

a railroad extension. At that time they were faced with two possible methods of shipment, the first being trucking and the second being rail extension. A rail extension did not materialize at that time so the company set up a trucking arrangement from Murdochville to Gaspé. This trucking scheme I understand has worked quite well because the company has concentrates moving inbound and copper anodes moving out. The company, therefore, has a balance of traffic. For this reason no consideration has been given to the diversion of any of this traffic to the new line. If there is a diversion it will result in moving the traffic from one side of the Canadian National Railway Company operations to the other. However, any change in this regard will depend upon whatever the Gaspé Copper Company decides to do, and rather than inflate the tonnage figures this consideration has been put aside until we know what the actual development is.

Mr. PIGEON: Mr. Chairman. I have a supplementary question I wish to ask. Can the officials give us an estimate of the saving to the Gaspé Copper Company resulting from the use of the proposed railroad instead of the trucking system?

Mr. SCOTT: No, Mr. Chairman, we did not make any estimate in that regard because we did not include any copper movement in the estimated tonnage figures. Therefore, whatever movement does develop in that regard will be extra. None of the traffic figures have been predicated upon a diversion of either the anodes or concentrates from the present routing.

Mr. KEAYS: Mr. Chairman, I believe the minister in his statement made reference to the potential economic development in the region, and I think we should consider this in the light of what actually is going on now in the Gaspé Peninsula.

We speak of 85 million board feet of lumber going to the Montreal market. I personally know that many of the large operators in that area cannot cut and sell more lumber because of the cost of taking it by road from Ste. Anne de Monts or Cap Chat into Matane and then by rail to Montreal, which puts their lumber in the city of Montreal about \$5 higher per thousand than the cost of bringing that same lumber from the west coast. Naturally at a \$5 differential they do not see the possibility of getting rid of their lumber. Also, when we bear in mind it is a well known fact that the growth of lumber in the Gaspé peninsula is one of the best in Canada—

Mr. FISHER: By that you mean regeneration?

Mr. KEAYS: Yes, the potential yearly yield. That would go up to 150 million feet a year, if they could get their lumber into the Montreal market at a competitive price.

In so far as the mines are concerned, the only smelter in eastern Canada is at Murdochville. No one can mention another area in Canada where a major mining development has taken place where smaller finds were not made. The only find being operated now is the one at Murdochville by Gaspé Copper. There have been hundreds and thousands of prospectors down in the area and also large Canadian mining companies. They have found mineral, they have found oil, but they always come up with the same problem "how am I going to get it out of here?" This is to the detriment of the Gaspé peninsula.

I could go on and give you a million reasons, but it is the possible economic development of the area that matters. I am surprised at Mr. Fisher. He is probably speaking for his party when he is against the economic development of the region.

I think I should also like to speak about how this rail line will help the further development of the north shore of the St. Lawrence. When we consider the tremendous development going on in that area, the boat services