

In this particular case I am not in a position to give you the details of the agreement because, I would then have to give you the precise details, and the Canadian National Railways feel that it would be detrimental both to them and to the company if we gave these details.

Mr. BENIDICKSON: You say that one of the major differences is that both the government and the railway have satisfied themselves that this particular branch line, under the guarantees and penalties, is assured of being self-liquidating and will involve no deficit to the taxpayer?

Mr. BALCER: Exactly.

The CHAIRMAN: Have you a question, Mr. Fisher?

Mr. FISHER: Has a freight rate been struck yet?

Mr. BALCER: Yes.

Mr. FISHER: Will this freight rate be within the knowledge of the Board of Transport Commissioners?

Mr. BALCER: Yes.

Mr. BENIDICKSON: And, is it not a document which is publicly filed at some stage?

Mr. FISHER: This is the point. If it is within the knowledge of the Board of Transport Commissioners, I understand it then could come within the knowledge of a member of parliament. Is that not right?

Mr. BALCER: Well, my reluctance to give the information is not connected at all with the rates; it concerns the capital contribution to the construction.

Mr. FISHER: I am not interested in that; I am interested in the rate, how fixed it is and whether there are escalator clauses in terms of volume.

Mr. BALCER: I think this is a question for a technician to answer and, if you do not mind, I would ask Mr. Purves to answer your question.

Mr. McPHILLIPS: Before Mr. Purves proceeds, may I say this: the minister says we do not want to disclose how much the company is putting up. Is that not quite obvious when, in the schedule, you have 23.2 miles of railway at a cost of \$2,300,000 to the public? At \$99,138 per mile, would the differential not be what the company is putting up?

Mr. BALCER: No, no.

The CHAIRMAN: Mr. Purves, will you answer that previous question?

Mr. PURVES: In answer to the question in regard to the freight rate, the rate is \$7.84 per long ton to the export position on the British Columbia coast. This is published in the normal tariffs and is subject to any increase or decrease that may be made on that particular commodity rate.

Mr. FISHER: Would any of this be subject to an agreed charge arrangement?

Mr. PURVES: It could be if there were the elements of an agreed charge there.

Mr. FISHER: To what extent would this sulphur compete, because of the freight rates to the east? For example, is it likely to go into the lake-head pulp and paper market?

Mr. PURVES: There could be some, but the real market will have to be found offshore, in the Orient and Australasia.

Mr. FISHER: In a field such as this and in view of the world marketing conditions with such a staple product as sulphur, would you not have great fluctuation? Twenty-five years is a tremendously long period of time to get a projection. What would happen in a decade if the market tightens up