

Government has nothing to do with it. On the eastbound mail to Great Britain the carriage is paid by the Canadian Government, but on the westbound mail the Canadian Government has no say about the routing of it. They select their steamers according to sailing date and speed of boat. The liners carrying a majority of the mail on the Atlantic are the Canadian Pacific, the Cunard, and the White Star-Dominion. We handle all the mail out of Halifax. That is on account of our service. Anything coming into St. John is handled by the Canadian Pacific. They have the short line there, and are entitled to it. During the summer season the mail comes in to Quebec, is taken off the boat at Quebec. The C.P.R. handles mail from their own steamers, and we are handling mail ex-Cunard and White Star-Dominion Line steamers. The C.P.R. have more sailings and also coupled with that fact is the fact that the White Star-Dominion and Cunard Lines have subsidies from the British Government for the carriage of mail to New York and Boston and on account of that agreement they are inclined to favour the Canadian Pacific steamships with the Canadian mail traffic to divide between the two lines because the Cunard Line and the White Star-Dominion do get the heavy mail traffic to New York and Boston—the American mail; so the Canadian Pacific carry a great deal more of overseas mail into Quebec than the other lines do. We are so short, we figure that the proportion of overseas traffic in mail for the C.P.R. should be reduced, and a portion routed Canadian National Railways in order to make up what we feel is our proportion of traffic due us on account of our mileage. I estimated that item for this year at \$31,000. I could not get all the details, the destinations of every car, or tell what volume of mail went beyond Winnipeg, but that is a fairly close estimate of what it would amount to this year. There is also another item. That is the overflow mail between Toronto and Montreal. The main postal service between Toronto and Montreal is on the Canadian National Railways but there is compartment postal service on the Canadian Pacific which gives the public along that line full service. On three nights a week there is overflow mail which goes by way of the Canadian Pacific to Montreal. We believe the overflow mail should be routed Canadian Railway every night. On three nights a week our equipment is standing idle. We estimate that roughly at \$16,000.

The CHAIRMAN: If you are through with that part of your statement I wanted to revert to the matter we were discussing a moment ago. But finish your statement first.

The WITNESS: The four items of mail revenue would be the Montreal-Vancouver, Toronto-Winnipeg, the overseas mail to Quebec, and the overflow Toronto to Montreal. This would give us approximately \$600,000 revenue per annum, and we would still be down on our proportion.

*By Mr. Stewart:*

Q. These figures are at the present rate, and not increasing the cost to the Post Office Department?—A. We might have to make some readjustments in the rates so as not to increase the costs to the Post Office Department.

*By Mr. Harris:*

Q. You cannot say it would not increase them.

The CHAIRMAN: That is under the control of the Government.

The WITNESS: That is under the control of the Government.

*By the Chairman:*

Q. I would like to return to that striking example in connection with the carrying of the mail from Cochrane to Armstrong wherein you state if the mail were given to the National there the distance would be some 375 miles as com-

[Mr. R. L. Fairbairn.]