

the war should come to a sudden end, the price of zinc would drop to 5 or 6 cents a pound, and that they would lose their investment in their plant. It was to guard them against that contingency that we promised this legislation. My hon. friend will see from the resolution that the operation of the measure is confined to the period between the conclusion of the war and July 31, 1917. They felt that if the war lasted as long as that they would make sufficient profit in the meantime to justify them in the establishment of their refineries. As a result of the action taken by the Government, the Shell Committee was enabled, on behalf of the Imperial Government, to enter into a contract with the Consolidated Mining and Smelting Company at Trail for 8,000 tons of zinc, at 15 cents a pound, to be produced at the rate of 25 tons per day. This was a reduction of 25 cents on the then prevailing price, with an option of a further 8,000 tons at 12½ cents a pound. The object, therefore, was to ensure the zinc producer of the continuation of price for such period as would justify him in establishing his plant.

Mr. NESBITT: Then they satisfied you that they could not produce spelter at 6 cents a pound?

Sir THOMAS WHITE: There is a very limited market in Canada for zinc and spelter, and with the expense of the electrolytic process it was quite clear that there was no chance whatever of their making a large investment for the purpose of going generally into zinc production unassisted by bounty legislation. In answer to my hon. friend from Assiniboia (Mr. Turriff), I may say that this legislation is of a temporary character. It arose out of a situation in which there was a real shortage of zinc in Canada. The larger question to which my hon. friend from Assiniboia and my hon. friend from Kootenay have referred is one of the most important in Canada; that is to say, the treatment in Canada of Canadian ores. It is by no means as simple a proposition as appears upon the surface, because many considerations enter into the question which are not obvious at first sight. One of them is touched upon by the hon. member for North Oxford. The question of tariffs also plays a certain part. It is perfectly plain, however, that since the outbreak of the war there has been a growing feeling in favour of the refining in Canada of Canadian ores, especially those products

which may be needed in time of war. I think that not only Canada but the Empire has come to realize as never before that situations may arise in which the nation that produces within its own borders the materials necessary in war times has a decided advantage in war. It is a question that will engage more and more the attention of the public and of legislators as time goes on. We are in the midst of war; our expenditures are very heavy, and they will increase, as I have stated on more than one occasion in this House. But the whole question of our mineral production and of the finishing in Canada of our mineral products is one that will engage my most earnest attention and the attention of the Government within the next year or two. It is clear that Canada has immense mineral resources, capable of almost unlimited development; and, so far as I am concerned, I shall certainly not be wanting, and I believe the Government will not be wanting, in giving consideration to a policy which will lead to the development of those resources.

Mr. NESBITT: The community that I represent are very strongly opposed to bounties—whether wisely or unwisely I would not like to say at the moment. If my hon. friend means by “the encouragement of production from raw material in Canada” that the Government are going into the bounty business again, I think he will find very keen opposition from the farming community of the country.

Resolution reported and concurred in.

Sir THOMAS WHITE thereupon moved for leave to introduce Bill No. 94, to provide for the payment of bounties on zinc produced from zinc ores mined in Canada.

Motion agreed to, and Bill read the first time.

SUPPLY.

The House in Committee of Supply, Mr. Rhodes in the Chair.

Prince Edward Island railway, \$613,100.

Mr. PUGSLEY: The hon. member for Kings, P.E.I. (Mr. Hughes) was obliged to leave by the train. He asked me to request the minister to allow this matter to stand.

Mr. REID: We usually have an understanding that one item should be allowed to stand, and that on that item the hon.