

Mr. LEGAULT: These are things that will develop. You certainly realize that within 25 years people will come up if we make things more interesting. I am sorry, Mr. Cram, I cut you off at the beginning when you were speaking about the projects of tourists.

Mr. CRAM: Well, as I say, as far as the tourist council is concerned you can take it up directly with them, but we also have something to do with it in the board. Neil is first vice chairman and our general manager is here. We have an annual meeting coming up and we will see that this point is covered. I think it is a point well taken. We can only say that we will take it up, but I feel reasonably sure that it is something they would certainly want to back as an effort. It sounds like a good idea.

In connection with transportation. This point was raised with respect to why the rates should be so low, for instance, to ship iron pellets, which have been in the news, down to the United States or southern Ontario at such a ridiculously low rate, so to speak, when compared to bringing other materials in. It is a great deal easier to bring a trainload of things down than it is to bring up a package of five suits for a store. Somebody has to pay for it. I do not think we can take this subsidization quite that far. I agree with the principle, but you cannot do it for the same rate.

Speaking of suits, I think a good illustration of this would be if you have a mens' clothing store and you have to pay your rent, your heat, your wages—suppose you have three clerks—and you are selling 100 suits. Well, you are paying all this overhead and let us say you are making a profit of \$9 a suit over and above that. Then your business increases and you start selling 150 suits and nothing is changed as far as your overhead is concerned, other than the fact the salesmen do not have quite as many coffee breaks in the morning. Instead of only making \$9 on that, maybe he makes an extra profit of \$8.57. Well, if you take a trainload of iron pellets down, as opposed to bringing one carload of bulk freight for a whole lot of customers, the same principle holds to the nth degree.

I do not think we can ever hope to have the same rates but I am sure if you or anybody else digs into the rates we are getting that you will find they are fairly realistic and practical rates. Mind you, they are high, but we are further away. Now, Timmins has made the suggestion through their Industrial Commission that perhaps we should have a bridging set-up, such as there is in western Canada. Well, this is worthy of thought but there are other implications. Maybe their higher freight rates are, in fact, built-in protection. You might ask how can somebody be encouraged to set up a small secondary industry within our area when they have to compete with these high rates? Actually, I think it is the opposite, as far as setting up on a small scale is concerned. This is a built-in protection for the small operators. Most of the secondary industry that is going to start in the north, or could start—aside from, say, the processing of a big mine, this is a different proposition from setting up a small manufacturing industry—has to first get its feet on the ground and find something it can sell within the area. As it does this, then it adds that extra 50 which I spoke about, which it can then start selling at a lower rate. This is one of the answers or rebuttals that we get from the transportation people, and I think we have to face it.

There are products in our north country right now that are being used—raw materials and manufactured goods—on which we are paying high freight rates. We are bringing them in and selling them to the mines of the processing plants, and they are being used in large quantities. Feasibility studies have been done on some of them, but