

power, would Mr. Higgins be able to tell us about the scope and cost of the survey which the government intends to make here, having this engineer come in for a short time?

Mr. Higgins I am afraid the Mining Committee knows very little as to the scope of his work. I assume he is not far enough advanced to tell us what he proposes to do, but from what little information we have, he is going to assess the horsepower of each of the rivers in Newfoundland, whether they are granted or ungranted.

Mr. Ashbourne Do you know the cost?

Mr. Higgins No. He is on a regular salary, and I presume whatever help he is going to require, plus his salary, will be the cost.

Mr. Ashbourne I think it is a very pertinent question.

Mr. Higgins I agree with you, and as you know from our report, we comment that we approve of such an appointment, and we think it should have been made many years ago. Unfortunately, practically all the water-power in the country has been given away, and in a good many cases for that very valuable article, a peppercorn, whatever that is.

Mr. Hollett Do I understand that the counsel for the plaintiff lost the case or won it? Some person owning property sued the Housing Corporation for expropriating their property?

Mr. Higgins Yes, they were suing the Housing Corporation on the grounds that they no powers to expropriate their land. Judgement was given against the plaintiff.

Mr. Smallwood On the grounds that the plaintiff was local and not foreign?

Mr. Higgins That does not come into it. The judge ruled that the act had been properly negotiated and the assent of the Secretary of State had been obtained....

Mr. Higgins Is that all on that particular point? If so, we will go on to the next part of the report.

There is one section of the Mining Report that we started the other day, with respect to the Committee's findings on the question of the change in the 1938 act and the 1944 act.¹ The explanation that was given us for the change in

the 10 cents per ton of iron ore to the present arrangement under the 1944 act of 5% of the net proceeds. Now you will note the comment of the Committee on page 5 with respect to that explanation, and so that there will be no doubt I would like to read that. "Iron ore is the cheapest metal commodity in the world ... ore deposits on the Quebec side of the border." The Committee's comment on that explanation was this: "Your Committee does not find itself in a position to accept this explanation, as we are of the opinion that even though the company operating the iron ore deposits may not be actually showing a substantial profit, the parent company, that is, the steel manufacturing company, is actually making real profit. As far as we can gather, the companies operating the deposits are merely holding companies of some large steel manufacturing corporations."² With respect to that comment of the Mining Committee, I have to inform you that the members of the Committee are not in full agreement, consequently it was decided that they should bring up the matter and, having heard all the comments and the reasons, you could either order that section deleted or otherwise. However, we are not able to go into the full argument on that right now. When this section was put in we did not have the Quebec act, which is before you now. This morning, we had a meeting with the solicitor of the company, Mr. Eric Cook, K.C., Mr. Claude Howse and Mr. George Allen. I want to have the minutes of that meeting before I debate this particular aspect. I would suggest that we let it stand at that point till I get the minutes, and in the meantime the Secretary will continue reading the report, if that's satisfactory to the members.

Mr. Chairman Is that satisfactory, gentlemen?
[The Secretary continued reading the report]

Mr. Higgins Gentlemen, at that point I would suggest to you that we might read the speech of Hon. Mr. Hugessen, who introduced the bill for that railway in the Canadian Senate. I understand it has been passed now.

[The Secretary read the Labrador Railway bill attached to the report³]

¹An 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," 8 Geo. VI c47 (1944).

²Volume II:355. Most of this sentence was deleted in the final report.

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