

*Railway Act*

The first one was the losses from the almost compulsory provision of rail passenger service which he estimated at \$50 million per year. The implication is that we do away with rail passenger service except where it makes a profit.

The second burden was the losses from grain transportation—

**The Acting Speaker (Mr. Turner):** Order please. The Minister of Transport (Mr. Lang) on a point of order.

**Mr. Lang:** It is not a point of order, Mr. Speaker. I just thought I should tell the hon. member that I have read his remarks and it would probably be helpful to the House if he did not repeat them but went on to his final remarks.

**Mr. Crosbie:** I admire the efficiency of the minister but it would do him good to listen to my remarks twice. His performance might improve.

**An hon. Member:** He would still hear nothing.

**Mr. Crosbie:** The losses from grain transport at low Crowsnest rates, Dr. Bandeen calculated, could reach about \$64 million in 1977.

He mentioned losses from rail operations in Newfoundland in the range of \$22 million to \$23 million per year. Of course the only way to do away with that is do away with the rest of the railway in Newfoundland—in other words the freight, the cargo, the employees and the passengers.

The fourth burden he mentioned is the \$2 billion in long term debt, most of it owed to the federal government, which has been building since the founding of the Crown corporation in 1923.

This bill only does part of what Dr. Bandeen said was needed to put the CN on the even keel. I pointed out last night that we would have an ideal situation if all these things were carried out. We will have a railway with no passengers, no freight, no cargo, no carriages, and then we will have a profitable railway. This is desirable if we look at it from that point of view. But we do not look at it from that point of view where I come from, Mr. Speaker. We believe that transportation is a service not to be based on the principle entirely of user-pay, or boozier-pay. Transportation is a policy.

● (1622)

The four Atlantic premiers suggested to the minister when they met with him a few months ago that transportation should be a positive instrument for regional economic development. Transportation is not just a pay-your-way concept. If that were the case we would never have had the CNR and we certainly would never have had the Newfoundland railway. We would not have had the marine or ferry service in Newfoundland, and the like. The minister and the CNR want to put the railway on a self-sustaining profit-making basis. When that is done they are in a deadly bind for which this government has not been able to find a solution.

[Mr. Crosbie.]

I want to point out to the House, when it is stated the Newfoundland railway operations lose \$22 million to \$23 million a year, that one of the items included in the loss is interest on a \$100 million loan made to the CN by the Government of Canada in 1952. A \$100 million loan was made to the CNR in order for them to use the funds to improve the Newfoundland service and facilities. No interest was paid on that loan until 1974, a year before the present minister got his hooks into transportation. Since 1974 they have had to pay interest on that \$100 million loan and the amount which is included annually in their losses is \$5.5 million. So, of the \$22 million to \$23 million which they say they are losing on the passenger service, \$5.5 million is interest on this 1952 loan which should now be cancelled.

I ask the minister the next time he speaks on this bill to say whether or not the Government of Canada will agree to cancel repayment of the \$100 million loan to the Newfoundland section of the CNR which was made in 1952.

Some of the items which concern us in Newfoundland have been studied by a Royal Commission on Transportation which should be reporting in a month or two. The chairman is Dr. Arthur Sullivan; Mr. Esau Thoms and Mr. B. Ploughman are the two other members. We do not know yet what they are going to report. It has been suggested before the commission that the railway service in Newfoundland should be closed absolutely. I say to the minister now to forget that, to forget any thought that he is going to close the railway operations in Newfoundland absolutely. He is not going to close them, and if he attempts to close them he will have more trouble on his hands than he has ever had before because we simply will not let the railways be closed. If he and the CNR refuse to operate the facilities, we will operate the facilities and we will take the wherewithal from federal taxes that we will withhold, or from wherever, to operate the railway. So he can forget it. He has no solution to the problem of closing the remaining CN rail operations in Newfoundland.

In 1974 there were 1,891 employees in the railway service of CN. There are 3,000 to 4,000 employees in CN altogether but 1,891 are employed by CN rail. In 1976 there were 1,715 employees, 176 less than 1974. The CN, encouraged by the Minister of Transport and the government, is doing everything it can to squeeze employees out of the system, to lay off more Newfoundlanders who will join our already horrendous unemployment ranks. When the CN are not laying off workers they are transferring them to the mainland. They are blinded by their prejudice for the mainland. Everything has to be operated from the mainland.

In their insidious manner, month after month the CN cut down on their express service, they cut down on the CN telegraph service and they cut back the CN marine service. By transfer they established the main office for CN marine at Moncton, which is 70 per cent of their operations to be on the liberal side. Now they want to transfer the accounting and the computing services to the mainland of Atlantic Canada. I caught the minister and the railway in the midst of that deal some months ago. They are waiting now until they receive the