

Supply—Defence Production

Mr. Blackmore: By the time that expansion is completed will Canada be producing the steel which would normally be used in a peacetime year, or shall we still be short of meeting our national needs?

Mr. Howe: I should think that probably we shall always be importers of steel, for two reasons. First, this country is growing rapidly and a balanced situation today might be an unbalanced situation a year hence. Another difficulty is caused by the short runs of certain products, such as wide flanged I-beams and products of that kind. The volume is not sufficient to warrant the expense of setting up to produce that type of product. There will always probably be products that it would not be economical for us to organize to produce and which would have to be imported.

Mr. Blackmore: Many people are asking why so much of our Canadian ore is reported to be going into the United States to be processed there. Can the minister give a reason why that is so?

Mr. Howe: I will set my hon. friend's mind at rest on that. At the moment Canada is a net importer of ore. In other words, we bring in more ore than we export. That situation will change in a year or two, but I would not worry about it just yet. We have been heavily dependent upon the United States for iron ore since Canada installed its first steel plant, and we are still in that position. My hon. friend asks how much steel Canada would use if we had all the steel we could use. I do not know the answer to that, but this year we will produce about three and a quarter million tons of finished steel and import about a million and a quarter tons, or about four and a half million tons in all. If we had another half million tons I am sure we would use it.

Mr. Green: Have any steps been taken in recent months to establish a steel industry on the Pacific coast? We read about Consolidated using their iron tailings at Kimberley for that purpose and also the possibility of a plant being built on the lower mainland or on Vancouver island. Can the minister tell us whether there is actually any move on foot to establish a steel plant or plants on the coast?

Mr. Howe: My last advice from Consolidated Smelting is that the company is proceeding actively with the designing of a blast furnace to be carried on with its smelting operations. I have heard nothing directly about a steel plant on the west coast. My hon. friend will appreciate that the government does not build these things. An industry is built around a man with specialized skill

and driving ability. Until that man comes forward to actively take charge there will never be a steel industry anywhere. They just are not built by committees of chambers of commerce or boards of trade and I wish boards of trade would appreciate that and not bother me so much with general requests that the government do it. The government does not do anything.

Mr. Hansell: Before referring to the amount of this first vote on administration may I make a comment or two in respect to the observations made by the hon. member for Moose Jaw? He gave us a picture of the ratio of contracts between provinces. I think perhaps there is room for criticism but at the same time there is also room for commendation. A thing cannot be so lopsided that everything is bad and nothing is good. The hon. member compared the difference between contracts awarded in Saskatchewan and those of the Yukon Territory, and I think that there is an explanation forthcoming there. If it is left as it is, it would appear to be a ratio or comparison that is far beyond reason. There must be some reason for it.

Then the hon. member referred to a small contract given to a Saskatchewan contractor for work to be done in Alberta. Before he got through he indicated that perhaps the picture might savour of political patronage. Of course the answer to the fact that a Saskatchewan contractor got a contract for work in Alberta may be obvious. It may be that they could not find a Liberal in Alberta to whom they could give the contract.

An hon. Member: They do not grow them there.

Mr. Hansell: I think the minister should be asked a very pertinent question. I am not necessarily coming to the defence of the socialist government of Saskatchewan in asking this question because I think I am just as anxious to defeat the socialist government of Saskatchewan as the minister may be. So far as socialism is concerned, everyone knows my position. Nevertheless I think the minister should answer this question. If Saskatchewan is not getting what would appear to be its fair share of contracts, if Saskatchewan is left so far behind, I should like to ask the minister whether that picture would be materially changed if Mr. Tucker should come into power after the next election.

Some hon. Members: Oh, oh.

Mr. Hansell: I hear my friends saying "oh, oh." They have need to answer that question because I am quite certain that when an election is called Saskatchewan Liberals will say: You vote Liberal and you will get more contracts. If that is so, the time for the minister to make a pronouncement is now.