

Mr. STEVENS: The hon. member has made himself perfectly clear. In the first place, the passing or the non-passing of this agreement does not affect to the extent of one iota the present status of the Howe Sound Copper Mining Company. Let us have that clear.

Mr. MUNN: But they have to pay four cents per pound duty.

Mr. STEVENS: I will come to the four cents in a moment. It does not alter the status of the company one iota. The point my hon. friend is making, and for which I wish to thank him—because it is rather refreshing—is that the advantages of this agreement so far as copper is concerned are so valuable that if the Howe Sound Copper Mining Company finds itself unable to avail itself of them, its business in competition with other firms will be seriously affected.

There are two big producers in British Columbia, at Anyox and Howe Sound. I do not believe the Trail smelters are smelting much copper just now. At Anyox the copper is reduced to a blister copper condition. That mine will enjoy the full four-cent preference; it will have full enjoyment of the preference which my hon. friend has now assured us is of very great value, and for which information I thank him. They will receive the benefit because they ship that blister copper to Tacoma where it is refined, and it goes on to Great Britain. Under the British regulations copper treated in that way is admitted free. On the other hand the Howe Sound Copper Mining Company, which produces copper concentrates which in turn are shipped to Tacoma, and there smelted and refined, will not enjoy the benefits of the British regulations. Because they are not smelting in Canada they do not receive the benefit for which provision is made in the agreement. Let us have this clear: We are not in any way interfering with the business of the Howe Sound Copper Mining Company. The only point is that that company by its process of smelting its ores in Tacoma is unable to qualify for the preference.

Mr. MUNN: The minister is placing a duty, or asking Great Britain to place a duty, on their product. They are placed in that position. I am not criticizing, but I am asking whether it would not be possible to have the regulation changed so that they would not be penalized.

Mr. STEVENS: There are ways in which it could be done. For instance, the Howe Sound Copper Mining Company could have a smelter in British Columbia.

[Mr. Munn.]

Mr. MUNN: Why ask them to go to that expense at a time like this?

Mr. STEVENS: And, by the way, I think they ought to have had one in British Columbia years ago. I have always held that opinion, and stated it clearly. The hon. member who defeated me so vigorously will recall that he, I and others have taken the stand that the smelting should have been done in British Columbia.

Mr. EULER: What is the other way?

Mr. STEVENS: The other way is that they might make an arrangement with the Anyox smelters so that concentrates could be shipped to Anyox. I do not think the cost of shipment to Anyox would be much greater than shipment to Tacoma. The chief cost of moving the goods is in loading and unloading. I believe in one instance the distance would be about five hundred miles north, whereas in the other it would be about one hundred and sixty miles south.

At six o'clock the committee took recess.

### After Recess

The committee resumed at eight o'clock.

Mr. MUNN: Before recess I was speaking of the copper situation as it affects British Columbia, with especial reference to the Howe Sound Copper Mining Company, which is located in North Vancouver. So that I will not be misunderstood let me repeat that my question was whether it would be possible for this company to continue to have its concentrates refined in bond at Tacoma, where they have been refined for the last twenty years, and then get access to the British market under the preference. If that cannot be done it puts the company in this position: If they continue shipping to Tacoma, when the copper is sent to Great Britain it will have to pay the duty. This is the biggest copper mine in the British Empire. It might be said that they should build a smelter of their own. We should be very glad to see them do so; we hope that some day they will build a smelter, but we do not think it would be fair to ask them to undertake a capital expenditure of that magnitude at this time. I know the government want to help that industry, and I should like to know if it would be possible to extend to that company the privilege of having those concentrates smelted in Tacoma, and have the copper enter the British market under this preference.