

which this line will pass through between our Hoadley subdivision and the British American Oil Company plant at a point now referred to as Home-Glen.

The first two miles is through low-lying country with a clay loam soil having heavy crops of hay and grain crops and patches of thick scrub brush. The next three miles is generally rolling, hilly country containing some cultivated areas, some heavy grass and some heavy bush areas. The soil is generally sandy, containing some clay and loam. The next two and a half miles crosses very low-lying muskeg country with heavy areas of grass and scrub brush. This section is in the valley of the north branch of the meandering Blindman River. The last three-quarters of a mile rises quickly out of the valley over gravel and sandy soil up to the plant area. The country through which the line will pass is generally grazing land with some light agriculture. There are no great technical problems arising in connection with this line. There are no bridges and we do not anticipate any trouble whatsoever in constructing the line.

Senator BAIRD: You say it is to be eight miles long?

Mr. COLPITTS: Yes, 8.4 miles.

Senator STAMBAUGH: Does it cross the Blindman River?

Mr. COLPITTS: No, we have no bridges. It does not cross the river at all.

Senator CONNOLLY (*Halifax North*): Is there an existing rail line there?

Mr. COLPITTS: No, senator, there is nothing there now.

Senator ISNOR: In view of the fact other railway bills will be before us, what is the estimated cost per mile of this line?

Mr. COLPITTS: About \$83,000.

Senator ISNOR: You are constructing this line to serve a certain purpose.

Mr. COLPITTS: That is right sir.

Senator ISNOR: What is that purpose?

Mr. COLPITTS: To serve the British American Oil Company plant.

Senator ISNOR: At their request?

Mr. COLPITTS: At their request.

Senator ISNOR: What do you estimate the revenue will be that will be derived from this by the railway?

Mr. COLPITTS: That is a matter under discussion but it will be on the basis of a traffic guarantee.

Senator ISNOR: Has that guarantee been made? That is what I would like to find out.

Mr. COLPITTS: I believe it has but I cannot state definitely. I believe it has recently been made. I have figures to indicate the guarantee that was proposed, but whether that guarantee has been signed I cannot say.

Senator ISNOR: Would you care to give us the proposed terms of the agreement?

Mr. COLPITTS: Yes, it is proposed that during the first five-year period the revenue from the plant to the Railway will be guaranteed at \$2,500,000.

Senator ISNOR: That is a total of \$2,500,000?

Mr. COLPITTS: Yes, gross revenue.

Senator ISNOR: For five years?

Mr. COLPITTS: The first five years. The revenue for each additional 12-month period is estimated to be \$750,000.

The ACTING CHAIRMAN: That is \$750,000 per annum?

Mr. COLPITTS: Yes.