

the enactment of legislation arising from the recommendations of the Macpherson Royal Commission on railway problems.

I think honourable senators are familiar with the fact that the recommendations did include provision for an increase in freight rates, and that this has not been implemented. In the meantime and until legislation is adopted by Parliament, subsidies have been granted and this would continue such grant for 1964-65. The previous year's payments, 1963-64, under this heading were \$68,101,000. In 1962-63 they were \$70,598,000. And in 1961-62 they were \$69,009,000.

Senator BURCHILL: Why do the amounts vary in different years?

The CHAIRMAN: I think the figures represent the actual payments under the various items. I take it the calculation would be made between the 8 per cent increase which went through and the 17 per cent which was originally authorized. The wording reads as follows:

...for the purpose of reimbursing the said companies for such diminution in their aggregate gross revenues during the said period as in the opinion of the said Board is attributable to such companies maintaining the rate level for freight traffic at an 8% increase instead of 17% as authorized by the said Order; and to provide payments to the said companies of an aggregate amount in respect of the calendar year 1964 of \$50,000,000 to be paid in instalments at such times and in accordance with such methods of allocation as may be determined by the said Board for the maintenance by such companies of the rates of freight traffic at the said reduced level.

That is the only explanation I can give. I assume it would tie in to some extent with the actual amount of freight carried.

Senator POWER: Has it anything to do with the Maritime Freight Rates Act? If it has then there is a variation there in the quantity of freight carried in the Maritimes.

Senator SMITH (*Queens-Shelburne*): No, Mr. Chairman, my information on this is that this is simply a continuation of the payments that have been made in the last year or so to the railways to compensate them for not being able to operate under the increase that had been authorized by the Board of Transport Commissioners. The legislation to deal with railway traffic in the country has not been placed before Parliament yet. This has nothing to do with the payments under the Maritime Freight Rates Act, which have always been a separate item in the estimates.

The CHAIRMAN: There is no mention of the Maritime Freight Rates Act in this memorandum that I have.

Senator CRERAR: May I ask a question, Mr. Chairman? I did not have the estimates before me when you gave your explanation. You will see on page 4 under "Veterans Affairs" an item "North West Field Force, \$3,000". Does that refer to the Northwest Rebellion?

The CHAIRMAN: I have not come to that yet. I do not know the explanation of it. Perhaps I will come to that as we go along. I am sorry that we were not able to get somebody from the Treasury Board here because we called this meeting on such short notice. All I have is the file.

We go on now to the next item, which is "Veterans Affairs" on page 4. This requires a supplementary estimate of \$9 million to provide, effective from the 1st day of September, 1964, for increases in War Veterans Allowances. I will give you several examples of the increase.

In the case of a single person the present rate is \$84, and that is increased to \$94. In the case of a married person, it is increased from \$144 to \$161.