

*Canadian National Railways*

knowledge of the parliamentary secretary, abandoned any rail passenger branch lines in Canada this year? This is a beginning question.

**Mr. Gray:** Perhaps the hon. member would pose his other question while I inform myself.

**Mr. Macdonald (Rosedale):** Perhaps I could add to my previous answer at this point. I understand that the estimates of the Canadian Transport Commission have been referred to the standing committee, and of course they will have to be dealt with before the end of this part of the session. At that time of course the chairman and other individuals on the commission will be appearing before the standing committee. While I do not know the Transport Act too well, I think it would then be germane to raise all aspects of this rail line abandonment question.

**Mr. Bell:** There is some doubt in my mind as to a previous answer given by the parliamentary secretary. Am I right in understanding the parliamentary secretary to say that if there are new plans for Air Canada in the ways we have been talking about, then new legislation would come before parliament? However, in so far as the bill with which we are now dealing is concerned, there are some new sections as compared with the bill in other years.

**Mr. Gray:** It is, I suggest, a matter of interpretation whether or not you consider the changes in the bill in respect of Air Canada, considerable or new, as the hon. member has said. It is my understanding of the bill that no changes whatever will arise out of it with regard to the corporate structure, management and so on, that Air Canada basically has. The bill enables Air Canada, in its present structure, without prejudice to what, if anything, may come forward in the future, to go directly to the market or borrow directly from Her Majesty in the right of Canada for its financing needs. I hope I have clarified the matter sufficiently for my hon. friend.

**Mr. Bell:** As I understand it, every year we have had what we have called the Canadian National financing bill. I admit that in other years it has gone through in a routine way. I recall one or two occasions when the opportunity was taken to bring forward current matters, such as has been done today and done very well by hon. members from Newfoundland. I merely want to be assured that this bill is, in every respect, the same bill as

[Mr. Lundrigan.]

the one which has been brought forward in other years for this financing. If it is not, I want to know what sections are different, what extra authority is being requested. It is quite simple.

If the bill is the same as last year, then I am happy and I will sit down. I have made my point about my hopes for the future, and the new plans that may be made for Air Canada. I merely want to know if the bill is even slightly different from previous years, and if the parliamentary secretary will tell me the clauses that are different and why they are different.

**Mr. Gray:** I would say it is exactly the same, Mr. Chairman, as in preceding years, except that there are two changes to which I alluded in my remarks at the resolution stage. First, the bill would authorize Air Canada to go either directly to the market or to borrow directly from Her Majesty a sum up to \$130 million. Second, it provides for a blanket authorization to the Canadian National to spend for the construction of branch lines up to \$16 million. If the hon. member wants the exact clauses, perhaps we could wait until we come to them in our consideration and I would be happy to accommodate him.

**Mr. Bell:** In other words, the parliamentary secretary confirms the fact that there is in this bill a step toward some independence for Air Canada, at least in so far as financing is concerned. However, if a giant new move for a separate Air Canada were to take place, then new legislation would be forthcoming.

**Mr. Gray:** It is my understanding that if the changes contemplated in the remarks of the hon. member were to be decided upon, new legislation would be necessary. I am not sure whether I am in a position to confirm or indeed comment upon a step to be taken. It is a matter of interpretation. I am not saying I agree or disagree with the interpretation.

**Mr. Bell:** Has the parliamentary secretary not said that this year Air Canada can go separately to the money market, which as I understand it they have not been able to do?

**Mr. Gray:** Perhaps I could just deal with the point made by the hon. member. This authorization would only be until June 30, 1969 and would cover a total of \$130 million. So, I perhaps could say in the terms suggested by the hon. member, that there is a broadening of the way Air Canada can operate, since it can now go directly to the money market.