

Adjournment Debate

On March 21, I had to repeat my question to the Minister of Transport reminding him of what he had said on February 26 and to tell him that unfortunately some 474 CN workers had just been laid off in spite of the assurances the Minister of Transport had tried to give us previously. However, the answer of the Minister of Transport was completely unsatisfactory. He said this, and I quote:

—I remind him that it is not the Government which has laid off 474 workers; it is the management of CN—

As if those layoffs were not the responsibility of the Minister of Transport who decided to allow VIA Rail to do its own rolling stock maintenance whereas it had been done since 1977 either by Canadian National workers, or in some cases by Canadian Pacific workers, which ensured stable employment.

The Minister goes even a little further in his answer; he said the following, taking into consideration however the representations I was making, and I quote:

I have asked the President of CN to ensure that all matters relating to labour adjustment, early retirement, and all such things will be taken into consideration so that the impact is not severe.

Now, Mr. Speaker, I must say that today, in April, not only do the layoffs still stand but there are threats of more layoffs and no hope of job creation at either the CN or VIA Rail to hire back laid-off employees.

In other words, the decision by the Progressive Conservative Government had planned the construction of four maintenance has destabilized employment which had become permanent and an important source of income for many years for hundreds of rail workers.

I understand that the Parliamentary Secretary to the Minister is the one who will answer me in a few moments. He comes from Halifax himself. He will know that in order to create jobs in every part of this country and in order to help CN or CP employees to get another job with VIA Rail, the previous Government had planned the construction of four maintenance centres: one in Halifax, home of the parliamentary secretary, one in Montreal, one in Toronto and one in Winnipeg. Yet the Government went ahead with the Toronto project only, and the Progressive Conservatives have told us that the three other maintenance centres that would create employment and allow those laid-off employees to get a job either in Halifax, Montreal or Winnipeg have not been accepted by their Government. I hope that in his answer the Parliamentary Secretary will be able to give good news to at least those laid-off workers in Montreal and maybe to some others in his riding of Halifax.

● (1815)

[English]

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the distinguished former Minister employs a touch of sophistry in his argument, and I will forgive him for that. The former Minister's own Party was part and parcel of ready acceptance of an amendment moved by the present Minister of Transport (Mr. Mazankowski) with respect to Crown corporations acting in contemplation of good business practices.

Canadian National has been experiencing a decline in freight since last November. Let me advise the Hon. Member, because I am sure he is concerned and I know he is very serious in his comments, that Canadian National, which last year posted a record \$51 million profit in the first quarter, has now posted a net loss of \$23.6 million for the same period in 1985. The rate of decline has reached 5 per cent and is worsening. That is not good news. Coal traffic has fallen 12 per cent. Grain traffic which, as the Hon. Member knows, represents more than 20 per cent of Canadian National's workload is down 18 per cent from the volume moved in the same period last year. The company is now forecasting that grain traffic will decline as much as 30 per cent.

It should come, therefore, as no surprise that the company responding to directives of this Parliament and to a measure that was part of the policy and programs of the previous Government is making adjustments to offset the decline in revenues and to prevent the outlook for net income from deteriorating still further during the coming year. That is a direct result of our direction to them, to act in contemplation of profit, to act in a sense of good business practices. Essentially, Mr. Speaker, these cutbacks in manpower are a result of not simply layoffs following the declining traffic but the result of productivity gains obtained through technological change and rearrangement or deferment of some planned programs, all of which was done in consultation with the unions and management involved.

The layoffs announced by CN in its Atlantic, St. Lawrence, Prairie and Great Lakes regions which total 474 persons were made in specific accordance with agreements between the company and the unions affected. These agreements allow full advantage to be taken of transfers, complete with relocation assistance and the exercise of seniority. Job security provisions when combined with unemployment insurance benefits enable employees affected to retain up to 80 per cent of their salary.