

The CHAIRMAN: Certainly, sir.

Mr. WANSBROUGH: I should like to ask Mr. Bateman, who is more familiar probably than anybody else in this country with these questions, if he would care to answer that question.

The CHAIRMAN: Will you come forward, Mr. Bateman? Would you ask the question again, honourable senator?

Hon. Mr. KINLEY: How would you account for the American tariff barriers against base metals that are not produced in their own country? Their policy is to bring in the raw materials at the lowest possible rate, I understand.

Mr. BATEMAN: Well, in all the base metals they are important producers.

Hon. Mr. KINLEY: Not in nickel, are they?

Mr. BATEMAN: Except nickel, yes. They are not self-sufficient in the primary metals, copper, lead and zinc; they have to import a certain percentage of their requirements—approximately 30 per cent—in order to meet their own needs.

There has, however, been a decline in the price particularly of lead and zinc. The desire to protect their own industries arises particularly in the west from some of the high cost producers. True, in most cases their production in the United States is not a very important factor; but, as you probably know, the pressure groups in the west—that is the silver block, the wool block and the mining block—all work together. The theory behind this is to protect their own industries.

I do not think that special consideration has been given to the adverse effect upon American industry. For instance, in these proposals under the Simpson Bill, they want to establish a base price of 15½ cents for lead and zinc, which some of them believe is the minimum price to operate their properties profitably. The present price of zinc is 11 cents; so that would add another 4½ cents per pound to the cost to the American consumer. With the American consumption somewhere in the order of more than a million tons a year, that would mean an added cost to the consumer of some \$90 million.

The effect of this proposal on the sliding scale is rather extraordinary in some respects. In the case of zinc concentrates, for instance, the present price of domestic zinc in the United States is 11 cents, and the duty on zinc concentrates is 3.99 cents per pound, but, I would point out, our producers realize only about 3¾ to 4 cents a pound. You can readily see that the duty would cut off the shipments of concentrates to American smelters, which cannot operate without these important concentrates.

Hon. Mr. KINLEY: Is there perhaps not an element of protection for Canada in these duties?

Mr. BATEMAN: No.

Hon. Mr. KINLEY: For instance, Canada is right next to the United States, and if we got over without duty some other country might do the same thing.

Mr. BATEMAN: No; the United States has no consideration for Canada in these things. They are thinking only of a limited group in their country.

Hon. Mr. KINLEY: How do they deal with tin?

Mr. BATEMAN: Tin is free.

Hon. Mr. KINLEY: That comes mostly from South America, does it?

Mr. BATEMAN: From the Far East and the Middle East.

Hon. Mr. HORNER: Do they get any from Malaya?

Mr. BATEMAN: Yes; they have to buy from all the tin sources of the world, Malaya, Indo-China and all the other producing countries.