

markets, and it looks to me as if the value of the Buchans mining output will be greatly increased, and this will no doubt add to our national income. **Mr. Higgins** I may say Mr. Jackman, on that point, I have some figures here that were given by Mr. W. E. Ralph, Director of the Geological Survey, and he gives an estimate of the lifetime reserve of the various metals in the USA last year, and for lead he says, "Based on present government reserves and the present rate of consumption, they only have reserves for four years at the present time." That's four years of normal use. I understand, in fact I know, that the Buchans Mining Co. has signed an operation agreement with the company syndicate that has the ownership of La Manche to begin exploration immediately, and they are actually there exploring at the present time. There is a section on La Manche here, and they are hoping to go into production in the present year.

Mr. Harrington Before you pass on from this section, on page 4 there is a list of expenditures of the Geological Survey. I was just adding up the figures, and it comes to about \$400,000, and over a 13 year period it comes to about \$30,000 a year. I am wondering if the Committee thought that was a reasonable sum.

Mr. Higgins As far as I remember the Committee does say that they would like to see the amount increased, and the Geological Survey increased as a whole. We think it is high time that we had our minerals thoroughly classified and evaluated.

[The Secretary read sections of the report and Mr. Higgins answered questions on points of detail]

Mr. Smallwood Before you pass on from Buchans, what I am a little nervous about is that as you read over each section there may not be an opportunity to come back to them. I know that theoretically there is, but practically there may not be. This Table III, compiled by Mr. Hollett I believe, follows page 12.

Mr. Higgins Yes, that was Mr. Hollett's idea.

Mr. Smallwood It is a splendid idea. I would like to make this point. This table in the first column for each year shows the total revenue of the Government of Newfoundland, and further over in the table there is a column showing the estimated amount of that total revenue that came

into the country on account of Buchans, and the final figure shows the percentage it bears to the total amount. If that were done on the same basis exactly for Bell Island and for the AND Co. and Bowaters and a considerable number of other large companies and corporations and work out the percentage, I have the feeling that upon this same basis you would find that 70 or 80 % of the revenue that the government receives each year is paid by those eight or ten large corporations. Now if so, it would be an entirely misleading table if it were compiled for a large number of companies, because, as a matter of fact, the revenue is received mainly from the people of Newfoundland and not from eight or ten companies or corporations.

Mr. Higgins We don't claim that.

Mr. Smallwood No, it is because the company is operating.

Mr. Higgins In other words that money would not be there except for Buchans.

Mr. Smallwood That raises the other point I want to make. I found myself running into this very danger when I was reading this table — a sort of comfortable feeling that the Buchans Mining Co. was paying a good fat slice of taxes to the government, whereas in actual fact they are not doing any such thing.

Mr. Higgins I don't see where you get that idea.

Mr. Smallwood No, the table does not say so, but the general impression I got from this table in particular was a comfortable feeling that somehow or another, with such grand enterprises out there, and the government getting as a result of it over 7.5% of the revenue, almost a tenth of the whole revenue, Buchans must contribute a lot of money to the revenue. That is through thinking of Buchans as an operation, but thinking of the Buchans Mining Co. and of the Terra Nova Properties Ltd.¹ as companies, it is rather startling. You see here they have made \$18 million since they have been operating.

Mr. Higgins "Total net profits over the said 20 years were close to \$18,672,240." By the way these figures we ascertained from the facts we had.

Mr. Smallwood You worked them out?

Mr. Higgins Yes.

Mr. Smallwood How far does that go, to the end of 1946?

Mr. Higgins Yes.

¹A subsidiary of the Anglo-Newfoundland Development Company.