

been, and since we brought that out these rates were increased. They got good value for the \$5.25 million they paid the Railway and the \$1.1 million. I don't think we have anything to thank the company for whatever. What you have got left is royalty. All these come to a lot of money, it is perfectly true, but the duty is the perfectly normal thing that any company pays, and also the income tax, and the freights, etc., they paid the Railway are subnormal. Well the rest is royalty, and what is it? Less than \$1 million from 1927 to 1946, \$933,000, call it a million in all the years they have been operating. \$1 million out of a profit of \$18 million! Of course we are pleased that we did get that \$2.5 million for customs duty, and that \$2 million income tax, and the money that the Railway got, the \$5.25 million and \$1 million for freights, a total of nearly \$12 million in those years, that's fine.

Mr. Jackman What did labour get?

Mr. Smallwood \$15.25 million, that is salaries amounted to \$2 million, and they spent on lumber and mine timber nearly \$2 million, and other supplies within the country \$3 million, and they paid to the AND Co. \$5.5 million, mostly for labourhandling concentrates, etc. That would be in Botwood would it?

Mr. Higgins Yes. That AND Co. handling concentrates is mostly longshore work.

Mr. Smallwood That is a total of \$40 million since they have come in, that they paid out. That's splendid, and I am not complaining or anything of that nature. The point I am making is that out of a total of \$40 million they have paid to the government less than \$1 million, if you exclude income tax and custom duties. Now I would like very much if Mr. Higgins, the convenor of this Committee, a lawyer and a King's Counsel, and a member of this Convention, and who is trying to figure what the future income of the country and the future income of the Government of Newfoundland is likely to be, I wonder if Mr. Higgins, with his specialised knowledge, could tell us what chance is there of getting more royalty or special tax out of them, since they are taking the last bit of mineral we have in the world in that part of the country? What can we hook out of them? What stands in the way of hooking more out of them? If they have made \$18 million profit I am not inclined to turn handsprings of joy, I want to know what we can do to get more out of

them.

Mr. Higgins I don't like to give legal information in this matter, but, as you will note, there is a written agreement between the company and the government, and you know the difficulty in breaking a written agreement. You can do it, the government can do anything it wants, but I think it extremely unlikely; it would not be in keeping with governmental policy for a government to break a written agreement if the conditions are being carried out by the other party. We realise that the company is making a very good profit, and we consider that the Buchans Mining Co. are probably more entitled to it than the other party to the agreement, and the other party to the agreement got the land.

Mr. Smallwood What other party?

Mr. Higgins The Terra Nova Properties Ltd. It's been a very fine deal for the Buchans Mining Co., but, as they told us, they themselves spent a certain amount of money before Buchans came into the picture at all, and they consider themselves that they should be repaid with interest.

Mr. Smallwood You think, then, that the government can't get any more out of them?

Mr. Higgins I would not like to give it as a definite ruling, but that would be my opinion.

Mr. Smallwood I wonder could we get an opinion from the Chairman?

Mr. Chairman The Chairman has to be completely impartial.

Mr. Ashbourne I would like to have some information on Appendix E. In 1945 the duties paid were \$137,611.72, and for the nine months of 1946, I don't know if that's an estimate or the exact figures, \$51,000?

Mr. Higgins We are given to understand these are the exact figures.

Mr. Ashbourne That's quite a drop, although I know one period was for a year and the other for nine months.

Mr. Higgins The whole table was supplied by Mr. Thomas, and I am afraid I can't enlarge on it.

Mr. Hollett The impression I have is that the Company found it practically impossible to get the necessary parts to keep up the mine, and they went to work and made them themselves. That column for nine months is estimated, but we have been assured that the column under income tax from the Buchans Mining Company for 1946 will go very much over \$500,000.