

increase in potash freight rates from points in Saskatchewan to the west coast. Is this an indefinite postponement or is it limited to a certain period of time?

Mr. Jamieson: I do not have the details in front of me right at the moment. I understand it is for a period of time. I hope I am correct in this and I hope the hon. member will appreciate that to a degree it is hearsay, so that I will not be held to it if it turns out to be incorrect. My understanding is that the Saskatchewan people who discussed this matter with the railways asked for a deferral in order to re-assess the various effects of such an increase. I believe they asked for a period of grace, and it was this which the railways have granted. I do not know the length of time at the moment, but I will be happy to inquire and let the hon. member know.

Clause agreed to.

Mr. MacLean: Mr. Chairman, may we have a brief explanation of the estimated capital expenditures of \$107 million for the 1969 calendar year for road property, and of \$4 million for hotels?

Mr. Gray: Mr. Chairman, this is detailed in the capital budget of the CNR that has already been approved by Order in Council and, if I am not mistaken, was made public some months ago. On page 1 of the capital budget for 1969, under the heading "Road Property", we see an amount of \$49,938,000 for roadway improvements, \$5,785,000 for large terminals, \$4,130,000 for yard tracks and sidings, \$3,603,000 for buildings, \$13,335,000 for signals, \$5,965,000 for roadway and shop machinery and \$24,689,000 for general expenditures, making a total of \$107,700,000 as referred to by my hon. friend.

Under the heading of "Hotels" at page 6 we see expenditures as follows: Hotel Newfoundland \$101,400, Hotel Nova Scotian \$86,000, Chateau Laurier \$939,000, Fort Garry \$1,584,000, Bessborough \$135,300, Hotel Macdonald \$583,000, Jasper Park Lodge \$126,000, and Hotel Vancouver \$587,800, with \$1,315,800 for sundry small projects, making a total of \$5,458,300.

Clause agreed to.

• (5:50 p.m.)

Clause 3 to 6 inclusive, agreed to.

On clause 7—*Loans to Air Canada out of CRF.*

Mr. Lambert (Edmonton West): The other day I raised the question of a foreign carrier

Provision of Moneys to CNR and Air Canada obtaining the contract for the carriage of nickel or concentrates from Canada to Norway. I gather that Friday last this prompted some form of statement, a very incomplete one, about which I saw a small blurb in the press. I wonder whether the minister could arrange to have a statement from Air Canada, since Air Canada identified itself as a carrier who was interested but whose pencil was not sharp enough to compete against KLM for the \$1 million contract to carry Canadian ore to a refinery. Something has gone wrong.

Mr. Jamieson: I know something of this, but rather than attempt to give an incomplete answer at the moment I will be glad to look into it and provide the hon. member with the full story. I think there are qualifications to it in terms of the statement which he made. As I say, I prefer not to answer fully until I have the details.

Mr. Bell: Mr. Chairman, I would ask the minister a question I asked previously. Is this section on Air Canada financing the same as in other years, or are there new provisions that give this company a greater freedom in its financing efforts? Will Air Canada be having more independence in the financial world? I would also ask if they will be able to borrow more money or increase their financing in view of the jumbo jets? Will there be greater financing this year because of the jumbo jets?

Mr. Gray: The provision is basically the same. It will permit Air Canada to go directly to the market to borrow if it so decides or it can borrow from the government. I believe there is a difference in the sense that under this provision it will not be able to borrow from the CNR, but basically the purpose of giving greater flexibility to Air Canada in seeking capital by way of borrowing is the same.

Clauses 7 to 15 inclusive agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

Mr. Gray (for Mr. Benson) moved that the bill be concurred in.

Motion agreed to.

Mr. Speaker: When shall the said bill be read a third time? Now, by leave?

Some hon. Members: Agreed.