

*Oral Questions*

Atlantic Canada, which leaves Prince Edward Island and Newfoundland without any terminals, New Brunswick with three terminals and Nova Scotia with two, what measures will the minister take to continue this service, which is intended to compensate for rail line abandonment in the maritimes in the 1960s? Surely it is time this government stopped picking on the Atlantic provinces.

**Some hon. Members:** Hear, hear!

**Hon. Jean-Luc Pepin (Minister of Transport):** Madam Speaker, one must understand why this has taken place. CN Express are losing money. They lost \$14 million in 1970 and they will lose \$57 million this year. The main reason for this is that CN Express cannot compete adequately against firms which are more specialized and more selective in their operations.

What is taking place now is that they are cutting a number of points of delivery. They are also pre-retiring, relocating and retaining their employees, which must be underlined. This is done in co-operation and agreement with the union. What is happening is regrettable but one must say that it is being done in a very humanitarian and a very sophisticated way. Obviously this will affect the maritimes because 250 out of the 1,000 people affected come from there. I emphasize that substantial efforts are being made to accommodate the situation and to help the employees. I understand that up to 90 per cent of them will be relocated, retired or retrained and that they will have first call on all jobs available from all divisions of CN.

**Mr. Howie:** Madam Speaker, first we lose the trains and now we lose the express. Has the minister been in contact with the Minister of Consumer and Corporate Affairs concerning the devastating effect this reduction in competition will have on rates charged for alternate modes of transportation and the extensive harm this will cause consumers as a result?

Further, has the minister had any consultation with his counterparts in the Atlantic provinces or the Minister of Regional Economic Expansion about remedial measures and, if so, what solutions will he adopt? If not, why not?

**Mr. Pepin:** Madam Speaker, many members of the cabinet were involved in the information process. If there is one thing that is not being compromised, it is competition. In the very city of Amherst, Nova Scotia, to name one example, CN Express estimated that they had to compete with 14 other companies which were engaged in the same business. So one thing which will not suffer is competition. As a matter of fact, CN Express was competing with the Post Office Department and also other government interests.

## REMOVAL OF FACILITIES FROM NOVA SCOTIA

**Mr. Lloyd R. Crouse (South Shore):** Madam Speaker, I also wish to address my question to the Minister of Transport. On Friday, January 25, 1980, Liberal leader Pierre Trudeau, speaking in Halifax, said among other things:

We will use revenues raised through energy taxation to make big projects happen—namely, railway building, pipeline construction, a western electrical grid and coal liquefaction are only a few of the projects that the energy boom could produce.

This statement was endorsed by all Liberal candidates. Therefore, I wish to ask the Minister of Transport if he could explain further the reasons why this government on November 5 authorized the CNR to remove 11 agency positions in Nova Scotia, seven of which are in my riding at Chester, Malone Bay, Lunenburg, Liverpool, Lockeport, Shelburne and Barrington Passage, plus eight CNR buildings, seven of which are in my riding at Chester, Malone Bay, Lunenburg, Liverpool, Lockeport, Shelburne and Barrington Passage. Would the minister indicate how this government's actions can be construed as railway building since its policies, which are destroying CNR services, are really not in line with the promises made to the people of Nova Scotia by the Prime Minister when he was campaigning for votes?

**Hon. Jean-Luc Pepin (Minister of Transport):** Madam Speaker, as the Minister of Finance just said in another context, it is difficult to isolate any body from what is happening, from the changes that are taking place in society. I do not know if the hon. member is referring to CN Express, CN Marine or CN; I have no way of knowing that from the question he raised.

**Mr. Crouse:** CN Express.

**Mr. Pepin:** If he is referring to CN Express, then I delivered the answer a moment ago by indicating that CN Express is doing its utmost in this particular instance to retrain, relocate or pre-retire the employees affected by these changes. My information is that between 80 per cent and 90 per cent of the employees of CN Express will be treated in that fashion. This treatment must be considered humanitarian and generous enough because it is getting the full support of the unions. This shows that changes will occur and that CN Express, like everybody else, must adjust to those changes. But they are making these changes in the most reasonable and generous fashion possible.

**Mr. Crouse:** I wish to clarify my previous question to the hon. minister. It is not only CN Express but also eight CNR stations which will be offered for sale. I ask the hon. gentleman if the \$50 million plus deficit in the operations of CN Express, which if I heard him correctly is the reason for the tenth annual loss, has led the CNR to begin a cutback in its operations right across Canada. Is the government contemplating closing down Mirabel Airport which has also been showing a loss since it opened in excess of \$50 million annually?

**Some hon. Members:** Hear, hear!

**Mr. Pepin:** Madam Speaker, I do not think one should compare the two.

**Some hon. Members:** Oh, oh!

**Mr. Pepin:** There are other comparisons to be drawn but which I will not mention now. The main point is that it is not