

dealing with the acts, and discuss that part of the paragraph.

Mr. Vardy I would like to clear up the question of the tariff on machinery for the making of brick. I consulted the Customs and found they reduced the rate on power machinery from 45% to 20%. There is no provision in the tariff for free entry; it would have to be approved by the government. For special machinery coming in, if the duty is over \$100 and the matter was approved by the Board of Customs, it comes in duty free....

Mr. SmallwoodWith respect to Bell Island, the Mining Regulations Act of 1908 governs that. The return of value is the value of the crude material. At Bell Island the figure would be the value of the ore when it is raised to the surface, irrespective of operation of equipment on the surface, or transporting it on the surface. The weighing is not done at Bell Island but at Sydney.

Mr. Ashbourne Thank you for the explanation. That figure \$2.55 does not reflect the true present day value of ore.

Mr. Higgins It is greater this year.

Mr. Smallwood The fact of the matter is that the figures showing the value of iron ore exported from Newfoundland, we might as well tear up. It is the value taken up and laid on the surface, not the export value. My complaint is with the Customs. If you will recall, every budget speech would contain the values of iron ore exported from Newfoundland, and not one word was worth the paper it was written on. It was a sort of nebulous value of the ore as it comes out of the ground and not the export value. What country in the world does not know the value of its exports? The only thing we have in Newfoundland to enable us to determine the amount of wealth, the gross national production, is our figures of exports. Here is one where our figures are inaccurate.

Mr. Ashbourne I understand this company or other companies associated with Bell Island have exported up to 40 million tons of ore. I would like to know the real value of that ore, not the nominal value. Everything that goes out of the country should have some value. I do not see why, if Buchans has to put down the present day value, this company should not do it....

[Mr. Higgins answered a number of questions

concerning the legislation governing the Labrador Mining and Development Company]

Mr. Cashin I am glad of the opportunity to say a few words in connection with the Labrador Mining and Development Company. Consequently I will begin from 1935. Some of my remarks may not be quite accurate, but I trust the Convention will forgive me, as I have no notes here.

In 1935 the Weaver Minerals applied to the Newfoundland government for the right to prospect 20,000 square miles of territory in Labrador. I should say that to Mr. A.H. MacKay, whose name is signed to the application, would have to go the credit for any big development. At that time, this Mr. MacKay and three other individuals joined and formed this Weaver Minerals. They applied and received, through a letter (no act), the right. There was no act passed until 1938. They undertook to spend \$50,000 on Labrador. This particular area had been held by local interests who were unable to finance it. Mr. MacKay and his associates spent \$80,000. People in Newfoundland did not know that. A lot of money went up in the air. He employed Dr. Retty, geologist. The following year they felt they were throwing money away and were prepared to forget it. But this gentleman, Mr. MacKay, was a speculator. He and his associate carried on. The following year Mr. MacKay's associate died and he had to carry on alone. Then Mr. Timmins of the Hollinger Co. contacted Mr. MacKay in Montreal. Hollinger Co. is a large gold producing company. Hollinger controls 30% of the stock in the Noranda mine. MacKay's money was nearly all gone. Eventually a deal was made. After Hollinger became interested, they probably spent about \$1 million; \$200,000 of which is going up in the air; they have to fly in supplies and machinery.

I have noticed in the 1938 act¹ that this Labrador Mining Company "shall be in British territory." Now the idea is to electrify that railway. When they electrify it they are going to run it into Canada. Are they going to run only to the border line? Is the government going to charge export rate? If so they are going to have difficulty, because they will have to tell them to haul it the rest of the way. It is anticipated this Labrador

¹An Act for the Confirmation of An Agreement Between the Government and Labrador Mining and Exploration Company Limited. 2 Geo. VI, c41, 1938. Volume II:354.