

difference between the figure they are paying for the other line and the estimated cost for the new line?—A. I think the misunderstanding there is that the original estimated cost of branch line No. 2, the one from Sipiwesk to Thompson, was in round figures \$4½ million, and then to that was added a contingency of 15 per cent, which is the normal practice in railway construction, and has been the practice in past bills. The price that will be paid for the railway is not necessarily \$5,400,000. We hope it will be much nearer. Actually, the exact estimate was \$4,685,000. That was the exact estimate.

By Mr. McIvor:

Q. Is mining the chief source of business or is there going to be any farming in there?—A. I think there will be little or no farming. Apart from mining, there may be a very small amount of fishing, and there may be in this general area substantial pulpwood but I think not much on either of the lines. These are essentially pure mining branch lines.

By Mr. MacDonald (Antigonish-Guysborough):

Q. Are there any people residing along the proposed line from Optic lake to Chisel lake, or is it a barren waste?—A. There is virtually no population in the area in between but there is quite a sizeable town at Snow lake.

Q. Is that the name of the town?—A. Snow Lake. Yes, I think the town is called Snow Lake. The mine is Britannia mine and it is sometimes called Howe Sound. But I believe Snow Lake is the name of the town, and as was pointed out in the house, one of the fortunate coincidences of the discovery of the base metal here is that the gold mine that was operating at Snow Lake has just closed and so the construction of this line, if we decide to proceed with it, would be a distinct advantage to the people in this town.

By Mr. Olson:

Q. I should like to ask at what stage of construction is the line from Thompson? Are there any miles completed?—A. The line from Sipiwesk to Thompson was officially opened on October 20 and is in service now. It is not completed from the railroad point of view. It still has to have a good deal of ballast added to it next spring but it is in operation.

Q. Are you in a position now to say what the actual construction costs were?—A. No, we are not yet in a position to say but from the railway point of view, it is not completed. It still has to have its final ballast put on and the track lifted and the final grading done. But so far the costs have not been unreasonable. I think you have the full information from the returns regarding the cost.

We felt it was only reasonable for the C.N.R. to pay a price for this line that would be equivalent to the price it would cost us to build it at the normal rate we build a line. The International Nickel Company, for purposes of developing the mine, wanted to build the line much more quickly and they agreed that our engineers and their engineers would watch the construction of the line carefully and try to agree what element of the expense was being added at each stage.

By Mr. Chevrier:

Q. Is there an agreement in writing to that effect?—A. Yes there is and these interchanges between the engineers have been going on continually but we have not attempted to add them up, but in general the costs are turning out quite satisfactorily and the Canadian National Railway will not pay the International Nickel Company what it cost them to build the line but will pay them substantially less than that.

The CHAIRMAN: Are there any more questions?