

Sarnia, and other similar plants, to continue in operation. Is there anything that can be done to provide these plants with their raw products?

Mr. DUNNING: My hon. friend realizes, of course, that the difficulty he now mentions is practically world wide at the moment, and at the present time I see no prospect of its easing. As he says, it is not particularly a matter of tariff but rather of the extremely great world demand for this class of article. All I can say is that we are watching the situation and wherever it is possible to give any assistance by way of developing a source of supply we are glad to do so, although generally speaking the men engaged in this class of manufacture are alive to their own business and very much more efficient in regard to it than the government possibly could be. I think they are very much alive to the situation and are working on the matter at all times. Up to now I must confess that the condition has been growing steadily more difficult with respect to the supply of this class of material. That is true not only of this country but I believe of all other countries as well.

Mr. BENNETT: Mr. Chairman, I was waiting until another item was called, but since that item is now to be discussed I shall make my observations at this time.

In the first place, black sheets are produced in only one mill in Canada, for the purpose of galvanizing. That mill is at Hamilton, and belongs to the Steel Company of Canada. They have no iron ore, and import their iron ore or raw material from the United States. In the second place, they are unable to meet the Canadian demand—absolutely. In the third place, orders placed in England cannot be filled at the present time. Some orders placed in England last fall are being filled in part, and some cannot be filled. In the next place, black sheets are required for galvanizing, and are required in western Canada, not next summer, but now, with the opening of navigation. Great Britain does not supply these plates at the moment, because she cannot do so and at the same time meet her own domestic demands. Therefore there is but one market left to which the Canadian can turn, and that is the United States. Shall he be denied the right to buy in that market when he cannot buy anywhere else? Shall he have to pay an extra ten per cent to buy in that market? That is the issue.

We have met that issue in connection with Indian corn and other matters. When we have found the Canadian consumer confront-

ed with an impossible situation we have at once enabled him to get his raw material by lessening the rate of duty and putting it upon a basis at least similar to that which prevailed in Great Britain under the preference. The rate on plates from Great Britain stands at five per cent. If my memory serves me correctly the rate on plates from the United States is 20 per cent, plus three per cent excise tax, making a total of 23 per cent. The British rate is five per cent, with no excise tax. The Canadian consumer is denied the right to buy in England; he cannot buy a plate. Canada has one factory, the orders of which more than cover its capacity. Shall the Canadian consumer in western Canada be without galvanized sheets? That is the issue.

I submit to the minister the matter can be dealt with simply by doing with the sheets exactly what we did with Indian corn from the Argentine. We could make a free rate for three months so that the sheets could come in from the United States, or—in order that no unfairness might be shown to those who have purchases—make it five per cent, which is the same rate as applies to England. The only difference would be that in purchasing from the United States one would have to pay the three per cent excise tax, making a total of eight per cent, and thereby discriminating against the purchaser to a certain extent.

The situation is one which cries for relief; it is not imaginary. The other day in my room a westerner who for twenty years has been meeting Canadian demands told me that he found himself unable to buy galvanized sheets.

Mr. DUNNING: From British sources of supply.

Mr. BENNETT: No, not British sources of supply at all.

Mr. DUNNING: The individual my right hon. friend mentions has been filling the demand from a British source of supply.

Mr. BENNETT: He had to, because the preference was fifteen per cent. The real truth of the matter is that in order to give England something for what they gave us, namely a free market for our products, in 1932 we did endeavour to give them a preference on steel. We gave a preference under the intermediate tariff to such an extent that they were able to get some business. The hon. member for Davenport has referred to another item which I shall not mention.