

Canadian National Railways

On clause 1—*Definitions.*

Mr. Pickersgill: Mr. Chairman, the general explanation was given by my hon. friend, the Minister without Portfolio, the other day. At that time he said that either he or I, as circumstances warranted, would fill in the details of these two branch lines that this bill is asking parliament to authorize. I have a fairly succinct summary of the matter in my hand dealing with each of the lines. Perhaps the best way of dealing with this matter is for me simply to read the summary because, being produced by professionals, it is probably in better language than my own would be. With this modest beginning I shall now read.

Mr. Knowles: Are you not a professional?

Mr. Pickersgill: Not a professional railway builder. Perhaps a professional builder—

Mr. Starr: Get on with the reading.

Mr. Diefenbaker: This is not building fences.

Mr. Pickersgill: There was a politician once who described himself as a cabinet builder.

Some hon. Members: Oh, oh.

Mr. Pickersgill: I will start with Saskatchewan, with deference to the Leader of the Opposition. The President of the Canadian National Railway Company has requested authorization for the construction of a branch line in the province of Saskatchewan from the vicinity of Watrous on the Watrous subdivision of the Canadian National Railways in a northeasterly direction for a distance of approximately 18 miles to the site of the shaft and processing plant of Alwinsal Potash of Canada Limited, situated in the mining district of Regina. The proposed branch line would, as I say, begin at or near Watrous at mile 129 and proceed for 18 miles as I have indicated. The estimated cost of construction of the proposed branch line is \$100,000 per mile or a total of \$1,800,000.

Exploratory drilling on Alwinsal's property since 1958 has established the presence of deposits of potash that will support production for many decades at the designed capacity of the company's plant. Alwinsal is currently in the process of sinking a shaft 18 feet in diameter to a depth of 3,290 feet and constructing a processing plant which will have a productive capacity of about 1 million tons of muriate of potash per year. The company plans to begin production early in

[Mr. Knowles.]

1968 and has asked the Canadian National Railways to be in a position to furnish rail service by that time. Although the plant site is connected to the Canadian Pacific Railway by a short spur, Alwinsal has requested Canadian National Railways to construct a branch line to its property in order that it will have the safeguard of service by two railways and will not be at a transportation disadvantage vis-à-vis its competitors.

If parliamentary authority is granted by about the end of July, 1966, construction could begin this year. That is the reason I have asked my colleagues to agree and why the house leader asked hon. gentlemen opposite to agree to having this measure brought in at this time. Apart from unforeseen events the branch line would be available for traffic early in 1968.

Alwinsal is planning to ship annually about 1 million tons of muriate of potash, which the company expects will be marketed in roughly equal proportions in the Great Lakes and northeastern regions of the United States and in certain Pacific areas of Asia. Movement over Canadian National lines of half of Alwinsal's planned production would generate annual gross revenue for Canadian National Railways of at least \$4,500,000.

Subject to authorization by parliament of the proposed branch line, a traffic guarantee agreement has been entered into between Alwinsal Potash Company of Canada Limited and the Canadian National Railway Company. I do not propose to go into details but the agreement does provide for revenues which will make this a very profitable venture for the Canadian National. It is for that reason that this request is being made at this time so far as that branch line is concerned.

The other line is in Manitoba and is to run from the vicinity of Stall Lake on the Chisel Lake subdivision of Canadian National Railways in a northeasterly direction for a distance of approximately 12 miles to Osborne Lake and to the Hudson Bay Mining and Smelting Company mine. The estimated cost of construction of the proposed branch line is \$133,333 per mile or a total of \$1,600,000. During the past few years diamond drilling and development by Hudson Bay Mining and Smelting Company showed that there were substantial reserves of copper and zinc in the area which at the end of 1965 were shown to exist to a depth of 2,200 feet.

There are many other details of these resources which I could go into if the committee wishes. The indications are similar to