

Mr. VAUGHAN: Well, as far as I am concerned, Mr. Nicholson, I feel that the railway should not be asked to build, at its own expense and operate at its own expense, any line which can't return a new dollar for an old one.

Mr. HAZEN: But I see that you are constructing a line this year of some 39 miles.

Mr. VAUGHAN: But we have a guarantee from the paper company which ensures profitable operation of that line.

Mr. HAZEN: We discussed that last year, in committee, as I remember.

Mr. VAUGHAN: Yes.

Mr. HAZEN: Who was the contract let to?

Mr. VAUGHAN: A man named Therien.

Mr. HAZEN: Not a company?

Mr. VAUGHAN: He has his own construction company, the Therien construction company.

Mr. HAZEN: What was the contract price?

Mr. VAUGHAN: \$1,036,000.

Mr. HAZEN: Did the contract price exceed the estimate?

Mr. VAUGHAN: I haven't got the estimate here but my recollection is that the contract price was approximately the estimate. We called for tenders and we gave it to Mr. Therien because his tender was the most satisfactory.

Mr. JACKMAN: What would that cost work out to by the mile; 79 miles, costing \$1,036,000 would be—?

Mr. VAUGHAN: His part of it is only \$25,000 per mile. That does not cover all of it. We do a certain amount of work ourselves such as track-laying and providing steel.

Mr. JACKMAN: But it is a firm contract, there are not escalator clauses in it?

Mr. VAUGHAN: I do not know whether there is an escalator clause in it or not. No, I do not think there is an escalator clause in that, although there are a good many contracts to-day with escalator clauses in them. I do not think there is in that one.

Mr. HAZEN: I understand that the contract price exceeded the estimate considerably.

Mr. VAUGHAN: You are referring to the engineer's estimate?

Mr. HAZEN: Well, the cost of construction.

Mr. VAUGHAN: That is the only estimate we would have, our own engineer's estimate.

Mr. HAZEN: Yes.

Mr. VAUGHAN: I cannot tell you that but I can find out for you. I do not happen to have the figures with me.

Mr. HAZEN: When was the work to be completed under the contract?

Mr. VAUGHAN: We think the work will be completed about the end of the year.

Mr. HAZEN: Is it your intention this year to offer contracts for the balance of the road?

Mr. VAUGHAN: Any additional work to be done that we do not do ourselves we will ask tenders on.

Mr. HAZEN: And there are approximately 55 miles to be built?

Mr. VAUGHAN: It is not our intention to build beyond the 39 miles at the present time.

Mr. REID: Might I ask a question. On page 9 it states that Canadian National Telegraphs handled more telegrams and cablegrams than in any