

Mr. Ashbourne Thank you for that information. I am glad to see that they are paying such a large amount into the income tax, and I would like to know and feel that there are a good many other mines in Newfoundland that can produce the wealth that Buchans has produced. Whether or not we have these mines I do not know, but I know that I stood on my feet 20 years ago when this company's bill went through the House,¹ and I believe they were looking for 20 years free customs duty, is that right? Were they given that?

Mr. Higgins I don't think so. They did have a special rate, but I can't tell you what it is.

Mr. Ashbourne I understand that they did have it for 20 years free.

Mr. Higgins I believe there were provisions in the Crown Lands Act of 1930. There may be special provisions for Buchans, I don't know, do you Mr. Hollett?

Mr. Hollett The title to the Buchans mine comes from the 1905 act, and the duty rates are defined in that act.

Mr. Ashbourne As my memory serves me they were looking for exemption for 20 years from that time. The argument put up was that they did not know exactly how much ore was there, but it seemed to be limited. My argument is that if we have mines in this country of good grade ore, gold and other things, they have to be prepared to pay a higher rate of tax than a mine of a doubtful nature. The answer given me was that I should not "balk" a certain company. I agree with Mr. Smallwood that this has been a very rich mine, and I realise that they have paid out a lot of money, but the question is, has the country reaped the benefit that it should from its natural resources? We have these assets, we know that every ton of ore taken out of the country is one ton less, and we have to be careful, and our governments have to be very careful when they give such sweeping terms and leases of millions of acres of land to any company. That's a point we want to try and stress and impress upon any government that takes power in this country. They are dealing with the natural resources and assets of Newfoundland, and, whilst it is only right that these companies that put their capital there should have a just return, yet the mineral that's in the earth belongs to Newfoundland and that is where we, as Newfoundland people, want to see that our

interests are safeguarded, and as regards granting exemptions and certain other concessions, we should know that they are justified when we come to do it.

Mr. Cashin Mr. Chairman, in connection with this nine months duty of \$51,000, I wonder if Mr. Higgins could tell us whether they were informed as to whether or not the government for the past 12 months ever gave a rebate of duty on chemicals to the Buchans Mining Co.?

Mr. Higgins I can't tell you Major Cashin, but I have been informed that negotiations were going on between the Buchans Mining Co. and the government. I presume it must be something in connection with duties, but the Committee was not informed that I remember.

Mr. Cashin As a matter of fact the government did give them a concession on their chemicals of \$75,000.

Mr. Smallwood Now we are getting somewhere. I think it is completely outrageous. When I look at the burden that customs duty and taxation generally constitute to some of our local industries, and I don't mean local manufacturers now but the fishermen and the seal hunters, when I think of the burden of taxation on our own Newfoundland industries and discover after all this talk of mine that on top of all that that they are allowed scot-free \$75,000 customs revenue, it is utterly scandalous.

I have just discovered this here now in "E": "Customs Duty ... total ... \$28 million." But in the very next column: "Total paid to the Newfoundland government and to others: \$40 million." What would that be?

Mr. Hollett Add the seventh column, payments made to the Newfoundland government, which is the payment made to others, and you get \$40 million.

Mr. Smallwood I see, yes. The total of the first five columns. \$11 million, I don't even like that heading, it was not paid to the Newfoundland government.

Mr. Higgins Well, they got it.

Mr. Smallwood No, \$6.5 million of that was paid to the Railway for services rendered.

Mr. Higgins Well, is that not the government?

Mr. Smallwood No. They are only a common carrier. The government had to pay the deficit of the Railway because the Buchans Mining

¹Volume II:318.