

Mr. DRYSDALE: So there is very little likelihood of such a situation arising?

Mr. MACDOUGALL: I would suggest there is very little likelihood of it happening.

Mr. BALDWIN: Mr. Chairman, I was going to ask a similar question, and perhaps to help the hon. member for Burnaby-Richmond I should point out that this principle was established as a result of the Pine Point railway negotiations where preference was given to the local people.

Mr. MACDOUGALL: Yes, preference is given to local people. However, the question asked by the hon. member was whether preference was given to a Canadian company as opposed to a United States company.

Mr. DRYSDALE: If preference was given to a local contractor it would follow that it would be a Canadian.

Mr. BALDWIN: Yes, the local contractor would be Canadian.

Mr. FISHER: Does that necessarily follow in Alberta?

Mr. BALDWIN: This does not involve the oil industry.

Mr. Chairman, the question I should like to ask is, what is the controlling grade of the additional 23 miles as compared with the grade of the branch line from Whitecourt to Edmonton?

Mr. PURVES: I do not know. There is quite a grade in the last mile and a half of the line coming up to this plateau. This is merely a switching line to reach one industry and we do not expect to be operating trains over that line at speed. We felt that we should accept that grade rather than become involved in the extra cost of levelling this grade the entire way. We are accepting the first 19 miles as it was constructed by the Canadian Northern Pacific when the original right of way was cleared as a portion of the line north to the Peace River valley. We have used the old grade right to that point and then turned off at this point.

Mr. BALDWIN: Mr. Chairman, I have one further question regarding another point. Does your reticence with regard to disclosing your agreement preclude you from indicating what might be the increment to the company as a result of the main line traffic which will result from this extension?

Mr. PURVES: I have considered this on the basis of the increment to the company as a whole. That is, how much better the railroad will be as a whole as a result of this construction, and I might say it is quite considerable. However, I would not like to say exactly what it is.

Mr. BALDWIN: All right, thank you.

Mr. PURVES: The difficulty is that we are negotiating almost every week with some private industry. It is fairly hard bargaining sometimes. We have been on this two-and-a-half years, and the thing that really re-opened negotiations, after our concern that it was not going to go anywhere, was the entry of Texas Gulf Sulphur.

Mr. SIMPSON: I should like to ask Mr. Purves if he could tell the committee the estimated time of completion of this branch line?

Mr. PURVES: They have asked us to have it ready in March of 1963. It would be our hope that we can meet that. The plant will be in production before that time. We took in equipment over an ice bridge over the McLeod last winter.

The CHAIRMAN: Clauses 1 to 8 inclusive agreed to.

Mr. BENIDICKSON: Is clause 8 pretty well standard in statutes of this kind?