

Finance, from the knowledge he could get from the Government of Quebec and the Dominion of Canada, easily find out ... what profits that company is making? Have they not got to declare dividends? Won't the shareholders demand dividends? I am doubtful if they can hide them. I imagine Major Cashin would be the first to tell me that these shares will be quoted on the stock exchange, and will be as familiar to the investing public as United States Steel or any other great corporation. The full spotlight of publicity will be playing on that company, because there will be maybe tens of thousands, or maybe hundreds of thousands of shareholders wanting to know what profits they are making. Well, if everyone knows it, surely the Government of Newfoundland will know what profits they are making....

There is one thing that gives me worry. It has not come up today or at any time. Is there any guarantee that this town of 35,000 souls will be on Newfoundland soil? Two mines will be worked together, it is all one mine. If you can work those two mines as one mine, then certainly you can have the town on the Quebec side as easily as on the Newfoundland side. Apart from the 15 cents per horsepower royalty, if we can get the town in Newfoundland and not in Canada, and could increase the royalty per horsepower above 15 cents, then it seems to me it would be a very fine deal for Newfoundland.

Somebody said here that I was trying for the sake of confederation to make out that Newfoundland did not have a good future. In reply I will say this, that on account of a number of things — the fact that this man Timmins is associated with Hanna — I have heard of him, he made and unmade presidents in the United States — you have these two very big men — for that reason and for the reason that the iron mines of the United States are running out, and for the reason it is going to take one quarter of a billion dollars to develop, I am convinced that this mine in Labrador is one of the biggest things that ever struck this country — utterly monumental. There is another thing about it. It is a local company, a Newfoundland company, registered in Newfoundland subject to the laws of Newfoundland. They are going to tie up in Newfoundland \$125 million. That \$125 million will not be here in bonds, shares, cash or bank notes. They cannot

slip it across the border. That \$125 million will be down there in the form of a railway, a town of 35,000 (almost as big as St. John's), many buildings and mining machinery — a property making four or five of Bell Island. Is not that some security to Newfoundland? Some security to the Government of Newfoundland? We have them by the short hair if they tie up \$125 million in our territory. I do not see how they can crawl out without paying the taxes.

There is another side to it. I was wondering whether we could get back the water-powers. Suppose you had an elected parliament, whether under confederation or on our own, that House of Assembly is sovereign and supreme; suppose this country was not satisfied with the Bowater contract, or if you like AND, or Bell Island or Buchans; suppose they felt the government was not getting enough taxes out of those corporations; am I far wrong when I say what parliament makes it can unmake? What it does today it can undo tomorrow? Its law is supreme when it writes it, and passes it in the regular way. It could, if it liked, nationalise Bowaters tomorrow, buy them out and make them a government proposition in the same way that the government of England is taking over the mines in England.

Mr. Higgins With this exception, I would say. It is true what parliament makes it can unmake, but we must regard this as a binding agreement. If we did what you suggest, it would be extraordinary if people would do business with us again.

Mr. Smallwood I am talking of the ability of parliament to do it. Naturally they would have to consider the consequences that would follow from its action. If it is true of Bowaters, AND, Buchans, St. Lawrence and Bell Island, is it not also true of Labrador? Would not that company in Labrador have that hanging over their heads — especially if I have anything to do with the future government of Newfoundland — a warning to be on their best behaviour, with the possibility that Newfoundland might step in? They may have more reason to be scared than you are willing to admit. I am fed up with the way this country has handled those foreign corporations.

What this Convention has to decide is this: what are the chances of Newfoundland people having a decent living? What are the chances of the Government of Newfoundland balancing its budget? As far as this report is concerned we have