

BANKING, TRADE AND COMMERCE

ELEVENTH REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the Eleventh Report of the Standing Senate Committee on Banking, Trade and Commerce (Budget—Canadian Financial Institutions), presented in the Senate on 27th February, 1992.

Hon. Jean-Marie Poitras: I understand Senator Kirby submitted this report. The only thing I have to say is that this report concerns the budget of the Senate, which has been accepted by the committee concerned. I move that the report be adopted.

The Hon. the Speaker pro tempore: Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Yes.

Motion agreed to and report adopted.

● (1620)

RAILWAYS

PROPOSED SALE OF RAIL LINES—DEBATE CONTINUED

On the Order:

Resuming the debate on the inquiry of the Honourable Senator Graham, calling the attention of the Senate to the ramifications of the sale or proposed sale of certain rail lines in Canada.—(*Honourable Senator Bonnell*).

Hon. M. Lorne Bonnell: Honourable senators, this item has been on the Order Paper for some 13 days. According to the new rules, if I do not speak to this matter today, it will be dropped from the Order Paper. I would prefer to leave it on the Order Paper for another few days until the Inquiry that is taking place is concluded and the Transport Committee has made its report.

Some Hon. Senators: Agreed.

Senator Bonnell: However, rather than doing that, I will speak on it today in order to bring to your attention the work of the Transport Committee under the chairmanship of Senator MacDonald. He is doing a great job for Nova Scotia and a good job for his government, as well as a good job, I hope, on behalf of the people of Cape Breton, because he is showing what a tragedy it will be for Nova Scotia and Canada if the CNR walks away from these rail lines. It would leave the people in real distress in Cape Breton if this line were passed over to some private operator who, perhaps in another year, would go bankrupt and put the land up for sale and maybe sell the stations and sell half their equipment so that no one else could operate in the years to come.

If this rail is sold there is no guarantee that it will ever be operated again by anyone. If someone from the United States of America, or from Japan or some other nation, is given a contract to take over the shortline, there is no guarantee that he will not take financial advantage of the situation in about a year, saying that it is not making any money and starting to sell off the assets. In the meantime Cape Breton would be left

with many industries in need of that rail. They are now hauling 75-foot rails from the steel works over that line. Those rails are a tremendous weight and it is dangerous to transport them on a highway. No truck that I know of can haul those 75-foot rails. A regular highway would never withstand the weight of those rails even if they were carried by those great big 18 wheelers. Apart from that, many of the other industries in Cape Breton also need this rail line.

I am afraid that there will be a repetition of what happened in Prince Edward Island and Newfoundland. The first thing they did in Prince Edward Island was to say that it was not profitable to carry passengers. So they did away with the passenger trains but kept the freight trains. It was not many years before they began neglecting the rail. They put no money into repairing the railroad and eventually said that it was not profitable. No one would use the rail because of lack of safety and they would not put a load on the track. They did not encourage or promote the use of freight trains on the track, and finally they did away with the freight trains. So we no longer have freight trains in Prince Edward Island. As if that was not bad enough, they then started to sell the rails. Now we do not even have a rail line. Perhaps some day we will get a good government that will put the rails back. The rails are gone now. They would have to start from scratch again, just as they did in 1873.

Hon. Royce Frith (Leader of the Opposition): They will sell the road bed next and then they will sell the whole island.

Senator Bonnell: I would not be surprised if they did sell the road bed. If they gave it back to the farmers to grow some good potatoes then we would not have the federal government turning them down because of the PVY-n virus, and preventing them from exporting their potatoes anywhere, even to the other provinces in Canada. That is what happened in Prince Edward Island. It will happen in Cape Breton Island and it will happen from Truro to Sydney. It happened in Newfoundland. I used to travel on the old Bullet line in the 1950s. I used to go from Port-aux-Basques straight through to St. John's on the Bullet. It is gone now.

Senator Murray: When did that go?

Senator Bonnell: I do not know the year, but it went since I travelled on it and I am not that old.

Senator Marshall: The early 1970s.

Senator Bonnell: The early seventies according to Senator Marshall. He knows all about Cape Breton and Newfoundland. He knows how bad the situation will be, as far as all Cape Bretoners are concerned, if this freight train from Truro to Sydney is taken away. It will be a disaster if the CNR is allowed to do this. We need a strong government and a strong committee to recommend to that government that they not allow it to happen.

I do not believe that the province of Nova Scotia is too anxious to have it put on their heads, because immediately once the CNR backs out then I would think it would be up to the provincial government of Nova Scotia to make regulations and rules for transportation of rail in their province. I do not

[Senator Robertson.]