

either by Newfoundland Light and Power or United Towns¹ of \$1,000; it was paid one year, and the decline was next year.

Mr. Fudge In the case of Pismire Brook and Rocky River, the resident holder of that particular lease is unknown. The unknown party must pay 25 cents per hp. The lease is for 99 years. It states: "shall develop within two years." If he does not develop within two years, who owns it?

Mr. Higgins I understand in some of these particular leases, in spite of that paragraph in the lease, they have accepted rentals; which means the government waived the conditions. The government has not struck them off the roll.

Mr. Fudge The reason is that they do not know the owner.

Mr. Higgins They can, in spite of that, have them deleted by legislation — have the grant taken off.

Mr. Smallwood Can they also do it where they have paid rentals?

Mr. Higgins If he has paid rent, that would be considered the waiving of that condition.

Mr. Smallwood If he is to pay \$1 a year, but also has to develop and fails to do so, goes on paying the rent, the government accepts the rent, and because the government accepts it, they cannot break the lease?

Mr. Higgins The last years they have waived it.

Mr. Smallwood "999 years — Newfoundland Pulp and Pine Co. — H.J. Crowe, Great Rattling Brook; Badger Brook, Bishop's Falls." Badger Brook, no development in the other two, they paid \$3,000 in 1907 in payment of rents for 999 years. No labour has been given.

Mr. Harrington We all remember ten years ago in Mexico, where the government expropriated oil concessions and in the long run it worked out. As far as Newfoundland is concerned, there are a lot of water-powers and various other properties leased; what is the position on that?

Mr. Higgins You will remember the judgement of Hon. Mr. Justice Fox in regard to the Housing Corporation.¹

Mr. Smallwood You mean if the government wanted to cancel these leases by legislation, they cannot do it if the owner or someone else concerned objects?

Mr. Higgins My recollections are it cannot be done summarily. The Governor is not empowered to authorise such an act. It must go through the Dominions Office.

Mr. Smallwood If we had the old Letters Patent?

Mr. Higgins I do not know.

Mr. Smallwood Here is a Convention trying to assess our natural resources; and here we find all these water-powers tied up in the hands of private owners who are not developing, and they are getting away with \$10 to \$20 a year. We have to decide whether it is possible for a future government to get revenue out of these water-powers.

Mr. Higgins The Mining Committee will consider this and give you an opinion at a later date.

Mr. Hollett I must agree with Mr. Smallwood. I was amazed to see the terms under which various individuals and corporations were given these water-power leases. One is for one peppercorn a year. Harveys has a lease for payment of one peppercorn a year on demand.² I suggest we go to Harveys and ask them for 50-odd peppercorns. Then these other leases granted a considerable amount of water-power on terms of \$1 up to \$5 a year. In those leases there was a proviso that in up to five years they were to develop the water-power. I am sure that those I know have done no development. Why the government should accept a \$1 fee in order to assist these individuals, I cannot understand, and I would like to go on record as suggesting when the time comes round for these people to pay their fee, the government refuse to accept it, and then act on the proviso which says they must develop within two to five years. A good many people are holding on, waiting for someone to come in and develop, and then make a scoop. I would suggest that the government cancel the leases if those people do not develop the water-power. This is preventing people from coming in and developing these water-powers. Then when we look at the paltry amount paid into the revenue, it does not give a pleasant taste in your mouth.

[The section was adopted]

Mr. Higgins The next section is Labrador and so as not to be confused, I would suggest we stop in the middle of page 6, where we have completed

¹Dillon vs. Canning and the St. John's Housing Corporation, 1946. *Decisions of the Supreme Court of Newfoundland 1941-1946*, pp. 386-416.

²The lease on Pipers Hole River, Placentia Bay.