

I have already had what I consider to be beneficial discussions on this matter with Senator MacDonald, Chairman of the Standing Senate Committee on Transport and Communications. I would hope that if the Senate gives approval to this motion the committee would see fit to invite as witnesses a representative group of successful shortline operators, CN, federal and Nova Scotia transport officials, and a representative group from both the shippers and the communities involved. I view this issue to be not only timely but urgent and appropriate for the Senate, and I commend it for favorable consideration by all honourable senators.

**Hon. Finlay MacDonald:** Honourable senators, I intend to support the motion by Senator Graham as a result of conversations we had and to clarify certain points that arose during our discussion last Monday. I notice that the wording of his inquiry is somewhat different than the wording of the motion. The wording of the motion restricts the inquiry to an examination of the line between Truro and Sydney, Nova Scotia, although I acknowledge that we will not necessarily be restricted because, in the course of committee hearings, questions will be raised with respect to other areas of Canada where there might be a line that is a candidate for abandonment.

There is no question that Senator Graham did bring up as we spoke, and I have read his presentation of last Monday, the fact that there is a problem with regional economic expansion. There seems to be something falling between two stools here. Senator Stewart drew my attention to a quotation by Senator Graham last week with respect to the comments by the author, Mr. Ernest R. Forbes, who draws a remarkable similarity between the present situation and the time when there was a dramatic decline in manufacturing industries in Nova Scotia as a result of the arrival, if you will, of the CNR or the taking over of the Intercolonial by the CNR at that particular time. The honourable senator has raised some very good points which cannot be overlooked. That is why I welcome and congratulate him on initiating this inquiry and this reference.

As well, of course, there is no question that the shippers must be heard. The honourable senator will recall the fears that I expressed and I will not go over them again. The only thing I wish to apologize for is the facetiousness with which I referred to Senator Graham's remarks with regard to symbolism. As Senator Graham now knows, in 1893 my father was the first station master at Point Tupper. He worked for the railroad to save money to go to law school. I spent my fourth, fifth, and sixth birthdays in the dining car of the train on that particular line, going from Sydney to Ottawa when my father was the Member of Parliament for Cape Breton South, and they were the happiest birthdays I ever spent in my life.

Therefore, I join Senator Graham in talking about the symbolism of this railroad and understanding the fear and apprehension of the people of that area. I hope that this committee will get down to looking at the facts in order to give the people of that part of the world, not false expectations, but some positive evidence that that line will not only survive but will improve in the future. So with those remarks, I congratulate

[Senator Graham]

late Senator Graham. I certainly will vote in favour of his motion.

**Hon. John B. Stewart:** Honourable senators, may I ask Senator MacDonald a question? He has spoken, I think, very effectively in favour of Senator Graham's motion. It seems to me that there is one additional point that needs to be made. It is that this line of railway, originally called the Eastern Extension of the Intercolonial, not only serves the people of Pictou County, Antigonish County and, of course, all of Cape Breton and Guysborough Counties, but it is the line of railway which serves the people of Newfoundland, insofar as railway services are concerned.

● (1650)

I hope that when the committee selects its witnesses it does not neglect the interests of shippers in Canada's most eastern province.

**Hon. John Buchanan:** Honourable senators, it would be remiss on my part if I were not to say something about the inquiry raised by Senator Graham.

First, I definitely support the inquiry, and I have told Senator Graham that. For many years I have been an opponent of CN closures in Nova Scotia and in the Atlantic area generally. We fought, sometimes with success and other times without, against having branch lines abandoned. However, through the years in western Nova Scotia there have been closures in the Annapolis Valley, western Nova Scotia and the South Shore. We witnessed the abandonment of VIA Rail in those areas, as well as from Truro to Cape Breton. We fought all these closures to a point at which we considered going to court over the VIA closures, but decided against it.

I think history will record that we were probably right in fighting the abandonment of all those lines. Nevertheless, some of those lines definitely should not have been closed. I refer specifically—and I think Senator Graham would agree with this—to the abandonment of the Truro to Sydney VIA Rail line. That is a closure that should not have occurred.

We are now at a point at which CN is saying that it is not abandoning the line from Truro to Cape Breton, but putting it up for sale. That is certainly just the first step towards an abandonment, as far as I am concerned.

Psychologically, it is the wrong time even for CN to be considering such a measure. It is a time when we are in a recession and when unemployment is higher in that part of Nova Scotia than in any other part of the province. It is a time when we are witnessing difficulties in the steel industry. We are having difficulties in attracting new industries. We are watching some companies and industries go out of business, something we have done over the last few years. It is the wrong time for CN even to be talking about selling its line from Truro to Sydney.

Psychologically, it will do great damage to investor confidence in that area, particularly Cape Breton, especially when investors see that Canada's national railway company appears to be giving up that part of Nova Scotia. There is no doubt in my mind, and I have spoken to many down there, including the