

Supply—Transport

telephones except perhaps in British Columbia. I think the Minister of Transport should take an interest in this matter because if you compare the rate from Winnipeg to Kansas City and from Vancouver to Halifax you will find that the Bell Telephone rates are higher than those that prevail to the south of us in the United States. I hope that the cabinet will consider this matter when there are appeals from the board of transport commissioners with respect to rates.

Item agreed to.

448. Amount to be credited to the railway grade crossing fund, in addition to the amount to be credited to the fund under the Railway Act in the current fiscal year, for the general purposes of the fund, and authority, notwithstanding section 30 of the Financial Administration Act, to make commitments pursuant to this item for the current and subsequent fiscal years not to exceed a total amount of \$10 million, \$5,000,000.

Mr. Regier: Would the minister explain why there is a reduction from \$10 million to \$5 million? All of us regret the number of accidents that are still occurring at our railroad crossings.

Mr. Balcer: There is adequate money in the fund at the present time. It was not foreseen that the whole fund would be used up during the year and if there is a need for more money it will be provided.

Item agreed to.

Board of transport commissioners—

590. Interim payments, related to recommendations of the royal commission on railway problems pending its complete report, to companies as defined in the Freight Rates Reduction Act of an aggregate amount in respect of the calendar year 1961 of \$50,000,000, to be paid in instalments at such times and in accordance with such method of allocation as may be determined by the Board of Transport Commissioners for Canada, as compensation to such companies for the maintenance of their rates on freight traffic at reduced levels as provided for in the said act, \$50,000,000.

Mr. Chevrier: Mr. Chairman, I would point out to hon. members that this is a rather important vote. It involves an expenditure of \$50 million and I think that there should be some explanation forthcoming. I should like to read the vote and ask the minister if he can clear up the confusion which anyone reading the vote will certainly find. It reads:

Interim payments, related to recommendations of the royal commission on railway problems pending its complete report—

The royal commission on railway problems has recommended the payment of \$100 million divided in four categories. I should like to know first of all how much of this amount will go toward payments as recommended by the royal commission? In its first report the

[Mr. Benidickson.]

royal commission, as found on page 60, recommended a subsidy for passenger trains in the amount of \$62 million. With respect to losses on Crowsnest rates it recommended a subsidy of \$22,300,000, as found on pages 65 and 66. Third, it recommended a subsidy of \$13 million for the deficit on light density branch lines, as found on page 62 of its report. That makes a total of \$97,300,000. I should like to know how much of the \$50 million is related to these payments recommended by the royal commission.

Mr. Balcer: I remember explaining this at the time. The \$50 million is related, of course, to the MacPherson commission but until the two other reports are tabled and are in the hands of the government the government has decided that all it can do in the circumstances is to consider the recommendation of the commissioners in their first report and the factors behind the three recommendations with respect to the various categories that have been mentioned by the hon. member. As an interim payment while we are waiting for the two other reports the government felt that \$50 million would be a fair and appropriate figure in the circumstances, basing its decision on the findings and conclusions of the commissioners. We did not want to present an amount of money covering exactly all the recommendations of the commissioners until we have the other two reports.

Mr. Chevrier: How much of this \$50 million is going for one or another of the three categories that I mentioned?

Mr. Balcer: I have not got those details with me at the present time. The amount of \$50 million is to be allocated by the board of transport commissioners to both railways. The board bases its judgment on various factors and has in mind keeping rates at the present level.

Mr. Chevrier: If it is a matter of keeping rates at the present level, then it has nothing to do with the report of the royal commission on transportation. Is that not right?

Mr. Balcer: Indirectly it has.

Mr. Chevrier: There is another question I should like to put to the minister. Since the vote starts off by referring to interim payments related to recommendations of the royal commission on railway problems pending its complete report, it is quite clear that no portion of this amount is going for passenger train service, Crowsnest rates or for the deficit on light density lines.

The next point that arises is this. If the money is going to be paid to companies as defined in the Freight Rates Reduction Act in an aggregate amount in respect of the calendar year of 1961 of \$50 million, to be