

To tie up that great potential asset at this time for a fee of 15 cent per kilowatt hour cannot be regarded as in the best interests of Newfoundland, more especially when that great water-power may be used to develop the Quebec side of the Labrador boundary, giving Newfoundland benefit through labour returns only. It is my belief that the delegates of the National Convention should register protest, or demand the agreement be re-written or changed so as to protect Newfoundland in greater measure.

**Mr. Fudge** Going back to the 15 cents per horsepower, if my memory serves me correct, on Wednesday one of the delegates and a member of the Committee, the representative for Labrador, said when the question was put to him, that the Commission of Government did not want to commit themselves.

**Mr. Higgins** I must disagree with you there. Another member of the Convention made that statement.

**Mr. Fudge** He replied. I realised some of the solicitors putting through the deals were Newfoundlanders and I was a bit sore; but after hearing that, we will have to pat him on the back, because if the Commission did not know what to charge, the solicitors would have said 5 cents a horsepower.

**Mr. Higgins** We have nothing to show that the

Commission did not know what price to fix.

**Mr. Hollett** I did not intend to have anything to say on this. I appreciate the point brought out by Mr. Hickman, Mr. Job and Mr. Smallwood, that the Mining Committee are not all as one on certain particular sections. Some of us realise the act is not so hot as far as Newfoundland is concerned. We may be wrong. We are trying to find out. We ought to have no further debate until the chairman of the Mining Committee is prepared to bring in a supplementary report. I appreciate the point brought out by Mr. Hickman: if we have made a bad deal so far, and any water-power they want is to be exported, and we have to issue a permit for the railway, there may be something to save out of the wreck.

**Mr. Miller** I agree with Mr. Hollett's remarks. Maybe we can do justice to this after we get the minutes of the meeting. It is well for every man in this house to be thoroughly acquainted with it all. This 10 cents per ton is objected to, and the company hopes to pay Newfoundland substantially well! I will give you a comparison: up to recently the Newfoundland fishermen were charged an export tax of \$10 per ton on codfish. How does it compare with 10 cents on iron ore? *[The committee rose and reported progress, and the Convention adjourned]*

April 21, 1947

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

**Mr. Higgins** I propose at this time to give you a picture of the territory that these particular acts<sup>2</sup> refer to, and with which the second part of our report deals. As you realise, in the introduction to the railway bill by Mr. Hugessen of Quebec,<sup>3</sup> he gave a picture of that area. With your permission I was going to ask our own senator from Labrador who was in that area, who was over Grand Falls and into the mines, if he would give us an account of the area as he knows it, and any other comments he would care to give us, so we would be in a better position to understand it.

**Mr. Burry** ....There are one or two comments I would like to make before giving that word picture. With the rest of the Committee, I took a serious view of the change that was made from 10 cents per ton royalty to 5% of the net income. We thought with 10 cents royalty we would certainly get a considerable amount. We found they changed to 5% of net profits, and there are so many suspicions of how big companies have a way of manipulating their profits to avoid taxes. We thought the 5% of the net profits they would declare would not give us much revenue.

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

<sup>2</sup>Refers to: 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 Between the Government and Labrador Mining and Exploration Company, Ltd, 8 Geo. VI c47 (1944).

<sup>3</sup>An Act to Incorporate Quebec North Shore and Labrador Railway Company, 11 Geo. VI c80 (1947).