

Railway Act

Finally, it does not occur when a point adequately and fairly demonstrated by one party to be in the common interest is dismissed out of hand by the other, regardless of the degree of jurisdiction that each may have in the matter.

That is our view of the minister's kind of consultation. There was no consultation on that bus situation. It was barbaric. The protest from the Newfoundland government will be ample to show that.

The CN dockyard is there. It is owned by the Government of Canada. This crowd opposite owns it. They got it lock, stock and barrel in 1949. CN is operating it at the request of the Government of Canada. That dockyard has had losses for several years. There were rumours that it was going to be closed. It is not going to be closed. As long as I am in this House, I do not care what side I am on, it is not going to be closed. There are 350 to 400 people working in that dockyard. It is of tremendous economic benefit to the city of St. John's. It is not closing.

Last year it broke even. That yard could make money if the Government of Canada would get off its fanny and advance a loan of \$6 million to the dockyard authority so that they could buy and instal a syncrolift. The yard is old. It has a big graving dock. When you put a vessel or two on that graving dock, as long as they are still under repair you cannot take other vessels. You cannot allow the water out and other vessels in until the job is finished. The consequence is that they have to turn away work while the graving dock is occupied. Last year they turned away over 20 major jobs from ships passing in the Atlantic which got into trouble because the graving dock was in use and they could not guarantee quick service.

With a syncrolift there to handle repairs on all the vessels under 4,000 tons, they will be able to expand their work force by 200. They will then be able to handle all the work they are offered.

When the Minister of Fisheries and the Environment (Mr. LeBlanc) changes the regulations, as he is going to, so that foreign fishing vessels can be repaired in Canadian dockyards and crew changes and cargo changes can take place, that dockyard will really come into its own. That is what we want of that dockyard. We are not even asking for a grant.

The Minister of Industry, Trade and Commerce (Mr. Horner) is not concerned. He does not care. Maybe he thinks he is taking it out on me because he has not moved on this. He made a stupid statement in January about a new shipbuilding policy for spending money in Esquimalt and in two places in Quebec, Granby and Lachine. They are giving grants to those dockyards which they own.

After a study of the situation for two and a half years in St. John's, Newfoundland, by a task force of his own officials, the minister says he is still studying the situation in Newfoundland and that he will talk to the Newfoundland government about it. There is no need for further study. What we want is a \$6 million loan from the federal government to that dockyard in order to get the syncrolift installed. By the way, relations between the minister and the Newfoundland minister of transportation and communications could not be more abysmal or unsatisfactory. I have never seen the likes of it. This minister

[Mr. Crosbie.]

will not give our minister the time of day. There is no consultation there.

CN Marine has just taken over all the vessels and other assets which the federal government financed for the ferry service and marine coastal service in Newfoundland. That went into effect January 1, 1978. The idea is that CN Marine is going to operate as efficiently as they can. The minister and the government are to meet any losses they have in that service. If they can operate more efficiently within the boundaries set by the minister's department, they will make money and so on.

Mr. Gratwick made a speech about this on February 3. He is a very able official. I am supportive of him as I am of all CN officials. They are a fine group, very efficient. The trouble they get into is caused by the government which will not give them the money to do the job. They have been told they have to make a profit. This is what they are trying to do. Mr. Gratwick's speech illustrates the dilemma. This speech was delivered to the Kiwanis Club of Ottawa on February 3. He said:

When I preach the need for vigorous control in the operation of public ferry services, it should be easier to obtain agreement from this group—

He is referring to the group here in Ottawa. He further stated:

Certainly CN Marine is the product of a constrained economic environment.

Why constrained? It is because the federal government has constrained it.

It represents an effort to balance the pursuit of economies with public need.

That is where the rub comes. I quote from page 3:

CN Marine, incidentally, does not set ferry rates. . . . Rates and levels of service are set by the federal government.

I ask my people in Newfoundland to note that. It is the federal government that they must hold responsible for the deficiencies in CN's operations in Newfoundland, not CN. Page 4:

CN Marine is essentially a mechanism for applying modern business techniques to control of costs while providing acceptable levels of ferry service at acceptable prices.

That is the rub, Mr. Speaker. Who is going to decide the acceptable levels, and what are acceptable prices?

Last year, the bill for CN Marine operations was \$5 million less than the government's budget.

CN is pleased. They think they have done a good job. They saved \$5 million on the government's budget. It is the people who use the service who pay for that. They have less than satisfactory service. Every cent was scrimped and pinched. Whenever they stepped over a nickel, their what-not snapped on it. That is how they saved \$5 million. That gave a much poorer service to those who use the ferry service.

Last December Otto Lang, the Minister of Transport, and Robert Bandeen, the president of Canadian National, signed a memorandum of understanding.

I am glad Mr. Bandeen can understand him. I certainly do not. At page 5 he talks about the new service. CN Marine is going to operate the ferries to Newfoundland. It is going to operate our coastal service. This is the new arrangement. They