

the empire would be very desirable. I know there are people who do not believe in such a policy. I do not believe that my hon. friends opposite believe in it, because my hon. friend the leader of the opposition made the statement a short time ago in this house that we would have to exercise due care and that we would have to see whether or not our business interests were going to be affected. So far as I am aware we have not bargained to any extent in that particular respect, but I wish to reiterate that as far as our preference to Great Britain is concerned there is no bargaining in connection with it. We have offered it.

Mr. BENNETT: The preference is not limited to Great Britain.

Mr. STEWART (Edmonton): It is limited to Great Britain and her colonies.

Mr. BENNETT: No, it is the British Empire to which it is limited.

Mr. STEWART (Edmonton): Oh, yes, I beg your pardon; it is the British Empire. I do not expect that the budget has pleased my hon. friend in that respect, and I did not think for one minute that it would please him. The reduction in the British preferential tariff number 270 as against 11 increases and as a result of this budget 589 items in a total of 1,188 are entirely free under the British preferential tariff. Let me say in passing: Wipe off the hay and straw and the hundred items to which my hon. friend has so often referred; throw them into the discard.

Mr. BENNETT: Yes, that is where they belong.

Mr. STEWART (Edmonton): I wish to make it clear that nobody is making the claim that these items were intended to be misleading in any respect.

An hon. MEMBER: Why were they put in?

Mr. STEWART (Edmonton): The Minister of Finance (Mr. Dunning) made it clear to my hon. friend, if he had cared to listen. He said they were placed on the schedule for the purpose of wiping them off altogether. So that I say if you consider the hundred items complained of by my hon. friend you still have a very respectable list remaining. The extensions in the preference made this year alone affect commodities which Canada imported last year to the value of \$200,000,000. The matter of iron and steel has constituted a very important subject for discussion in this country. Such tariff increases as are

[Mr. C. A. Stewart.]

made are, in almost all instances, on those primary forms which are used in manufacturing and they will be absorbed almost entirely by the manufacturers who process the primary forms into secondary products. Thus these increases will benefit the iron and steel industry without laying any burden upon the ultimate consumer.

A great deal has been made of the fact and references have frequently been made to the increases in the iron and steel schedules. It has been stated that such increased prices would in the end increase the price to the consumer. In this connection I shall deal with item 377b:

Ingots, cogged ingots, blooms, slabs, billets, n.o.p., of iron or steel, valued at not less than 3 cents per pound, when imported by manufacturers of steels for use exclusively in the manufacture of steels, in their own factories, under regulations prescribed by the minister.

And the item before that:

Blooms, cogged ingots, slabs, billets, n.o.p., sheet bars, of iron or steel, by whatever process made, n.o.p.

The British preferential rate is \$2.50 whereas it was formerly \$1.50. May I say that the whole idea is to bring materials to Canada, to produce in Canada the primary products necessary for the manufacture of iron and steel. I wish to point out that this will not mean an increase to the ultimate consumer. Why is that so? Bars and rods are the product of the billets, and the schedule says:

Bars or rods, of iron or steel, including billets weighing less than 60 pounds per lineal yard, hot rolled, as hereunder defined, under regulations prescribed by the minister.

This item was given at \$4.25 per ton, and there is no change. So that the rolling mills will have the benefit of importing their iron in the same manner as they have imported it in the past, at the same price, and at the same tariff schedule. There is no increase in this commodity; any increase which may have been placed upon the primary manufacturer is absorbed in the secondary, and it is not passed on to the consumer. A great deal has been said by my hon. friends in connection with the fact that there have been no reductions which would affect the agricultural classes. May I say that I can see a large list of items which have been placed on the free list. For one thing I notice the necessary steel for the manufacture of horseshoe nails and chains. Surely no goodness chains—and logging chains in particular—are used very largely by agriculturists.

Mr. CHAPLIN: There are no logging chains there.