

100 per cent greater than it was in previous years, the subsidy has been reduced to \$10,000. Taking up this matter with the manager of this line, I find that there is very grave doubt whether the company will sign the contract for \$10,000. If that be the case, it will mean that they will run the boat for their own convenience and there will not be daily trips between St. John and Digby. The service will consequently be very much decreased and it is an important one, connecting the Canadian Pacific railway from Montreal to St. John and the Dominion Atlantic, of what is now known as the Canadian Pacific, from Digby to Halifax. I should really like the minister to give further consideration to this matter because it is absolutely necessary that a daily service should be continued, but I am afraid this will not be done unless the subsidy is increased to \$20,000, which was the amount paid in former years. Besides the carrying of mails on the steamer, it is necessary, when the boat arrives in St. John, to transfer the mails from the steamer to the post office or from the steamer to the train. This service costs the company a large amount of money, at least 100 per cent more than it did a few years ago. Altogether there is very little left out of the \$20,000, after a certain amount is paid out for the transfer of mails, and I can readily understand why they would not be very anxious to sign the agreement at all at this reduced figure. If the agreement is not signed the Government will have to pay a very much larger amount for the carrying of the mails in some other way.

Sir GEORGE FOSTER: On the whole of these mail subsidies I was bound to make a substantial reduction, and on the whole service I have reduced the total considerably. I considered, having carefully studied the matter, that this was one of the services on which a reduction might be made; and that a subsidy of \$10,000 instead of \$20,000 will be sufficient to carry on the service. This is the service between St. John and Digby. It is a service also between two main points on the Canadian Pacific and is really the connecting link not on land but on water of the service of the Canadian Pacific railway in Nova Scotia and New Brunswick. There is a large traffic between these two points. The number of passengers carried last year was 38,000 and the tons of freight 28,000 or 29,000. The mails have been carried as well. It therefore did seem to me, and I so stated to the Canadian Pacific authorities, that they would have

[Mr. Wigmore.]

to submit to a cut and might also have to submit to a cut in two or three other water services that I discussed with them. At that time they did not raise any objection to a cut in so far as my memory goes, nor have they since, to myself or the department, but if I am not mistaken some one has been talking to my hon. friend. I do not think the Canadian Pacific will allow that service to depreciate. It is essential with their connection between the two great portions of their line in Nova Scotia and New Brunswick. They have carried it on splendidly up to the present. They have a good boat and I hope they will carry on the service. If not we will have to see what can be done.

Mr. WIGMORE: It is the best service we have ever had on that line.

Sir GEORGE FOSTER: No doubt.

Mr. WIGMORE: I have been told by the manager of the line that they will not accept \$10,000. If they refuse to sign this contract does the minister not think that it will cost him more than \$10,000 to carry the mails? Some may think that they are receiving this \$10,000 for carrying the mails but a very large portion of it is paid out for the transfer of the mails from the steamer to the post office and from the steamer to the train. It is quite true that this is a connecting link between St. John and Digby but there will be a great number of times in winter when they would not have enough freight or passengers to warrant them in continuing it as a daily service. If they receive \$20,000 I believe they will be prepared to sign up for another year but I doubt very much if they would agree to sign the contract for \$10,000. Therefore, we will not receive the service that we have been receiving during the last two or three years.

Sir GEORGE FOSTER: There might be something equitably done by making an arrangement under which the Post Office Department should receive and deliver their own mails at their own cost. I will take that up with the post office and the railway.

Mr. WIGMORE: I think that if the minister would do that it would be favourably received.

Sydney and Whycomagh, steam service between, \$4,000.

Mr. McKENZIE: This is the oldest steamship service we have in Cape Breton and certainly if not the best it is as good as