

Canadian National Railways

items or clauses relating to the freight rates to be charged Sherritt Gordon by the Canadian National Railways. For example, is there anything comparable—

Mr. Chevrier: None whatever.

Mr. Knowles: Is there anything comparable with what is done in connection with Steep Rock?

Mr. Chevrier: No, no clause having to do with freight rates at all.

Mr. Knowles: In other words Sherritt Gordon will pay the standard tariff to the Canadian National Railways for that sort of freight.

Mr. Chevrier: I do wish the hon. member would not ask leading questions. He has asked me one question as to whether or not there is anything in this agreement in connection with the imposition of freight rates, and I have said no. That is clear. I think I made that clear. Now he comes along with a question, a leading question, in which he says, "I understand therefore that it will pay the standard freight rate." Well, my hon. friend can draw his own conclusion as to what they will pay. I do not know. First of all, the railway is not built. Secondly, the freight rate has not been fixed. Thirdly, the standard tariff has not been established on the new railway. Therefore it is impossible for me to answer that kind of question. I hope the hon. member will be satisfied.

Mr. Knowles: But it is perfectly clear that there is no clause in the agreement similar to that in the Steep Rock agreement?

Mr. Chevrier: I have answered that twice by saying no.

Mr. Knowles: Good.

Mr. Murray (Cariboo): Obviously if the railway is not extended beyond Sherridon, that portion of the railway from the main line of the Hudson Bay railway at Sherritt junction to Sherridon would have very little business, and would have to be scrapped, since the mine at Sherridon is practically worked out. If this proposed construction program of the C.N.R. does not take place it means a ghost town at Sherridon, and a thousand men turned out of employment.

I would like to ask the minister if there is not a large hydroelectric power project which would be installed in order to operate this new mining development.

Mr. Chevrier: Yes. I indicated this morning that on the Laurie river, forty-five or fifty miles south of Lynn lake, there is a potential power development which will be capable of developing 15,000 horsepower of

electrical energy, which is more than sufficient to facilitate the production of the known deposits in the Lynn lake area.

Mr. Murray (Cariboo): I understand a very great development is anticipated there by some of the other large companies, and that this power would be available for other mines developed in the area.

Mr. Chevrier: That I am not able to say, except that I do know other mining companies have made explorations in the area, and have certain rights. Whether they would use this power development or not, I cannot say.

Mr. Macdonnell (Greenwood): Replying to the hon. member for Winnipeg North Centre—and I thought, with something less than his usual charm—the minister said that the railway was not built, that various other things were not done and that therefore these figures could not be available. But there is one very important figure which is fixed, if I understand correctly, and that is the figure which Sherritt Gordon is to get back at a certain stage in the contract, at so much a ton. What puzzles me is how that figure was arrived at, if all the other figures are still unknown.

Mr. Chevrier: On the basis of the tonnage I gave this morning in my statement, concerning the additional production which would be available of nickel, copper, cobalt, copper sulphide, ammonium sulphate and the like, and on the basis of the amount of the value of these base metals, it can be estimated what the total revenue of the line would be. The Canadian National Railways have prepared a statement which I have before me, and which will be available at the opportune time, which shows that, having regard to that, their income position would be bettered by the construction of the line to the extent of \$244,000 annually; and with the amount of \$350,000 which will be paid annually by Sherritt Gordon to the company, over a period of twenty years, their income position would be bettered to the extent of \$594,000.

Mr. Macdonnell (Greenwood): I am not on the committee, and I shall not press the matter further, but I do wish to point out that I am still puzzled, because it would seem to me that these other figures which have been arrived at would depend, in large measure, on the freight rate on the ore during the period of operation. However, I am content to let the matter drop, and have it go to the committee.

Mr. Knowles: In other words, if the minister knows that the position of the Canadian National Railways will be bettered to the extent of \$244,000 per year, and if he knows