

That certainly applies to automobiles.

—and they have for reasons that are only too obvious, become the slaves of those who helped them into power and who now maintain them there behind ramparts of gold.

That charge might have been true in the last parliament, but we see very few representatives here this year sitting on the government side, returned from automobile constituencies. I could quote further from the remarks of the right hon. gentleman, elaborating that principle and proving by the speeches of protectionist ministers of finance in the past that this was the policy, namely, that as an industry advanced and grew stronger, demonstrating its ability to supply the home market and, as well, to compete in foreign markets, the duty should be lowered.

In a booklet recently issued by the automobile men themselves it was stated that automotive products exported from Canada are fourth on the list in value of all commodities. Surely this is an indication that the tariff might be lowered. I dealt at some length with the question of exports last year, and perhaps I might quote a paragraph from the remarks I made on that occasion regarding the ability of our automobile manufacturers to export their product. This is taken from the *Ford Times*:

For the calendar year 1923 statistics show that there were manufactured in Canada 147,582 motor cars and trucks. Of these, 69,920 were exported and 77,662 were consumed in Canada. That is, our exports were 47 per cent of the total output of our Canadian factories.

The value of automobile imports for 1924 was \$11,443,158, the value of our automobile exports was \$33,828,692, or approximately three times the value of our imports.

We exported those cars to 97 different countries. I will not take the time of the House to read the list, but we sent the United Kingdom over \$5,000,000 worth, to South Africa \$2,480,000, to British India, \$2,043,000, to Australia, \$6,115,000, to New Zealand, \$4,680,000, to the Argentine Republic, \$1,413,000 and so on.

I presume someone may say that these exports went largely to Great Britain and her colonies where our manufacturers enjoy some preference. That is partly true but I would point out that we exported to Great Britain \$5,575,000 worth, although the preference our manufacturers enjoyed there at that time was only 11 per cent. Now, if they could do that large amount of business in a market where they had an advantage over their American competitor of only 11 per cent, why do they need 35 per cent protection right here in Canada? Of course, it will be argued that

it is good policy for us to encourage our automobile industry so that there may be an exportable surplus. That argument I do not question if the encouragement given to the industry does not cost us too much. What I should like to suggest to our automobile manufacturers is that if the cars they are exporting were made available to Canadians at the United States prices, I think they could sell every one of those exported cars right here in Canada. Canada needs these automobiles, but she cannot afford to buy them.

One other thing which must be taken into account when we are considering a reduction of the tariff duty is the financial condition of the industry. As an indication of that condition, I may be permitted to quote to the House from a clipping from the *Financial Post* of February 12, 1926, dealing with the last annual statement of the Ford Motor Company of Canada. This is the quotation:

The Ford Motor Company of Canada was incorporated in Ontario in 1904, and re-incorporated with a Dominion charter in 1911. It has the exclusive manufacturing and selling rights on the Ford automobile, the Ford truck and Fordson tractor throughout the British Empire, with the exception of Great Britain and Ireland. Its field of activities includes Canada, New Zealand, Australia, India, British South Africa, and so on. Originally in consideration of \$63,500 stock given to the Ford Motor Company of Detroit, the Detroit company agreed to extend to the Canadian company the privilege of using all the devices and improvements of the American company's car without further cost. The capital stock, which amounted to \$125,000 in 1905—half of which went to the Detroit company—has by the distribution of bonuses to shareholders been increased to \$7,000,000.

I want the House to note that all of this capital stock has come out of earnings, with the exception of the first \$125,000.

Shares have a present market value of about \$500, representing a stock valuation of \$35,000,000. The company has in twenty years distributed to shareholders in cash and stock dividends a total of \$20,176,238; this in addition to the stock issued as dividends now having a market value around \$35,000,000. In other words, an original stock holding of \$100 has paid about \$11,000 in cash dividends and in addition stock bonuses with a market value to-day of approximately \$24,000 or a total of approximately \$35,000 on the original \$100.

The assets of the company, as shown by the last balance sheet, total \$41,419,335, of which \$22,093,614 is represented by fixed assets—plant, equipment, etc.—stock in affiliated companies \$5,866,993, and cash in government bonds \$6,525,615. Profits for the year ending July 31, amounted to \$6,132,327. Net earnings on the paid-up capital were approximately 87.5 per cent. The year's output was 70,816 cars and 4,543 tractors.

With the permission of the House I will place the rest of the statement on Hansard, unless any hon. member would like me to read it.