United States. Steel production is a part of our defence program, and it should be a part. I have in my hand sessional paper No. 161 under date of Wednesday, October 31, 1951. I am not going to read the return as it is available to all members. It shows imports of steel from the United States and steel production in Canada in the form of ingots and castings. It is for 1950 and 1951.

It shows that in the last two years, when we should have been stepping up Canadian steel production, there has been no increase whatsoever. Looking at the figures from January, 1950, to September, 1950, steel production in this country in the form of ingots and castings was static. There was very little change one way or the other. It went up and down a little bit but not enough to matter. For 1951 the figures only go up to August. Apparently the figure for September was not available. There is exactly the same picture. Production went up a little for a couple of months but the figure for August, 286,804, is almost the same as that for September, 1950. There has been no steel expansion in Canada whatsoever.

Let us compare that situation with what is going on in the United States. In the issue of *Time* magazine for November 12, 1951, one finds on the cover the words, "For Freedom's Forge, More Blast Furnaces". The magazine article on steel is based on a certain personality in the United States who was responsible for building one of the steel industries of that country. There is a short section of it which I should like to bring to the attention of the proposed committee. It reads as follows:

> Big steel has to hustle to keep up with the expansion parade, even though it is now spending another staggering $1 billion on top of the $1 billion already spent in the last five years. In Pittsburgh last week, Jones and Laughlin's president Ben Moreell tapped the first steel from a new open-hearth furnace, the first major United States steel plant completed since the Korean war began. It is the first of eleven new furnaces which Jones and Laughlin will shortly finish, to expand its steel production. By 1952's end, Jones and Laughlin will have spent $390 million in six years, boosted its capacity by 32 per cent. By the same time, Bethlehem—big steel's chief rival—will have spent $700 million, boosted its capacity 36 per cent since 1946. Inland is spending $145 million, Republic $250 million, Wheeling $100 million . . .

I shall not read the rest of it. It indicates that the United States recognizes the necessity for expanding its steel production, but in this country we are not doing a thing about it. That is wrong on two counts. First of all it is wrong because we are making ourselves almost wholly dependent on imports from the United States in order to be able to carry out the program that we have mapped out. It is also wrong because this country has facilities to expand steel production to a greater extent than has the United States, and we are not doing anything about it.

I am not going to read them but I have on my desk briefs from the steel union to the provincial government of Nova Scotia, and the steel controller and the coal board chairman in Ottawa. They cover the last five years and urge that something should be done to expand Canada's steel industry. We certainly have not done so in the last two years. If you will look at the picture you will find that the United States steel industry, which is expanding at the terrific rate that I have just indicated, has not only got control and has us in its lap as far as giving us steel is concerned but has also swallowed up our iron ore resources, with which the future of steel is linked, and has bought heavily of the stock of steel industries in this country. I think at the present time about half the board of directors of the Dominion Steel Corporation in Nova Scotia are Americans. United States capital is coming into this country and buying up the stock of these companies.

That may be the answer as to why there is no steel expansion in Canada. With the development in the United States and partial if not full control of the industry in this country through the boards of directors, the United States interests are certainly not going to develop competition in Canada with themselves. That may be all right from a straight business, free enterprise, selfish standpoint; but when it is considered in the light of our defence program today it is not all right because the production of basic steel in Canada is important and urgently necessary if we are going to meet our defence commitments. I suggest to the committee that one of the things they should ask for is an investigation into the steel industry of Canada as to why it is not expanding.

There is another matter which I wish to refer to the committee, and I have mentioned it a good many times in the house. Any money that the government spends at this time in the creation of war industries should be spent with the end in view of using these industries for other purposes when the war is over. These industries should be dispersed as widely as possible having regard to the raw materials available in the sections where they are established. In time that would bring about a more balanced economy than we have at present. I can never understand why the expansion of steel production on the Atlantic seaboard has not been pushed to a greater extent, if only from the point of view of a business proposition. Nowhere on this