

isolated cases where some benefits may arise, but generally speaking it is not going to help us any. Practically the only lumber which Great Britain buys from us in British Columbia are big timbers and clears and aeroplane spruce which they cannot get anywhere else in the world, and that is they are buying it from us. The freight on that to Great Britain is approximately \$14 a thousand, and as I said, they buy it from us because they cannot get it anywhere else. When we are producing that, we are producing at the same time a big percentage of low grade cuts that we cannot afford to ship to the old country and which we have to market in Canada or in the United States as we have been doing for many, many years. If we had a twenty per cent preference we might get some of that into Great Britain, but not with a ten per cent preference and a freight rate of approximately \$14 as against the freight rate from Scandinavian countries of \$7. There is a difference in favour of the Scandinavian countries of \$7, and I would say that we would have to get a preference of twenty per cent for our lumber to put us on an even keel with the Scandinavian countries with their \$7 freight rate. Our average price on lumber would be approximately \$30. That would leave an advantage to the Scandinavian countries of \$4 a thousand. It is a simple mathematical and geographical problem.

Mr. STEVENS: Will my hon. friend permit me a question? Is he aware that Great Britain figures its duty c.i.f. delivered?

Mr. MUNN: Yes.

Mr. STEVENS: With lumber at the very low price at which it is today, \$10 or \$12 or \$14 a thousand, and sometimes less, would that not give you an advantage of over twenty per cent even with the ten per cent preference?

Mr. NEILL: But the freight rate from Scandinavia is not \$14.

Mr. STEVENS: Quite true, but in Great Britain the duty is imposed on all the incidental charges, commissions, port dues, and so forth. I am not indulging in mere supposition because this is in the act. Subsection 1 of section 15 of the Import Duties Act reads:

The value of any imported goods for the purposes of this act shall be taken to be the price which an importer would give for the goods on a purchase in the open market if the goods were delivered to him at the port of importation, freight, insurance, commission and all other costs, charges and expenses incidental to the purchase and delivery at that port (except any duties of customs) having been paid, and duty shall be paid on that value as fixed by the commissioners.

That means that every conceivable charge including freight, insurance, commission and everything else is included when calculating the duty, which would make the preference approximately twenty per cent. It is rather disturbing, to say the least, that my hon. friend should make light of this preference and say it is worthless.

Mr. MUNN: It is a question of mathematics, of course, but even if the minister is correct—

Mr. STEVENS: I am correct, because that is the law.

Mr. MUNN: —it would make very little difference, only 70 cents, and instead of the advantage of the Scandinavian countries being \$4, it would be \$3.30.

I wanted to say a word or two about copper before six o'clock. In my riding we have the largest copper mine in the British Empire. If this agreement goes through, my opinion is that that copper mine is going to be put out of business until such time as they can build a smelter. At the present time they ship their concentrates to Tacoma, where they are refined. The Minister of Trade and Commerce is familiar with the situation, and if I am wrong I should like to be corrected. Unless the government can arrange that these concentrates can be refined in Tacoma in bond and the refined copper then shipped on to Great Britain and enter free of duty, this mine will be put out of business. If the material does not go forward in bond, it gets no preference. The difficulty, of course, could be overcome by building a smelter, but at a time like this the company should not be required to do that. My opinion, I repeat, is that unless it can be arranged that this stuff can be smelted at Tacoma and sent on in bond to Great Britain the mine will be put out of business, and it is one of the biggest copper mines in the world.

Mr. STEVENS: The hon. member suggests we are by this agreement putting the Howe Sound Copper Mining Company out of business.

Mr. MACKENZIE (Vancouver): He did not say that.

Mr. MUNN: That would be so if they did not have the privilege of having it shipped.

Mr. STEVENS: That is, if this agreement goes through as it is, we are putting the Howe Sound Copper Mining Company out of business.

Mr. MUNN: Absolutely.