

electric development are taking place. During the past ten years it has been a tragedy to see this population on the south shore separated by only the St. Lawrence river from this tremendous development. This population always has been very eager to take part in this development and we feel that by connecting Ste. Anne des Monts with the rest of Canada it will serve in helping the Gaspé population to take part in the development of the north shore in a more effective fashion.

Mr. Chairman, to assist the committee, I have with me Mr. George Scott from the Department of Transport. Mr. Scott is the assistant deputy minister. Also present are Mr. Fortier, the general counsel, and Mr. Thornton, executive assistant, railways. Then, we have from the Canadian National Railways Mr. Dingle, assistant vice-president, Mr. Johnston, the chief engineer, and Mr. Macdougall, the general solicitor.

The CHAIRMAN: Thank you, Mr. Balcer.

Gentlemen, you have heard the minister's statement. Are there any questions on clause 1?

Mr. FISHER: I did not get a very complete picture from your statement here or your statement in the house as to the volume of traffic that is going to be carried, and I wonder if I could ask what the present arrangements are for handling the copper concentrates which, I assume, are at Murdochville, and where do they go?

Mr. BALCER: At the present time the copper anodes are trucked to Gaspé; some is shipped by water from Gaspé but the major portion is shipped by rail.

Mr. Fisher: In other words, you have no hope of tying on to that traffic.

Mr. BALCER: I did not say there was no hope. At the present time I am not in a position to say if this concentrate will be moving by this new railroad.

Mr. FISHER: Could I ask the senior officials what negotiations they have endeavoured to carry out with Noranda or Gaspé Copper Mines to see if it would not be feasible to enter into an agreement to move this traffic.

Mr. S. F. DINGLE (*Assistant Vice-President, Canadian National Railways*): We have had no discussions as yet with them on that point.

Mr. FISHER: When we were considering the railway in Alberta, the railway made a very strong case and had a nice tight agreement with them. On the other hand, you have one big producer, in the mineral sense, in the area—and this generally has been the reason for building branch lines in recent years—and yet, apparently, there has not been any negotiations with this particular producer to try to tie them up with business for this line.

Could I have an explanation.

Mr. BALCER: Of course, as I said earlier, this is a development railway, with a view to long-term benefits. Also, as I said, the Canadian National Railways will be the agent for the government in the handling of the railway, and I am quite sure they will investigate this situation and try to line up all the contracts that they can. They will be the people who will be running the railway and, as a result, they will be the ones who will go after the traffic and business.

Mr. FISHER: But, at the present time, there is nothing concrete in the foreseeable future in the way of mineral tonnage or concentrate tonnage on this line.

Mr. BALCER: No. I am not in a position to give you any figures now.

Mr. FISHER: Now, let us look into the pulpwood production. You say the cut is 50,000 cords, which is fairly small. This is moving by water. Is it moving to Baie Comeau or to Quebec City?

Mr. BALCER: It is going to Quebec City and Three Rivers.