

Mr. SCOTT: Well, this depends on how quickly the potential traffic becomes realizable. It may be ten years or fifteen years.

Mr. FISHER: Might I ask Mr. Scott or the Canadian National Railway witnesses if you have entered into any development lines in recent years which are at all comparable to this? Could you give me some idea as to how your estimates or forecasts turned out?

Mr. SCOTT: No two are exactly the same, no.

Mr. BALCER: They all have different patterns. There are no two development railway branch lines which are similar in Canada. You have the Hudson Bay, the Shippigan, the Kitimat, and the Pine Point. They all have different financial set-ups, and different geography.

Mr. FISHER: They were all tied to committals by mining concerns of various kinds, as to tonnage. This is what worries me in this regard: you have this substantial expansion yet you have no tonnage. After all, the figures you have given us for the first year really mean, in revenue, less than \$200,000 approximately, or around that. That is very small revenue to start off with a \$14 million investment.

Mr. BALCER: To give you one example, I cite the Hudson Bay Railway. When it started, it was strictly development, and a very long term project. But now it is a paying proposition it has been given back to the Canadian National Railway and it contributes to the financial set-up of our national railways. I am very confident that you will have the same situation in respect of this line of railway, because just across the river from it there is a tremendous development going on, and it will increase in size over the next 15 years. I am sure that this railway will be busy.

Mr. FISHER: Might I go at this from two other points of view? In Ontario much of the development in railway extension is taking place under provincial auspices. What approach did you make to the government of the province here in order to work out some kind of arrangement under which they would bear part of the cost?

It seems to me with this \$14 million investment, and with only \$200,000 revenue in sight for the first year, this is a case of the Federal government taking a very, very strong economic lead in the province of Quebec. What approach did you make to the province to get assistance or support?

Mr. BALCER: We did not make any.

Mr. FISHER: You say you did not make any approach at all?

Mr. BALCER: No.

Mr. FISHER: Could you tell me why you did not? The reason I ask is that before the Royal Commission on Transportation a Quebec minister gave evidence in which he indicated that the province of Quebec was ready to build a railway line if necessary to help development. Since that time Mr. Levesque has also indicated that the Quebec government would not hesitate in order to develop the province, to build railway lines. With statements of that kind on the record and with a project which in the short run you say is uneconomic, why was the province not drawn in for assistance?

Mr. BALCER: We feel that this project should have been built a long time ago, and that it is a federal responsibility. The federal government is convinced that the long term benefits from this railway will prove we acted wisely when we built the railway.

Mr. FISHER: Let us look at it from another point of view. What are the highway facilities in the area at the present time?

Mr. BALCER: There is a highway which goes all around the Gaspe peninsula.