

late Government—the resolution of the 17th April, 1903, appertaining to steel rails. That resolution imposed a duty of \$7 per ton but it was not to become effectual until the Governor in Council was satisfied that steel rails were being manufactured in substantial quantities in Canada. On the 27th August, 1904, an Order in Council was passed making steel rails dutiable at \$7 per ton and it has been effective ever since.

Mr. OLIVER: I did not get the answer I wanted. I wanted to know what was the duty, on the bringing into force of this provision, upon structural and iron steel over 120 lb. per lineal yard.

Mr. WHITE: I answered that question; \$3 per ton on all structural shapes and merchant mill products weighing over 35 lb. per lineal yard. The products that are manufactured in Canada were protected by a higher rate and we propose to increase the limitation from 35 lb. to 120 lb.

Mr. CARVELL: Were not the heavier products like I-beams only subject to a duty of 10 per cent, not forged, or punched or otherwise manufactured? How will that class of goods be affected?

Mr. WHITE: I will read the present item in the tariff:

379. Rolled iron or steel beams, channels, angles, and other rolled shapes of iron or steel, not punched, drilled or further manufactured than rolled, weighing not less than 35 pounds per lineal yard, not being square, flat, oval or round shapes, and not being railway bars or rails, per ton—British preferential, \$2; intermediate, \$2.75; general, \$3.

Any of these articles weighing 35 lb. or more, were \$3, while under 35 lb. per lineal yard, the duty was \$7 per ton, as a protection to the Canadian manufacturer, because the Canadian manufacturer was able to manufacture products up to 35 lb. per lineal yard. Beyond that the product was not manufactured in Canada, and the duty was less. What we are doing now is to extend that up to 120 lb. If my hon. friend will look at resolution No. 2, tariff item 379, he will see it applies to these products weighing over 120 lb., and we are fixing that at \$3 per ton.

Mr. OLIVER: Which it was before.

Mr. WHITE: Yes, but it went down to 35 lb. This 120 lb. is substituted for 35 lb.; all below 120 lb. falls into the other item of the tariff, on which there is a duty of \$7 per ton.

[Mr. W. T. White.]

Mr. MURPHY: Up to the present, there has been no structural steel of this weight produced in the country?

Mr. WHITE: That is it. Of course, it will be some considerable time before it is brought into effect, because the mills capable of producing these heavier products will have to be established.

Mr. CARVELL: Would the minister give any reason why it is necessary to impose this extra burden on the users of these products? The minister knows that it is not a very big piece of steel that does not weigh 120 lb. per lineal yard, and if he puts this into force, he will be putting a great burden upon the articles that are consumed everywhere. As I understand it, the very moment this Order in Council goes through, and this product is brought up to \$7 duty, the consumer will have to pay the \$7 duty, no matter whether the article is manufactured in Canada or imported. I hope the minister realizes that he is certainly imposing a pretty heavy burden upon the ordinary consumers of iron and steel products, for the purpose of benefiting a prospective manufacturing industry. I think we might as well understand that clearly. Will the minister tell me now, whether I am right or wrong in that idea?

Mr. WHITE: I thought we discussed the question of the fiscal policy on the Budget.

Mr. CARVELL: I was not here.

Mr. WHITE: My hon. friend (Mr. Carvell) and I would view this from a different standpoint, and without wishing to be controversial I may tell him that some of his colleagues on the other side of the House would also view it from a different standpoint from him. It is a question of whether we believe in protection of Canadian industries. I am perfectly frank in saying that I believe if this duty is allowed to stand as it is we will not have these mills manufacturing the larger products in Canada. I believe, on the other hand, if this Order in Council is passed, we shall have these mills manufacturing the larger products in Canada. It does not always follow that the full amount of duty would be added to the price of the article. Possibly it would if there were only one mill, or perhaps two mills in Canada, and they had an understanding as to price. I could point out to my hon. friend many cases in which the full amount of duty was not added to the cost to the consumer. Once a fiscal policy of protection is adopted