

Duty on Automobiles

The continuation of the statement is as follows:

Capitalization—

Common..	Authorized	Outstanding
Par value, \$100.	\$10,000,000	\$7,000,000

Funded Debt—

None.

Dividend Record—

Dividends have been paid as follows: 1905, 6 per cent; 1908, 10 per cent; 1909, 25 per cent; 1910, 100 per cent; 1911, 100 per cent and 500 per cent in stock; 1912, 20 per cent and 33 $\frac{1}{3}$ per cent in stock; 1914 10 per cent; 1915, 110 per cent; 1916, 600 per cent in stock; 1917, 5 per cent; 1918, 5 per cent; 1919, 35 per cent; 1920, 15 per cent; 1921 and 1922, 30 per cent; 1923, 15 per cent; 1924, 10 per cent; 1925, 20 per cent.

Officers and Directors—

Henry Ford, pres.; Edsel B. Ford, 2nd vice-pres.; W. R. Campbell, 1st vice-pres.; Geo. E. Dickert, 3rd vice-pres.; E. C. Kanzler, P. W. Grandjean, sec. and asst. treas.

Profit and Loss—

Year end July 31	1925	1924
*Gross profits..	\$ 6,132,327	\$ 3,719,188
Income tax adjust.. . . .	975	3,497
Net profits..	\$ 6,131,352	\$ 3,715,691
Bal. forward..	19,609,861	16,594,170
	\$25,741,213	\$20,309,861
Dividends..	1,400,000	700,000
	\$24,341,213	\$19,609,861
Contingency res..	340,000
Surplus..	\$ 24,001,213	\$19,609,861
Earning rate..	82.73%	53.07%

*After all expenses, including depreciation and taxes.

Market Record—

	1923		1924		1925	
	H	L	H	L	H	L
Stock	480	400	485	440	512	488

Let me draw the attention of hon. members to the fact that in 1924 the company had a net profit, after paying taxes and all other expenses, of \$3,715,691, and that in 1925 the net profit was \$6,131,352. It is significant how enormously the profit for 1925 has increased over that for 1924.

In view of the strong position of this company, I should like to ask the House whether it can any longer be considered an infant. Is it the spirit of the National Policy that when an industry has grown, out of earnings, to the position now occupied by this company that it is still to be protected to the extent of 35 per cent, when those engaged in the industry are taking advantage of the tariff practically to the last one per cent? Are

5 p.m. our people to understand that that is what was contemplated by the framers of the National Policy? I have always understood that the prime reason underlying the adoption of the National Policy was to establish industries in this country on

[Mr. Coote.]

such a footing that they would be able to pay a living wage to those engaged in them. Measured by this standard, is the present tariff on automobiles higher than is necessary? For 1924 the total salaries and wages paid by the automobile industry was \$14,219,137, and the value of their production, \$88,000,000. Wages and salaries were therefore 16.1 per cent of the value of the production. The protection enjoyed is 35 per cent, and the increase in price over the United States price is also 35 per cent. In other words, the increased price which our automobile manufacturers exact from the Canadian people because of the tariff is twice the total salaries and wages paid by the industry.

Mr. CAHAN: Does that include the wages paid by companies making parts which are sold to the Ford and other automobile companies?

Mr. COOTE: These figures are from the Bureau of Statistics, and I take it they represent the wages paid in the automobile factories, although the report does not state this definitely. But whether that is the case or not, the wholesale value of the cars manufactured in 1924 was \$88,000,000, of which cars to the value of \$31,000,000 were exported, leaving \$57,000,000 worth to be consumed in Canada. To these figures we would have to add one-third to get the retail price. This is shown clearly in the Ford Company's booklet at page 15, where the retail price of a touring car is quoted at \$440. The sales and excise tax, which is 10 per cent, is put at \$33. Clearly, then, the wholesale price is \$330. So we must add one-third to these wholesale figures of production in order to get the retail worth. Adding this one-third we get \$76,000,000 as the retail value of cars in Canada, without allowing for the sales and excise tax. This value is approximately 35 per cent greater because of the tariff. That means that approximately \$20,000,000 is the excess price paid the manufacturers of these cars, or at least paid by the people of Canada for these cars in the year 1924. Of the cars made in Canada, 35 per cent were exported and 65 per cent consumed at home. Sixty-five per cent of the \$14,219,137 of salaries and wages would be \$9,242,429, for salaries and wages on Canadian made cars. That is less than half of the excess price charged to us by the makers of these cars.

As I have just said, \$20,000,000 is approximately the price which we pay to manufacturers because of this tariff. It actually figures out at \$19,696,432. On 76,923 Canadian made cars sold in Canada, that means an average increase in price of \$255 per car. The total