

country, as he believed in the interest of the country, whatever other people may think. He was a conscientious worker and a firm believer in Newfoundland, and I don't think I can add

much now to what our friend Major Cashin has so eloquently expressed. I have much pleasure in seconding that resolution.

*[The motion carried]*

### Report of the Mining Committee:<sup>1</sup>

#### Committee of the Whole

**Mr. Higgins** Mr. Chairman, before we go into the discussion of the report proper I want to draw your attention to a report I only received a short time ago, with respect to the Hamilton River, and in particular to the Muskrat Falls. This is a report which was made by a qualified engineer in 1909.... That falls, which this report says is able to develop 1,100,000 horsepower, is now controlled by the Royal Bank of Canada at a rental of \$30 per year. The Muskrat is below the Grand Falls<sup>2</sup> on the same river, is that right Mr. Burry?

**Mr. Burry** That is right, I know it very, very well....

**Mr. Smallwood** Has the company the right to apply for water-power from that falls as well as the Grand Falls?

**Mr. Higgins** Well, they might make a dicker with the Royal Bank of Canada, because they have the use of it for \$30 per year.

**Mr. Bailey** How come they have it?

**Mr. Higgins** The concession to the Muskrat Falls was originally held by the Dickie Co., which was a lumber company, and they owed money to the Royal Bank, and when they went into liquidation the bank took it over. I think that's correct.

**Mr. Chairman** That is correct.

**Mr. Smallwood** Do you happen to know the terms and conditions of the Dickie lease which the Royal Bank now owns?

**Mr. Butt** 99 years from 1901, according to this.

**Mr. Higgins** Well, that's practically as good as the Americans in Fort Pepperell.<sup>3</sup>

**Mr. Smallwood** Would Mr. Higgins explain to us what possible bearing, if any, the existence of the Muskrat Falls might have on this 1944 or 1938 act?<sup>4</sup>

**Mr. Higgins** Well, the only difference would be that if the company required extra power, other than the power from Grand Falls, they would make a dicker with the Royal Bank of Canada, and the government would get no more than the \$30 per year, no matter what the Royal Bank got.

**Mr. Smallwood** But could they side-step the Grand Falls altogether and make a deal with the bank to give them all the power they want at something less than what they are paying the government?

**Mr. Higgins** Oh yes, they could.

**Mr. Smallwood** It is only three miles below?

**Mr. Burry** No, it is 150 miles.

**Mr. Higgins** The greatest distance that you can transport power economically is 500 miles.

**Mr. Smallwood** Well, the cost of putting in transmission lines for 150 miles would just about mean that you can forget it.

**Mr. Higgins** The Royal Bank of Canada will very likely give it back to the government as a gift, you know!

**Mr. Job** There was a probability of establishing a pulp mill there, and sawmills, and it was in connection with that that this particular report was made. It has no connection with the Grand Falls project. It will be valuable some day for lumber and pulpwood.

**Mr. Higgins** It may be valuable for some other company operating some other project.

**Mr. Burry** The value is in any possible development in timber and pulp and paper mills; it is in the center of a rich area of timber in that part of Labrador....

**Mr. Fowler** As a member of the Mining Committee I rise not to criticise the report but to review briefly some of the facts and statistics

<sup>1</sup>Volume II:313.

<sup>2</sup>Now Churchill Falls.

<sup>3</sup>The US military base in St. John's.

<sup>4</sup>An Act for the Confirmation of an Agreement Between the Government and Labrador Mining and Exploration Company, Limited, 2 Geo. VI, c40, 1938. An Act further to Amend the Act No. 41 of 1938 Entitled "An Act for the Confirmation of an Agreement Between the Government and Labrador Mining and Exploration Company, Limited," 8 Geo. VI, c47, 1944.