

Newfoundland railway is being murdered today with malice aforethought by CN, aided and abetted by the Minister of Transport (Mr. Lang) who has given CN carte blanche to "do in" the Newfoundland railway service as soon as possible, or within the next six to eight months in any event.

My motion asks the House, first, to direct the government to reject the recommendation of the Sullivan Royal Commission on Transportation Services. That was the recommendation that the railway service in Newfoundland be discontinued. The commission based that recommendation on the conclusion that it was no longer economically feasible to operate a railway service in Newfoundland. I will come back to that point later. The commission made that recommendation with reluctance; two commissioners for, against one who dissented.

The motion also asks the House to reaffirm that Newfoundland should have a vigorous and effective railway mode of transportation. Surely we should do that. How can anyone argue that one province in the Canadian federation should not have a rail mode of transportation? I should like to see anyone suggest that for Saskatchewan, Quebec, New Brunswick or Nova Scotia, and see where they would get.

My motion also asks the government to accept the other recommendations of the Sullivan commission and to discuss their implementation with the government of Newfoundland and this House, and that the government meet the financial losses of the Newfoundland railway. There is no reason in the world why CN should have to meet the losses of the Newfoundland railway. That railway is owned, lock, stock, and barrel by the Government of Canada, which was given it free and gratis on April 1, 1949, by the Newfoundland public. They own it and asked to run it, and there is no reason in God's world why CN should have to meet any of the financial losses caused by the operation of the Newfoundland railway. These losses should be met by the people of Canada through the House and through the government.

My motion goes on to propose that CN be instructed to start giving vigorous and effective management to this railway to see if it has a chance of becoming more viable in the future, because in the last ten years CN has done everything within its power to drive freight and cargo off the Newfoundland railway, having driven passengers off with the connivance of premier Smallwood in 1968. In the 1960s the premier was promised that Canada would meet 90 per cent of the cost of the inferior Trans-Canada highway if his government would not oppose the abandonment of the railway passenger service. The Pearson government, having achieved that, in the 1960s we had the obsequious slogan of the Newfoundland government on Trans-Canada and the passenger service was replaced by an inferior bus service, upon which this commission reports, and which I will mention in a moment.

We will not trust Canada again to do away with our railway on the basis that our freight and cargo will be moved more effectively by other means. Their promises have been broken with regard to the railway passenger service and they will be in this other connection.

Newfoundland Rail Transportation

I want to cite the following to members of the House. Surely no one argues that a rail service must be profitable. Let me quote from the *Economist* of July 15, 1978, where, in an article on railways, the following is stated:

No major national railway makes a profit. Britain's is one of the few to come close. Austria spends 1.8 per cent of gross domestic product propping up its railways. Belgium 1.4 per cent, West Germany more than 0.8 per cent and France more than 0.7 per cent. British Rail's so-called "contract" with the government (to compensate for losses caused by "socially desirable" but unprofitable passenger services) amounts to \$364 million a year—only 0.3 per cent of g.d.p.

We know that in nation after nation the railway does not make money, but that does not mean to say that those nations do away with their rail services. They are still needed, if not on economic grounds then on social and other grounds, and they are still kept operating. But in Newfoundland we are supposed to be different, we are supposed to agree that if our railway is not making money—at least CN says it is not—it should be abandoned, done away with, and we should depend thereafter on the highway or on the sea, and that we are not to have the rail mode. Well, Mr. Speaker, we do not agree to that.

The Sullivan report has been in the hands of the minister since June of this year. Six months have gone by without one shred of activity, without an acceptance or a rejection of it or of any of its recommendations. The minister made the report public on July 24, that is, over four months ago, and there is still no action by the minister.

When the minister appointed the commission on March 28, 1977, he had a press conference in Newfoundland. I wish to quote from the *Evening Telegram* of March 29, 1977, in which the minister is quoted as having said that this study:

—won't be just another study to lie on the shelf because the province is "at a critical point" for decisions, transport minister Otto Lang yesterday maintained.

"I consider this one the final one," he said following a press conference in St. John's, for "we cannot wait any longer for tough decisions . . . and good decisions for Newfoundland."

Further on in the article it is said:

And it will report its findings and recommendations to the Minister of Transport by the end of 1977.

The minister was going to act, and he wanted the commission to report by the end of 1977. It reported in June of 1978, but he has not done a thing since. That is the kind of decision we are getting from this minister—he has not done a thing. What he is doing is standing by while the CN cuts the railway adrift. I will explain that in more detail in a moment.

Everyone in Newfoundland who has any position in public life is opposed to the recommendation that the railway be abandoned. I brought the matter before the Atlantic caucus of the federal PC caucus in Ottawa in August of this year and the party agreed that there should be a continuing rail mode of transportation throughout the Atlantic region. The following motion was passed:

That the PC party affirm the need for a continuing rail mode of transportation throughout the Atlantic region as a national policy and as a tool for continuing regional development and opposes any attempt to abandon rail transportation services in any province considering that government must ensure financial support for a rail service with new direction and emphasis by competent management prepared to compete vigorously for the traffic available, and the