

Supply—Transport

sold late in 1952. My understanding is that it is the intention to keep these eight ships operating this year.

Item agreed to.

General—

614. To provide for reimbursement of the Department of Transport stores account for the value of stores which have become obsolete, unserviceable, lost or destroyed, \$12,275.

Mr. Green: I ask that this item be allowed to stand.

Mr. Abbott: All right.

Item stands.

Item 616 stands.

General—

Air transport board—

618. Subventions for air carriers, as detailed in the estimates—further amount required, \$80,000.

Mr. Winch: In view of the fact that an additional sum of \$80,000 is required for this service in British Columbia, can the minister give an explanation of the need for it, particularly since in the past twelve months another company has said they could put on another service without any subsidy?

Mr. Abbott: The minister will be here shortly. He is at the railways and shipping committee. Perhaps he had better deal with this. As my hon. friend has indicated, it deals with a supplementary payment to the Queen Charlotte Airlines Limited for subsidized services on the west coast of British Columbia. Perhaps the item can stand until the minister comes.

The Chairman: Item 618 stands.

Item stands.

Canadian maritime commission—

620. Steamship subventions for coastal services, as detailed in the estimates—further amount required, \$144,971.

Mr. Green: There is a vote of \$136,616 for the Newfoundland coastal steamship services. Just how does that vote arise?

Mr. Abbott: Since Newfoundland joined confederation the Canadian National Railways have undertaken reorganization of the coastal steamship service, that is the coastal steamships of Newfoundland. Subsidy contracts have been executed between the Canadian maritime commission and the Canadian National Railways based upon estimates of annual loss. In each of the five years since 1950, the Canadian National Railways have absorbed the loss which has been incurred in excess of the subsidy provided. This has been included in the deficit of the railway in respect of its operation in Newfoundland. It is now considered that this loss in excess of the subsidy provided, which is based upon

[Mr. Abbott.]

estimates made prior to the year in which it is incurred, should be made up by an additional subsidy and provision made for it included in the further supplementary estimates. Due to increased wages and cost of materials, the loss on operation in 1953 exceeded the subsidy by the sum of \$136,616, and this amount has been certified by George A. Touche and Company, the national company's auditors.

Mr. Green: Then this amount will be payable to the Canadian National Railways?

Mr. Abbott: That is correct.

Mr. Green: And is that the total deficit for the year?

Mr. Abbott: No.

Mr. Green: On the steamship services?

Mr. Abbott: No; this is in addition to the subsidy originally provided.

Mr. Green: What was the original subsidy?

Mr. Abbott: That is provided for in the previous estimates, \$1,766,500.

Mr. Green: That is the deficit.

Mr. Abbott: The total subsidy cost including the loss is \$1,903,116.

Mr. Green: What was it in the previous year?

Mr. Abbott: I have not that figure today, but I will get it.

Item agreed to.

DEPARTMENT OF VETERANS AFFAIRS

War veterans allowances and other benefits—

622. War veterans allowances—further amount required, \$550,000.

Mr. Knowles: Before this item carries I want to express the earnest hope that the government will soon bring in its legislation amending the War Veterans Allowance Act. I hope it is not presumptuous for me to assume that an amendment to that act is on the books for this session, for it is certainly long overdue. I am sure the committee is glad to vote this item and provide whatever additional money is required to pay war veterans allowances according to the present schedule. I am sure also that if the house as a whole were given the opportunity to do so, it would vote wholeheartedly for increases in the amount of war veterans allowance and for other changes, particularly with respect to the amount of permissible income. I am glad that a committee is to be set up. The notice has been on the order paper for some time and it has been made to stand.