

Mr. WHELAN: —to develop this. You use electricity in your smelting process. If there were a cheap hydro rate and—as Mr. Kilgour says—the source of the hydro power is there, this could be an incentive for more industries that use electric power.

Mr. CRAM: That is one thing, but you need a lot more.

Mr. KILGOUR: I do not say that I am against this program of equalization. I think you have to work for the good of the greater number of people. I do not say it is wrong, but through this method of being right all the time we are subsidizing, and therefore I do not feel ashamed to say that we should be subsidized in another manner. I do not say that you should cut out that particular form of subsidy, because it is probably a good form for the greater number of people in Canada, but I do not think we should be ashamed to come back and say that we want a subsidy. I suggest that possibly one way to do this is to say, "All right, everyone living in the country that has the disadvantage of being isolated to a certain extent will get a break on their tax structure."

The CHAIRMAN: If I might just say something at this point. I notice it is getting close to eleven o'clock and we cannot go past that hour. Some of the members may not be able to stay. I just draw this to the attention of the members so that we can continue with the questioning. Mr. Whelan, do you have any further questions?

Mr. WHELAN: I suppose the Chairman realizes he is now taking up time as well. I have three or four more questions, but they are short ones. They may bring long answers, I do not know.

Are the rail rates in the north similar? I think I heard Mr. Peters and Mr. Martin talk about the rail rates in the north on the Ontario Northland. He mentioned that with this service you never know when the train is coming or when it is going or when it is going to arrive at its destination. Are the rates comparable there? Does the province of Ontario subsidize this railroad?

Mr. CRAM: Well, I do not know if I should speak to this in view of the fact that two honourable members have said how bad this line is but, on the other hand, if you analyze the rate per ton mile it is certainly competitive. However, there is a lot less tonnage and therefore, as far as a plant goes, the operator is paying a higher rate because he is a smaller operator and he has a longer distance to haul. As far as the Ontario government subsidizing it is concerned, if it produces a loss the Ontario government pays for it, I guess.

Mr. WHELAN: Yes.

Mr. CRAM: Theoretically it is supposed to be a development road, but because they made a profit I have not heard of them cutting their rates as yet.

Mr. WHELAN: That is what I meant.

Mr. CRAM: I think we are getting away from the thought we started out with in this country a hundred years ago of development, which was put in transportation, and the O.N.R. is also getting away from it. Its purpose in being there is for development. On the whole I think they are doing a pretty good job. The trains are late when there are blizzards, and some of the fellows who live up there have seen the odd one that was kept late, but they do not do too bad a job. To be quite honest, we just finished a survey where we asked all municipalities, all types of associations, all types of industries—you name it—including all members of both houses, for their comments on