

Duty on Automobiles

I shall not weary the House with reading the whole report, but might quote this:

The Ontario farmer, if he were a patriot, would buy his car on the other side of the Detroit river and pay the tax to the customs collector on his way home, thus contributing to his country's treasury and not to the personal fortunes of Mr. Henry Ford and his son.

Then the report goes on to quote some of the dividends the Ford Company have been able to pay because of the privilege they have enjoyed of charging us 35 per cent more for cars on this side of the river.

Public opinion can sometimes be judged by the attitude of the press, but in this particular case I think the press would really like to advocate a reduction in the duty on automobiles in much stronger terms than they have done, but the automobile industry is furnishing a large amount of the advertising which these papers enjoy, and I think the newspapers have to go pretty easy on this question of reducing the duty on automobiles, or they may lose some of their advertising. But almost every editor with whom I have ever spoken is very anxious to be able to buy a motor car cheaper than he is able to do at the present time. In my speech in this House a year ago I showed that on ten different makes of cars manufactured both in Canada and in the United States the Canadian price f.o.b. factory, without any sales or excise tax, was from 38 to 41 per cent higher than the price charged across the line. That statement has never been challenged so far as I know. I do not think it is necessary to repeat that list, but I will give you the prices obtaining to-day on two of the best known makes of cars manufactured on both sides of the line, and I think it will prove that the extra price charged is equivalent to the duty. These two cars are the Ford and the Dodge. The Ford runabout is \$290 at Detroit, and \$410 at Ford, Ontario, or a difference of 41 per cent. It is true that in a booklet issued by the Ford Company this runabout is quoted at \$310 in Detroit, but I have an advertisement published by that company in the Detroit News of February 21, 1926, giving the price of the runabout at \$290 and of the touring car at \$310. The mistake, therefore, if there is a mistake, is on the part of the Ford Company in Canada.

An hon. MEMBER: It is a difference of equipment.

Mr. COOTE: You will not find much equipment on a Canadian runabout or touring car of the Ford make. As a matter of fact I do not know what you could safely eliminate if you want to run the car. The runabout at Detroit is \$290 as against \$410 at Ford,

[Mr. Coote.]

Ontario, a difference of 41 per cent. The list is as follows:

	Detroit	Ford, Ontario	Increase Per cent
Ford			
Touring car	\$310	\$440	42
Coupe.	500	665	33
Tudor sedan. . . .	520	695	34
Fordor sedan. . . .	565	755	34
	Price in United States	Price in Canada	Increase Per cent
Dodge			
Touring car	\$795	\$1,095	38
Roadster	795	1,095	38
Coupe.	845	1,170	38
De Luxe sedan. . . .	1,075	1,485	38

Just note how closely these prices keep to the line of the tariff. The Canadian manufacturer is taking practically full advantage of this tariff and is pushing the price up to the limit. We pay in Canada to-day the United States price plus the tariff, but if you buy a car in Canada the tariff goes to the manufacturer and he puts it into his pocket. Of the capital engaged in this industry 80 per cent is said to be owned outside Canada, practically all in the United States. This seems to me to be a tariff levied on the Canadian people for the benefit of the American stockholders rather than of Canadian industry.

Canada established a national policy about fifty years ago for the purpose of affording protection to infant industries, the idea being that when an industry had grown up the protection which it had enjoyed should be lowered. This is brought out very well, in better words than I could use, in a speech delivered in 1911 by the right hon. gentleman who at present leads the opposition in this House (Mr. Meighen). The right hon. gentleman contended that the tariff should be lowered when the industry had grown to such proportions that it had a reasonable hold on the home market and was able to export its product in competition with the products of other countries. I will quote one paragraph from his remarks on that occasion:

But the charge I have to make, and which I hope to bring home to the government this afternoon, is not that one, though it is the most serious; it is this, that in their attempts to continue the national policy which had obtained for years before, they have overlooked, they have neglected one essential feature of that policy: they have quite forgotten its guiding principle, namely, the principle that as our industrial institutions advanced in strength and as they were able with every advance to acquire a hold on the home market, the import duties were to be diminished and adjusted in order to meet the evolving and changing conditions. It is that restraining guiding principle which I claim this government has entirely overlooked—

I think that charge can be made against the Liberal government in power to-day.

—and as a consequence they have allowed, in the respect which I am discussing this afternoon, protection to run rampant—