

Newfoundland

Mr. Abbott: The dominion government is not bound by the terms of any contracts entered into between the government of Newfoundland and the railway company to which my hon. friend has referred, although it may have secured its charter from this house.

Mr. St. Laurent: I think I might add that the Newfoundland delegation gave us a list of all companies that had any such privileges. The railway company referred to by the hon. member is not in that list. There are in the list the Labrador Mining Company and the Labrador Railway Company, but only with respect to exemption from duties on articles imported for the construction of their physical plants.

Mr. Knowles: Can we be supplied with those lists? Can they be placed on *Hansard* tomorrow?

Mr. St. Laurent: The list of the companies that were mentioned to us as having obtained certain concessions in the past?

Mr. Knowles: Right.

Mr. St. Laurent: I will have a list made.

Mr. Coldwell: And what those concessions were, because the point I have in my mind is that Newfoundland is a country which will require some assistance from Canada. That is obvious from this agreement. It is also obvious from the agreement that its recovery may be somewhat prolonged. If a very large number of corporations are relieved of a portion of the corporation income tax, which is not to be levied by Newfoundland, of course that is a matter of concern to this parliament, and I think we should know what we are doing in this regard. If my information is correct, some corporations have made agreements with previous Newfoundland governments under which they pay practically no taxes whatever. That brings up two points: first, the aid they will have to get from this parliament, and second the position it places them vis-à-vis our own similar corporations, if there are any in Canada. That is the point.

Mr. Abbott: I repeat that we are perfectly free to collect from the corporations to which my hon. friend refers exactly the same amount of taxes we collect from any other corporations; and if Newfoundland makes a tax agreement it will receive exactly the same amount. As my hon. friend himself indicated, if we saw fit we could ask the seven provinces to repeal this five per cent tax, and I may say there would be some advantages in doing that. It was put on solely and for no other reason than to prevent taxpayers in other provinces being prejudiced as a result of the arrangements

made with seven provinces in which there would be no provincial corporation tax; and in the two presently non-concurring provinces we allow a deduction from corporation taxes of up to five per cent. It is beyond the bounds of possibility that in a rearrangement of the position it might be desirable to have uniformity, but that is a matter which would have to be considered in due course. This provision cannot prejudice in any way either the province of Newfoundland or the Dominion of Canada unless this parliament should see fit to do so.

Section agreed to.

Sections 28 to 30 inclusive agreed to.

On section 31—*Public services, works and property.*

Mr. Knowles: It was suggested that I might ask my questions in reference to the Quebec, North Shore and Labrador Railway Company under section 31, since it mentions the Newfoundland railway and other undertakings similar thereto. I should like to ask what is the effect, both legal and practical, of the adoption of these terms of union on the provisions of chapter 80 of the statutes of 1947. That was the act which incorporated the Quebec, North Shore and Labrador Railway Company. That act gave the company pretty wide powers, rights and privileges. It can build a railway right up to the border of Labrador and, if it secured permission from Newfoundland, could go on into Labrador. In addition to the right to build a railway it was given certain other associated rights, such as the right to develop electric and other kinds of power; the right to set up a telegraph and telephone system, to operate steamships, wharves, docks, hotels, parks, motorcars, pipe lines for the transportation of oil, gas and so on. All told, the powers given that company in 1947 are quite extensive. In addition, when one realizes that the purpose of this railway is to tap an area extremely rich in a great natural resource, namely iron, it becomes readily apparent that the interests connected with this railway are given quite an entree into the development and exploitation of that wealth.

In the act we passed in 1947 there was this concluding section:

20. The works and undertakings of the company are hereby declared to be for the general advantage of Canada.

That would seem to make the whole operation of that company, at least as far as Canada stood then, a federal matter. It seems to me that, when Newfoundland becomes a part of Canada, that section overrides any necessity on the part of the company to secure permission from Newfoundland to extend its