

Mr. Smallwood I know it is a lot to do, but essentially all they did was this: put some capital to work, enough to hire men and to open the mine and build the plant in which to separate the ores. That's all they did. You can put quotations around "all" if you like, but the point is that that mineral was one of the things that God put in the country when he made it, and he put it there for us, the people of Newfoundland, not for outsiders. It is just a case of digging down into the earth and getting it and selling it. The day comes when there is no more to take out, and the asset is gone, and the net result of it all is that ten years from now we may look back with a thrill to recognise that we had at Buchans a wonderful piece of wealth, that was put there when the country was made; and a foreign company came in, because we did not have the capital, and was given the right to mine it, and, having been there from 1927 to 1957, they cleaned up something in the nature of \$25-30 million and went off, and there is no asset left. That's the hard thing about a mine.

Mr. Higgins Does not that happen everywhere?

Mr. Smallwood Yes, with this big difference, that the capital to develop the mine is usually in the country, but these profits do not remain in the country.

Mr. Higgins Take Canada, does not a great deal of the capital coming into their mining concerns come from the States?

Mr. Smallwood Well, it did. The point I am trying to get at is this: the Mining Committee is merely stating the facts, and it is not your fault or the Convention's fault....

Mr. Higgins Thank you very much for that!

Mr. Smallwood But it is the old, old story of a corporation coming into the country and being given concessions out of which they clean up; well, here's one company that's cleaned up \$18.5 million.

Mr. Higgins That's two companies, Mr. Smallwood.

Mr. Smallwood Well it's all the one mine. If they want to split up into two outfits that's their business. They have cleaned up \$18.5 million. Have you a table showing the total taxes they have paid to the government?

Mr. Higgins In "E", Mr. Smallwood.

Mr. Smallwood Customs duties, I don't mind at all, \$2.25 million.

Mr. Higgins Income tax, there you will see.

Mr. Smallwood Yes, I am coming to that. They have paid \$2.25 million in custom duties, but that is identical with what any company does. I am referring to the principle of it. If you start a sawmill in White Bay you have to pay customs duties on certain materials that you have to use in that sawmill. They are not doing us any favour, they are just on a par with every sawmill.

Mr. Higgins Well, it might have happened that they could have had free entry.

Mr. Smallwood That would be that much worse. We will take income tax. I take it they pay the regular rates?

Mr. Higgins As far as we know.

Mr. Smallwood I believe it is so. The amount upon which they pay it may be according to agreement, but once the amount is determined they pay the normal amount of income tax.

Mr. Higgins You have to admit the fairness of Buchans, they have given us a full disclosure of all their figures.

Mr. Smallwood I understand that. They were very decent in giving us these figures. They have turned in \$5.25 million for the movement of concentrates. While it is perfectly true that this money came to the Railway, therefore the government, nevertheless it is not money for nothing — they got good service. You can't call that taxes.

Mr. Higgins But it is money we would not have had otherwise.

Mr. Smallwood Oh yes, but we have been blinded by that fact all our lives.

Mr. Higgins Pity we were not blinded a little more in that case. As far as the Mining Committee is concerned, we realise it is a wonderful hole in the ground at Buchans. We feel that mining is a gamble in every way, and they were entitled to the profit they got.

Mr. Smallwood This does seem as if you were defending the Buchans Mining Company.

Mr. Higgins Well I am not defending Buchans, but the profits. I am not going to get into an argument on it.

Mr. Smallwood Let me pass on. They got value for what they paid in for freight and express. In fact this was brought out in the Report on Transportation and Communications. They got a lot of their freight hauled by the Railway at rates which were a lot lower than they should have