

paid is \$373, so the duty figures out to something like 26 per cent on the actual value of the goods, as against a 30 per cent duty against the foreigner. That does not take into account the exchange dumping duty, either. Perhaps the Minister of National Revenue can explain that away.

Mr. RYCKMAN: I have already explained it, and I am sorry my hon. friend cannot understand. The Canadian importer will come home with more goods, if he buys in Great Britain, than he will obtain in another country. That is the answer, and in addition the revenue of the country is increased.

Mr. YOUNG: That might be an answer if it were correct, but it is not correct.

Item agreed to.

Customs tariff—354a. Kitchen or household hollow ware of aluminum, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 30 per cent; general tariff, 30 per cent.

Mr. RHODES: The imports last year under this item were valued at \$153,000, of which \$7,000 came from the United Kingdom and \$133,000 from the United States.

Mr. SPEAKMAN: What was the Canadian production?

Mr. RHODES: Last year the Canadian production was valued at \$1,499,000.

Mr. SPEAKMAN: This is an article of increasing importance in the household economy of the average housewife of Canada, and I should imagine that the net result of the change will be an increased production for the Canadian manufacturer rather than a diversion of trade to Great Britain. This is another case where the preference has been created by increasing the tariff against foreigners. Considering the total imports in comparison to the Canadian production, and the fractional percentage of those imports which come from Great Britain, it seems to me that in all likelihood the net result will be an increase in cost to the housewife. I must confess that this sort of preference does not appeal to me as being at all sound.

Mr. RHODES: I doubt if there is any possibility of an increase in cost to the housewife, because I am informed that the capacity in Canada is sufficient to supply five times the requirements for this class of goods.

Mr. DONNELLY: I did not hear the value of the Canadian production, and I should like to know also if the minister has received a guarantee from the Canadian manufacturers that they will not increase the price because of this change?

Mr. RHODES: The production last year was valued at \$1,499,000. So far as this agreement is concerned, we have received no guarantee from the manufacturers; in fact, they were not consulted in this respect.

Mr. DONNELLY: No guarantee has been received from the Canadian aluminum manufacturers?

Mr. RHODES: So far as I am aware the first knowledge they had of this change was when the items were published in the newspapers.

Mr. POULIOT: This item reminds me of Russia. A large quantity of oil was imported from Russia in order to provide production for the manufacturers of aluminum. There seems to be a mystery in connection with this oil business. Sometimes we find a snake in a barrel of molasses, but nobody seems to know what is in these cargoes of oil which are arriving from Russia. I am wondering if this preference will not have the effect of destroying the good results which it is expected will be obtained by the importation of oil from Russia. I should like to know also if the aluminum company has agreed to this preference.

Mr. RHODES: I cannot enter into a discussion with my hon. friend with respect to the oil phase of his argument, but apparently the Canadian manufacturers of aluminum are in a position to supply this article at a price attractive enough, based in terms of oil, to our Russian friends to cause them to want to do business with the Canadian interests. I cannot see how this tariff will affect any opportunities which the aluminum company might have, to do the same thing in the future; it will have no bearing upon the cost of their commodity so far as exports are concerned.

Mr. POULIOT: I am just coming to the point of my argument. The aluminum manufacturers have traded with Russia, receiving oil in return for aluminum. If we get aluminum from Great Britain, what will we receive as compensation? What will the British manufacturers of aluminum give us in return for this preference?

Mr. CAYLEY: A few moments ago the Minister of National Revenue (Mr. Ryckman) answering the hon. member for Weyburn (Mr. Young) made the statement that the dump duties in connection with exchange made no difference which he could see. This statement recalled to my mind an item which appeared