

the second reading of his Bill, he will facilitate the discussion of it.

The POSTMASTER GENERAL. I am not aware of the House having passed the order to which the hon. gentleman (Mr. Foster) refers. I am aware that there is a motion on the Order paper for such papers.

Mr. FOSTER. Is it not passed?

The POSTMASTER GENERAL. I am not aware of it having passed. I think it is still on the Order paper.

Sir ADOLPHE CARON. The request was made that it should be allowed to stand.

The POSTMASTER GENERAL. The hon. gentleman (Mr. Foster), as I understood him, said that the House had passed the order. I think he will find himself in error there. If that motion were before the House now, I should be obliged to say to the House that the correspondence between the Home Government and the Canadian Government on this subject is in an incomplete state, because it has to do with approaching negotiations, and at the present time it is of a confidential character.

Mr. FOSTER. I see the motion I referred to has not been passed.

The POSTMASTER GENERAL. I thought not. For the reason I have just given, it would not be proper to lay the correspondence between the Home Government and the Canadian Government before the House. First, we should require the sanction of the home authorities, and, second, even if they were disposed to grant it, there are matters of a confidential character in the correspondence that the hon. gentleman, I am sure, after perusing it, would not think it fair to the country to present to Parliament. With regard to the other information the hon. gentleman desires, I have not lost sight at all of the question as to how the reduction of the letter rate will affect the revenue from postage. But I will say this, that the deficit in the working of the department, at the close of the fiscal year 1896, was nearly \$800,000. I expect that, before this reduction in the letter rate is asked to be brought into effect, that deficit will be wholly, or almost wholly, wiped out. Further, even if a reduction of the letter rate did not cause one single additional letter to be written, the loss to the revenue through the reduction in the letter rate would not cause a deficit equal to that for 1896. So, if the country was able to pay a deficit of nearly \$800,000 a year and have the three-cent postage, it certainly could afford to pay the same with a two-cent rate, but even if the reduced rate does not increase the number of letters, the deficit will not be so great.

Mr. FOSTER. How much would it amount to?

The POSTMASTER GENERAL. Not as much as the figure for 1896.

Sir ADOLPHE CARON. I do not think the hon. gentleman (Mr. Mulock) means to discuss the financial state of his department at the present moment. It would be very inconvenient to do so. I do not altogether agree with what the hon. gentleman has said, and I think I may point out to the hon. gentleman some other reasons—

Mr. SPEAKER. I do not think it would be in order for the hon. gentleman (Sir Adolphe Caron) to go on.

Sir ADOLPHE CARON. I was merely answering the hon. gentleman (Mr. Mulock).

Mr. SPEAKER. The hon. gentleman (Sir Adolphe Caron) has already spoken.

Sir ADOLPHE CARON. The hon. gentleman (Mr. Mulock) has spoken three or four times.

Mr. SPEAKER. He (Mr. Mulock) answered a question at some length.

Mr. FOSTER. I beg leave to interpose there, Mr. Speaker. The hon. gentleman (Mr. Mulock) did not answer the question, but went on into new matter.

Sir ADOLPHE CARON. I would ask the hon. gentleman as to the Berne Convention—I would not imagine that the hon. gentleman considers that he is giving an answer on that point. It is on the paper, and ought to come up for discussion in its proper place.

Mr. HUGHES. The Postmaster General, in introducing this Bill, gave, as one of his reasons for imposing postage on newspapers, the great cost of railway carriage. Now, I think I am correct in stating—at least, I make the statement subject to correction—that it makes no difference what weight of mail matter is carried under a given contract, but the railways enter into a contract to carry the mail, whatever it may be, for a certain number of years at a fixed rate per year. I would ask if that is not the case?

The POSTMASTER GENERAL. The rate paid to railways is, from time to time, subject to rearrangement, and I am aware that the railways have demanded a large increase in their remuneration, and I have no doubt that that is partly based on the increased tonnage in consequence of this volume of free mail matter. I may say I received a report from Mr. Sweetnam, the chief inspector, a short time ago, in which he told me that they had been called upon, before I took office, to increase the subsidy of the Grand Trunk for carrying the mail between Toronto and Montreal, being \$25,000 for one car, and he attributes a large part of that increase to the increased volume of mail matter arising from the free transmission of newspapers.