

Mr. BENNETT: He could not secure the raw material.

Mr. DUNNING: He accepted a contract without protecting himself with respect to raw materials.

Mr. BENNETT: He did what I suppose nine out of ten manufacturers do; they assume that they will be able to meet the situation with respect to orders as required. When he gave his orders, had they been filled he would have been all right; but they were not. Last year when I spoke on the budget I referred to the tariff board's report of October, and I also referred the other day to the question of sheets. I used the word "strips," but I am informed that technically that is not the proper word. I was talking about the continuous sheets used in automobile production. I did not know the situation until I was in Australia and when I came back I applied it to our conditions and found then what the position was. We are facing a reality which means a prohibition to this man if he has to pay twenty per cent plus three per cent as against his competitor who buys for five and no three per cent, and who by reason of his financial position is able to make arrangements which are denied the other person.

Mr. DUNNING: My right hon. friend knows, of course, that this is not the first time this has been asked for.

Mr. BENNETT: I am not familiar with what took place before.

Mr. DUNNING: I am fairly sure that—under circumstances not so extreme, I admit—similar application was made to my right hon. friend's government.

Mr. BENNETT: That was another matter. The information given to the minister just now is not quite accurate in that regard. Something else was involved, the question of the release of the United States Steel Company's sheets at Ojibway, and an arrangement was made, which the minister can ascertain, by which they were distributed under conditions that worked a hardship upon some people by reason of certain undertakings that were given not having been implemented. After 1932 it may be so; I have no recollection.

Mr. DUNNING: I can only say that in the representations made to me by those who are opposed—naturally, because of their own interest—to any action being taken, it was definitely indicated to me that representations made to my right hon. friend, or my predecessor perhaps, had been refused, and

[Mr. Dunning.]

always the Canadian demand had been met. Of course there never has been such an extreme situation as that now existing.

Mr. BENNETT: I think if the minister will look into it during the dinner recess he will find it had to do with the Ojibway accumulation of sheets.

Mr. DUNNING: Yes, that is a separate question, a different question.

Mr. BENNETT: After 1932 I can recall no question arising of there being an ample supply at all times, and the imports from England are shown. The Hamilton plant did not begin to produce the black sheets until 1932 or since. I remember that when we were framing this item in the tariff, production in quantity had not arisen, and the question of production in quantity had to be considered. I do recall, now that the minister mentions it, that Mr. Boyd of the Sarnia plant was in London at the time certain arrangements were being made in connection with these matters, and he had some trouble which arose largely out of the difficulty in adjusting the United States Steel supply of plates that were permitted to be sold under conditions probably based upon an erroneous appreciation of the circumstances. I daresay the minister knows the story. They had a large quantity of plates and the plates were to be galvanized and sold under certain conditions so as not to glut the market. It was said that advantage was taken of it, and those who had bought in good faith and paid the duty contended that they were entitled to rebate. The treasury board considered it, and my recollection of the conclusion reached is that they had made a case for adjustment, and an adjustment was made. I cannot speak with clear recollection of that, but I do recall the story and I recall the release of that large quantity of United States Steel black sheets from Ojibway. They were galvanized at Hamilton. The question of the effect that sale had upon the distribution by General Steel Wares on the one hand and a certain plant on the other was a matter that was pressed upon us, and they showed us exact figures of the result of the sale of those goods at a rate of duty which was not the rate provided for when they entered this country, because they came in as raw material to be manufactured, and that was not done. I do not think there was any case such as this.

Mr. DUNNING: There were certainly no circumstances similar to these which now prevail. I concede that at once.

In (p) and (q) there is no change.

Item agreed to.