

miners. Consequent upon this a townsite will be built of more than 25,000 souls. To compare this with any other undertaking in this country would be like trying to explain a costly modern motor car by talking about, or describing a wheelbarrow. If the mines are worked some \$125 million must be expended, and that is a lot of money. To use Mr. Smallwood's superlative, "a monumental sum". I take it we all need money, we would like to have more money, even my good friend and fellow Bonavistonian, Rev. Burry. Can you assume then that a corporation which puts in distribution in this country hundreds of millions of dollars isn't a nice thing to have around? Now, I am going to base my next statement on the predication that this Labrador Mining corporation will make some profits. Assuming that they do, 40% of such profits will accrue to the benefit of the Newfoundland treasury. Of course we might be pessimistic, as some implied yesterday, and darkly hint that some very astute chartered accountants could doctor those ledgers so that there won't be any net profits to collect that 5% on. This, we must not forget, would be rather regrettable for our local shareholders. Their objective like yours and mine, is to make profits. No corporation, no company, can long operate if it had to operate at a loss, and I cannot subscribe to the opinion that the Labrador Mining and Exploration, with a proposed expenditure in the hundreds of millions, predicts an annual operating deficit. It is perhaps a little strange that none of us seems to have thought of this vast mine, this almost inexhaustable source of mineral wealth, as something that has been lying dormant for ages. Not one cent ever came out of it prior to 1938, but now that men of vision are willing to gamble millions to explore and develop it, and to set the wheels of industry in motion to wrest from the vastness of the Labrador continent this great wealth, we set up a howl, we shout, "Watch those wolves fleece us, watch them steal our birthright, watch them engage wily accountancy experts to diddle the profits." Some of our criticism, even if it appears logical, is, to say the least, unfair, for we must appreciate that in exploratory work of a highly speculative nature big corporations do expect some reasonable concessions, and in every highly industrialised country in the world,

particularly in the United States, concessions have been the order of the day. Perhaps we have been a bit too cautious, and thus have overlooked the mighty impact that the future development of this Labrador potential will have upon the economy of our country. Maybe my friend Mr. Hollett is right, that under the circumstances we might have done a little better; but let's be honest, it's going to mean more to us than the value of a peppercorn, and if only a part of the huge possibilities are realised, most of us here will agree that the Labrador Mining company's agreement was not so bad after all. Yes, let's call the play as we find it, and with the Newfoundlander's natural aversion to appreciate the good intentions of any big corporation,¹ let us face the facts squarely and admit that if this huge proposed development materialises it augurs well indeed for the future of Newfoundland.

Mr. Chairman, before I close I would pay a tribute to Mr. Claude Howse. His name has been used quite frequently in this debate. Mr. Howse is doing a big job aiding the development of Newfoundland. If I may be personal for a moment, I might add that right in my home town today, there are five diamond drill runners, young men, expert in their line, all trained under Mr. Howse, and five of them are now awaiting orders to go up to Labrador as part of a field staff to do the exploratory work. They're paid \$1.30 per hour. Newfoundland looks to men like Claude Howse, well might Mr. Higgins say we owe him much.

The mining report in general is a good one.... It embodies a bulk of information on mineral resources that some of us never even heard of before. A lot of this may be speculative but the possibility of future mineral development walks like a brightening ghost. I sincerely compliment Mr. Higgins, and all the members of this Committee....

Mr. Northcott I'm not so sure the concessions are so fine. This is where the shoe pinches. It's been give, give, give and no get all down through the ages as far as I'm concerned, and as far as all past governments are concerned. You'll remember some two months ago in *Magazine Digest* there was an article in connection with the iron ore in Labrador and how important it was.

¹The following section was taken from the recording of the proceedings.