

## HOUSE OF COMMONS

Friday, February 17, 1950

The house met at three o'clock.

### NEW DEPARTMENTS

RESOURCES AND DEVELOPMENT, MINES AND  
TECHNICAL SURVEYS, CITIZENSHIP  
AND IMMIGRATION

**Right Hon. L. S. St. Laurent (Prime Minister):** Mr. Speaker, on November 26 last, during the course of the discussion on the bills that were then before the house for the establishment of three new departments, the hon. member for Peel (Mr. Graydon) suggested that when the departments were set up it would be convenient to have charts prepared showing the branches of the service that would be included in each new department.

The departments were set up in accordance with proclamations which were published in the *Canada Gazette* of January 28 at pages 320 and 321. We have had charts prepared showing the distribution of the branches of the service among the new departments, and I should like to table two copies of each of these charts and to say that they have been made available for distribution to all hon. members of both houses.

**Mr. Graydon:** They have been distributed already.

### REPORTS AND PAPERS

(For list of departmental and other reports tabled, see *Votes and Proceedings*, No. 2, of February 17, 1950.)

### CANADIAN NATIONAL RAILWAYS

REDUCTION IN PASSENGER TRAIN SERVICES—  
COAL SUPPLY

On the orders of the day:

**Mr. Gordon Graydon (Peel):** Mr. Speaker, I should like to address a question to the Minister of Transport. When may we expect the service of the Canadian National Railways in Canada to be restored to normal?

**Mr. Coldwell:** Perhaps the minister might answer at the same time the question I sent him a day or two ago. I will not repeat it.

**Hon. Lionel Chevrier (Minister of Transport):** Mr. Speaker, the leader of the C.C.F. party (Mr. Coldwell) was good enough to send me some two days ago notice of a question similar to that which the hon. member for

Peel (Mr. Graydon) has asked. In fairness to members on this side of the house who have also been pressing for a statement on the subject, I think I should say that at the time I received notice from the hon. member I already had a statement prepared on the situation, because I expected that some such question would be asked. With the permission of the house I should like to read it now.

On December 28, 1949, the Canadian National Railways announced reductions in passenger train service equivalent to approximately 25 per cent, effective January 9, 1950. These were made necessary by the reduction of the stockpile position of coal on the Canadian National Railways. Neither the government nor myself was previously advised of this decision.

Since the reductions were announced, officers of my department and myself have been in constant touch with the management of the Canadian National on this question of coal supply. I have asked the new chairman and president, Mr. Donald Gordon, to give me a memorandum setting out in detail the events leading up to the decision curtailing passenger train services. At my request, Mr. Vaughan, the former chairman and president, has given me a letter of explanation of the circumstances which brought about the present situation.

I would like to summarize to the house these events.

First of all, the board of directors of the Canadian National Railways, at its meeting in October, 1948, approved an objective of 2,365,000 tons of coal for stockpile as at December 31, 1949—this being about four and one-half months' supply. I am advised that if this stockpile objective had been obtained, a reduction in train services would not have been necessary unless there had been a complete interruption of supplies covering, say, a three or four months' period. Early in June, 1949, Mr. Vaughan, then president, gave instructions to the purchasing department to keep the coal stocks of the C.N.R. at approximately three months' supply. He was of the opinion that such reserve was ample to meet any emergency. The events which occurred in the coal industry, coupled with the decision of Mr. Vaughan, had the effect of reducing the stockpile objective, as set out by the board of directors in October, 1948, from 2,365,000 tons to 1,043,000 tons at December 31, 1949. This meant that a condition of emergency existed, since the coal supply in the heavy traffic