

Canadian National Railways

financing authorities which Canadian National Railways require.

Third, the bill would provide for the continued purchase by the Minister of Finance of Canadian National Railways' 4 per cent preferred stock through to the end of the calendar year 1971. This continues the practice of previous financing and guarantee acts. The 1969 financing and guarantee act extended to December 31, 1970 the expiry date of the authority granted by Canadian National Railways Capital Revision Act of 1952 for the purchase of such stock equivalent to 3 per cent of the company's gross revenue.

Fourth, and for the same reasons, the bill would extend until the end of 1971 the moratorium on interest on the government loan of \$100 million to the railway company authorized by the Capital Revision Act of 1952.

Fifth, as in previous years the bill would provide authority for the government to make temporary loans to Canadian National Railways and Air Canada to meet deficiencies in operating revenues up to June 30, 1971. Any such loan is repaid later from revenues of Canadian National Railways and Air Canada or, if these prove insufficient, the loans are cancelled through parliamentary appropriation.

Sixth, the bill contains an option similar to that contained in the 1969 Financing and Guarantee Act which would enable Air Canada to borrow \$174 million prior to July 1, 1971 either directly from Her Majesty or by means of a guaranteed public issue. It also would provide authority for the Minister of Finance to guarantee debentures amounting to £13 million sterling to be issued in the period July 1, 1971 to December 31, 1974 by Air Canada in accordance with contractual obligations assumed by the airline prior to July 1, 1971.

Finally, the bill would provide for the appointment of the firm of Touche, Ross and Co. of the cities of Toronto and Montreal, chartered accountants, as auditors of Canadian National Railways for the calendar year 1971.

[Translation]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to make some comments on the bill under study. I will quote a few excerpts from the 1969 report of the Canadian National.

Bill C-186 is designed to grant funds to the CNR to provide for certain expenditures. The Bill is described as:

An Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January, 1970, to the 30th day of June, 1971, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada.

Once more, we are being asked to vote substantial funds required for the operation of those Crown Corporations, Canadian National and Air Canada.

Out of this quite astronomical figure—\$229 million—some \$10 million are to be used for new branch lines. I was expecting the minister to go into more detail on the

[Mr. Benson.]

new branch lines Canadian National Railways intend to build in 1971 or early in 1972.

Certain regions of the country are obviously rich in natural resources which could be developed but as they are increasingly remote from the United States border and larger centers, adequate transportation is necessary to bring them to consumer centres.

We heard a few days ago that the Minister of Energy, Mines and Resources (Mr. Greene) would be going to Japan to try to interest Japanese industrialists in our ore. We know most of those resources are located on the west coast of Canada.

There are, in New Quebec, many ore bodies of all kinds that are about to be developed. Big companies are starting to develop them.

There are vast iron bodies near Whale River, and further north, deposits of nickel, copper and asbestos.

On March 19, 1970, Mr. Jean-Paul Drolet, federal deputy minister of Energy, Mines and Resources said as follows:

The extreme north of New Quebec, according to surveys made in 1969, is said to hold, among other deposits, huge reserves of several million tons of rich copper-nickel ore and asbestos deposits estimated at a total value of at least one billion dollars. It will very likely become one of the most important mining areas in the province, the deputy minister pointed out.

• (12:10 p.m.)

Mr. Speaker, it is obvious that this is a small part of the natural resources which can be found in that huge territory of New Quebec.

Evidently those mentioned by the Deputy Minister of Energy, Mines and Resources are rather remote, while others are much nearer and easier to develop. But we must find the necessary means to ship them to Hudson Bay and James Bay or to places such as Chibougamau or Matagami which have railways enabling them to ship their minerals southwards.

I think that the government should have undertaken the necessary studies for the construction of branch lines in order to ship those minerals to refining centres.

I expected the hon. Minister of Finance (Mr. Benson) to reveal government projects in that regard and I am sorry that he left the House.

The hon. Minister of Transport (Mr. Jamieson) is not in the House either at the moment to hear the speeches of hon. members, but I hope that at least he will take note of my remarks.

Mr. Speaker, the recommendation of His Excellency the Governor General regarding this bill, indicates the sums required for the administration of the Canadian National and Air Canada and specifies that if the need arises, the government will have access to supplementary funds to meet the deficits of both companies.

This led me to examine the 1969 report of the Canadian National.