on the automobile industry and on employment generally? First I think it is beyond question that a reduction in the tariff would reduce the price. Secondly, a reduction in price will increase consumption, and increased consumption means more employment. According to a statement on page three of a booklet recently issued by the Ford Motor Company, there were 6,706 people on the pay list of that company, while 12,054 persons secure employment as dealers and employees in Ford service garages. This would show that 35 per cent of these people are on the salary list of the company, while 65 per cent are employed throughout the country as dealers and garage men. It is surely beyond question that a reduction in the price of automobiles would increase the number of dealers and garage men. If there were any decrease in the number of employees in manufacturing establishments, it would be more than offset by the increase in the number of dealers and garage men, but I am sure there would be no decrease in the manufacturing plants. This industry does not need a 35 per cent protection in order to carry on. If the tariff were reduced they would have to reduce prices; more cars would be sold, and they would have an increase of employment rather than a decrease. I do not think that statement can be successfully challenged. Certainly, Mr. Speaker, there would be an increase in the total number of employees in the automobile industry generally, and in the dealers and garage men as well. Lower prices, mean a greater consumption, a greater consumption of cars, tires, gasoline, repairs and accessories; it means more men employed as dealers and garage men and in the running of service stations; it means an increase in the number of tire vulcanizers; it will mean an increase in road work, because we will have to have more good roads. It will mean more business for the railways in hauling cars, trucks, tires, repairs, gasoline and so on. I think it will also mean more work for the railways in hauling gravel and other material for road building purposes. It would increase employment and stimulate industry generally, not only in the automobile industry but in many other industries as well.