

Supply—Transport

application for what I believe was a 12 per cent increase though I may be corrected as to the amount and because of the statement made by the government the application had to be withdrawn. I am wondering whether, because the year expires soon, there will be a statement coming from the government in this respect?

Mr. Fleming (Eglinton): Any such statement, of course, will have to come from the Prime Minister or from my colleague, the Minister of Transport. I do not think it would be proper for me to attempt to answer the hon. gentleman's question.

Mr. Chevrier: Does the minister know whether a statement or an announcement will be made before the expiry of the year?

Mr. Fleming (Eglinton): I will bring my hon. friend's inquiry to the attention of my colleague.

Item agreed to.

697. To authorize the governor in council to grant to Canadian National Railway Company a subsidy of \$25,000 per mile, but not exceeding \$7,450,000, towards the construction of the line of railway referred to in chapter 49 of the statutes of Canada, 1953-54, as branch line number 1 (described approximately as a line of railway from St. Felicien to Chibougamau and from Chibougamau to Beattyville in the province of Quebec); such grant of subsidy to be made in such manner and in such amounts and subject to such conditions, if any, as the governor in council deems expedient—further amount required, \$35,750.

Mr. Regier: I believe the minister will recall that about a week or so ago on the orders of the day I asked, I believe it was the Prime Minister, to comment on the claim of the premier of British Columbia that the federal government still owed the sum of \$13 million to British Columbia as a grant for the extension of the Pacific Great Eastern railway from Prince George into Fort St. John. At that time the Prime Minister replied that the federal government had met its commitment; that it had paid its commitment of a grant of \$25,000 per mile for a limited length of the Pacific Great Eastern, and no more money was owing to the government of British Columbia. Would the minister care to state whether the government of British Columbia has applied for a \$25,000 a mile grant for that portion of the railroad from Prince George to Fort St. John? As the minister knows, the grant that has been paid applied to a section from Quesnel to Prince George. Exactly how can the premier of British Columbia claim that this money is owing?

Mr. Fleming (Eglinton): Item 697, Mr. Chairman, really has no application to any railway but one, and that is one in the

[Mr. Chevrier.]

province of Quebec running from St. Felicien to Chibougamau and from Chibougamau to Beattyville. It has no application to any other province or to any other line than that one.

As to the matter concerning which the hon. gentleman inquires, I suggest he raise it when the estimates of the Department of Transport are in the committee of supply, the main estimates for 1960-61.

Mr. Regier: Is it the policy of the government to grant railway building assistance to the extent of \$25,000 per mile anywhere in Canada, or does each specific case need to be looked at on its own merits?

Mr. Fleming (Eglinton): Yes, every case has to stand on its own merits.

Mr. Chevrier: May I ask a question with reference to the eastern part of the line. I understand the western part, that is the part from Beattyville to Chibougamau, has been completed and is now in operation. The other half has been completed and is just starting in operation. Can the minister give some indication of the financial position of the line? For instance, what freight is moving on it and are the anticipations of the railway when it asked for this subsidy being met?

Mr. Fleming (Eglinton): I think it is really too soon to expect any statistical information that would have any value. The construction of the last section between St. Felicien and Cache lake was opened only on October 28 last.

Item agreed to.

698. Canadian National Railways deficit, 1959—Amount required to provide for payment to the Canadian National Railway Company (hereinafter called the National Company) upon applications approved by the Minister of Transport, made by the National Company to the Minister of Finance, and to be applied by the National Company in payment of the system deficit (certified by the auditors of the National Company) arising in the calendar year 1959 subject to recovery therefrom of accountable advances made to the National Company from the consolidated revenue fund, \$43,588,290.

Mr. Chevrier: This is a tremendous amount, Mr. Chairman. I do not think we can allow it to pass without some more detailed comment by the minister. This is the amount of the deficit of the Canadian National Railways. While it is true that this matter is being investigated in the committee on railways, shipping and air lines, owned, operated and controlled by the government, at the present time, it is unfortunate that the committee of the whole house and the committee on railways and shipping is sitting at the same time, because it does make it difficult to follow both; certainly, it makes it extremely difficult for those of us who sit on