

Canadian National Railways

relieve the province of Newfoundland of the public cost incurred in respect of each service taken over. Then the services are listed. The very first one is the Newfoundland railway, including steamships and other marine services.

In their national advertising Canadian National Railways refer to it as the escape route. They are certainly adopting an escape route in the province of Newfoundland and they are doing so with the approval of this government. With the approval of the Minister of Transport Newfoundland has been stabbed in the back by the present government and by that self-appointed so-called friend of Newfoundland, that \$50,000 a year friend of Newfoundland, Jack Pickersgill, the chairman of the transport commission. As I say, we are being stabbed in the back.

The 1966 figures which accompany the application for the discontinuance of this service show that some 90,000 Newfoundlanders have used this service in the years up to 1966. One in every five Newfoundlanders has made use of this service. The railway very cleverly took the year 1966 as the year to make their application because, following the completion of the trans-Canada highway, a lot of people decided, naturally, because of the novelty alone, that they would travel by highway. We had never had a highway so they decided the novelty was too much to resist. The year following the completion of the highway Canadian National Railways brought forward their application for discontinuance of the rail passenger service.

• (2:40 p.m.)

The hon. member for St. John's East placed a question before the Minister of Transport just a few days ago and, as a matter of fact, on October 30 the answer was forthcoming. I refer to page 2201 of *Hansard*. The hon. member asked for some of the figures accompanying the C.N.R.'s application to discontinue the service. The answer by the Minister of Transport was that such figures did accompany the application but they were of a highly confidential nature and could not be disclosed. Regardless of that, I have come upon the figures that the hon. member requested and could not get because they were confidential. I have those figures before me.

Presumably Canadian National Railways suffered a deficit of some \$900,000 in 1966. I say without any hesitation—and I have this very confidential report before me—that the analysis of variable expenses as they call

them, whatever that means, which the railway provided with their application is most definitely padded. There are in this analysis of variable expenses such things as depreciation. Good Lord, those facilities were depreciated 100 years ago. They have been depreciated six times over. But we have an item for the depreciation of cars in the amount of \$97,697, and for depreciation on locomotives, \$66,173.

We must bear in mind that the total deficit was \$918,000. The next item in the financial report which accompanied the application of the railway is inside expenses, whatever that means, which amount to almost half the total deficit. The figure for inside expenses is \$429,765. These figures are included in the financial report which the C.N.R. submitted to the transport commission in order to back up their request to discontinue the passenger service.

I suggest that the members of the transport commission, including Jack Pickersgill, still do not know what inside expenses are. I do not know what this expression means; it is a very vague term. However, inside expenses amount to almost half the total deficit of the railway. I do not think there is any need to repeat that when the chairman of the transport commission, refused, for personal reasons, to chair the meeting in St. John's he knew what he was doing. He did not want to come out in public and stab us in the back; he wanted to do it behind the curtains.

I remember that when I first came to the house just after the opening of the session an hon. member referred to a book that the Prime Minister had written, in which he said that Canada had paid dearly for Newfoundland's entry into confederation. It would seem to me, and to all Newfoundlanders, that he and his government now want their money back.

Some hon. Members: Hear, hear.

Mr. Peddle: Ninety thousand Newfoundlanders made use of this service in 1966, and this should not be used as a criterion for the action the railway has taken. I have noticed since coming to Ottawa that while the decision was made to discontinue the Newfoundland passenger service, when applications have been made to discontinue similar services—I refer to small branch lines on the mainland—there have been great meetings of the board in order to establish costs and criteria. Apparently none of this was needed in connection with Newfoundland. Apparently