

important centre in Canada. There is very little they do not serve. The Canadian Pacific has the big advantage owing to these two services I spoke of.

Q. What are they?—A. The Montreal-Vancouver and Toronto-Vancouver services.

*By the Chairman:*

Q. I suppose they always had those because they were the original through line?—A. That is the reason of it, and no change was ever made, and we were not in a position heretofore to go after the traffic, because we did not have the equipment. We will have the equipment available by the first of August or very shortly thereafter.

*By Mr. Stewart:*

Q. Is there any difference in your time between the points named, Montreal to Vancouver and Toronto to Vancouver from that of the Canadian Pacific?—A. I was not going after Toronto to Vancouver. I was going after Toronto to Winnipeg and Montreal to Winnipeg. The time there is just the same.

*By the Chairman:*

Q. For how long is a contract made?—A. It is not a case of a contract at all. The Post Office Department can determine the service and change it on a day's notice. The rates are fixed by Order in Council, under which we handle the mail.

*By Hon. Mr. Graham:*

Q. I do not quite get this, Mr. Fairbairn. You have a mail contract, and so does the Canadian Pacific. Are you paid by the number of cars you draw, or the mileage or by the pound?—A. We are paid by the size of the unit, it is based on space.

Q. What does that mean?—A. In the postal car service—what the Post Office Department call the "R.P.O.", with mail clerks in it—there are the full postal cars and the half postal cars. The clerks in them are on the Government pay roll, not the Railway's, and they sort the mail en route.

Q. These are the railway mail clerks?—A. Yes, the railway mail clerks. The other service is a baggage car service, in which the mail is entirely in closed pouches, and is taken on and off by the train baggage-man. There are several units for that, 3-foot, 7-foot, 15-foot, 30-foot—it depends on the volume of the mail.

*By Major Bell:*

Q. There are sections of the National Railway on the through lines that is not served by the Post Office Department?—A. Yes.

Q. Take Cochrane, for instance. If you mailed a letter at Cochrane, what would happen?—A. A letter from Cochrane to Winnipeg would go round by North Bay. I was going on the question of service to the public.

*By Mr. Stewart:*

Q. Who fixes the unit to be used in the service, the Railway or the Post Office Department?—A. The Post Office Department, and the rate the railway is paid is fixed by Order in Council.

Major BELL: I might say that we of the Railway sat in with the Post Office Department a little over a year ago. As a matter of fact, the Post Office Department asked the Railway Department here at headquarters if we would assign an official to it. Mr. Henry, who was at that time with the Railways, was assigned to go into the whole matter. He acted practically as an arbitrator between the Railways and the Post Office Department, and finally an agreement was reached as to the rates—not as to the runs—and these are embodied in a report to Council, which afterwards was approved by Council.

[Mr. R. L. Fairbairn.]