

report of the Secretary. We are no authorities on radio-telegraph; we cannot form much of an opinion as to whether land line or radio-telegraph is best, but the department has.

Mr. Higgins Since that is a million dollar question, and my recollection of the report is that it is not very clear, and since I do not wish Mr. Smallwood to answer a question he does not

know, we will let the question drop.

[There was further discussion, touching on telegrams, mail couriers, casual employees, capital expenditures, mail contracts with the railway and steamers, and service in general. The committee of the whole then rose and reported progress, and the Convention adjourned]

January 15, 1947

Report of the Transportation and Communications Committee:¹ Committee of the Whole

Mr. Smallwood Mr. Chairman, before we go into the appendix to the report on posts and telegraphs, there is an item that I think I ought to pass on to the Convention. Yesterday we were talking about the subsidy paid by the Department of Posts and Telegraphs for the conveyance of mail, paid to the Railway. At that time I was not informed of the true situation. I said the amount was \$150,000. It was \$150,000 from 1934 on. Before that for two or three years it was \$217,000 a year, and before that for quite a number of years it was \$500,000. Well, on September 1, 1946, a new agreement was made between the Post Office and Railway, setting up an entirely new basis for postal subsidy. Up to that time it was a flat rate of \$150,000, but since September 1 the new agreement is, to the Railway 30 cents per mile, and to the coastal boats 50 cents per mile. It works out, as far as the Post Office can estimate it, at about \$101,000 a year to the Railway, and to the coastal boats about \$92,000. Then, over and above that the Post Office has agreed to pay the Railway a flat amount of \$15,000 a year to handle mail in North Sydney and Port-aux-Basques, so that the total would be around \$210,000 a year.

We only have the appendix of the report on the posts and telegraphs which consists of a report from the Secretary of the department.

Mr. Job I was just going to allude to the fact that is there not another \$100,000 in addition to the \$210,000 provided by the Finance Department for the Railway?

Mr. Smallwood We are dealing only with posts and telegraphs, and there is only this \$210,000 now from that department. Mr. Cashin says, "Yes, there is another \$100,000 paid the Railway by Finance Department." He was former Finance

Minister, and is also chairman of the committee for public finance, and I would say that he would be the man to give the answer to that. Mr. Cashin nods his head and says, "Yes, they do pay that extra amount."

[The Assistant Secretary read the report.]

Mr. Higgins What is the date of that report of the Secretary of posts and telegraphs?

Mr. Smallwood This is not a report made for us; it is made for the Commission of Government, and the Secretary, when he appeared before us, brought it and read it out, and we asked if there was any objection to our having copies made. It is a report submitted by the department to the government about a year ago. Some of the things mentioned, as things they intend to do, they have since done. They have introduced the ship-to-shore and coast-to-coast radio-telegraph system on the southwest coast. In Gander they have done some of the things they said they were going to do.

Mr. Higgins How do you reconcile the second last sentence in the report, "Up to the present no sums have been allocated for reconstruction work", with Table 3 in the Chadwick-Jones report, where it says \$300,000 was allocated 1946-47? Is there any explanation?

Mr. Smallwood The Chadwick-Jones report was prepared about a year ago. This report of the Secretary was probably written a bit after that.

Mr. Higgins That is not an answer to the question. Your information may be perfectly correct and this report may be wrong; but that report stated \$300,000 was allocated for reconstruction that is probably incorrect.

Mr. Smallwood You mean the Chadwick-Jones report?

¹Volume II:75.