

that operate between Ste. Anne de Monts and Seven Islands, the developments at Wabush Lake, Shefferville, and the Twin Falls development in Labrador, we realize that roughly \$600 million is being spent there at present. Those people are also interested in being able to get their products into that area at a fair price. And so, by getting them in by rail as far as Ste. Anne de Monts and across the St. Lawrence to the ports I mentioned, they would definitely receive them at a price which would be very interesting. There is also the possibility of being able to help the Atlantic provinces move some of their farm produce into that region by rail from Ste. Anne de Monts. All those reasons added up, Mr. Chairman, I think are valid and deserve a lot of consideration so far as they concern the possibility of bringing the products of that area out of it or others into it.

Mr. BALCER: I would like to give you a picture of the possibilities of such a railway. Mr. Fisher asked me how many thousand tons are produced at the present time. I have here a letter from an expert of the St. Lawrence Corporation Limited. He has this comment to make on sawmill waste in this area. Speaking about North Gaspé, he says:

In your area there are several large mills which would be interested in turning their sawmill waste into usable fibre for our mill here at Three Rivers. I would name, among others, Jas. Richardson Company; Tourelle Lumber Company and A. Couturier et Fils with whom we have negotiated but have always met the obstacle of a transportation problem. These three mills would have some 35,000 tons of sawmill waste for sale and once this market has been developed successfully, this quantity from your area could easily double.

Mr. FISHER: I have a question on a point of order, Mr. Chairman. Mr. Keays raised the question as to why I was asking questions and casting doubts. I think I should be allowed to point out that the Royal Commission on Transportation has recently reported, and its main theme is to get the railways out of branch lines, especially the ones that are of a doubtful economic value. There seems to be a trend here to take advice from the most recent review of the Board. I do not think this would militate against this particular railroad, but it puts the responsibility upon us to look at those recommendations and to examine very closely what are the economic supports for the thing. I would like to put this on the record, Mr. Chairman, in rebuttal to what was said.

Mr. BALCER: Also, Mr. Fisher, the main theme of the McPherson report is that we should differentiate between the national policy and the national transportation policy; that the railways should not be saddled with uneconomical projects of the government, and that the government should take its responsibility for development projects. This is a development project, and we are not saddling the C.N.R. with it. The government is taking its responsibility. We are faced with a population of close to 100,000 people who have been in an underdeveloped region which has mineral wealth but does not have the proper transportation system to get it out and so achieve the same standard as the rest of Canada. The government has decided to give a break to that population and to look toward a long-term benefit. At the same time the government did not want the C.N.R. to be saddled with the expense of a short-term project which will definitely have long-term benefits.

Mr. KEAYS: On a point of order, Mr. Chairman, I do not want to be unfair to Mr. Fisher, and I certainly appreciate the fact that he is looking at the economic situation and the justification for such a railway, but what led me to say this was that he seemed to be objecting, at the resolution stage, to the fact that this line was moving up from sixth priority in the province of Quebec to first. This is why I raised the point.