

This showed the expenditure to be about the amount that was voted last year.

Mr. BUNSTER said a local company was being started in British Columbia which would be prepared to carry the Pacific mails for \$4,000 or \$5,000 less than was now being paid.

Hon. D. A. MACDONALD said that advertisements would be issued in a few days calling for tenders for that service, and if a British Columbian company's tender was satisfactory, they would get the preference over a foreign company. At the same time it was the desire of the Government to get the best service at the cheapest possible rate.

Mr. BUNSTER asked what time tenders would be received.

Hon. D. A. MACDONALD said the present contract would expire on the first of August, and he issued instructions to have tenders advertised for in British Columbia and other places, as well as in Liverpool. The Government would require vessels of one thousand tons burden, and to have accommodation for passengers.

Mr. BUNSTER said the company he had referred to intended to have a first-class boat.

Hon. D. A. MACDONALD said that the vessel must be to the satisfaction of the Department. None others would be accepted.

Hon. Mr. TUPPER asked what revenue was expected from the post office for the year 1875-6.

Hon. Mr. CARTWRIGHT said he did not expect any increase over last year.

Hon. D. A. MACDONALD said that by the convention with the United States the Department would temporarily lose \$100,000, but they hoped in a very short time to make up that loss by the increase in the mail matter sent to the United States. By the change from six to three cents, letter postage, they would lose at first something like \$60,000, and the reduction in the rate on newspapers and periodicals about \$40,000. This, in addition to the loss that would be temporarily sustained by the reduction of the postage on newspapers and periodicals in this country, would involve a loss of something like \$150,000 to \$160,000, but he hoped shortly that this loss would be more than made up.

*Hon. Mr. Mackenzie.*

Hon. Mr. TUPPER observed that the admirable arrangement which the Postmaster General had made with the United States was one which he was sure would meet with the hearty concurrence of every one, although it might be attended with temporary loss. In a short time he believed the deficiency would be more than made up.

Hon. Mr. MACKENZIE said he had just been informed by the Secretary of the Post Office Department that the statement of expenditure which he read a short time ago did not include subsidies to steamers. The actual outlay for the year was \$1,689,383, the revenue was \$1,379,087, leaving a deficit of a little over \$310,000. Such being the case, the estimate of last year appeared to have fallen short of the expenditure by a considerable amount.

Hon. Mr. POPE asked for explanations of the increase of \$92,000 in salaries.

Hon. D. A. MACDONALD said he would give explanations on that point on concurrence.—The item passed.

On item 185, surveys of land, North-West (including staff) \$230,000.

Hon. Mr. LAIRD explained that only \$100,000 was asked for this service last year, as compared with \$183,000 the previous year, because last year they did not consider it necessary to carry on the surveys to so large an extent as formerly as the Pacific Railway was not located, and it was not desirable to survey further than the road was located. But now that a good part of the railway was located through the prairie it would be expedient to carry out the surveys into townships more extensively, so that the blocks designed for the railway might be surveyed on the same plan as the other portions.

Hon. Mr. MITCHELL—Do I understand that the line of the Pacific Railway through that country has been settled?

Hon. Mr. MACKENZIE—Yes.

Hon. Mr. MITCHELL—And it is intended to make a continuation of the survey beyond Manitoba?

Hon. Mr. LAIRD—Yes.

Hon. Mr. MACKENZIE said it would be quite possible, once the telegraph line was constructed westward, to commence the survey of a new point further west of the present survey, because they could ascertain by means of the telegraph an astronomical point to start from. In the