

Canadian National Railways

doing—will have to take the place of Air Canada. From what I have seen, nothing is happening. I do not blame the Liberals any more than the Conservatives, because this has been a festering sore since 1948. I cannot allow the opportunity to pass without bringing the fact to the attention of the government that this is a festering sore for which 90,000 people in my constituency will blame the government, if it is not healed.

Now that Air Canada has come with hat in hand asking for \$130 million, and another \$75 million, politicians have a justification for meddling in the affairs of this crown corporation. I think it should be made abundantly clear to Air Canada that it has a duty to Canada as a whole, within the context of an air policy. It should be made clear that Air Canada cannot ignore Mr. Pearson's pledge, and that pledge has not been changed by any government or by the dirty infiltration that is taking place daily. This is the time for the government to speak up to Air Canada.

I will vote for this measure on the assumption that the government will have the good sense to do something now about this situation.

Mr. McGrath: First of all I want to say how grateful the Newfoundland members of parliament are for the very kind and generous remarks of my colleague, the hon. member for Oxford. Notwithstanding the words we have said in the house today, which have been met with a certain amount of derision, laughter and humour, this does not in any way take away from the seriousness of the problem we are trying to outline to the house, at least so far as it affects the province of Newfoundland.

In that context, I consider it a matter of personal regret, as I am sure do the people of Newfoundland, to note the absence of the Minister of Defence Production who is our minister and our representative in the government of Canada. It is a matter of great disappointment to my colleagues that he did not show enough interest in this subject, which is on the lips of everybody in our province, to be in the house this afternoon.

I also note with regret the absence of the Minister of Transport. We had hoped he would be in his place today and that he would pay some attention to our plea. Obviously he must have anticipated this because we have been in constant touch with him since the election of June 25, by way of written communication, verbal communication and questions in the house.

The second day of the sitting of this parliament I directed one of the first questions to the government, specifically to the Minister of Transport, and it related to this subject. My colleagues have referred at some length to the terms of the union, and the hon. member for Grand Falls-White Bay-Labrador quoted from term 31, which is what we might call the railway term. I should like to quote briefly from an order in council passed on April 1, 1949, P.C. —1514, which was a result of the terms of union. As a result of this order in council the governor general in council entrusted to the Canadian National Railway the operation and management of the Newfoundland railway. This order in council reads in part:

Therefore His Excellency the Governor General in Council under recommendation of the Minister of Transport is pleased to order that effective April 1st, 1949, the Newfoundland Railway including rights of way, wharves, drydocks and other real property, rolling stock, equipment, ships and other personal property the title to which is vested in His Majesty, be and they are hereby entrusted in respect of management and operation thereof to the company on the terms in the Canadian National Railways Act expressly specified, namely that such management and operation shall continue during the pleasure of the governor in council.

Both terms 29 and 31 leave no doubt in the mind of any objective observer as to what was intended. It was intended that the Canadian National Railways was being handed the Newfoundland railway in trust for the government of Canada to be operated by the C.N.R. for the people of Newfoundland and the people of Canada.

It is rather interesting to note that at the time of the hearing of the Canadian Transport Commission in St. John's there were a number of briefs presented on behalf of those who opposed this intention—the application of Canadian National Railways to discontinue the rail passenger service in Newfoundland. Among those who appeared before the commission was a cabinet minister representing the government of Newfoundland. He stated at that time that it was the opinion of the government of Newfoundland that the Canadian National Railways should continue to provide rail passenger service, that they should only be permitted to operate a bus service simultaneously with the rail passenger service, and that a trial period of several years should be permitted. The minister representing the Newfoundland government—the minister of justice, a senior member of the cabinet—suggested at that time that any alternative service inaugurated by the railway, a bus service, should be one that would