

The Budget—Mr. Sanderson.

This is a very vital matter, Mr. Speaker. —export shipments valued at \$39,417,614 were the highest on record; imports at \$35,240,298 were greater than in any previous year, and registrations of motor vehicles totalled 728,005 as against 652,121 in 1924, when the previous high record was established.

Following that statement is a summary of production in the automobile industry in Canada from 1904 to 1925, and it shows the growth of the industry during that period. I have no doubt these figures will be of interest to hon. members and I will therefore read them:

Summary of Production in the Automobile Industry in Canada 1904-1925

Year	Number of Automobiles
1904-1916..	135,000
1917..	93,810
1918..	82,408
1919..	87,835
1920..	94,144
1921..	66,246
1922..	101,007
1923..	147,202
1924..	132,580
1925..	161,970
Total..	1,102,202

That shows an increase of production yearly; there were some 25,000 more automobiles and trucks manufactured in Canada in 1925 than were manufactured during the twelve years from 1904 to 1916. It would therefore appear, Mr. Speaker, that this is an industry which is past the stage of pap feeding by a very high tariff; it must be at the stage where it can take care of itself to a certain extent, without being protected against competition by a high duty. The increase in exports of automobiles and motor trucks shows that these manufacturers do not altogether depend on Canada for a market, but that they have a very wide and substantial market elsewhere. I read the figures showing the exports, which amount to from 40 per cent to 42 per cent of the entire output of these Canadian factories. These automobiles and trucks are exported under very favourable terms, and I do not doubt the price paid shows a profit to the manufacturers.

To bring the purchase of an automobile right down to the individual, has there been a man who purchased an automobile during the last three or four years who, after the deal was made, did not conclude that he was paying almost more than the value of the automobile, and that he was paying an undue profit to the manufacturer of that car? If my information is correct, as I think it is, the manufacturers of automobiles in Canada do not give credit; theirs is an entirely cash business. I under-

[Mr. Sanderson.]

stand that if you order a car through your local dealer—it does not make any difference what kind of car it may be—he either goes to the factory for that car or has it shipped by rail, and he has to pay spot cash before he receives it. If he goes to the factory for five cars he has to pay for them before leaving the factory; if they are shipped by rail they are shipped with a draft attached to the bill of lading. Therefore the manufacturer runs no risk of bad debts; the poor unfortunate local agent has to carry that burden. He may not get cash from his customer; he may have to take notes running for a term of months; he runs that chance and takes the risk of loss on secondhand cars as well. So the automobile manufacturer is in a different position from the manufacturer of any other article; his is a cash business, and that is a big advantage. Anyone in business knows if a manufacturer has no bad debts on his books and does not have to give credit he is in a position to sell his article very much more cheaply than if he carried a big line of credit and had to wait for the money to come in.

I have perhaps tired the House with my remarks; I have taken longer than I intended, but I want to say a further word about my position on this question of a reduction in the tariff on automobiles. If I honestly believed that the cut in the tariff would wreck havoc, and throw thousands of men out of employment, forcing the automobile manufacturers to close their doors, I would hesitate in giving my support to it. But I see no reason why men should lose their jobs; I see no reason why the automobile manufacturers cannot carry on and still do a profitable business. It should not be necessary for them to cut the pay of their employees; they may threaten to do so; they have bluffed a good deal already in closing their doors, but I sincerely hope that such an event will not occur in reality. If that should be the case, it may be that politics will have entered into the question, which will be a very regrettable and sad thing for the country. I think, however, the government were perfectly justified in making the reduction, and I believe most of the people, irrespective of their political faith, will approve of it also.

I thank the House for their indulgence and for the patience with which they have followed my somewhat rambling remarks.

At six o'clock the House took recess.