

in the automobile business. Let me read to the House what he said in regard to the reduction of automobile duties:

We stand to-day, Mr. Speaker, in the position where a great industry in this country, an industry with ramifications through all our commerce, is threatened with serious impairment, and it is threatened without investigation, without taking expert advice, and absolutely contrary to the pledges of the government as contained in the Speech from the Throne.

I have here a newspaper published in the city of Toronto in which there is reproduced an editorial from the *Orange Sentinel*, a publication edited by the hon. member for Toronto West Centre. This article was published between last session and this. I want to read it for the benefit of the House. For fear some hon. member may ask me what paper I am quoting from, let me say that I find it in the good *Tory Evening Telegram* published in good *Tory Toronto*. This is the editorial:

Whatever else may be done with the customs tariff at the next session of parliament—

Mark you, that is this session.

—there should be a substantial reduction in the duty on motor cars. It is clear from the price quoted in the United States and Canada that the Canadian manufacturers are charging "all the traffic will stand." The duty of 35 per cent is more than protection, it is in part a government subsidy to the makers of automobiles. As long as the motor car was purely a luxury that only the rich could enjoy, there was not much reason for complaint; but the motor car has become a necessity in business and professional life, and those who are thus compelled to buy one should not be forced to pay excessive profits to the manufacturer. A certain type of car that sells in the United States at \$1,875, costs \$3,100 in Canada. That is altogether too wide a spread, and is not warranted by any factor in the trade. The American makers have large production, it is true, but they pay higher wages, and there is no reason why their raw materials are any cheaper. The makers of motor cars in Canada are soaking the public unduly, and it is the duty of the government to lower the tariff, and in that way inject a little competition of American firms, which will bring down the prices.

In this good *Tory* paper from Toronto, the *Telegram*, there is another article which refers to what the hon. member for Halton (Mr. Anderson) said with respect to the duty on automobiles, I think last session. This is how he expressed himself on that occasion, according to the *Toronto Telegram*:

As I have previously stated, I am not a high protectionist, and I think there are some industries in this country which possibly are too highly protected. One of these, I think, is the automobile industry. This industry is making rapid strides in Canada, and in the last year this country, a country of 9,000,000 people, exported half as many automobiles as did the United States with a population of 110,000,000 people.

I understand, Mr. Speaker, that the hon. member for South Oxford (Mr. Sutherland) last session voted in favour of a resolution

urging a reduction of the duty on automobiles. I do not know what he intends to do on this budget. The hon. member for Kingston City (Mr. Ross) also voted in favour of that resolution. When these hon. gentlemen declare that they do not know anything about this industry and desire full information, it seems rather remarkable that months and months ago they should have put themselves on record in favour of a reduction of the duty on automobiles.

Now, Mr. Speaker, I want to bring to the notice of the House some figures regarding the automobile industry of this country. As I stated a few moments ago, this is not a new industry. As a matter of fact the automobile is no longer a luxury, it has become an absolute necessity to ninety per cent of our people. The farmer must have an automobile and perhaps a motor truck. In business after business these vehicles are just as necessary as hydro power and steam power. I am a protectionist to a certain extent, and always have been, but when an article has become an absolute necessity and is enjoying a protection of 35 per cent, I think it is time the duty was cut for the benefit of our people, particularly when, as is admitted, the industry has passed the creeping and walking stages and is now at the running stage. I have before me statistics of the Canadian automobile industry for 1925, from which I quote the following:

New records were made in the automobile industry in Canada in 1925. In that year the production of motor cars numbered 161,970, as compared with 132,580 in 1924 and 147,202 in 1923, the best previous year in the industry; the value of output at the factories rose to \$110,835,380 and exceeded that of any other year; capital employed amounted to \$74,678,451.—

I would ask hon. members to note the next sentence:

—an increase of 23 per cent over 1924;—

That is, an increase of capital of 23 per cent over the previous year, 1924. I do not know, Mr. Speaker, but I suspect that a large portion of that increase was not further money invested in the industry, but represented what is known as stock "melons" to the shareholders—that the companies were pyramiding their profits and divided them to the extent of giving their shareholders further stock. I have no absolute proof that that is the case, but I think it is highly probable. Certainly it happened in the case of the Ford Company of Canada.

—employees numbered 10,301 as against 9,277 in 1924; payments in salaries and wages totalled \$17,249,270 as compared with a corresponding figure of \$14,219,137 in the previous year; export shipments—