1928 I found that they had not paid any royalties or profits taxes for a number of years. They are in financial difficulties today and if the Canadian government foreclosed on them tomorrow they would be out of business. They owe the Canadian government many millions of dollars. I am not defending the company, but it is bankrupt in a sense today. They are not making any money. The common stockholders in that company have not had a dividend for years. I forget what they owed the treasury — $2-300,000. They sent down representatives every spring looking for free export tax for the coming year, and the first year we were in office we objected, and finally made a deal whereby they paid 10 cents royalty up to one million tons and 3 cents up to 1.5 million tons, and in addition they paid us $136,000 in settlement of back taxes. They paid $100,000 down and $12,000 each year till it was paid. The company has been struggling. In this report you will notice a letter signed by Prime Minister Baldwin, wherein he indicated to the Prime Minister of that day that they were going to try to get some business for the Dominion Steel Company. They never got it. That 20,000 odd tons was all. They made certain promises to us but they did not carry them out. That is the position. I am glad to see now that Bell Island is going along well, but it cannot go along unless you have a prosperous Corporation. They have to produce at least 1.5 million tons a year in order to make it prosperous. Up to a month before the war started the Germans were buying one million tons a year. Great Britain bought none, Sydney from 6-700,000 tons, and if she continues to use that amount and Great Britain takes 750,000 tons it will be fine....

I am glad Bell Island is going well, and I am glad Mr. Jackman is making such a good thing of the union on Bell Island. I hope Great Britain continues to take ore from us instead of going back to Sweden. If she can take 750,000 tons of ore a year to mix with that high grade ore which will suit the furnaces, it would be a great thing. One of their greatest excuses was that the docks could not take the big ships for ore, but suddenly all this changes, therefore they were kidding us in the past.

[The committee of the whole rose and reported progress, and the Convention adjourned]

April 12, 1947

Report of the Mining Committee:[1] Committee of Whole

Mr. Higgins Mr. Chairman, when we adjourned yesterday afternoon the section on Bell Island had been read and there had been some discussion on it. I don't know if the discussion was completed or not.

Mr. Ashbourne Has the Committee any figures on the 1946 production of ore at Bell Island?

Mr. Higgins The Committee have only the figures in the report. I don't know if Mr. Jackman can give us any further information.

Mr. Jackman The production for this year will be about the same as last year — roughly around 1.5 million tons....

Mr. Ashbourne I mentioned this because yesterday the figure of $4 per ton was mentioned, and I see from the 1945 figures that the same value for export was about $2.50 per ton. I was wondering if that $1.50 increase was brought about by the Canadian market paying a higher price than the English market, and if the English market is prepared to pay a higher price.

Mr. Higgins These are Major Cashin's figures, not mine.

Mr. Ashbourne There is quite a difference between $2.50 and $4, sir.

Mr. Higgins I quite realise that, but they are not the Committee's figures.

Mr. Ashbourne I was wondering if it was a matter of price, or if it is just quantity....

Mr. Higgins Possibly Major Cashin could explain it.

Mr. Cashin Those figures were given over two years. If my memory serves me correctly the amount exported in 1945 would be much higher than in 1946 because the miners have since got an increase in pay and that would drive up the cost. The officials on Bell Island told me that the payroll would be approximately $4 million a year.

Mr. Higgins That's when they have full produc-

[1] Volume II:313.