

and this company cannot ship any more? How effective, in your mind, are the penalties so as to enable the railway to escape from this expenditure?

Mr. PURVES: That is why we made the agreement as tight as we have in connection with the tonnage schedule, and, failing their meeting this schedule, there are deficiency payments of so much a ton.

Mr. FISHER: Could the company or, say, the interested parties in the region appeal the situation to the Board of Transport Commissioners or is this contract outside the field of the board?

Mr. PURVES: I do not think any such appeal would be entertained as the industry has made a contract with the railway to ship "X" number of tons for "Y" number of years, failing which they would pay so many dollars per ton for any shortfall.

Mr. PAYNE: May I ask a couple of questions, Mr. Chairman?

Mr. FISHER: May I finish, please.

The CHAIRMAN: Allow Mr. Fisher to proceed, Mr. Payne.

Mr. FISHER: The reason I am asking you this, Mr. Purves, is that you probably, know that we had a situation in my region in connection with Steep Rock, where the Prime Minister advised the people from that area who were protesting the increase in rates that took place that they could bring it before the Board of Transport Commissioners. This is a situation where local support has rallied behind a company position. Am I to understand that no matter what local support might develop in connection with any changes that might take place, it would have no relevance in regard to this, as it is a hard and fast contract and an appeal to the Board of Transport Commissioners would have no relevance?

Mr. PURVES: I do not see how it could.

If you would allow me to explain in connection with the Steep Rock situation, we did not have a hard and fast agreement spelled out in the way we have here, and to quite some extent we were going on assurances and estimates of the market for direct shipping ore. Since that operation started there has been quite a revolution in the economics of direct shipping ores. This has been a problem with Steep Rock ore.

Mr. FISHER: But nothing like this will come up in this particular case.

Mr. PURVES: No.

The CHAIRMAN: Would you ask your questions now, Mr. Payne.

Mr. PAYNE: Mr. Chairman, I would like to ask a couple of questions of Mr. Purves in connection with the routing of the bulk sulphur from the point of shipment. Will it proceed via Edmonton and over C.N.R. trackage to the coast?

Mr. PURVES: Yes, it must go this way to the export position.

Mr. PAYNE: Once this bulk product is received at the port of Vancouver, what undertaking have you with the company as to delivery rate so that there can be competitive shipping in this commodity from a north shore point across the Second Narrows bridge versus the south side? Is there an agreement which guarantees equity respecting the port facilities or is discrimination permitted in the port of Vancouver?

Mr. PURVES: I think the best guarantee you have on that is the quite sharp competition which exists between the two principal bulk handling facilities.

Mr. PAYNE: But this is no assurance because while in theory this sounds fine, in practice it is not so good. What undertaking is there that our north shore harbour facilities will have an opportunity to compete with the south shore? This is a very cardinal point?