

lower freight rates and to suggest ways and means whereby this difficulty may be overcome.

PARA. 2(B). DIVERSION OF FREIGHT TO LOUISBOURG

218. Mr. Russell also undertook to make definite recommendations with regard to the high cost of freight diversion over the Sydney-Louisbourg Railway during the winter months.

PARA. 3. EXPRESS RATES

219. The possibility of having existing Canadian express mileage block rates extended to the coastal steamers was considered and it was agreed that Mr. Russell should submit a case in support thereof.

PARA. 5. CAPITAL EXPENDITURE

220. Mr. Russell was requested to submit a separate statement showing capital expenditures made by the Railway during the period 29/10/47 to 31/3/49.

RAILWAY RENEWALS FUND

221. The Chairman asked Mr. Russell to discuss the disposition of the Railway Renewals Fund with his Commissioner and to report thereon to the delegation at a later date.

CLARENVILLE SHIPS

222. There was considerable discussion as to whether these ships would remain the property of Newfoundland after Confederation or would be taken over by the Canadian Government under Clause 8 (6) of the Grey Book. Members were unanimously of the opinion that ownership should remain vested in Newfoundland and that the ships should either be sold to Canada for use in the coastal trade or else operated by Canada on an agency basis in the same way as they are presently operated by the Newfoundland Railway. Mr. Russell was requested to consider this matter and submit recommendations thereon for the information of the delegation. Mr. Smallwood also asked him to supply a balance sheet covering the operation of these ships since they were taken over by the Railway.

At this point Mr. Russell withdrew.

PASSPORTS

223. It was agreed that the Secretary for Home Affairs should be requested to ascertain the position in the Provinces of Canada respecting the issue of Passports.

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*Extraits d'une lettre du secrétaire aux Finances, le ministère des Finances de Terre-Neuve, au secrétaire, la délégation de Terre-Neuve aux négociations des Conditions de l'union*

*Extracts from Letter from Secretary for Finance, Department of Finance of Newfoundland, to Secretary, Delegation of Newfoundland to the Negotiations of the Terms of Union*