

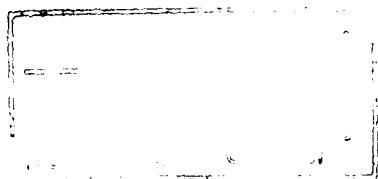
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# **Report of the Commission of Inquiry into Newfoundland Transportation Volume I**

**July 1978**

**St. John's Newfoundland**



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# Table of Contents

<b>Preface</b>	i	•Air Passenger	92
<b>Introduction</b>	1	•Air Freight	94
<b>Section 1 The Past</b>		•Trucking Industry	95
<i>Chapter I Historical Introduction</i>	11	•Bus	95
Historical Background	11	•Gulf Ferry Service	96
The Special Case for Newfoundland	26	<i>Chapter V An Evaluation of the Newfound-</i>	
<i>Chapter II The Constitutional Question</i>	29	<i>land Transportation System</i>	103
<b>Section 2 The Present</b>		Introduction	103
<i>Chapter III The Newfoundland Transporta-</i>		Assessment of CN Rail Operations	103
<i>tion System Inventory of Existing Facilities</i>	39	Assessment of Highway Infrastructure	110
<i>and Services</i>	39	Assessment of Trucking Industry	119
Introduction	39	Assessment of Trans Island Bus Service	123
Marine (Gulf, North Sydney, Port aux Basques	39	Assessment of Gulf Ferry Operation	127
and Argentia)	39	Assessment of Direct Water Services	134
Coastal Services	44	Assessment of Coastal Boat Operation	137
Intra-Island Ferry Service	44	Assessment of Air Service	140
Direct Steamship Service to Newfoundland	48	Total System Evaluation	142
and Labrador	48	<b>Section 3 The Future</b>	
Highway Infrastructure	48	<i>Chapter VI Future Transport Needs</i>	153
Trucking Services To and Within Newfound-	49	Introduction	153
land	49	A Transport Need Analysis For the Industrial	
Bus and Taxi Transport	52	Sector	153
Ports	56	1. The Fishing Industry	154
Air Transportation	65	2. The Mining Industry	158
Rail Freight and Express Service in Newfound-	69	3. The Forest Industry	159
land	69	4. The Electric Power Industry	162
<i>Chapter IV Utilization of Present Transport</i>		5. The Construction Industry	162
<i>Services</i>	79	6. Non-Resource Based Manufacturing	
Introduction	79	Industry	163
Freight Movements	79	7. The Agricultural Industry	163
Traffic Zone System	82	8. The Tourist Industry	163
Mode Utilization		Forecast of General Freight Traffic to New-	
•Sea	82	foundland	165
•Rail	87	Gulf Ferry Requirements	166

Some Conclusions	173	<b>Section 5 Conclusions and Recommendations</b>	
<i>Chapter VII Towards A Transportation Policy for Newfoundland</i>	175	<i>Chapter XV General Recommendations</i>	229
Constraints Imposed by the Present System	179	General	229
Principles Which Should Guide Change	180	The Concept of User Pay for Newfoundland	229
A Glimpse at the Future	181	The Question of Subsidies	229
General Overview	182	Federal-Provincial Co-operation	230
<b>Section 4 Key Issues in Newfoundland Transportation</b>		Transportation in Labrador	231
<i>Chapter VIII The Future of the Railway in Newfoundland</i>	187	The Use of Hovercraft in Newfoundland	231
<i>Chapter IX The Concept of User Pay for Newfoundland</i>	195	Dealing With Social Consequences of Change	231
<i>Chapter X The Question of Subsidies</i>	197	<i>Chapter XVI Mode and Service Recommendations</i>	233
<i>Chapter XI Federal-Provincial Co-operation</i>	203	The Rail System	233
Continuing Research	206	The Road System	234
Local Autonomy and Responsibility	207	Highway Freight Services	239
<i>Chapter XII The Use of Hovercraft in Newfoundland</i>	209	Public Bus Transportation	243
<i>Chapter XIII Transportation in Labrador</i>	215	Gulf Services	248
<i>Chapter XIV Dealing with the Social Consequences of Change</i>	217	Direct Water Shipping Services	253
		Coastal Service	256
		Air Services	260
		<b>Section 6 Minority Report of Commissioner E. E. Thoms</b>	
		<i>Chapter XVII Minority Report of Esau E. Thoms, Commissioner</i>	267
		<b>The Commission</b>	271
		<b>Glossary</b>	273



# Table of Maps and Figures

## General Maps

Newfoundland and the Maritime Provinces  
Place Names in Newfoundland  
Place Names in Labrador  
Geographic Features of Newfoundland

Figure	Title	
3-1	Employment in Trucking Industry by Traffic Zone	53
3-2	Regional/National System	58
3-3	Newfoundland Air Strips	60
3-4	Newfoundland Water Aerodromes	61
3-5	Local Service/General Aviation System	62
3-6	EPA Air Routes	64
3-7	EPA Route Structure	66
3-8	Quebecair Route Structure	67
3-9	Labrador Airways Routes 1976	68
4-1	Newfoundland Intra-Provincial Freight	80
4-2	Incoming Freight to Newfoundland	81
4-3	Outbound Freight from Newfoundland	83
4-4	Newfoundland Traffic Zones	84
4-5	Origins of Sea Freight Incoming to Newfoundland by Percentage	85
4-6	Destination of Sea Freight Incoming to Newfoundland by Percentage	85
4-7	Newfoundland Origins of Intra Sea Freight, by Percentage	86
4-8	Newfoundland Destinations of Intra Sea Freight, by Percentage	86
4-9	Newfoundland Origins of Outbound Sea Freight—1976	88
4-10	Origins of Rail Freight Incoming to Newfoundland by Percentage	88
4-11	Origins, Commodities and Tonnages of Incoming Rail Freight—1976	89
4-12	Destination of Inbound Rail Freight to Newfoundland by Percentage 1976	91
4-13	Major Origins of Intra-Rail Freight	91
4-14	Destination of Intra-Rail Freight in Newfoundland by Percentage	92
4-15	Major Origins of Out-bound Rail Freight 1976	93
4-16	1976 CN Bus Passenger Trips in Nfld.	97
4-17	Cumulative Frequency Curve	98
4-18	CN Road cruiser Trip Length Diagram November 1-30, 1976 Westbound	99
4-19	CN Bus Passengers 1976	100
5-1	Reduced Speed Zones T.C.H.	112
5-2	Passing Opportunities on Sections of T.C.H.	113
5-3	Substandard Intersections on Trans Canada Highway	114
5-4	Present Performance Rating of Sections of Trans Canada Highway in Newfoundland	116
5-5	Rail Freight Handled by Gulf Ferries	130
5-6	Passenger Related Vehicles Handled by Gulf Ferries	131
5-7	Subsidy Requirements of Gulf Ferries	132
5-8	Subsidized Water Services 1969-70 to 1976-77	136
5-9	CNR Newfoundland Coastal Services Federal Government Direct Transportation Assistance	141
6-1	Location of Newfoundland's Fresh Frozen Processing Plants, 1975	155
6-2	Location of Newfoundland's Saltfish and Other Processing Plants, 1975	156
6-3	Location of Newfoundland's Timber Resources, 1971	161
6-4	General Freight Traffic to Nfld.	166
6-5	Truck Auto Equivalents—July 1977	169
6-6	Gulf Ferry Requirements	170
6-7	Gulf Ferry Requirements Condition 2	171
6-8	Gulf Ferry Requirements Condition 3	172

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# Preface

Throughout the course of our public hearings and in the publicity which accompanied them, we heard and read many and various complaints, accusations, suggestions and recommendations. Unfortunately, there was little in common among the various submissions, and no consensus emerged concerning the problems of Newfoundland transportation or their solutions. Many submissions presented views and recommendations which were directly opposed to those presented by other individuals and groups.

On only one single theme did complete harmony and unanimity appear, and that concerned the hopelessness of our task. *Every submission* and *every comment* recognized, explicitly or implicitly, that our work would be difficult and challenging. *No one* envied our task. And our work has, indeed, been difficult and our task challenging, although the effort has not been without its satisfactions nor its humorous moments.

Let us examine more closely the task which we were asked to carry out. We were established as a Commission of Inquiry, which was to advise the Federal Government, through the Ministry of Transport (MOT), concerning the problems of Newfoundland transportation and to make suggestions concerning their solutions.

We were an advisory commission, not an investigatory commission.

We have, therefore, not carried out a trial nor have we reached judicial conclusions. We have not, and many will undoubtedly be disappointed by this, attempted to affix guilt or blame, nor have we provided a conclusive answer to such questions as "How can a stove be lost between Lewisporte and St. Anthony?" We did not do so in part because it is

extremely difficult and time consuming to produce a complete and absolute answer to such questions. More importantly, however, we did not attempt to answer such questions because, although they are intriguing, seeking the answers to specific questions was not our most important responsibility. Rather, we considered our most important tasks to be (1) the provision of a complete description of the present transportation situation in Newfoundland; (2) the presentation of an analysis of Newfoundland's future transportation needs; (3) the development of a more efficient and effective transportation network for Newfoundland; and (4) the setting out of *guidelines* and *policies* which will chart the future development of transportation services in Newfoundland. That is, we are *not* primarily concerned with the past; we are vitally concerned with the present and the future.

Our task, therefore, has been the preparation of a master plan which would guide the development of transportation in Newfoundland for the next twenty years. We have not completely succeeded in this, but we have, we think, provided the basic essentials for such a plan. That we have not succeeded completely is not surprising, considering the complexity of the task, the relatively short amount of time we were given and the magnitude of the difficulties, some of which were entirely unexpected, which we encountered. This report, therefore, despite our efforts to attain accuracy and comprehensiveness, may be expected to have weaknesses and flaws. These will undoubtedly be pointed out to us in due course.

Three particular points require some explanation:

1. Throughout the entire course of our community visitations and public hearings, many individuals and groups submitted suggestions and recommendations

to us concerning matters which are completely under the jurisdiction of the Provincial Government. Pavement and improvement programmes for local roads was, by far, the most common instance. We have explained that our responsibility is to report to the Federal Minister of Transport and, whilst we have not responded to each of these requests, because this is primarily an area of provincial responsibility, we have recommended a suggested basis for priority which the Provincial Government could consider in its implementation of a sound road programme for the Province.

2. The figures concerning rail traffic and costs were provided to us by Canadian National (CN) or by the Ministry of Transport. We did not have a team of auditors prepare an independent audit. This decision was made deliberately and arrived at for the following reasons:

a) We were advised that a team of independent auditors would take at least a year to go back to the original data and redo the necessary calculations. Therefore, we did not have sufficient time to carry out this project even if we had wanted to do so.

b) The figures which we obtained from CN were, in most instances, checked or prepared independently by the Ministry of Transport. We were not able to find any errors in the figures as a result of our checking, and we did not find any discrepancies between figures provided by CN and those provided by the Ministry of Transport. Furthermore, the figures give a comprehensive and coherent picture with no internal inconsistencies so that there is no reason to suspect that the figures are inaccurate or that the picture which they present is misleading.

c) Even if independent auditors were hired, and if they made a completely fresh start to reassemble the raw data and redo all of the calculations, the raw data would have to come from CN files. Thus, no matter how far back you go, it is necessary at some stage to trust the honesty of CN officials and the accuracy of their figures.

3. The report will appear to many to be inaccurate because it does not conform to many of the widely-held beliefs about transportation in Newfoundland. However, many of these widely-held beliefs are actually misconceptions and distortions of the truth which have been repeated so often that many people in Newfoundland believe them to be true. For example, it is often said that tractor trailers coming to Newfoundland are tearing up the roads and that if this traffic were put back on the railway where it belongs, our problems with the Trans Canada Highway would disappear. In fact, the total amount of traffic coming yearly into Newfoundland and across the Island by truck is barely 300,000 tons. Intra-Island and local traffic, which would not likely travel by railway in any case, is over 8,000,000 tons per year. Thus, far more

traffic using the highway is local rather than inter-Island traffic, and despite the fact that most of the inter-Island traffic comes *via* large trailer trucks, the total impact of the local traffic is certainly greater than that of inter-Island traffic.

We have encountered dozens of erroneous but widely-held beliefs in the course of our hearings and research. We do not expect that our report will correct this situation immediately or automatically. We only ask that readers of this report keep an open mind because many of their cherished beliefs about transportation in Newfoundland may be erroneous.

Despite the difficulties which we have encountered, and despite the limitations imposed on us by the magnitude of the problem, and the limited time we were given to complete our report, we feel that our efforts have been fruitful. We think that our analysis of the Newfoundland transportation situation is reasonably accurate and comprehensive and that it will be vastly improved if our recommendations are implemented.

There were three ways in which we could have made recommendations concerning transportation needs of the Province. We could have done so on the basis that, where the Federal Government has an obligation to provide a service, it should continue to provide it regardless of the cost. Secondly, we could have made recommendations which would have resulted in considerable savings to the federal treasury, but the money saved would not necessarily be spent in Newfoundland. The third possibility, and the one which we have adopted as our philosophy, was to consider how the same amount of money could be used more effectively within Newfoundland to provide maximum benefits to the Province and to develop the best possible transportation system.

We do not expect that our report will meet with universal acclaim. We know our methods, our evaluations, our conclusions and our recommendations will be criticized by individuals and groups. We expect that much healthy discussion will be generated.

The second volume of the Commission's report will be prepared and presented in approximately six months. That report will contain, in addition to further elaboration of important solutions, the report's conclusions and recommendations based upon specific research projects which will be completed during the summer.

The Commission could not have progressed so rapidly in its work and could not have completed as much as it has if it had not received the co-operation which it did. All who were asked to help us at the Ministry of Transport did so with enthusiasm, competence and conscientiousness. In addition to providing all of the information which we asked, fully and without hesitation, they went out of their way to suggest information, procedures which and individuals who

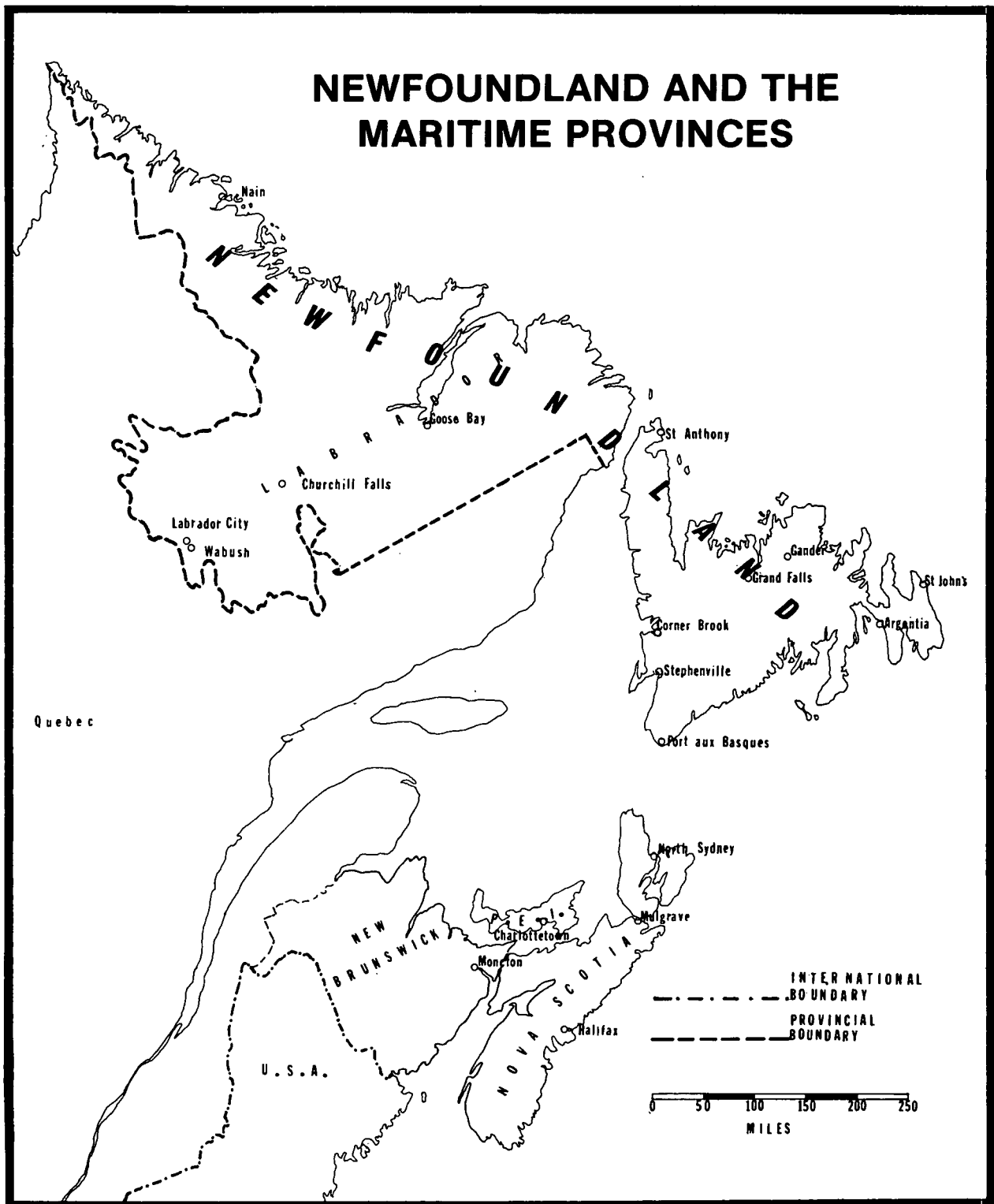
might be of help to us. The same is true of all individuals who worked with us from the Canadian Transport Commission and from CN. We also found that individuals from the various transportation companies or unions from whom we asked information or help were invariably courteous, informative and helpful. It is a pleasure for us to be able to make this public acknowledgement of our gratitude to all of those who helped us so much during the past year.

We as Commissioners are also grateful to our staff who worked so hard and so effectively during the past year. We shall single no one out for special praise

because everyone made a major contribution. We should note in passing that the group that came together at the beginning is still together. There have been additions, but no subtractions. No one has left voluntarily or otherwise, and that tells a story in itself—especially when the hectic pace and long working days which characterized much of the Commission's activities are considered. We very much appreciate all of the help which we have received.

Arthur M. Sullivan  
J. Burford Ploughman  
Esau E. Thoms

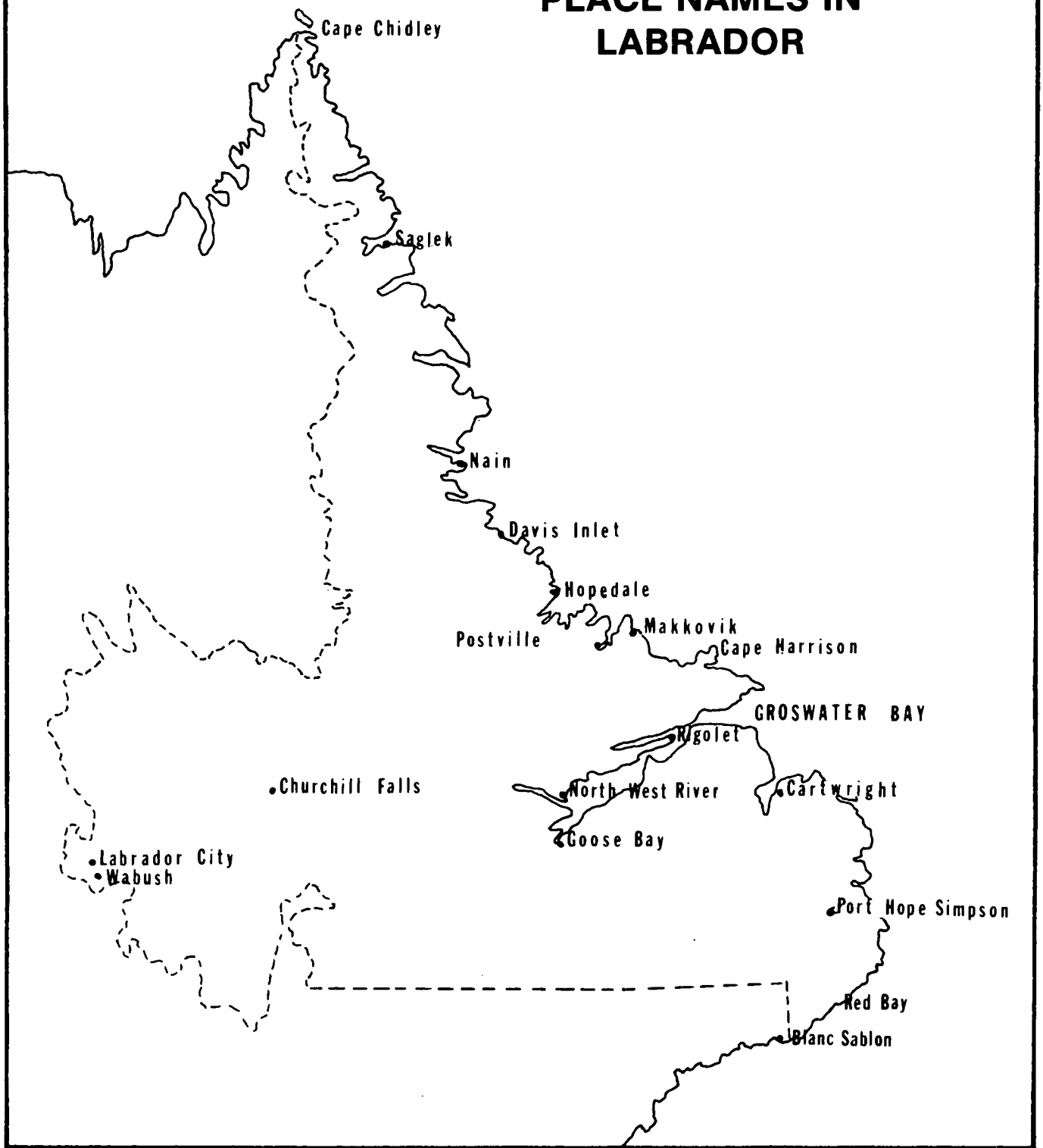
# NEWFOUNDLAND AND THE MARITIME PROVINCES



## PLACE NAMES IN NEWFOUNDLAND



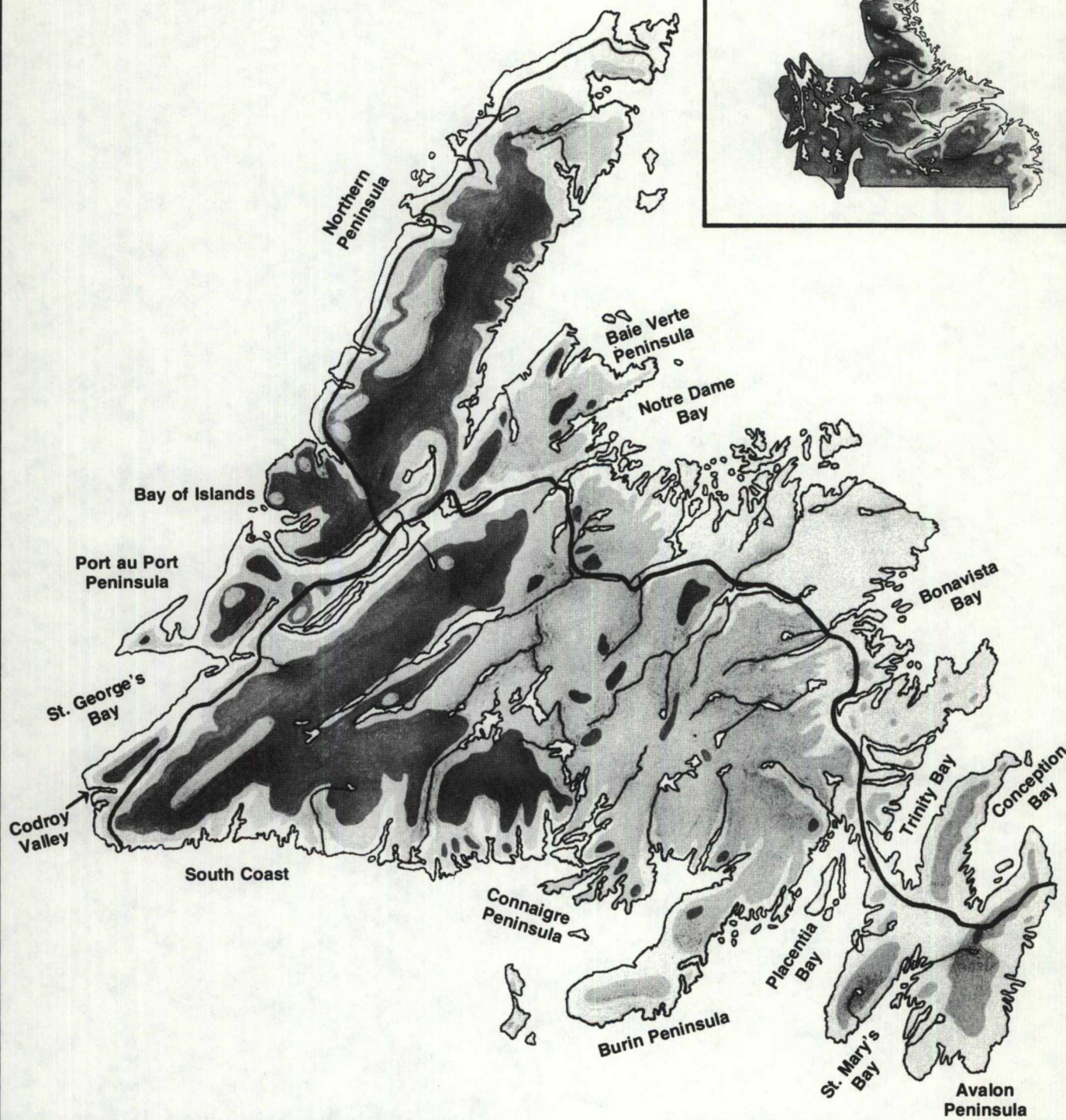
## PLACE NAMES IN LABRADOR





# GEOGRAPHIC FEATURES OF NEWFOUNDLAND

## LABRADOR



# Introduction

## **Appointment of the Commission**

On March 28, 1977, it was announced by the Federal Minister of Transport, the Honourable Otto Lang, that this Commission of Inquiry had been established to examine transportation services in Newfoundland and Labrador.

It was desired that the Commission inquire into existing transportation services to determine whether they meet generally acceptable Canadian norms, and where appropriate, recommend changes to meet current and future needs. The Commission is to report its findings and recommendations to the Minister of Transport.

The Minister noted that one of the essential elements in the conduct of the Inquiry would be the high degree of public participation through the public hearings to be held. The Minister stressed that the Commission should evaluate the factors that influence transportation in Newfoundland and Labrador in terms of national, provincial, social and economic goals. He has charged the Commission with developing an integrated plan for transportation in the Province.

The Federal Government consulted with the Newfoundland Government on the terms of reference and composition of the Commission, which was established under Part I of The Inquiries Act, by Order in Council P.C. 1977-816, March 24, 1977.

TO ALL TO WHOM these Presents shall come or whom the same may in anyway concern,

GREETING:

WHEREAS pursuant to the provisions of Part I of The Inquiries Act, chapter I-13 of The Revised Statutes of Canada, 1970, His Excellency the Governor General in Council, by Order in Council P.C. 1977-816 of the twenty-fourth day of March in the year of Our Lord one thousand nine hundred and seventy-seven has authorized the appointment of Our Commissioners therein and hereinafter named to inquire into and report upon all aspects of transportation and transportation services for Newfoundland, including services for goods and people, and to identify the appropriate levels of transportation, including choice of modes, necessary to meet the future transportation needs of Newfoundland and its people in an efficient and cost effective manner and, without limiting the generality of the foregoing, to inquire into and report upon those items enumerated 1 to 9, inclusive, of the Terms of Reference annexed to the said Order, and has conferred certain rights, powers and privileges upon Our said Commissioners as will by reference to the said Order more fully appear.

NOW KNOW YOU that, by and with the advice of Our Privy Council for Canada, We do by these Presents nominate, constitute and appoint Dr. Arthur Sullivan, of the City of Corner Brook, Esau Thoms, Esquire, of the Town of Freshwater, P.B., and Burford Ploughman, Esquire, of the City of St. John's, all in the Province of Newfoundland, to be Our Commissioners to conduct such inquiry.

TO HAVE, HOLD, exercise and enjoy the said office, place and trust unto the said Dr. Arthur Sullivan, Esau Thoms and Burford Ploughman, together

with the rights, powers, privileges and emoluments unto the said office, place and trust of right and by law appertaining during Our Pleasure.

AND WE DO hereby authorize Our said Commissioners to adopt such procedures and methods as they may, from time to time, deem expedient for the proper conduct of the inquiry and to sit at such times and at such places in Newfoundland or elsewhere in Canada as they may determine appropriate to their tasks.

AND WE DO further authorize Our said Commissioners to engage the services of such staff and technical advisers as they may require and also the services of counsel to aid and assist in the inquiry at rates of remuneration and reimbursement as may be approved by the Minister of Transport.

AND WE DO further authorize the Minister of Transport to designate such officers as may be necessary to aid and assist Our said Commissioners in the inquiry.

AND WE DO hereby require and direct Our said Commissioners to report to the Governor in Council through the Minister of Transport with all reasonable despatch their findings and recommendations, together with support papers and reports, no later than December 31st, 1977, or such later date as the Minister may approve.

AND WE DO hereby designate Dr. Arthur Sullivan, of the City of Corner Brook, in the Province of Newfoundland, to be Chief Commissioner for the purposes of the said inquiry.

IN TESTIMONY WHEREOF, We have caused these Our Letters to be made Patent and the Great Seal of Canada to be hereunto affixed.

WITNESS: Our Right Trusty and Well-beloved Jules Léger, Chancellor and Principal Companion of Our Order of Canada, Chancellor and Commander of Our Order of Military Merit upon whom We have conferred Our Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.

AT OUR GOVERNMENT HOUSE, In Our City of Ottawa, this twenty-eighth day of April in the year of Our Lord one thousand nine hundred and seventy-seven and in the twenty-sixth year of Our Reign.

BY COMMAND,  
SYLVIA OSTRY  
DEPUTY REGISTRAR  
GENERAL OF CANADA

## **Terms of Reference**

### *Commission of Inquiry on Newfoundland Transportation*

#### **1. Purpose:**

A Commission of Inquiry, established under Part I of The Inquiries Act, will examine and report on issues related to the provision of domestic transportation services for Newfoundland. The Commission will inquire into existing transportation services for goods and people and assess the extent to which these services meet generally accepted Canadian norms. The Commission will consider appropriate levels of transportation services with choice of modes that will be required to meet future transportation needs in an efficient and cost effective manner. In recommending changes, the Commission will take into consideration national and provincial social and economic objectives.

#### **2. Powers of the Commission:**

The Commission is empowered to conduct hearings, to summon witnesses, to require the production of documents, to receive submissions orally or in writing and to assume all other powers applicable under Parts I and III of The Inquiries Act. The Commission will make recommendations to the Minister of Transport.

#### **3. Terms of Reference:**

3.1 The Commission will inquire into the economic, social, demographic and geographic factors which create current and future demands for domestic transportation. This will include an assessment of the economic/industry development plans for each area in the Province and will relate these needs to transportation services.

3.2 The Commission will note the Terms of Confederation and the constitutional obligations of the Government of Canada to Newfoundland related to transportation. It will consider their current impact and application and the extent to which they may influence cost effective solutions.

3.3 The Commission will examine conditions which are unique to Newfoundland and will discuss the manner and extent to which these factors influence the provision of domestic transportation.

3.4 The Commission will inquire into the efficiency and effectiveness of domestic transportation services. This will include a review and evaluation of subsidies and transportation related government programmes.



3.5 The Commission will consider the appropriate role for each mode in the provision of domestic transportation services consistent with the Terms of the Commission identified above. The Commission will relate its findings to their implication in the short (0-5 years), mid (5-10 years) and long term (beyond 10 years).

3.6 The Commission will investigate the important relationship between the provision of domestic transportation services and the achievement of regional and national employment and other social and economic objectives.

3.7 The Commission will take into account national implications that could follow from any recommended solution to transportation problems.

3.8 The Commission will consider the appropriate roles, responsibilities and obligations of governments, carriers and users of transportation services, and will assess them in terms of legislative, economic, social and commercial considerations.

3.9 For the purpose of ensuring the maximum degree of public awareness and participation, the Commissioner or designated representative will issue notice or visit communities prior to holding public hearings to:

- a) Explain the composition and power of the Commission;
- b) Explain the procedures to be adopted for public hearings; and
- c) Indicate the time and location of public hearings.

To the extent feasible, the Commission will make substantive data available to the public for comment in relation to the holding of hearings.

3.10 In the conduct of the Inquiry, the Commission will make use of all previous work, studies and investigations undertaken by or on behalf of governments which it considers relevant. It will also take into account the current activities of governments, corporations, agencies and committees, and will make appropriate use of their work.

#### 4. Recommendation Function:

4.1 The Commission will report its findings and recommendations on the issues, outlined in Section 3, to the Minister of Transport by December 31, 1977. The recommendations should be categorized by their influence on short, mid and long range requirements.

4.2 The Commission will include in its report an examination of traffic trends and the resulting impact of trends on the utilization of different modes. It will also report on the demands for increased capacity by mode and assess the implications of such demands on cost, service and social issues.

4.3 The Commission will give particular attention to the likely impact proposed changes will have on employment and will recommend methods of minimizing any detrimental effects.

#### 5. Organization:

The Commission will consist of three Commissioners supplemented as necessary within the powers and authority defined in Part III of The Inquiries Act.

Note: Domestic transportation is defined as all intra-Newfoundland services and services between Newfoundland and the rest of Canada with the *sole exclusion* of international transportation.

#### The Inquiry Process

##### Information meetings

In order to ensure the maximum degree of public awareness and participation, Information Meetings were held throughout the Province during the summer of 1977. During the period from mid-June to mid-August, Commissioners, staff or representatives visited over 120 communities throughout the Island and Labrador.

The meetings were designed to give information to the public concerning:

- the events leading up to the establishment of the Commission;
- the previous Studies which have been carried out on Transportation in Newfoundland and the important and relevant recommendations which have been made;
- the Terms of Reference and Powers of the Commission;
- the procedures for submitting briefs to the Commission, during the series of Formal Hearings to be held in the fall.

It was important to ensure that all interested groups and individuals in Newfoundland were given an opportunity to make their views known to the Commission, concerning transportation problems, policies and principles. Therefore, the presentation of briefs to the Commission, preferably during the Formal Public Hearings, was greatly encouraged.

The Information Meetings also included a question and answer and discussion period when persons attending could ask for information, or make suggestions concerning topics or problems which the Commission might wish to investigate or consider.

For the Information Meetings phase, an information booklet was prepared for distribution to persons attending meetings, or through the mails to persons requesting information. These information booklets were also mailed to a number of groups considered to be concerned with transportation problems, such as Chambers of Commerce, Rural Development Associations, Town Councils, professional associations,

labour groups, school boards, Provincial Government Departments, Newfoundland Members of the House of Assembly (M.H.A.'s), libraries, companies depending on transportation services, transportation companies and news media throughout the Province.

Also, summaries of selected key studies on transportation in Newfoundland were made available to persons requesting such material for background information. It was intended that such material would help in the preparation of briefs to be presented to the Commission.

At the Information Meetings and press briefings, it was requested that those persons or groups who intended to present briefs should advise the Commission by the end of August. Based on the indications received, a schedule of locations and dates was prepared for Public Hearings.

#### *Public hearings*

Based on notifications of intent to present briefs received up to and including September 6, 1977, 15 centres were selected and a schedule of formal hearing dates was prepared.

Although the schedule was fixed in regard to places and dates of hearings, the Commission retained a certain amount of flexibility in the timing of presentations. Presentation times were set and agreed upon in consultation with presenting parties, but extra time was made available for late submissions. Although priority was given to presentors who notified the Commission in advance, all other "unannounced" parties were accommodated in the extra time made available.

The Formal Public Hearings began in St. John's September 19, 1977, and ended in St. John's November 21, 1977. During the two-month period, the Commission held hearings in Milltown, Buchans, Gander, St. Anthony, Port aux Choix, Carbonear, Marystown, Goose Bay, Wabush/Labrador City, Clarenville, Deer Lake, Corner Brook, Stephenville and Port aux Basques.

A total of 102 briefs was presented during the Hearings. As well, two dozen briefs and letters were received by mail at the Commission office.

#### **Towns Visited During Information Meetings June 21, 1977 through August 21, 1977**

Arnold's Cove	English Harbour East
Badger	English Harbour West
Baie Verte	Flower's Cove
Bay de Verde	Fogo
Bay L'Argent	Forteau
Bishops Falls	Gambo
Bonavista	Gander
Botwood	Gander Bay
Branch	Garnish
Buchans	Glovertown
Bunyan's Cove	Goose Bay
Burgeo	Grand Bank
Burlington	Grand Falls
Burnt Island	Grand Le Pierre
Carbonear	Gunner's Cove
Carmanville	Hampden
Cartwright	Harbour Breton
Catalina	Harbour Mille
Charlottetown	Hare Bay
Clarenville	Hatchet Cove
Colinet	Hawke's Bay
Conne River	Heart's Content
Cook's Harbour	Hermitage
Cottrells Cove	Howley
Cow Head	Isle aux Morts
Daniel's Harbour	Jackson's Arm
Deer Lake	King's Cove
De Grau	Labrador City/Wabush
Eastport	Lamaline

La Scie	St. Anthony
Lawn	Fintan's
Leading Ticks	St. George's
Lewisporte	St. John's
Lourdes	St. Joseph's
Lumsden	St. Lawrence
Main Brook	St. Mary's
Makkovik	Sally's Cove
McKay's	Salt Pond
Milltown	Sop's Arm
Musgrave Harbour	South Brook
Musgravetown	South East Bight
Norman's Cove	Southern Bay
Parker Cove	Springdale
Picadilly	Stephenville
Placentia	Stephenville Crossing
Plum Point	Sunnyside
Point Leamington	Terrenceville
Pool's Cove	Terra Nova
Port aux Basques	Trepassey
Port aux Choix	Trinity
Port Blandford	Triton
Raleigh	Trout River
Ramea	Twillingate
Random Island	Upper Ferry
Rigolet	Wareham
Robert's Arm	Wesleyville
Rocky Harbour	Westport
Roddickton	West St. Modeste
Rose Blanche	Whitbourne
St. Alban's	Woody Point

## **Schedule of Formal Hearings**

### *St. John's*

Monday, September 19, 1977  
Tuesday, September 20, 1977  
Wednesday, September 21, 1977

### *Milltown*

Tuesday, September 27, 1977

### *Buchans*

Wednesday, September 28, 1977

### *Gander*

Monday, October 3, 1977

### *St. Anthony*

Monday, October 10, 1977  
Tuesday, October 11, 1977

### *Port aux Choix*

Wednesday, October 12, 1977

### *Carbonear*

Monday, October 17, 1977

### *Marystown*

Thursday, October 20, 1977  
Friday, October 21, 1977

### *Goose Bay*

Monday, October 24, 1977

### *Labrador City/Wabush*

Tuesday, October 25, 1977

### *Clarenville*

Friday, October 28, 1977

### *Deer Lake*

Monday, October 31, 1977  
Tuesday, November 1, 1977

### *Corner Brook*

Wednesday, November 2, 1977  
Thursday, November 3, 1977

### *Stephenville*

Monday, November 7, 1977  
Tuesday, November 8, 1977

### *Port aux Basques*

Tuesday, November 8, 1977  
Wednesday, November 9, 1977

### *St. John's*

Monday, November 14, 1977

Tuesday, November 15, 1977  
Wednesday, November 16, 1977  
Thursday, November 17, 1977  
Friday, November 18, 1977  
Monday, November 21, 1977

## **Briefs Presented at Formal Hearings**

### *St. John's—Airport Inn*

September 19, 1977

- Government of Newfoundland and Labrador.
- Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees (BRAC) System Division No. 135.
- Mr. Abe Peters, St. John's.
- Mr. Michael Muench, Witless Bay.

September 20, 1977

- Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees (BRAC) System Board of Adjustment No. 163.
- Bluebuoy Foods Limited.
- United Transportation Union.
- Canadian National.

September 21, 1977

- Transport 2000.
- Canadian Saltfish Corporation.
- Newfoundland Container Lines Limited.
- Newfoundland Steamships Limited, Newfoundland Transport Limited, Clarke Transportation Canada Limited.

### *Milltown—Community Center*

September 27, 1977

- Bay D'Espoir Joint Council.
- Conne River Indian Band Council.
- Mr. Jack Winsor, MHA, Fortune/Hermitage.
- St. Jacques/Coomb's Cove Local Improvement District.

### *Buchans—Anglican Parish Hall*

September 28, 1977

- Royal Canadian Legion—Branch 19.
- United Steelworkers of America—Local 5457.
- Local Improvement District of Buchans.

### *Burnt Berry Motel, Trans Canada Highway*

September 28, 1977

- Robert's Arm Town Council.

### *Gander—Holiday Inn*

October 3, 1977

- Gander Town Council/Chamber of Commerce.
- Fogo Island Improvement Committee.
- Lewisporte Chamber of Commerce.

- Lewisporte Wholesalers Limited, Bishops Falls Wholesalers and Valley Distributors Limited.
- St. Anthony—Vinland Motel*
- October 10, 1977
  - St. Anthony Town Council.
  - St. Anthony Airport Commission.
- October 11, 1977
  - International Grenfell Association.
  - St. Anthony Building Supplies.
  - Dr. Bill Bavington (Medical Health Officer).
- Port aux Choix—Women's Institute Building*
- October 12, 1977
  - Businessmen of Roddickton, Bide Arm and Englee.
- Carbonear—Town Hall*
- October 17, 1977
  - Earle Freighting Service Limited.
  - Earle Brothers Fisheries Limited.
- Marystown—Hotel Mortier*
- October 20, 1977
  - St. Lawrence Town Council.
  - Bay L'Argent Town Council.
  - Newfoundland and Labrador Association of Fire Chiefs.
- October 21, 1977
  - Burin Peninsula Joint Council.
  - English Harbour East Community Council.
  - Town of South East Bight.
- Goose Bay/Happy Valley—St. Andrew's Parish Hall*
- October 24, 1977
  - Labrador Transportation Policy Group.
  - Felsberg Enterprises and Farm Limited.
  - Labrador Airways Limited.
- Labrador City/Wabush—Sir Wilfred Grenfell Hotel*
- October 25, 1977
  - Labrador West Chamber of Commerce.
  - United Steelworkers of America, Local 6285.
  - The Reverend Charles Deharveng.
  - Mr. Ernest Condon.
- Clareville—Holiday Inn*
- October 28, 1977
  - Bunyan's Cove Roads Committee.
  - Town of Musgravetown.
  - Random Island Improvement Committee.
  - Clareville Rotary Club.
  - Clareville Area Chamber of Commerce.
- Deer Lake—Lions Club*
- October 31, 1977
  - Baie Verte Chamber of Commerce.
- Bishops Falls Town Council.
- Humber Valley Development Association.
- Local Improvement District of Howley.
- November 1, 1977
  - Grand Falls Chamber of Commerce.
  - Deer Lake Chamber of Commerce.
- Corner Brook—Mamateek Motor Inn*
- November 2, 1977
  - Corner Brook Chamber of Commerce, Corner Brook Economic Development Corporation Limited.
  - United Transportation Union, Locals 1350 and 1521.
- November 3, 1977
  - Lundrigan's Limited, Atlantic Building Materials Limited, Atlantic Design Homes, City Motors Limited, Newfoundland Forest Products Limited, Atlantic Gypsum Limited, North Star Cement.
  - Corner Brook Status of Women Council.
  - Mr. George Gates, Woody Point.
  - Mr. Martin Ducey, Corner Brook.
- Stephenville—Hotel Stephenville*
- November 7, 1977
  - Bay St. George Transportation Commission "Air Branch".
  - W. H. Keating, Stephenville.
  - Bay St. George Sea Foods Limited.
  - Pike's Limited/Central Dairies Limited.
  - Stephenville Industrial Development Commission.
- November 7, 1977
  - Bay St. George Joint Council.
  - Bayshore Foods Limited.
  - Bay St. George South Area Development Association.
  - Port au Port Economic Development Association.
- November 8, 1977
  - Harmon Corporation.
- Port aux Basques—Hotel Port aux Basques*
- November 8, 1977
  - Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees, Jubilee Lodge 551.
  - Codroy Valley Area Development Association.
  - Port aux Basques Chamber of Commerce.
- November 9, 1977
  - Town of North Sydney, Nova Scotia.
  - Mr. Stephen A. Neary, MHA, LaPoile District.
  - Town of Channel-Port aux Basques.
- St. John's—Hotel Newfoundland*
- November 14, 1977

- St. John's Board of Trade.

- Town of Wabana.

November 15, 1977

- Newfoundland Shipowners, Agents and Brokers Association.

- Canadian Railway Labour Association.

November 16, 1977

- Canadian Brotherhood of Railway, Transport and General Workers.

- Fisheries Association of Newfoundland and Labrador.

- Puddister Trading Company Limited.

- Brotherhood of Railway Carmen, Local 669.

- Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees—System Board of Adjustment, No. 163.

- Railway Union Labour Council.

November 17, 1977

- Association of Professional Engineers of Newfoundland.

- United Transportation Union, Local 1392.

November 18, 1977

- New Democratic Party of Newfoundland and Labrador.

- Newfoundland and Labrador Federation of Labour.

- St. John's Municipal Council.

- Chimo Shipping Ltd. and Crosbie Transport.

- Town of Jerseyside.

- Placentia Area Development Association.

- MOT Water Transportation Assistance Directorate.

November 21, 1977

- Air Canada.

- Eastern Provincial Airways.

- Atlantic Provinces Economic Council.

- Atlantic Provinces Trucking Association, Canadian Trucking Association.

- Port of St. John's Authority.

- Canadian National.



## **Section 1**

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### **The Past**

# Chapter I

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## Historical Introduction

### Historical Background

The Province of Newfoundland is made up of two parts, the Island of Newfoundland and the mainland portion known as Labrador.

The Island of Newfoundland is the northeastern extremity of the Appalachian region while Labrador constitutes the eastern rim of the Canadian Shield. Geological differences notwithstanding, there are features common to both, that, when combined with patterns of demography, constitute significant impediments to the development of an adequate system of transportation.

Characteristics of the landscape, significant in this context, are an admixture of old, hard, exposed rock with vast areas of bogland; innumerable lakes and ponds resulting from glacial scouring and disrupted drainage patterns; and a multitude of short, rapid rivers and brooks that drain the interior.

Except in the northern segment of Labrador where the Torngat mountains reach 5000 feet, land elevations are not great. The highest mountains on the Island hardly approach 2600 feet. Nevertheless, the Newfoundland terrain is notoriously hilly, particularly along the coasts, where steep declivities and deep ravines, many of them bearing tumultuous brooks, follow each other in interminable process. Furthermore, the general slope of the land and the line of most of the major river drainage systems is from southwest to northeast, whereas settlement patterns dictate transportation routes cutting across this pattern.

The coastline itself is incredibly indented. Although the Island of Newfoundland is a rough equilateral triangle of only 300 miles on a side, its total coastline exceeds 6000 miles, while that of Labrador adds

another 4000 miles to the Province's frontage on the Atlantic Ocean.

It was this ten thousand mile long coastline that constituted the Newfoundland "frontier". Colonists in other parts of North America gradually pushed back the wilderness by clearing the land and subduing it, exploring the vast reaches of the continental interior, tracing river systems, locating mountain passes, establishing portages, and laying out a design for the ultimate creation of a network of roads, railways and canals. However, the Newfoundland settlers clung precariously to the storm-battered edge of the Atlantic and gradually extended their settlements along the coast. Their object was not to subdue the land but rather to locate unexploited fishing grounds. Nor did they seek the quiet, sheltered waters of the deeper bays and finer harbours, despite their attractions of wood, water and sometimes arable soil. Rather they sought to be as near the fishing grounds as they could be, even if it meant the barest modicum of shelter for their boats and fishing gear, the tiniest perch for their houses and stores or the smallest piece of land for their kitchen gardens.

From the beginning of the seventeenth century onward the process continued until, by the beginning of the twentieth century, there was no significant stretch of coastline uninhabited. Tiny hamlets, larger villages and small towns clung to the coastline, occupying the most bleak and exposed locations on headlands and off-shore islands. Wherever one of the innumerable coastal indentations formed a sufficient adequate harbour, any one of Newfoundland's 2000 settlements could be found and each settlement relied on the sea as the only avenue of communication. Subsequently, the reality of a tiny population of



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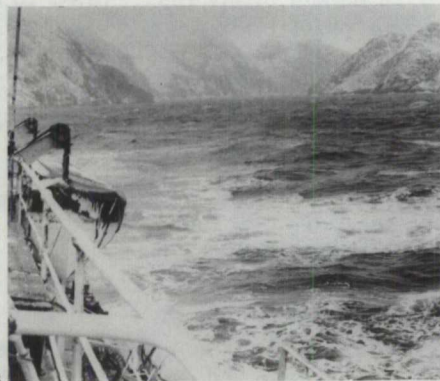
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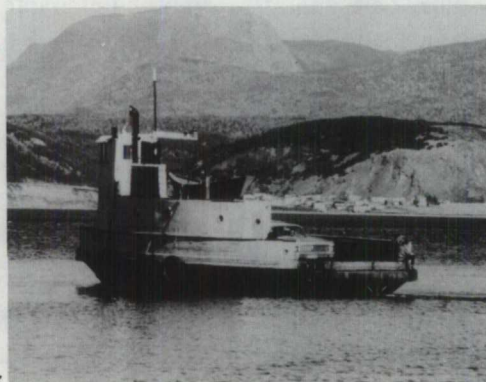
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1. Bay de Verde, icebergs
2. Gaultois
3. Grey River Fjord
4. Salvage in fog
5. Wesleyville
6. Cliffside Road, Fortune Bay
7. Ferry '*Highland Lass*', Bonne Bay, with Gros Morne in background
8. '*Fogo Transport*' in ice near Little Bay Islands
9. Wareham in winter
10. Snow drift on Red Bay Road, southern Labrador

fewer than 500,000 people occupying a "ribbon development" extending over 10,000 miles, posed problems of gargantuan proportion to governments charged with the responsibility of providing basic services, including adequate transportation and communications.

Furthermore, the magnitude of this task was appreciably increased by the severities of Newfoundland's notoriously unpredictable climate and by its geographical position athwart the Labrador Current. Although, in general, the climate is a mid-latitude marine one with cold, but not severe, winters, and warm to cool summers, the range of temperature variation over short periods of time tends to the extreme.

Mid-latitude storms, moving across Canada and up the Atlantic seaboard, have a pronounced effect on the Newfoundland climate. The warm air drawn in on the southern side of the disturbances contributes to the high precipitation figures for the southern part of the Island. The northeast and east winds prevailing in advance of each storm, blow across the cold Labrador Current and serve to keep coastal summers cool and to retard the coming of spring. The northwest winds, following in the wake of each storm bring the cold Arctic air which forces temperatures lower than latitude and marine location would suggest.

To the south of the Island the cool air associated with the Labrador Current mixes with the warmer air over the Gulf Stream producing dense fogs. These are most common over the Grand Banks and along the south and southeastern portion of the coast.

Because of these circumstances, weather conditions rarely remain stable in the Newfoundland region for more than two or three consecutive days. The almost invariably rapid movement of storm systems from west to east, particularly in winter, produces equally rapid alternations between mild temperatures and bitterly cold ones with the concomitant change from rain to snow. It is not an unusual phenomenon to progress in a single twenty-four hour period through a cycle in which snow, freezing rain, rain, clearing, sunshine, cloud and snow flurries follow each other in speedy succession; and in which temperatures rise slowly to 5 or 6 degree celsius and then drop to, perhaps, 20 degrees below zero. Conditions such as these play havoc with road beds and with road surfaces. Indeed, in the face of continual progression through cycles of frost and thaw, snow and hail, the task of maintaining gravelled roads in reasonable condition through a Newfoundland winter is practically insurmountable. Furthermore, the effort is costly, for in such changeable conditions the tasks of ploughing, sanding and salting are virtually never finished. Difficulties are, moreover, severely aggravated by the almost incessant high winds which turn light snow into a blizzard and a moderate fall of a few centimeters

into road-blocking drifts that have to be measured in meters.

We need hardly state the obvious fact that those same conditions create special problems of considerable magnitude for the ships and men who maintain transportation services dependent upon coastal navigation.

The Labrador Current streaming southward from the Arctic keeps most of the Province's coastal waters perpetually cold so that only a modest drop in temperature is required for the formation of sea ice. From late November onward through winter most sheltered waters, except along the south coast, are firmly frozen. As winter moves into spring, this land-fast ice is released from the warming land and begins to move at the behest of wind and current, while at the same time the vast floes of the eastern Arctic begin their annual southward migration. Moving majestically and inexorably down the coast, these Arctic floes, augmented by local contributions, constitute a veritable blockade varying in intensity from year to year as dictated by a host of interrelated conditions. Although modern ice breakers have extended both the range of ships and the length of the shipping season, ice, and more especially the heavy Arctic pack, is still the most menacing and most intractable of all the obstacles, impeding the establishment of reliable year-round sea communications with the more remote coastal communities.

Until the middle of the nineteenth century, and to a substantial degree for nearly a hundred years thereafter, the fishery and particularly the inshore fishery, was virtually synonymous with the Newfoundland economy. The manner in which that fishery was organized obviated the necessity for a sophisticated system of transportation. Each separate village was a self-contained production unit tied to a local or regional merchant who arranged for the provision of basic supplies and food staples and who purchased and arranged for the export of fishery products. These merchants in turn relied upon more substantial dealers located at one of the larger outport centres or at St. John's. In turn, these large dealers maintained communication with the export market countries and with suppliers in both Europe and North America. Collection and distribution functions were conducted by sea in predominantly small local ships. Frequently, the same vessels that served the ends of production were also used to transport freight and passengers.

Essentially, the population was not a mobile one. The majority of fishermen and their families lived out their lives without ever moving more than a few miles from their place of birth. The limited movements that circumscribed their daily rounds and common tasks were adequately served by small fishing boats. These boats provided the mode of transportation, whether

for purposes of social intercourse with neighbouring communities or for the procurement of supplies.

The unorganized, unplanned and unencouraged growth of settlements, the entire absence of any form of local government, and the disinterest or even positive disfavour of the central government inhibited the growth of any form of land transportation system. Rudimentary foot paths existed within communities and rough trails sometimes linked adjacent villages. Slide paths gave access to the forests in winter but these, following the line of frozen bog and pond as much as possible, were often impassable in summer-time.

In short, after two hundred years of settlement, the sea was still Newfoundland's only highway; the first roads had yet to be built. The arrival of Sir Thomas Cochrane as Governor in 1825 coincided with the elevation of Newfoundland, by Imperial Statute, from the status of fishing base to that of colony. And under Cochrane's governorship emerged the first road building scheme in Newfoundland. The first objective was to shorten the journey from St. John's to the eastern shore of Conception Bay and to eliminate the sea voyage north around Cape St. Francis. To achieve this purpose, Cochrane built carriage roads to Portugal Cove and Topsail, a distance of 9 and 12 miles respectively from St. John's, which eliminated the necessity for a journey of 40 to 60 miles by sea.

From the termini of these roads, packet boats ran to the populous settlements on the other side of Conception Bay. From Spaniard's Bay and Carbonear, roads were driven across the next peninsula to New Harbour and Heart's Content, on Trinity Bay so that travellers could save even more time and also avoid the frequently rough passage around Grates Point and Baccalieu. To the old West Country opponents of settlement in Newfoundland, Cochrane's policies were an anathema. As Peter Ougier put it, "They are making roads in Newfoundland. Next thing they will be having carriages and driving about."

By the time that Responsible Government had been introduced in 1855, a number of local trails and foot paths had been improved and linked to make barely passable carriage roads around Conception Bay from Topsail to Carbonear, from Holyrood to Placentia by way of Salmonier, and up the Southern Shore from St. John's to Ferryland. Subsequently, many small local projects were undertaken by the Outport Road Boards whose responsibilities extended to the building and maintenance of roads, bridges, wharves, slips, breakwaters, sewers and drains, as well as to the supervision of poor relief projects. More particularly, the Road Boards were the prime instruments for the distribution of political patronage and this fact, combined with the perennial shortage of funds available to the legislature, meant that much that was done was not well done and ensured that there would

be no systematic design for a road network to serve the whole colony.

Indeed, prior to 1925, there was not even the suggestion of an integrated scheme for a road network. The pressures to develop such a network had, indeed, been somewhat dissipated by the construction of the railway and the development of a coastal boat service. Nevertheless, in 1925, partly as a consequence of a new tourist development policy, the government created a Highroads Commission and set about planning for road development.

Since more than half of the total population of the colony was concentrated on the Avalon Peninsula, initial efforts were concentrated in that region. Slowly the tracks, trails, paths and carriage ways around the perimeter of the Peninsula were linked together and converted to gravel "highways". Local systems were also developed on the Bonavista and Burin Peninsulas. In addition, road systems were built around Grand Falls and Corner Brook, where development had been necessitated by the establishment of pulp and paper mills in 1908 and 1925 respectively. And finally road systems were developed in the Codroy Valley where the intention was to encourage the development of agriculture.

In virtually all cases, the roads constructed were narrow, winding and hilly, pitted with pot holes in summer and impassable in winter. Even so, they served to demonstrate the enormous cost of road building in the Newfoundland terrain. Hardly a mile of construction could be undertaken that did not involve blasting and cutting, filling and bridging or, alternatively, tortuous winding around bogs and ponds, gullies and ravines, precipitous slopes and rocky outcroppings.

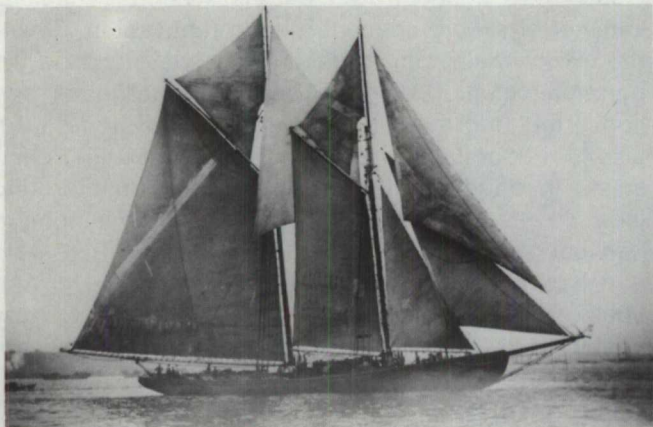
Despite the still primitive nature of the roads and the fact that none of the local systems were interconnected with any other, motorized traffic increased from 1054 vehicles in 1925 to approximately 4000 in 1935. In the meantime public expectations began to increase slowly at first, and then at an ever increasing rate as other forms of communication brought Newfoundland into the mainstream of twentieth century North American life style.

The Commission of Government at first allocated no funds for local roads, although they did provide materials where local people supplied labour. But this approach was not very popular and local road building virtually ceased until 1943 when the Commission agreed to pay for every hour of labour that was matched by a free hour. In the first year of this scheme 109 local road committees were formed and by 1956 this number had grown to exceed 600. Meanwhile, a plan for a trans-Island road had been formulated. However, in 1939, when only a fifty mile section from Grand Falls to Hall's Bay had been constructed,

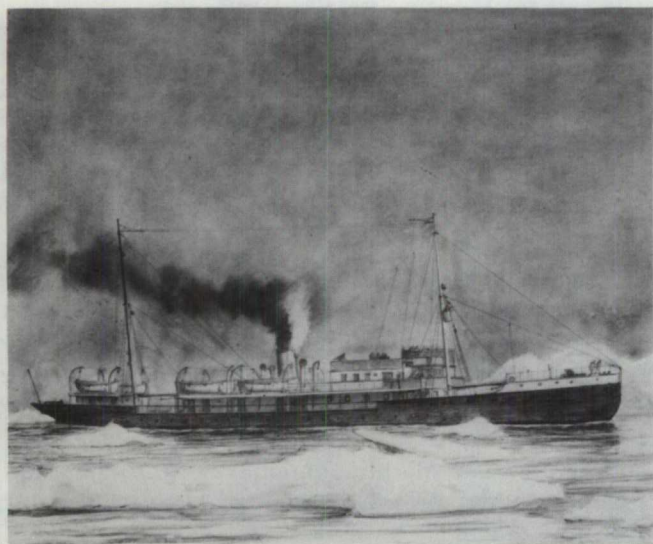




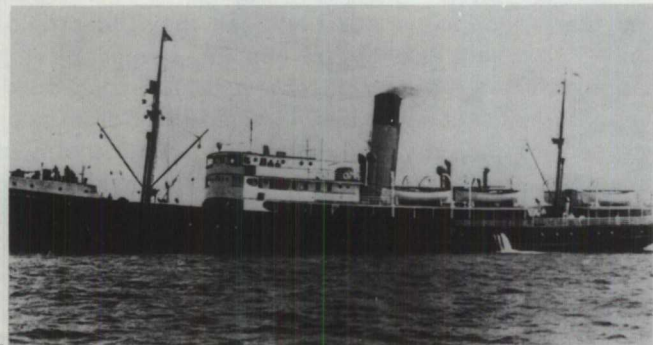
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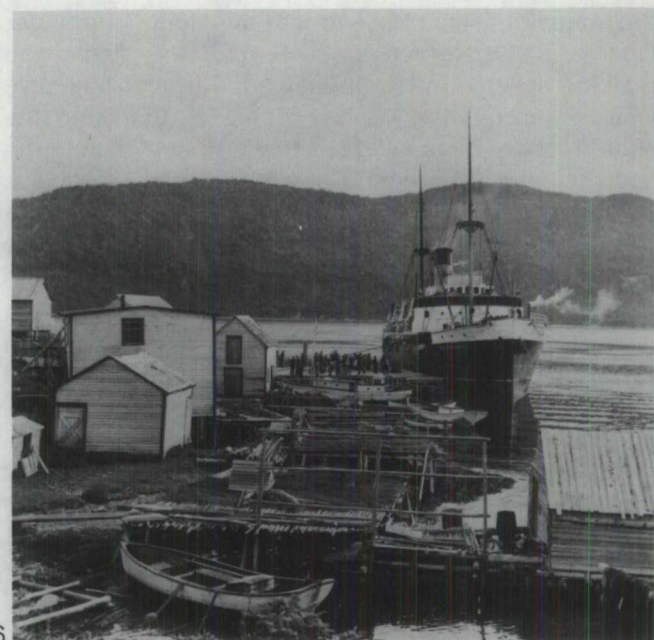
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1. Labrador coast, c. 1890
2. Banking schooner '*Athena*', c. 1900
3. '*S. S. Kyle*' (Drawing by Ted Drover)
4. '*Caribou*'
5. '*Cabot Strait*' in ice
6. '*Northern Ranger*'
7. '*William Carson*'



the whole idea had to be placed in abeyance for the duration of the war.

The war brought both Canadian and American military bases and access roads necessary to their construction. These included a thirty-five mile road to link Gander with its supply base at Lewisporte and service roads around the bases at Argentia, Stephenville and Goose Bay. In 1945, Governor Cochrane's first carriage road, which had since become the main high-road leading out of St. John's, was paved the 12 mile distance to Topsail.

In the period 1945 to 1949, the road systems of the Avalon and Burin Peninsulas were interconnected, the Cabot Highway from Clarenville to Bonavista was constructed; the government, assisted by the paper companies, built a road link between Cormack and Hall's Bay; and a few minor "roads to resources" were built to assist logging and agricultural developments.

To this point, then, virtually all that had been accomplished had been done on an *ad hoc* basis. Immediate economic necessity or political expediency rather than rational planning had been the springs of action. As A. B. Perlin put it, "There had never been a major planning of highway construction on a wholly efficient basis with relation to winter usage and to the growth of motor traffic..." The concept of all-weather roads outside a limited area did not seem to exist although the value of highways for development, for the breaking down of isolation and for greater efficiency in administration of public services should have been the paramount consideration.

After the entry of Newfoundland into Confederation, a plan was developed to overcome the isolation of coastal communities by means of a major road construction program. As a consequence, there remain today relatively few settlements that are not connected to the main provincial road system. The notable exceptions are communities on the southwest coast and on the eastern side of the Northern Peninsula and in coastal Labrador. The largest single project of the period was the building of the Trans Canada Highway. Completed in 1965, it boasted 565 miles of pavement and 85 bridges. This achievement was made possible by Federal cost sharing and more particularly by the sharing formula that came into effect on April 1, 1963 and provided for a Federal contribution of 90 % of the cost.

It was early recognized that in a climate of rising expectations a relatively successful road building program would inevitably breed discontent. A mobile population would demand services comparable with those afforded their more fortunate fellow citizens in other parts of the country. And this has been the case. Even with substantial Federal assistance, the government was hardly able to keep pace with both expectations and real demands upon the road

system. More and more the economy, in all its manifestations, turned toward road transport. By the same token, the significance of rail and coastal boat services declined.

At one time the railway had been seen as the hope for economic salvation. Throughout the latter half of the nineteenth century it was widely assumed that the building of a railway would not only alleviate the age old problems of isolation but would also open the allegedly vast wealth of the interior to exploitation. Moreover, it was expected to foster the development of agriculture as an economic base to complement the fishery.

At last, in 1881, the great project was begun and by July of 1882 the line of narrow gauge rail extended from St. John's to Holyrood *via* Topsail and the shoreline of Conception Bay. Two years later it had been extended to Harbour Grace *via* Whitbourne and Tilton. The company which had contracted to build the line had thus far undergone many vicissitudes, surviving only on money borrowed on bond issues and government guarantees and subsidies. Finally, the assets of the bankrupt company were taken over by the Newfoundland Government which, in 1886, began construction of a new line from Whitbourne to Placentia. This line was completed in October, 1888.

The decision was now taken to extend the railway from Whitbourne northward and westward to Hall's Bay and to seek a private contractor to undertake the task. The Placentia line was incorporated into the projected Hall's Bay Railway and Robert G. Reid of Montreal was the successful bidder on the construction contract which was signed in 1890. Although the opening of the interior had been a major consideration in the earlier conceptual period, the line as now planned did not strike out to the westward. Instead it headed north. And while it did not follow the indentations of the coast, it did make access possible for the populations of Trinity, Bonavista and Notre Dame Bays by cutting across the bases of the east and northeast coast peninsulas and touching tidewater at the heads of all the major bays.

By 1893, the line had reached Norris Arm and at this point it was decided to abandon the idea of a terminus at Hall's Bay. Instead it struck out for Port aux Basques at the southwestern extremity of the Island which was only one hundred sea miles from Sydney, Nova Scotia. Finally, in 1897, the 547 miles of railway were completed.

Reid had already agreed with government to operate the railway for ten years from September 1, 1893. Now, in 1898, he negotiated a new contract under which the Reid Newfoundland Company undertook to operate the total Newfoundland railway system for a fifty year period. The formal opening of a trans-insular service took place in June 1898. The first train required 27 hours 45 minutes for the run from St.

John's to Port aux Basques. The slow running speed could be attributed, in part, to the narrow (3 feet 6 inches) gauge, the poor alignment (only 130 miles of track are on a straight tangent), excessive curvature and steep gradients.

Additional construction in 1898 included a branch line from Notre Dame Junction to Lewisporte, a "cut-off" from Brigus Junction to Tilton and an extension of the line from Harbour Grace to Carbonear. Approximately ten years elapsed before further construction was contemplated, but between 1911 and 1915, an intensive period of building was prompted by almost purely political considerations. This financially disastrous policy saw lines built to Bonavista, Trepassey, Heart's Content, Grates Cove and Bay de Verde. Another from Northern Bight to Fortune was completed only as far as Terrenceville, while a projected line from Deer Lake to Bonne Bay did not progress beyond the state of preliminary grading of the right of way.

The main line had never been financially sound and the added burden of those branch lines was more than the Reid Newfoundland Company could bear. After a series of maneuvers which need not be detailed here, the government repossessed the railway in July 1923 and thereafter operated it as a nationalized utility.

During the 1930's the branch lines to Terrenceville, Trepassey, Heart's Content, Grates Cove and Bay de Verde were all abandoned. The remaining system, including the main line from St. John's to Port aux Basques and branches from Brigus Junction to Carbonear, from Placentia Junction to Argentia, from Shoal Harbour to Bonavista and from Notre Dame Junction to Lewisporte, continued in operation as the Newfoundland Railway. In 1949, it was absorbed into the Canadian National Railway system.

Together with a few private branch lines, the total system at that time included 956 miles of narrow gauge track, by far the longest narrow gauge railway in North America. Over the years, Canadian National improved and increased the rolling stock; converted the locomotives from steam to diesel power; made adjustments to road alignments and improved the road bed. Nevertheless, the railway continued to be both costly and inefficient to operate. Apart from the fact that its route nearly doubles the actual distance across the Island, the most serious disability is the narrow gauge. This necessitates either the breaking and reloading of freight or else the transfer of standard gauge cars to narrow gauge trucks. All this greatly increases the cost of freight handling and inhibits speed and efficiency.

To a degree, both roads and railways were alien forms of transportation in Newfoundland. It was the coastal boat service that matched the pulse of the Island's history. It grew from the traditional mode of

communications and broke the isolation of even the most remote outposts. It combined practical utility with drama, romance, and the stuff of which legends are made.

It was not until 1875 that the government of Newfoundland found it necessary or practical to subsidize a coastal boat service that would carry mail, freight and passengers and that would supplement the capacity of the thousands of private boats and vessels that served the needs of hundreds of still isolated communities. In that year Bowring Brothers Limited won a contract to carry mail along the coast and in 1876 they ordered the construction of two steamers, the '*Curlew*' and the '*Plover*'. Both boats would provide mail and freight services as well as first and second class cabin accommodation for passengers.

Gradually, other substantial mercantile firms secured government service contracts. In the 1890's we might have found the '*Grand Lake*' and the '*Virginia Lake*' sailing the northeast and the south coasts and up the west coast as far as Bonne Bay; the '*Alert*' in Placentia Bay; the '*Favourite*' in Trinity Bay; the '*Lady Glover*' in Notre Dame Bay; and the old '*Leopard*' sailing the coast of Labrador.

When the railway finally reached Port aux Basques, the Reid's '*S.S. Bruce*', an elegant steel, ice-strengthened vessel was waiting to commence the Gulf service to North Sydney.

Reid's contract required that he should supply and run, in addition to the '*Bruce*', "seven steamers of a superior description: one in each of the large bays, so as to connect with the railway, and one to ply to Labrador in summer." In 1899 and 1900 these seven crossed the Atlantic from Scottish shipyards to constitute the famous Alphabet Fleet of ships bearing Scottish place names ending in the letter 'e'. They were, in alphabetical order: '*Argyle*', '*Bruce*', '*Clyde*', '*Dundee*', '*Ethie*', '*Glencoe*' and '*Home*'.

With gleaming paintwork, polished brass and mahogany, these were no tramps but elegant little ships whose first class saloons boasted fine linens, sterling silver cutlery, and impeccable service. And even if the second class accommodations were more plebian in their appointments, they offered a service, though frequently inadequate to the demands made upon it, which introduced a new era of social mobility that had heretofore been almost inconceivable. Their toughness and durability, the sometimes uncanny navigational skills of their officers, and the competence of their crews endeared them to thousands of Newfoundlanders and made them the most welcome visitors to dozens of coastal settlements. As the St. John's '*Evening Telegram*' put it, in a tribute published in 1902,

*At any given time of the day or night several steamers are edging past beetling cliffs, squeezing through narrow tickles, maneuvering in*

*restricted anchorages, battling heavy gales and tricky tides; encountering ice, sudden snowstorms, impenetrable fog, subject always to the imponderables involved in the possible breakdown of machinery or navigational equipment. The record of the coastal boat captains and crews is second to none. The thousands of sea miles they cover involve more hazards and frustrations in one 'round trip' than most deep-sea captains encounter in a year.. Yet..the system is one of the safest forms of travel in the world—perhaps the safest, having regard to the routes it serves and the conditions that surround them.*

Between 1900 and 1914, the *'Invermore'*, the *'Kyle'*, the *'Lintrose'* and the *'Meigle'* joined the Alphabet Fleet. Still, the demand for service grew; and although the Reid Company would have preferred a monopoly, other local firms continued to receive government contracts. Thus, in the early years of the century, Bowrings built the *'Portia'* and *'Prospero'* to replace the *'Curlew'* and *'Plover'*, while the Crosbies were engaged to employ their ships *'Sagona'* and *'Fogota'* in service to communities north from St. John's to Change Islands. Small firms ran the *'Brunswick'* on the west coast and the *'Stella Maris'* on the northern Labrador shore.

In 1923, when the Newfoundland Government took over the railway, they acquired as well all that remained of the Alphabet Fleet together with the vessels that had been operated under contract by the Crosbies and Bowrings. As a symbol of the new order, they almost immediately ordered the building of the *'Caribou'*—2200 tons, luxuriously appointed, specially designed for navigation in ice, she would be queen of the fleet and the principal ferry on the Gulf run.

Meanwhile, by the 1930's, time and the hazards of Newfoundland coastal navigation had brought inevitable loss and deterioration to the coastal service ships. Despite straitened circumstances, additions to the fleet were imperative. Consequently, the *'Northern Ranger'* was ordered for delivery in 1936. This vessel served out her life on the 1960 mile round trip run from St. John's northward to southern Labrador ports, through the Strait of Belle Isle and down the west coast to Corner Brook and thence retracing that route back to St. John's. In 1940, two new ships, the *'Burgeo'* and the *'Baccalieu'* were added, the former primarily serving the Gulf run to Sydney, and the latter operating along the southwest coast between Argentia and Port aux Basques. In 1946, three additional ships were ordered from the shipyards of Fleming and Ferguson of Paisley, Scotland. These were the *'Bar Haven'*, the *'Springdale'* and the *'Cabot Strait'*, the last of these a worthy successor to the *'Bruce'* and the *'Caribou'*.

In addition to those steel vessels, the Commission of Government had authorized in the period 1944-46 the construction at Clarenville of a fleet of 300 ton wooden vessels to be used primarily as freighters in the coastal trade. This "splinter fleet" included the *'Clarenville'*, *'Burin'*, *'Bonne Bay'*, *'Glenwood'*, *'Trepassey'*, *'Exploits'*, *'Placentia'*, *'Ferryland'* and *'Twillingate'*.

In 1949, the Newfoundland railway as well as the coastal boat service was taken over by Canadian National. At that time two of the old Alphabet Fleet, the *'Kyle'* and the *'Glencoe'* were still in service as were the newer vessels acquired during the Commission of Government Era. Canadian National also acquired three of the "splinter fleet" vessels to serve temporarily until new ships could be commissioned.

It was soon apparent to Canadian National, as it had been to the Newfoundland Government, that an adequate coastal boat service would require large scale subsidies. More particularly, service on the Gulf now assumed a position of paramount importance. This was due to the Canadian protective trade tariffs. Traditionally, Newfoundland had traded primarily with the United States or Great Britain but now trade with Canada was to be established.

As the automobile came into greater use, the *'William Carson'* became in 1955 the first major ferry commissioned by Canadian National for the Gulf service. Built at Montreal, she was four times as large as the *'Cabot Strait'* and was capable of transporting 500 passengers together with 110 cars and trucks and 600 tons of cargo.

Between 1952 and 1966, passenger traffic across the Cabot Strait increased from 60,000 to over 100,000 per year and freight volumes rose from 80,000 to 176,000 tons. To accomplish this, the work of the *'Carson'* was supplemented by using, at one time or another, most of the older ships in the service and by the acquisition of several new ones.

Meanwhile, the older coastal boats were gradually retired and replaced by the *'Bonavista'* and *'Nonia'*, the *'Petite Forte'*, the *'Hopedale'* and the *'Taverner'*, none of which differed markedly from their predecessors. By the mid-sixties, as the road network expanded, the significance of the coastal service had declined to a shadow of its former status. Nevertheless, along the south coast and the coast of Labrador, the majority of communities were still utterly dependent on the coastal "steamer".

It is, perhaps, easy to be caught up in the romance and the drama of the coastal boats and to forget that the service, invaluable as it was, and is, did not always provide the ultimate in comfort and convenience to travellers or to those who relied upon it for mail deliveries and freight shipment. The hazards of navigation in Newfoundland coastal waters, the unpredictable fury of the weather and the constant threat of the

ice pack in season, were only some of the trials that had to be borne. Delayed and disrupted schedules were inevitable. Overcrowding, lack of cabins, sometimes even lack of sitting space, were not uncommon. Although these conditions were generally borne with good grace, there was, as the years advanced, a growing demand for better conditions. Discomforts that were once taken for granted, were no longer to be tolerated.

It is perhaps true to say that the coastal boat service, for all its deficiencies, had, in the long run, a more profound impact upon rural Newfoundland than any other government service. However, the growth of air traffic has had an impact which is very nearly as profound. In the third and fourth decades of this century, Newfoundland's mid-Atlantic geographical location kept it at or near the center of aviation history. Pioneers of trans-Atlantic flying turned naturally to Newfoundland, firstly as a base of operations and subsequently as an important staging area. It was not, however, until 1936 that the British Air Ministry began construction of a major civil airport at Gander. The war brought an enormous increase in the volume of trans-Atlantic air traffic and a corresponding increase in the importance of Gander. It also brought the construction of military airfields, subsequently to be converted to civilian use, at Argentia, Goose Bay, Stephenville and Torbay.

In 1942, Trans-Canada Airlines, operating a ten passenger Lockheed aircraft, began a daily service between Montreal and St. John's via Moncton, Halifax, Sydney, Stephenville and Gander. By reducing travelling time between the two cities from nearly four days to nine hours, this service heralded a new age in the social and economic life of Newfoundland and forged another link with the Dominion of Canada. Although military priorities inhibited civilian use of the service throughout the years of war, the idea of travel by air gradually gained acceptance. In the year of Confederation, nearly 13,500 passengers boarded Trans-Canada Airline planes at Newfoundland airports. Fifteen years later, when air travel had become part of everyday life, the number of boarding passengers had increased to approximately 300,000. Meanwhile, the size and speed of planes in service as well as the frequency of scheduled flights had increased dramatically. From the original 10 passenger Lockheed to the giant Lockheed 1011 Tri-Star carrying 288 passengers, the progression was rapid. Names such as DC3, North Star DC4, Viscount, Vanguard, DC8 and DC9 became as familiar as had been the more romantic names of the old Alphabet Fleet steamers.

Meanwhile, as the developing services of the national carrier gave Newfoundlanders access through interconnecting flights to all parts of the world, the use of light aircraft to end the traditional isolation of

the more remote parts of the Province was undertaken. As early as 1921, Sidney Cotton operated a mail service from Botwood to Fogo, St. Anthony and Cartwright. Although this service was short lived, it was a significant harbinger of future developments.

In 1946, Eric Blackwood introduced a bush service with a Piper Cub aircraft. He subsequently founded Newfoundland Aero Sales and Service which delivered mail, transported patients to hospitals, and provided other emergency services to communities which were isolated during the winter months. In 1949, Newfoundland Aero Sales and Service was incorporated as Eastern Provincial Airways (1949) Limited, the new company continuing as a bush and charter operation. Growth was rapid, and in 1963, the company purchased Maritime Central Airways. The amalgamated line became the largest regional carrier in Eastern Canada.

The relationship between the costs of running an airline and the distances covered by its planes is an inverse one. Thus, regional carriers, which are restricted to short flights, generally find it difficult to maintain competitive fare structures and, at the same time, to operate without subsidy. In this respect Eastern Provincial Airways has been no exception. Restricted to "short haul" flights between St. John's, Gander, Deer Lake, Stephenville, Goose Bay, Churchill Falls and Wabush and to even shorter flights between airports in the Maritime Provinces, the airline has operated continuously within the high cost zone. In those circumstances, governments and regulatory agencies have had to decide whether to permit a fare structure that would be sufficiently high to offset the extraordinary costs, to provide direct subsidies, or to allocate certain long distance direct service routes on which higher profits would eliminate or diminish the subsidies required.

Though this particular dilemma was not satisfactorily resolved, the service provided by Eastern Provincial Airways remained an essential element of the provincial transportation system. Furthermore, the choice of Gander as the operation base of the airline served for a time to cushion the effect of that airport's declining importance in the international context. Gander, with the introduction of long range jet aircraft, ceased to be the "crossroads" of the North Atlantic although its status as Newfoundland's only international airport was preserved and its function in terms of Atlantic air traffic control was enhanced.

In the decade of the 1960's, the growing economic and social significance of rapid communications at all seasons, of regular mail deliveries, and of accessibility to medical facilities, led to the development of other air services, in addition to those provided by the national and regional carriers. The Provincial Government itself developed and maintained a small fleet of aircraft, including helicopters, while several local com-

panies were created to provide service to communities beyond the reach of the larger airports. These included Gander Aviation, Newfoundland Air Transport and Labrador Airways. These, operating scheduled, as well as chartered flights, combined with many private planes to bring virtually every Newfoundlander to within a few hours travelling distance to any part of the Province. This service alleviated the particular problems arising from the age-old isolation of regions such as the Labrador Coast. Nevertheless, there were still periods of the year when fixed wing aircraft could not operate—when, for example, ice, which was still unsafe for ski-equipped planes, made operations with floats impossible. To remove this final obstacle to year round communication, plans were conceived to develop all-weather landing strips at strategically located sites along the more isolated stretches of coastline.

To complete the survey of the historical development of transportation in Newfoundland, we turn, briefly, to the pattern of extra-Island traffic, particularly in the realm of direct water movement of freight and passengers.

As indicated above, in the years after the commencement of a fishery in Newfoundland, external trade of the colony was conducted largely by privately owned ships trading with continental North America, with the West Indies and South America, and with Europe.

In the twentieth century the traditional pattern of trade associated with the fishery was augmented by paper and mining companies which developed their own systems for delivering their products to world markets. Meanwhile, the nature of the Colonial Imperial connection was such that the bulk of all manufactured goods sold in Newfoundland was imported directly from the United Kingdom.

In recognition of the importance of the trade with the United Kingdom, on the one hand, and with the New England States on the other, the Furness Withy Company operated a weekly passenger and freight service from Boston to Liverpool via Halifax and St. John's. The ships on their run, the 'Newfoundland' and 'Nova Scotia', before the days of trans-Atlantic air travel, carried most Newfoundlanders who journeyed to Europe and many who went to the United States.

Confederation with Canada effected an enormous change in this pattern. From the early 1930's some traffic had moved from Central Canada by direct water services, the most established of which was Clarke Steamships. During the 40's and 50's this traffic continued but increases were minimal because of the competition of the highly subsidized rail ferry route. From 1949 onward, therefore, virtually all food and manufactured goods imported to this Province came from Central Canada with by far the highest

proportion by railway and Gulf ferry. Soon the St. John's to Liverpool and St. John's to Boston services were reduced considerably and although unscheduled freight services in some cases continued, the regular scheduled runs and the passenger service were discontinued in the late 1950's.

From the foregoing history of transportation in Newfoundland, a change may be perceived, or at least an attempt at change, of people's economic and social orientation from a maritime focus to a continental one. Such a change could not be possible without roads, the railway and air services. This thrust towards reorientation was clearly most pronounced in the two decades immediately following Confederation. The Liberal Party's manifesto for the 1966 election was entitled "Building New Highroads to a Better Life", thus giving as clear an indication as might be of Government's commitment to the idea that land communications were the *sine qua non* of economic growth and industrial expansion.

It was at this time that the government of the Province paused to assess what had been accomplished and to establish priorities for the future. By Order in Council, dated December 8, 1964, a Royal Commission on Transportation was established under the chairmanship of the Honourable P. J. Lewis. The terms of reference required the Commissioners "to enquire into all commercial aspects of transportation including Railway, Trucking, Steamships, Coastal Boats, Air Transportation and Air Cargo, affecting the economy of the Province, to report thereon and to make such recommendations with regard thereto as may appear to the Commission to be desirable."

The Lewis Commission, having assessed the existing situation, and having made certain predictions respecting future growth and development, submitted recommendations in seven specific areas. They may be summarized briefly as follows:

1) that a Department of Transportation should be created, supported by a Board of Advisors representing all facets of transportation and communications, with the objective of providing appropriate liaison and co-operation among all branches and levels of government concerned with transportation and communications and of replacing the *ad hoc* approaches of the past with conscious planning for the future;

2) that heavier rail should be installed along the main line of the railway and that other improvements respecting freight handling and passenger accommodations should be undertaken to upgrade the service offered to an acceptable Canadian standard; that branch lines should be replaced with modern all-weather highways; and, that the special interests of Newfoundland should be protected in respect of federally established freight rate formulae;

3) that standards of service on the coastal boats should be carefully monitored and controlled but, especially, that ways should be sought to replace, insofar as possible, the coastal boat service with good highways with particular attention to the southwest coast, the Burin Peninsula, the Bonavista Peninsula, the Gander Bay and Strait Shore area, and the Great Northern Peninsula;

4) that the Labrador coastal service be expanded and improved to provide adequate cargo and passenger facilities and to make provision for the transport of motor vehicles;

5) that, in addition to the roads referred to in 3 above, an all-weather highway should be constructed from the Strait of Belle Isle region to Goose Bay and thence across Labrador to Labrador City-Wabush and that this road system should be connected to the Island highway system by way of a tunnel under the Strait of Belle Isle; that the existing roads up the Southern Shore to Trepassey and to St. Mary's Bay via the Salmonier Line should be upgraded; that a road should be constructed along the north shore of Bonavista Bay to link with the Gander Bay-Strait Shore road; that a causeway to Twillingate should be constructed; that a number of access roads to assist development of the forest industry should be constructed; and that earnest and active consideration should be given to the construction of a highway from Buchans to the Bay St. George area;

6) that adequate port facilities should be constructed or improved not only at Argentia, Port aux Basques and St. John's but at Corner Brook, which should have top priority for the future, at Botwood and at Lewisporte; that freight rate subventions and other subsidies should be extended to companies operating steamship services between Newfoundland and mainland ports and that ways and means should be investigated to encourage water carriage around the Newfoundland coast in local bottoms;

7) that the Federal Government should establish a Regional Carrier Air Policy with a view to assisting Eastern Provincial Airways and other local carriers to continue providing vital services in high cost areas; that steps should be taken to develop landing facilities as an alternate to those at Torbay; and, that adequate ground transportation should be provided between Gander and Grand Falls for airline passengers.

Taking those recommendations as a sort of Provincial prospectus for the development of transportation services during the decade just past, let us now look briefly at the situation in 1976 as compared with that upon which the Lewis Commission based its recommendations.

By 1976, a provincial Ministry of Transportation and Communications had been created and had been functioning for some years. The Department did provide for liaison with Ottawa although not as effectively, perhaps, as had been hoped. The Advisory Board had not been established. Whether for this reason or for others, the Department had not been notably successful in achieving effective co-ordination of Provincial, Federal and private activities in the spheres of transportation and communications, nor was there clear evidence of sound overall planning.

In respect to the railway, there were, in 1966, 547 miles of main line railway track of which 190 miles were of heavy, 85 pound rail. Additionally, there were branch lines to Argentia, Bonavista, Carbonear and Lewisporte and a privately owned rail line to Buchans. On the main line, summer schedule passenger service consisted of six daily trips per week from St. John's to Port aux Basques and return, the journey in each direction requiring approximately 24 hours. Fall and winter schedules consisted of a tri-weekly service with departures from St. John's and Port aux Basques on alternate days. Freight service included several runs per day in each direction and special trains as required, moving 455,000 tons of incoming freight. This represented 67% of the total and an additional 600,000 tons of intra-Island traffic. In its total operation in Newfoundland, CN rail gave employment to 1300 workers.

In 1976 the 547 miles of main line track remained, but the proportion of heavy rail had been increased to 350 miles. The branch line to Lewisporte no longer carried traffic and the private line to Buchans had been closed out. On other branches the number of weekly runs had been reduced considerably. Passenger service on the rail had been eliminated completely and freight movement had been reduced to one train per day in each direction. In 1976, the rail carried 425,000 tons into Newfoundland which represents 44% of the total traffic, while intra-Island rail traffic had declined to 400,000 tons. The number of employees in the rail service had dropped to 1213.

Meanwhile, there had been a large increase in volume and considerable improvement in facilities on the Gulf service. That service in 1966 consisted of three vessels, the 'William Carson', the 'Lief Eiriksson' and the 'Patrick Morris', transporting over 100,000 passengers and 176,000 tons of freight. In 1976 Gulf service was provided by 8 vessels. Two of these, the 'Marine Nautica' and the 'Marine Atlantica' were each capable of carrying 300 cars and 700 passengers and they were joined during the summer months by the 'Stena Nordica' which had a similar capacity. Other ships on the service included two rail car ferries, the 'Frederick Carter' and the 'Sir Robert Bond'; the 'Ambrose Shea' and the 'Marine Cruiser', each with a capacity for carrying passengers, vehicles

and trucks. The last two were operated during the summer between North Sydney and Argentia.

In 1966 virtually all of the freight coming into Port aux Basques was unloaded manually from standard gauge rail cars in North Sydney, shipped across the Gulf and then reloaded manually into narrow gauge cars at Port aux Basques. By 1976, as a result of the introduction, in 1967, of the truck to truck transfer methods, the operation had been considerably streamlined. Standard gauge cars were carried directly across the Gulf by railcar ferries, lifted in Port aux Basques from the standard gauge wheels and replaced on the narrow gauge wheels suited to the Newfoundland rail line. This operation increased both speed and efficiency since it involved no manual handling of the cargo. In 1976 approximately 67% of the rail cars coming to Port aux Basques were actually handled by the truck to truck method.

The decade had also seen considerable expansion of and improvement to the provincial road system. In 1966 there were 4652 miles of road of which 1009 miles were paved; in 1976 there were 5570 miles of road of which 2820 miles were paved. The apparent anomaly of such a relatively small increase in total road mileage resulted from a major rebuilding programme which saved considerable distances by a process of straightening existing roads. Newly built or improved roads included the road linking Argentia with the Trans Canada Highway; the road from Goo-bies to and around the Burin Peninsula; the road from Clarendville to Bonavista; major portions of the road from Gander to Gander Bay and around Cape Freels to Gambo; the road to Baie Verte; the road linking Bay D'Espoir with the Trans Canada Highway near Bishops Falls, and approximately 80 % of the road from Deer Lake to St. Anthony. The major recommendations of the Lewis Commission with respect to the southwest coast were as yet unfilled and, with the exception of a few miles of road linking settlements on the Labrador side of the Strait of Belle Isle, the situation in Labrador remained essentially unchanged. However, a tote road from Goose Bay to Churchill Falls and on to Esker on the Quebec North Shore and Labrador Railway gave promise for the future.

These developments, while diminishing the importance of the coastal boat service, *did not* eliminate its necessity. In 1966 two coastal boats were employed year round on the south coast, and two from May to December on the northern service: one, during the summer season on the run from St. John's to Nain *via* Lewisporte and Goose Bay, and one on direct service from St. John's to Nain. In 1976 the South Coast service had been modified to include the two high-speed vessels, the '*Marine Runner*' and the '*Marine Sprinter*', both of which were capable of making the 170 mile round trip from Port aux Basques to Ramea

in daylight hours. In addition one other vessel operated through the year between Argentia and Port aux Basques. The northern service still included the runs from Lewisporte to Goose Bay and from Goose Bay to Nain but, most significantly, had been expanded to include once a week service by the '*William Carson*' from St. John's *via* Lewisporte, St. Anthony and Cartwright to Goose Bay. The '*William Carson*' provided facilities, not only for passengers and freight, but also for private vehicles.

It should be noted, however, that while regular coastal vessel routes were phased out as the highways reached previously isolated settlements, new services were necessary to meet the needs of the few Island communities that continued to survive, especially in Bonavista Bay and Notre Dame Bay. Among those, Greenspond, Fogo and Little Bay Islands could be reached by road only if major causeways were constructed. Although proposals for such causeways were discussed, presumably because of the large capital cost involved, the Province did not adopt that approach. Nevertheless, transportation services had to be provided to those communities even though, in view of their small number, a coastal boat service would be no longer practicable. The eventual solution to this problem was provided by the introduction of "intra-Island ferries" which linked Island communities with the nearest or most convenient settlement served by highway (e.g., Seldom on Fogo Island to Carmenville). These ferries were accepted as a substitute for a coastal boat service and received, in consequence, an annual subsidy from the Federal Government. The objective was to provide for the transportation of freight, passengers, mail and motor vehicles at reasonable rates which would not leave Island communities at a gross disadvantage *vis-à-vis* their mainland neighbours.

Meanwhile, there had also been improvements in the direct water movement of freight from the mainland to Newfoundland. In 1966, this service had been restricted to a weekly service by Clarke Steamships operating between Montreal and St. John's. In 1966, Newfoundland Steamships also operated conventional ship services to Corner Brook and to Botwood (subsidized). Also three subsidized conventional ship services operated from Maritime ports. These were: Newfoundland Canada Steamships Ltd., Halifax-St. John's; H. B. Dawe Ltd., Halifax-Cupids; and North Shipping and Transportation Ltd., Charlottetown-St. John's. By 1976 the Newfoundland Steamship Service had grown to a tri-weekly subsidized one. Additionally, by early 1977, Harvey and Company provided a once weekly service from Halifax, while Crosbie and Company offered a nine-day container service from Montreal to St. John's. Neither Harvey's nor Crosbie's were in receipt of subsidies for their operation.



During the decade under consideration, port facilities at St. John's, Port aux Basques, Corner Brook and Argentia were upgraded. Major developments were undertaken at Port aux Basques to accommodate the increasing number of large ships using the port and to accord with the specialized functions of some of those ships. At St. John's a major reconstruction had been completed to provide landing facilities for specialized side loaders and additional docking space. Nevertheless, the development had not included the provision of all the facilities essential to efficiency and local interests bewailed the omission, in particular, of a special dock for the handling of containers and a synchrolift.

At Port aux Basques, despite substantial expenditures, conditions remained unsatisfactory in respect to the space available for maneuvering the larger vessels when high winds prevailed. Conditions at Argentia appeared adequate for the limited use made of them, while a sideloading facility had been constructed and was in place in Corner Brook in 1976. Further developments in Corner Brook are still in the planning stage.

In 1966 air service was provided to Newfoundland by Air Canada and Eastern Provincial Airways (EPA), together with local carriers, such as Gander Aviation, Labrador Airways and Newfoundland Air Transport. In 1976, air transportation to Newfoundland was still being provided by Air Canada and EPA, but EPA had taken over virtually all of the intra-Newfoundland traffic. Regional carrier service was still being provided by Labrador Airways and by Gander Aviation. The principal recommendation of the Lewis Commission with respect to the establishment of a Regional Carrier Policy had, however, not been implemented.

In short, the Lewis Commission Report met with a kinder fate than that accorded many other Royal Commission Studies. A substantial number of its recommendations were either acted on directly or implemented more gradually as concomitants of other developmental processes. The result was that between 1966 and 1976, a considerable improvement of the road system had taken place in Newfoundland. This improvement was made more substantial, perhaps, than the Commissioners expected and was a result, in a large part, from unanticipated expenditures of over \$150 million by the Federal Department of Regional Economic Expansion (DREE). Similarly, improvements in the Gulf Service undoubtedly exceeded the expectations of 1966, while the significance of the coastal service did, indeed, decline as new roads were built and old ones improved.

On the other hand, the prediction of an increasingly important role for the railway was not fulfilled. In fact, rail service was considerably reduced. The proportion of freight coming into the Province by rail declined in the decade under review from 70 % to 45 % of the

total. This decline was related, partially, to the decision to award to Newfoundland Steamships a freight subsidy which rose from \$7.00 per ton to \$15.64 per ton. This development, together with the extension of the service to a virtual year-round operation, has made direct sea shipment an attractive alternative to shipment by rail. Also, a rapid increase in the number of tractor trailers operating across the Gulf has occurred, undoubtedly due to the completion of the Trans Canada Highway and the acquisition of Gulf ferries which have the capacity to carry large tractor trailers. In 1966 only 2% of the traffic coming into Newfoundland moved by truck; by 1976 this proportion had increased to over 27 %. The process of diminishing railway use was hastened, of course, by the decision of CN management to eliminate all main-line rail passenger service.

During the decade between 1966 and 1976 the Newfoundland transportation scene was a particularly active one. In addition to the exciting developments referred to above, a veritable plethora of studies related to Newfoundland transportation has been specific to particular problems or areas of interest. Among them we may note the voluminous *Newfoundland Mainland Transportation Study* of 1972 consisting of some 20 volumes compiled by Transport Canada in collaboration with the Canadian Transport Commission (CTC), DREE, Canadian National and several consultants. The study is still an extremely useful compendium of essential information (much of which, however, needs updating) and, in fact, resulted in significant improvements on the Gulf service.

A second major study was the *Trans-Newfoundland Corridor Transportation Study* of 1974, conducted by Kates, Peat, Marwick and Company on commission from the Canadian Transport Commission. This study, although valuable as an inventory of the transportation system within the Port aux Basques-St. John's corridor, led to no significant action.

Slightly more positive results flowed from the twelve volume *Newfoundland Coastal Study* of 1974, which was conducted by Transport Canada—Marine and Ferry Division and which remains a valuable source of information.

Other studies which have resulted in some operational adjustments include the *Russell Lake Report* of 1970 and the *Newfoundland Coastal Rates Study* of 1976.

Still others, which together constitute important collections of pertinent data, but whose recommendations have not yet been implemented or have been ignored include the *Corner Brook Development Study* of 1976, conducted by Peat, Marwick and Partners and FENCO, for the Government of Newfoundland in collaboration with Transport Canada and DREE; the *Burin Peninsula Port Selection Study* of



1974, conducted by T. J. Dalton for Transport Canada; *A Transportation Needs Study*, Newfoundland/Labrador of 1970, conducted by P. M. L. Pearson for the provincial Department of Community and Social Development; Volume IV of the 1974 *Royal Commission on Labrador*, conducted by Donald Snowden for the Government of Newfoundland; the *Quebec-Trans Labrador Highway Report* of 1974, by R. J. Noah and Associates for the Newfoundland Department of Transportation and Communications; the *Labrador Area Master Plan* of 1975, prepared by the Air Administration Division of Transport Canada; the *Newfoundland STOL Study* of 1973, conducted by Kates, Peat, Marwick and Company; and the *Newfoundland Ferry Services Study* of 1974, conducted by Acres Consulting Services Limited for the CTC. Two additional studies of a major nature, currently in progress, are a *Study of Transportation in Coastal Labrador* which is being conducted by the Air and Surface Administration of Transport Canada, and a study jointly sponsored by Transport Canada, CN and Newfoundland entitled *Newfoundland Transportation Systems Evaluation*. (This latter study has been interrupted while the Commission carries out its work.) A complete bibliography would list, in addition to all of these, a large number of internal working papers, confidential cabinet documents and detailed studies of very specific issues.

Notwithstanding this vast accumulation of information, plans, proposals and recommendations, nothing that could be labelled definitively as a master plan for overall development has to date emerged. Yet such a plan is an imperative necessity, even though the transition from plan to actuality may well be beyond the capacities of the Province, unless a case for special assistance can be sustained.

### **The Special Case for Newfoundland**

The Commission must, therefore, examine the special case which can be offered to support the spending of additional amounts of money on the development of Newfoundland transportation.

In building up its case the Commission will draw heavily on the general rationale concerning Canadian transportation presented by the MacPherson Commission of 1961, and on the special case for Newfoundland proposed by that Commission.

The Commission must first of all admit that certain economists and developmental geographers have argued that to develop an elaborate infrastructure for the purpose of encouraging unspecified forms of economic advantage will lead axiomatically to specific kinds of industrial growth and development which will generate, of themselves, both the requirements for and the means toward the building of the roads, the railways and the other elements of an appropriate transportation and communications network. The

corollary of this proposition is, perhaps, that the development of transportation infrastructure should proceed only from actual economic development or from potential development so imminent that optimum traffic utilization will ensue immediately upon completion of construction.

But such an approach is directly contrary to the whole trend of Canadian history and development. Indeed, the Canadian "national dream" is the story of the development of transportation systems to overcome the liabilities of geography and to weld together the geographically disparate parts of a vast land to create a national unity. In the words of the MacPherson Report,

*No part of Canada has prospered until it had good transportation facilities. The history of Canada is replete with examples of massive public spending on transport facilities, such as canals, railways and more recently, highways and airports. Indeed, the dollar value of such public investment continues to rise.*

No Canadian government has, in fact, ever sought to deny the proposition that public investment in transportation facilities is a duty imposed by the necessities of national development. To again quote from the MacPherson Commission,

*By means of massive public assistance in capital structures, by grants and other devices, government, often in partnership with private enterprise, has assured the provision of transportation facilities in areas where the potential volume of traffic was at that time insufficient to warrant the provision of facilities by ordinary commercial criteria. The results fully justified the means.*

But in more recent years, Canadian governments have gone beyond the concept of national development as implying merely the strengthening of the central regions irrespective of what the effects might be in the peripheral provinces. Increasingly, since 1925, Ottawa has recognized what Newfoundlanders now identify as regional disparity and, with regard to the Atlantic Provinces, has, since that time, conducted numerous studies and sponsored several commissions in an attempt to discover how disparity may be ameliorated.

Over the years special measures have been implemented, some of them directly related to transportation (such as the expenditures negotiated through DREE). Such measures have met with varying degrees of success, but have not eliminated or reduced to any significant extent the economic problems of the Maritime area.

In addition to the general problems which Newfoundland shares with the other Atlantic Provinces, there is no doubt that Newfoundland experiences additional and specific difficulties associated with both transportation and economic development.

The MacPherson Commission states the case as follows:

*The situation in Newfoundland is a special case distinct from the rest of Canada. Because of the lower level of the economy as compared with the rest of Canada and because of its geography, transportation costs are high and the people concerned cannot yet assume the full cost of moving goods from the mainland to the Island. Furthermore, the total tonnage of goods to be moved is relatively small thus making it difficult to achieve the economies of scale which can be achieved in other areas. Under these circumstances, the objectives of transportation policy should be, in the short run, to develop, mainly by organization, the lowest cost transportation possible, so that, in the long run, a system can be developed that should enable the people concerned to pay the total cost involved. This is in contrast to the rest of Canada where we believe that low-cost transportation can best be achieved by competition. The situation to Newfoundland is such that it may prove necessary in the short run to limit competition, to favour by subsidization or special treatment one mode against another and to do other things that would be totally unacceptable in other parts of Canada.*

The Report continued with the warning that:

*...demand for transport from the Mainland to the Island will increase. Since it is doubtful that the rail-ferry-rail route can ever become self-supporting, it is recommended that further capital expenditures on this route should be scrutinized most carefully before being authorized. Every effort should be made to find alternative, less costly means of transport.*

It went on to reach the following specific conclusion:

*The present transportation needs can best be met by a system of roads and highways throughout the Island. These should be planned in consultation with the potential users, especially users of forest products, and designed not only to link up existing settlements but also to open up the country so that the resources can be utilized. User charges should be levied which in many cases might meet most of the cost involved.*

*Such a system of roads would greatly lower the cost of distributing consumer goods and would be especially valuable in handling containers arriving by ship, rail or air. It would also allow for the phasing out of the coastal steamers operating at the considerable loss of nearly \$3 million a year.*

*A highway network of the size necessary is beyond the present resources of Canadians in*

*Newfoundland. The situation calls for assistance by the Federal Government and there are enough precedents for such a program. Public works to stimulate the economy of a province or an area have been a continuing part of national policy in Canada. For example, assistance in constructing power plants and irrigation systems as well as transportation facilities in all parts of Canada can be cited. What canals and locks did for the economy of the Central Provinces, what the transcontinental railways did for the Prairies, highways can do for Newfoundland.*

*We are convinced that such a program is in the national interest. It would stimulate the economy of the Island with attendant benefits to the rest of Canada. All this could be accomplished in a short time with a relatively modest outlay of public funds.*

Although this Commission would question the concept of user charges for the road system proposed by MacPherson, it is unfortunate that more attention was not paid to the MacPherson Report when major decisions concerning Newfoundland transportation were made. The MacPherson Commission argued in essence that:

1. Newfoundland should be excluded from basic transportation policies which are appropriate for the other regions of Canada, and should be treated as a special case.

2. Transportation policy in Newfoundland should encourage the development of direct water movements from the mainland of Canada to Newfoundland. Facilities requiring major capital expenditures on the Gulf crossing should be examined with great care before being authorized.

Events since 1961 have demonstrated that not only have relatively few of MacPherson's recommendations concerning Newfoundland been followed, which is in itself regrettable, but, in fact, subsequent decisions and actions have, to a large extent, been directly in conflict with MacPherson's recommendations, which is far more serious. Newfoundland has not been treated as a special case. General policies have been forced on the Newfoundland situation on the one hand, and major capital expenditures have been authorized for the Gulf on the other hand. It is not surprising, therefore, that 17 years after the MacPherson report and despite expenditures which total in excess of several hundred million dollars, many problems of the Newfoundland transportation system remain unsolved.

Let us examine the present situation in greater detail. Our brief historical summary has suggested a piecemeal approach since 1825 that has, nevertheless, resulted in a transportation network that provides access for the vast majority of the population to a provincial road system; that provides marine ferry

connections to mainland railways; that provides a subsidized direct sea freight service from Montreal; that provides coastal boat service where roads have not yet been built; and that provides, to a majority of the people, reasonable access to air services.

And yet, impressive as this catalogue may at first appear, closer examination will reveal a list of deficiencies of staggering proportion. Nearly half the total mileage of Provincial highways is unpaved and, in Newfoundland such roads are, for a substantial part of each year, in extremely poor condition. The main trans-insular highway, the Trans Canada Highway, was built to near minimum standards and with the growth of heavy traffic in the last decade has deteriorated rapidly so that it now requires major upgrading over its entire length. The southwest coast between Bay D'Espoir and Rose Blanche is still totally dependent on transportation by sea. The major towns of western Labrador have no access by road to any other part of Canada. The coast of Labrador is dependent upon inadequate coastal boat service which, because of ice conditions, can rarely provide more than four months of uninterrupted service in any year. For the other eight months the people must depend upon an air service which, in the absence of landing strips is, at best, intermittent and unpredictable.

Rail freight service, though vastly improved in recent years, still suffers from inefficiencies built into the capital structure and, despite subsidies, is still extremely costly. Passenger services on the Island are inadequate, while accommodations on coastal boats and on Gulf ferries are insufficient. Docking and harbour facilities are poor. In short, it is clear that in many areas standards do not conform to minimally acceptable Canadian levels.

Having established the need, the Commission must now assess the Province's capacity to satisfy it. It should be noted, first of all, that the total population of Newfoundland and Labrador is just over one half million. Considering the dispersal of settlements along 10,000 miles of coastline, the nature of the topography of the Province and the inclement weather, the costs of roads alone are, on a per capita basis, staggering. Consider, for example, the simple fact that only one other province in Confederation has a longer section of the Trans Canada Highway than Newfoundland. It can be shown, that even with a 90 % federal subsidy, the per capita cost to Newfoundland-

ers will still be higher than in some richer and more populous areas. By the same token, the pattern of human settlement in the Province of Newfoundland and Labrador necessitates a road network inordinately long in relation to population. It also requires construction through coastal terrain which is the most difficult to be found within the Province. It cannot be denied that these roads are essential, if only because of their social utility; but, additionally, they provide the basic infrastructure for the kind of resource based economic development that represents the best hope for the future. Once again, the task of providing such a road network connecting with the Trans Canada Highway and with major ports of entry to the Province, and providing an adequate service to coastal and western Labrador is, in terms of the size of the Newfoundland population, herculean. For a people already bearing the highest tax burden in Canada, the strain upon provincial resources would be intolerable. And the argument applies equally to other forms of transportation as well.

The Commission turns now to the question of the level of social service that Newfoundlanders, as Canadians, ought to expect or, indeed, to demand. It would seem obvious that, in equity, they have a right to expect services no less adequate than those generally accessible to most Canadians. And yet, these expectations, generated by the act of becoming Canadian, have not been satisfied. Newfoundlanders are still the poorest of the Canadian poor; they have the highest unemployment rate in Canada; they have the highest cost of living in Canada; their economy is still underdeveloped; some of their resources are exploited to the advantage of others; their renewable resources are still underutilized or not utilized to their best advantage; they are still required to live with levels of service that in other regions of Canada would be intolerable; and they still, despite transfer payments, pay more in the form of taxation, for the privilege of being Canadian, than any other of their fellow citizens.

In short, whether one examines the case from the point of view of national development or of regional disparity, economic necessity or of social policy, or whether one considers only the interests of justice and equity, the special case for Newfoundland is unassailable. The additional matter of the constitutional obligations of Canada towards Newfoundland will be discussed in the next chapter.

## Chapter II

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### The Constitutional Question

By Section 3.2 of the terms of reference of the Inquiry, the Commission is obliged to "note the Terms of Confederation and the constitutional obligations of the Government of Canada to Newfoundland related to transportation" and to "consider their current impact and application and the extent to which they may influence cost effective solutions" to the transportation problems of the Province of Newfoundland.

The general constitutional obligations of the Federal Government toward the Province of Newfoundland, in the field of transportation, are the same as those relating to each of the other provinces, and are contained in Section 91 of The British North America Act, as that section is qualified by Section 92. While the provinces have the right to control commerce and trade, including matters of transportation, within their respective borders, Canada retains, under Section 91, general jurisdiction in all areas not specifically assigned to the provinces by Section 92. In addition, Sections 91 and 92 give Canada certain specific jurisdiction in areas such as shipping and navigation, interprovincial ferry and ship connections, interprovincial railways and others.

Applied generally, the constitutional obligations and powers provide that each province has sole legislative jurisdiction and authority to control transportation matters that are primarily concerned with property, trade and commerce within the borders of the Province. Canada has sole legislative jurisdiction and authority to control transportation matters that are primarily, and in essence, concerned with interprovincial traffic or movement, and movement between a province and a foreign country. It is the interprovincial aspect of the federal authority which is most relevant for the purposes of this Commission.

Perhaps the best example of the practical interaction between the two legislative authorities in the transportation field is the federal and provincial legislation governing the carriage of goods and passengers by motor transport. Both governments have separate statutes providing generally for regulation of entry into the motor transport field, and governing schedules, types of service and the setting of rates for carriage. Since the Province has legislative authority to control only intra-provincial commerce and traffic, its laws have applicability only to that portion of motor carrier operation related to purely intra-provincial carriage. Canada, on the other hand, has legislative authority to control only motor carrier services operating between one province and another. This has the theoretical effect that for two separate shipments of goods loaded, say, at St. John's on identical vehicles owned by the same carrier, a shipment destined for final delivery within the Province is governed by provincial legislation, while the shipment destined for ultimate delivery in Halifax, Nova Scotia, is governed by federal legislation. By designating the provincial Motor Carrier Boards to be as well the regulatory arm of the Federal Government, that Government has provided a mechanism whereby the regulation and control of these two classes of carriage can be and are closely related and co-ordinated. In this way, operational difficulties arising out of the separate jurisdictions are minimized.

Nevertheless, the Commission notes that an exception to this principle has been made in the recent federal decision to remove from the Board of Commissioners of Public Utilities for Newfoundland, which acts as the provincial regulatory body, the authority to regulate the operations of the CN Roadcruiser service

in Newfoundland. This step may have been theoretically justified on the basis that the courts had held the CN bus service to be, in effect, an integral part of the CN rail operation in Newfoundland. However, the practical effect was to divide between two entirely distinct and unrelated bodies, the Federal Canadian Transport Commission, and the Provincial Board of Commissioners of Public Utilities, the regulatory control of the total passenger bus system in Newfoundland, comprising the CN operated "corridor" service and the privately operated intra-provincial "feeder" lines. This can only make more difficult the establishment and operation, through regulation, of an efficient and co-ordinated bus network in Newfoundland.

Having said this, the Commission is nevertheless of the opinion that generally the division of legislative responsibility between Federal and Provincial Legislatures in relation to the field of transport has not in the past caused serious difficulties between the provinces and the Federal Government. It appears that the intentions of the framers of The British North America Act were fairly clear in this regard, and that the Provincial and Federal Governments, have, during the course of time, worked out practical arrangements between themselves to ensure that no constitutional violation occurs, while at the same time permitting the total transportation system to operate unaffected to any serious degree by limitations imposed by the constitution.

In examining the constitutional authority of governments under The British North America Act, it is important to realize that the mere fact that a government retains legislative jurisdiction in any field does not commit that government to provide specific services within that jurisdiction, but merely permits the control of such services as may be established from time to time. In the transportation field, since that area has been considered of paramount importance in the development of Canada as a whole, it has been generally accepted by both Federal and Provincial Legislatures and Governments that each had a public duty and responsibility to provide, or to ensure the provision of, at least a minimum of service within the areas under its jurisdiction. Thus the Federal Government, through mechanisms including establishment of Crown corporations and the provision of subsidies and facilities, has been actively involved in the provision of transportation services between provinces. The provinces as well have invested sums of money on roads, wharves and the like to provide services to the general public. Nevertheless, in some instances, the establishment and provision of particular modes of service, and of services within modes, has been left to private enterprise, acting under the legislative control of the government concerned.

It is in the contents of the "contract", or Terms of Union of Newfoundland with Canada, that the Federal

Government assumes specific and unique obligations and undertakings relating to transportation in Newfoundland. When Newfoundland became a part of Canada it did so on the basis of a contract signed between two sovereign governments. Under the terms of this contract, the contents of which are incorporated into The British North America Act, each legislature and government undertook specifically, or by necessary implication, certain obligations, in addition to assuming legislative jurisdictions. Thus the Province retained some obligations regarding provision of public services to its people, and the Federal Government took over other obligations. There was nothing unusual or unexpected in such an arrangement, since the federal nature of Canada made it clear that any confederation between the two countries would require that the Federal Government take over some of the jurisdiction previously exercised by Newfoundland.

In the field of transportation, the Federal Government undertook, among other things, certain responsibilities concerning the water connection across the Gulf of St. Lawrence and the operation of the Newfoundland railway system, including the coastal service which had been an integral part of that system prior to Confederation. The relevant sections of the Terms of Union specify that:

31.....

*Canada will take over the following services and...relieve the Province of Newfoundland of the public costs incurred in respect of each service taken over, namely, (a) the Newfoundland railway including steamship and other marine services;*

32(1)

*Canada will maintain in accordance with the traffic offering a freight and passenger steamship service between North Sydney and Port aux Basques, which, on completion of a motor highway between Corner Brook and Port aux Basques, will include suitable provision for the carriage of motor vehicles.*

As well, under the provisions of Section 31 of the Terms of Union, Canada assumed ownership and control of Gander Airport.

An examination of the history of Newfoundland in the first half of the twentieth century will reveal why Newfoundland insisted that Canada should assume responsibilities for the railway and coastal operations. Since the Gulf operation constituted an interprovincial ferry service it was, in any event, an area of jurisdiction within the sole authority of the Federal Government under the provisions of Section 91 of The British North America Act.

The history of the railway and coastal services, including the Gulf connection, had been one of continuing and generally increasing deficit and loss. The small country of Newfoundland had undertaken the

construction of what has been described as "not a first class" railway, to aid in economic development of the Island, to link some major population centres, and, it is supposed, because practically every other developed and semi-developed country in the world was frantically building railways during the last half of the nineteenth century.

It is generally accepted that the cost of construction of the Newfoundland railway was a crippling financial burden on the economy of the country, as was the cost of its operation, practically from the day of its completion. The railway was transferred from private ownership and operation to Government ownership and control in 1923. Examination of certain records and reports of the time shows that even under private ownership, considerable sums of money were lost on the operation of the railway, although its fortunes improved somewhat during the busiest years of the Second World War. It was, however, apparent, even before the cessation of hostilities, that railway operations were beginning to revert to the old pattern of continuing loss. Indeed it was estimated by the Committee on Transportation and Communications of the National Convention that considering all the net benefits and detriments, including revenues from taxation on equipment and services consumed, the railway had been a drain on the treasury of approximately three-quarters of a million dollars per year, on the average, ever since 1923.

It should be stressed here that such reference to the railway automatically included the coastal service, since, historically, this service was operated as a branch of the railway. It is clear that the coastal service was an essential one, at least as important as a railway across the Island, because of the large number of otherwise isolated coastal communities that still existed.

There is little wonder, therefore, that in the deliberations of the National Convention and its Committee on Transportation and Communications, and in the negotiations between Newfoundland and Ottawa leading to Confederation, the future of the railway and coastal service was of great concern. This concern was deepened by the realization that a relatively large portion of Newfoundland's workforce was employed in these operations, either directly or indirectly, and it was of vital importance to make no arrangement that would adversely affect their interests.

Therefore, because of the number of persons employed, because of the central position held by the railway and coastal service in providing public transport for the people of Newfoundland, and most of all because of the severe financial burden of the operation of the railway and coastal service, it was a central position of Newfoundland in entering Confederation that total responsibility for the operation and costs of these services must be assumed by Canada. Nor

would this seem to impose a hardship, since through Canadian National Railways, the Federal Government was already providing rail services from coast to coast in the rest of Canada, and the extension of these services across the Island of Newfoundland would appear to be a natural development. Indeed, the national economy, national defence, and other national requirements established a firm rationale for the incorporation of the Newfoundland railway into the federally operated railway system.

Since the Federal Government did not itself actually operate a similar coastal service on either coast of Canada prior to Confederation with Newfoundland, the undertaking to operate the coastal service may seem a less natural one. Nevertheless, this obligation was accepted, presumably because the coastal service was in fact an integral part of the rail operation in Newfoundland.

Meanwhile, during the Second World War, Gander had become one of the major airports in North America and as with the railway, the cost of its operation was deemed to be an intolerable burden for Newfoundland. Since the Federal Government, by virtue of judicial decision earlier in the century, had been held to have ultimate jurisdiction for air navigation, facilities and transport in the country, and since it consequently operated major airports throughout Canada, it was natural that it would accept responsibility for the operation and costs of what was then the only major airport in Newfoundland.

In its examination of the transportation system in the Province, the Commission is satisfied that the area of air transportation has not been a controversial one and that the obligations of Canada under the Terms of Union in relation to air transport do not constitute any unusual constraint on the development of an optimum transportation system. Rather, it is clear that the major area of concern relates to the constitutional obligations to maintain rail, coastal and Gulf operations, as well to the provisions regarding rates for such services.

By Term 31 of the Terms of Union the Federal Government agreed to take over the operation of the Newfoundland railway, including steamship services, and to relieve the Province of the "public costs incurred". While some have suggested that this obligation, strictly interpreted, requires that no charge be made for the use of the services taken over, the Commission does not accept this view, but holds the opinion that the use of the word "public" clearly indicates that "private" charges for use could continue, but that any deficits resulting from the operations would be absorbed by the Federal Government. This, then, leads us to consider whether there are any restrictions as to what the "private" charges may be.

Section 32 of the Terms of Union provides in part as follows:

32(2)

*For the purpose of railway rate regulation the Island of Newfoundland will be included in the Maritime region of Canada, and through-traffic moving between North Sydney and Port aux Basques will be treated as all-rail traffic.*

(3)

*All legislation of the Parliament of Canada providing for special rates on traffic moving within, into, or out of, the Maritime region will, as far as appropriate, be made applicable to the Island of Newfoundland.*

It is clear from these terms and as well from the interpretation of them by the Board of Transport Commissioners following on a reference by Newfoundland in 1952, that as regards the computation and setting of rail rates, the Island of Newfoundland was to be treated on the same basis as the Maritime region of Canada; and further, and importantly, that rail freight crossing the Gulf was to be charged a rate as if the crossing were made on rail, irrespective of the actual costs incurred. This particular provision has resulted in ever increasing subsidies by the Federal Government to rail traffic moving into Newfoundland, since the actual costs of moving such traffic across the Gulf far exceed the allowable customer charges based on movement over ninety miles of rail. It should be noted, however, that the restriction in Term 32(2) requiring that the Gulf crossing is to be regarded as a rail crossing, has no applicability to non-rail movements on the Gulf, and therefore there are no restrictions in that section concerning user related charges for non-rail passengers, or for private and commercial vehicles which do not travel as rail freight.

As well, federal rate legislation applying to traffic in the Maritimes, including rail traffic, was also to apply to the Island of Newfoundland. Thus, The Maritime Freight Rates Act of 1927, and the more recent Atlantic Region Freight Assistance Act are both applicable to the Island of Newfoundland, and provide a mechanism for subsidy to shippers and tariff reduction to consumers.

At this point it should also be noted that Labrador was excluded from these rate provisions under the Terms of Union. It has been suggested that the main reason for this was that at the time of Confederation there was no railway operation in Labrador, and that further, it was not desired to subsidize the movement of raw materials such as ores and timber which might reasonably be expected to constitute the basic traffic within and from the Labrador region in the future. The question as to whether, with the currently existing concept of selective commodity subsidies, it is desirable to extend the Maritime rate legislation to Labrador will be considered later in this report.

It is clear to the Commission that the provisions of the Terms of Union do constitute a constraint on the

ability of carriers, particularly Canadian National as a rail carrier, to charge compensatory rates in the Province of Newfoundland. Regardless of whether special conditions might exist in this Province dictating that users should pay a higher rate, the Terms of Union make it clear that the user charge in Newfoundland must be computed and based on the same principles as those in the Maritime Provinces generally.

The Commission realizes that the anomaly concerning rates for coastal traffic is not resolved or affected directly by the Terms of Union. There were no existing Canadian coastal rates applicable in the Maritime region at the time of Confederation, and yet the rates for coastal traffic in Newfoundland have remained practically static since the 1930's. The effect which this has had on the deficit from coastal operations will be considered later in this report.

Turning now to an examination of the obligations to provide services, a preliminary argument made to the Commission during its public hearings was that by virtue of the specific provisions of the Terms of Union, the Federal Government is obliged and indeed permitted to provide support for traffic moving only between North Sydney and Port aux Basques. It is suggested that the specific reference in Term 32(1) to the maintenance of the Gulf service, by necessary implication excludes federal involvement in or support for any other marine service which might compete with the Gulf route.

The Commission does not accept this submission. It is satisfied that there is nothing in the wording of or intention behind the Terms of Union to prevent the Federal Government from providing assistance to other modes of transport between Canada and Newfoundland, so long as Canada lives up to its obligation to provide assistance according to the provisions of Term 32(1). It can, of course, be argued that any federal support of a competing or alternate service would have the effect of diverting traffic from the Gulf route, and while the Commission accepts that this may be, in fact, the practical result of such assistance, nevertheless the Commission is not prepared to find that the Terms of Union constitute a barrier in this regard. Surely the intention of Confederation was simply to preserve the then existing link with the mainland of Canada in accordance with traffic volumes which might offer on that link. The Commission cannot accept the position that the Terms of Union are intended to prevent federal assistance to other modes of transport which might prove equally or more beneficial to the general public of Newfoundland in terms of cost and efficiency. To take such a position would, in our opinion, constitute a disservice to the people of Newfoundland.

In this connection it should be noted also that the Federal Government has, in actual practice, viewed its obligations to be such as to allow it to subsidize other

modes of transport into the Province. The provision of a federally operated ferry service from North Sydney to Argentia is a prime example, as is the federal subsidy to the direct water service from Montreal to Corner Brook and to St. John's. The Commission is of the opinion that federal support for these services does not violate the Terms of Union, and that these services do not constitute an attempt to artificially reduce traffic offering on the Gulf Service, but rather an attempt to provide additional efficient transportation links to Newfoundland, in accordance with demand and traffic offering on such links.

The Commission is aware, however, that there is a question as to the exact nature and extent of the obligations concerning the continuation of the various services taken over by Canada. Prior to Confederation, the water connection between Newfoundland and Nova Scotia was operated as an integral part of the Newfoundland railway system through the coastal service, and it is clear that simply by taking over the Newfoundland railway and its marine and coastal services, the Federal Government was also responsible for the operation of the Gulf connection. It is therefore interesting and significant to note that Term 32(1) of the Terms of Union sets out an obligation regarding the Gulf service which is not contained in the general provisions of Term 31 concerning the takeover of the rest of the railway system. Term 32 requires the Federal Government to maintain the Gulf service "in accordance with the traffic offering". The recent legal dispute between the Government of Prince Edward Island and the Federal Government concerning the obligation of Canada to maintain a continuous ferry link with that island shows that the legal effect of wording, somewhat similar to that contained in the Newfoundland Terms of Union, is to impose on the Federal Government an absolute obligation to maintain the link, except when disrupted by acts of God, but in the face of strikes, adverse cost conditions, and the like. While the Commission recognizes that in the absence of identical wording and circumstances, the decision in the P.E.I. case cannot be taken as an absolute determination of the Federal obligations to Newfoundland, nevertheless, it is clear that the Courts will not be adverse to a finding that there is, in effect, an absolute obligation, regardless of difficulty, to provide and maintain such an inter-provincial link.

The phrase "in accordance with the traffic offering" does not appear in the general terms of Term 31 regarding the railway and coastal service generally. It has therefore been suggested that there is a difference between the responsibility of the Federal Government to maintain the interprovincial link across the Gulf, and the responsibility for the operation of the intra-provincial rail and coastal services. It has been suggested that the clear contrast between the

requirement, on one hand to "maintain in accordance with the traffic offering", and on the other to "take over" and "relieve the Province of Newfoundland from the public costs incurred", indicates that while there may be an absolute obligation to maintain the Gulf link, no such obligation exists with respect to the rail operation and coastal services, and that in respect of the latter the Federal Government must merely relieve the Province of the "public cost", retaining the power to determine what, if any, services and what levels of service are to be provided from time to time. It is therefore suggested by natural extension of the argument, that should the Federal Government choose on economic grounds to discontinue all or portions of the rail and/or coastal service, even in the face of constant or increasing traffic offering, it could do so as long as such discontinuance did not involve direct financial cost to the Province.

It is interesting to speculate how the cessation of all or part of rail or coastal operations could do anything *but* throw an additional cost on the Province, since it would obviously be necessary to provide additional public transportation facilities for the freight and passengers thus displaced. Thus, we cannot see how the Federal Government could justify discontinuance of these services, except in the case of absence of demand. To do otherwise would allow them, in fact, to thrust an additional public cost upon the Province which would be contrary to the constitutional obligations they have incurred.

During the course of its investigations, the Commission has viewed the contents of a letter, dated coincident with the signing of the Terms of Union, from the Prime Minister of Canada to the head of the Newfoundland delegation and which has been generally included in published documentation related to the Terms themselves. The Commission is satisfied that this letter was provided at the request of the Newfoundland delegation in order to elaborate on and answer certain questions which had arisen during the negotiations, but which were not dealt with fully in the Terms of Union themselves. A portion of this letter reads as follows:

(XTV) *Newfoundland Railway*

*After the date of Union, the Canadian National Railways will be entrusted with the responsibility of operating the Newfoundland Railway and Coastal Steamship Services, and it will be their responsibility to see that services are furnished commensurate with the traffic offering.*

This statement, together with others contained in the same letter, were prefaced by the Prime Minister with the remark that, "*It would not seem fitting to include in formal Terms of Union matters of this kind, since they are scarcely of a constitutional nature...While these will not form part of the Terms of Union, they contain statements of the policy and*



*intentions of this Government if union is made effective..."*

While on one hand it can be suggested that the contents of this letter are nothing more than a political interpretation of the Terms of Union and a statement of government policy, on the other hand it can be argued that the letter, having been provided coincident with the signing of the Terms themselves, contains a binding interpretation of the obligations of Canada under those Terms. Certainly, the Commission is satisfied that the contents of the letter were treated by the Newfoundland delegation as of vital importance, and it is clear that the letter was required in order to enable the delegation in conscience to sign the Terms of Union.

The Commission is inclined to take the position that on the whole, the letter constitutes, at the very least, a formal representation on the basis of which Newfoundland entered Confederation. It is clear that this representation was considered to be of great significance and importance by both parties, else it would not have been contained in correspondence dated coincident with the signing. In the circumstances, the Commission takes the position that this letter must be read together with the Terms of Union in order to arrive at the full constitutional obligation and undertaking of Canada. The Commission is of the opinion that any attempt to hold that the obligations contained in the letter are less binding than the Terms of Union themselves would be, at the very least, a great disservice to the distinguished Canadians who took part in the negotiations, and at most, a violation of the contractual terms and arrangements made between Canada and Newfoundland which became effective March 31, 1949.

If the Commission's opinion in this matter is correct, it is clear that the Terms of Union must be considered to be modified to a significant degree by the letter, in that by the letter the operation of the Newfoundland railway and coastal service were placed on the same footing, for all practical purposes, as the operation of the Gulf service and that there is, therefore, an obligation to maintain the rail and coastal services, regardless of cost, as long as traffic reasonably offers and at a level commensurate or in accordance with that offering.

At the same time, the Commission would agree that the preceding statement may be somewhat of an over-simplification. Nowhere in the Terms of Union it is envisaged that those services would be provided free of cost. Therefore, the question arises whether, if an economic or specific charge is made, which results in the shifting of demand to other transportation modes and services, the Federal Government would then be justified in discontinuing the service because the demand for it has disappeared. The Commission is of the opinion that so long as the rate charge in

question is based on generally accepted rate making procedures and is in accordance with the special rate provisions contained in the Terms of Union, the vanishing of demand for a service for which such rates are charged is not contrary to the Terms of Union, and that in such an event the Federal Government would be justified in discontinuing a service for which the demand no longer existed.

Again it has been suggested that if the Federal Government could demonstrate that the monies being spent to satisfy a continuing low level of demand would be more beneficially spent on the provision of an alternative service, then it would be constitutionally entitled to discontinue the service with low patronage, provided that the same monies or their equivalent were used for the more beneficial service. This poses a difficult question because under the Commission's interpretation of the Terms of Union, the service must be maintained so long as traffic offers. At what stage it can reasonably be determined that traffic ceases to "offer" in any ordinary and reasonable sense is not defined. The Commission is prepared to accept the proposition that demand could fall to a point where, on the basis of objective criteria, the only reasonable conclusion would be that traffic offering had, for all practical purposes, ceased. The Commission is of the opinion that at such a point the operator would be justified, under the Terms of Union, in discontinuing the services if it chose to do so, provided however, that any cost to the Province of such discontinuance would be reimbursed by the Federal Government.

While the interpretation of the provisions of the Terms of Union has not been tested in the courts, in practice, the Federal Government has in the past discontinued portions of both the coastal and rail services. Over the years, with the coming of roads to many isolated communities, the coastal services have been reduced and in many instances discontinued altogether. This has presumably followed the vanishing of "traffic offering" on such services. In several instances, the Federal Government has provided subsidy support to intra-provincial ferries to service island communities formerly linked by coastal boat but left isolated on the discontinuance of such coastal runs.

Again, in 1969 the Federal Government abandoned the rail passenger service in Newfoundland, substituting a trans-Island bus service for that operation. Lack of traffic offering for the rail passenger service, and the consequent large unrecovered cost of providing such service, was used as justification for the abandonment. From the Commission's view of the Terms of Union as set out above, there is a strong possibility that such discontinuance might have been unconstitutional except in the circumstance where no reasonable traffic could be said to offer for the service.

The fact that no court dispute arose between the Governments in relation to the discontinuance of such services may be a credit to the working relationship between Governments since 1949, but it makes the task of the Commission practically impossible, particularly as to the determination of the obligation of the Federal Government in maintaining the rail and coastal services. The Commission accepts the fact that there are at least two possible interpretations; namely, that there is an absolute obligation to maintain the rail and coastal services in accordance with the traffic offering, or that the federal obligation is simply to prevent cost to the Province arising from such services, without restriction on the ability of the Federal Government to decide on levels or continuation of services. Either of those interpretations could be upheld in a reference to the Supreme Court of Canada. In the circumstances, the Commission is placed in a dilemma: the terms of reference require the Commission to analyze in other portions of this report the effect which the constitutional obligations may have on cost effective solutions to transportation problems in Newfoundland. However, since the constitutional position regarding the absolute obligation to continue, or alternatively, to permit reduction or abandonment of rail and coastal service is not completely clear and free from doubt, no definite decision and recommendations can be made based on a firm and indisputable determination of such obligations.

Having referred to this uncertainty, the Commission reiterates its own view that, under the Terms of Union, the Federal Government is responsible for the maintenance of coastal, Gulf and rail systems, and for assuming all the public costs pertaining to these services, so long as there is reasonable traffic offering. We are further of the opinion that this interpretation would be the one most likely to be accepted in any reference to the Supreme Court of Canada. Therefore, where relevant, the Commission has based its deliberations and recommendations on this interpretation, believing that in doing so, the position taken is supported not only by a legal interpretation of the provisions of the Terms of Union, but equally by what appears to have been the clear intention of the parties at the time. At the same time, and as stated above, the Commission does recognize that other interpretations are indeed possible and that, in particular, the second alternative set out above might be held ultimately to be the correct one. Where specific recommendations of the Commission are predicated on an analysis and decision concerning the constitutional obligations, therefore, the Commission has attempted

to consider the alternative positions before making its recommendations.

Despite these constraints, the Commission must proceed with its attempt to define in practical and economic terms an ultimate transportation system for this Province in the immediate and medium range future. To do less would be to violate the terms of reference of the Commission, and to shirk its responsibility. The purpose of appointment of a Commission such as this is surely to recommend the ultimate practical solution to the problem under analysis.

The Commission recognizes that the Government of the Province of Newfoundland, representing the people of the Province, has the legal and constitutional authority to enter into an agreement with the Federal Government concerning constitutional change, and indeed, concerning an interpretation of the constitutional obligations contained in the Terms of Union. At the same time, it is clear from the submission made by the Government of Newfoundland to the Commission, that the Province regards the obligation of the Federal Government to be the maintenance of both Gulf and coastal operations in accordance with the traffic offering. While not specifically stated in its brief to the Commission, nevertheless by extrapolation, the Province's position is also clearly that there is a constitutional obligation to likewise maintain the rail operations within the Province, and indeed to upgrade these services. This being the case, it would appear that should the Federal Government wish to make any changes in service which would constitute an abridgement of these perceived obligations, it would be necessary to obtain the consent of the Province before instituting any such changes.

The Commission recommends that, in any instance where subsequent specific recommendations of this report require government action adversely affecting maintenance of service in Gulf, coastal or rail operations, prior agreement to such action be obtained between the Federal and Provincial Governments. Where there is disagreement between the governments as to what the Constitution requires, or where both may argue that there is a constitutional obstacle, the matter should be referred to the Supreme Court of Canada for final interpretation and decision. Where that decision would prevent the taking of the steps recommended by the Commission, then both governments should negotiate an agreement providing for the submission of a joint address by the Senate and House of Commons of Canada to the British Parliament, requesting a formal change in the Constitution in order to then permit the agreed course of action.

## **Section 2**

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### **The Present**

## Chapter III

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# The Newfoundland Transportation System Inventory of Existing Facilities and Services

### Introduction

In assessing the performance of any system, a necessary starting point is the accurate identification of that system. Although the Newfoundland system has some components which, as far as the fixed plant is concerned, have been mainly static for a number of years, there are other services which are dynamic and are changing from year to year in response to changing transport demands. This part of the report gives an up to date description of transportation services in this Province. Because there are many facilities which are used to serve both passenger and freight requirements, the basic inventory which follows is discussed in terms of services provided on particular routes.

### Marine (Gulf, North Sydney, Port aux Basques and Argentia)

At present, the Mainland-Newfoundland ferry service is a system of passenger and vehicle carrying ferries which operates from North Sydney to Port aux Basques and to Argentia. Until the recent decline in rail traffic on the Gulf, the system also included a number of freighters which handled any excess cargo traffic that could not be accommodated on the North Sydney/Port aux Basques rail ferries. This excess traffic was diverted from Port aux Basques and was rerouted primarily to St. John's.

CN Marine has been entrusted with the responsibility of providing and administering the service described above. It operates three MOT-owned vessels, the '*Frederick Carter*', the '*Sir Robert Bond*', and the '*Ambrose Shea*', as well as four chartered ships, the '*Marine Nautica*', the '*Marine Atlantica*', the '*Marine Cruiser*', and, during the summer months only, the '*Stena Nordica*'.

Scheduled passenger and vehicle service is provided by one of the MOT-owned vessels, the '*Ambrose Shea*', and all of the above chartered ships. The remaining MOT-owned ferries, the '*Frederick Carter*' and '*Sir Robert Bond*' are primarily used to carry rail cars and tractor trailers on an unscheduled basis from North Sydney to Port aux Basques.

The Gulf operating plans call for two passenger/vehicle vessels, the '*Atlantica*' and the '*Nautica*', to provide a minimum service of one sailing per day each in the winter off-season. Winter service is supplemented by the '*Ambrose Shea*' and the '*Marine Cruiser*'. Rail traffic and some tractor trailer traffic, not carried by these vessels, is handled in the '*Frederick Carter*' and '*Sir Robert Bond*', one of which may be removed from service during periods of low traffic demand.

The summer Gulf operation is provided by adding another ship, the '*Stena Nordica*'. Thus, on peak days during the summer, three passenger/vehicle vessels are placed on fast turnaround service with the crossing taking about five and a half hours (as compared to the normal six and a half hours) and turn around taking two and a half hours. In this manner three one-way trips can be provided in a twenty-four hour period.

During the summer from mid-June to mid-September, the '*Ambrose Shea*' and the '*Marine Cruiser*', two passenger/vehicle ferries, normally operate to Argentia. The 240-mile crossing takes about eighteen hours and is followed by a port stopover of six hours.

The '*Marine Cruiser*' has had an interesting recent past. In the winter of 1976, this vessel was assigned to the Bay of Fundy between Yarmouth and Portland, Maine, and was subsequently transferred to the



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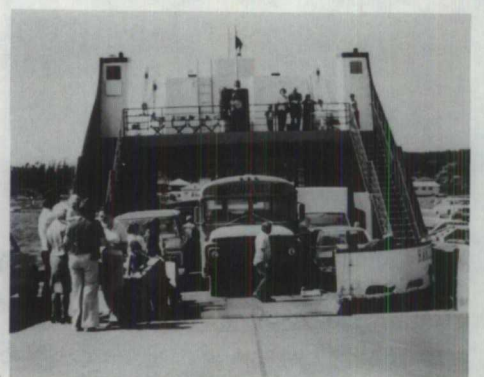
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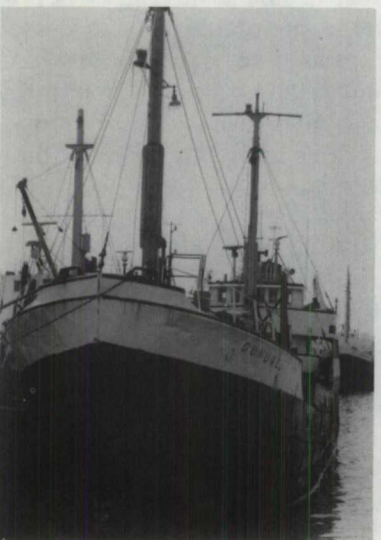
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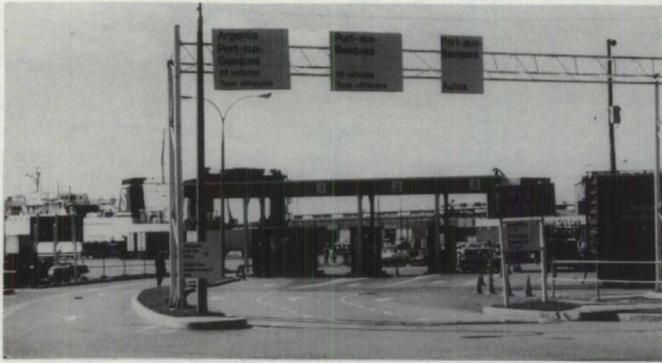


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1. '*Marine Runner*' at Burgeo
2. '*Hopedale*' unloading at South East Bight
3. '*Hopedale*' at Monkstown
4. '*Dunure*'
5. '*Marine Coaster*' at Port Hope Simpson, Labrador
6. Awaiting the boat, with barge, at Davis Inlet
7. '*Marine Cruiser*'
8. '*Northern Cruiser*' at Blanc Sablon
9. '*Hamilton Sound*' at Carmanville
10. '*Agnes & Anne II*' at Cobbs Arm
11. '*John Guy*' near Portugal Cove
12. Lewisporte, CN terminal



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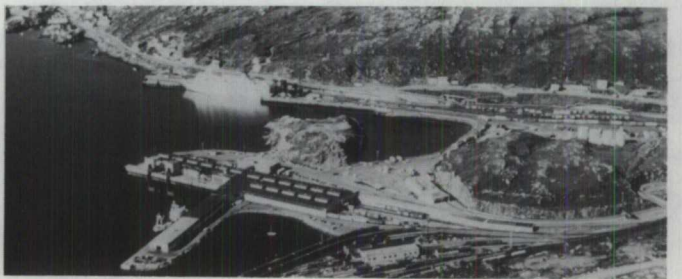
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1. North Sydney, N.S., Ferry terminal
2. North Sydney, N.S.
3. North Sydney, N.S.
4. '*Ambrose Shea*' Port aux Basques
5. '*Stena Carrier*' unloading
6. Port aux Basques
7. '*Marine Nautica*'
8. Port aux Basques, ferry and rail terminal

Lewisporte to Goose Bay Coastal Service after the 'William Carson' sank. Thus, she was not available for the Argentinia service, as planned for July and August of 1977, although it is intended that she will return to that run during the summer of 1978.

### **Coastal Services**

At present the Newfoundland Coastal Service is operated by CN Marine on behalf of MOT, which assumes any operational deficits. CN Marine operates four vessels owned by MOT, the 'Hopedale', 'Bonavista', 'Taverner', and 'Petite Forte', three chartered passenger ships, the 'Marine Runner', 'Marine Sprinter' and 'Marine Cruiser', and administers the operations of a number of freighters chartered from private companies.

The MOT-owned vessels and the chartered vessels provide scheduled passenger and freight service to the following areas:

a) South Coast Service with intermediary ports of call not listed:

- (i) Argentinia/St. Pierre/Port aux Basques
- (ii) Port aux Basques/Ramea/François
- (iii) Terrenceville/Milltown/Burgeo

b) North Coast Service:

- (i) Lewisporte/Goose Bay (direct service—1977 only)
- (ii) Goose Bay/Nain (with other ports)
- (iii) Lewisporte/Goose Bay (with other ports)

The chartered freighters administered by CN Marine provide unscheduled freight service to communities along the south coast, the coast of the Northern Peninsula and the Labrador coast.

#### **1. South Coast Service:**

a) Argentinia/St. Pierre/Port aux Basques:

This route is served by the MOT-owned conventional passenger/freight ship, the 'Hopedale' on a one week cycle. The ship is predominantly a passenger vessel, but has space for some cargo.

b) Port aux Basques/Ramea/François:

Daily service on this route is at present provided by the 'Marine Runner', a chartered vessel, used as a passenger and mail boat.

c) Terrenceville/Milltown/Burgeo:

Weekly passenger and mail service on this route is provided by the 'Marine Sprinter'.

#### **2. South Coast Freight Service:**

CN Marine administers the operation of five freighters on a loose schedule along the south coast between Port aux Basques and Argentinia: the 'Marine Voyager', 'Ambrose Foote', 'Dunure', 'Marine Trader' and 'Topsail Star'. Almost all the intra-coastal freight in the area is handled by these vessels.

In addition to the coastal freight service, CN Marine offers a "carload"—freight-only service between North Sydney and south coast ports. The two chartered freighters in this operation are unscheduled,

serving when and where traffic is offering. The vessels used are the 'Clyde' and the 'Marine Transport'. The usual cycle time for these vessels is two to three weeks.

#### **3. North Coast Services:**

a) Lewisporte/Goose Bay direct service:

This run was introduced in 1976 with the 'William Carson' completing weekly trips between June and September, which included St. John's, Lewisporte, St. Anthony, Cartwright and Goose Bay as ports of call. In 1977 the 'William Carson' sank off the Labrador coast during her first run of the season. Temporary service was thereafter provided by the 'Ambrose Shea' until that vessel was needed for the Argentinia/North Sydney run. During the remainder of the season service was provided by a twice weekly direct Lewisporte/Goose Bay run by the 'Marine Cruiser', which had been borrowed from the Argentinia/North Sydney run for that purpose. Recently CN Marine has announced that the St. John's/Goose Bay service would be restored during 1978 and that the railcar ferry 'Sir Robert Bond' would be renovated by the addition of passenger sleeping accommodations and placed on that service.

b) Goose Bay/Nain:

This route is served by the MOT-owned 'Bonavista' on a weekly cycle. The vessel is designed to carry a large number of passengers as well as large volumes of cargo.

c) Lewisporte/Goose Bay:

This indirect route is served by the MOT-owned 'Petite Forte' and 'Taverner' on a weekly cycle basis. Both vessels carry freight and passengers.

#### **4. Northern Freight Service:**

a) West Coast/Northern Peninsula/Southern Labrador:

CN Marine administers the operations of the freighter 'Prince Andrew' on an unscheduled basis along the west coast of the Northern Peninsula between Corner Brook and the south coast of Labrador. This vessel now handles all of the intra-coastal freight in this area.

b) East Coast/Northern Labrador:

Service along the east coast of the Island from St. John's and Lewisporte to the northern coast of Labrador is provided by four CN chartered freighters: the 'Marine Coaster', 'Glencoe', 'Harry Lake' and 'Kloster'. Service is provided on an unscheduled basis, whenever sufficient traffic is offering.

### **Intra-Island Ferry Service**

There are nine inland ferries operating at various points along the coast of the Island of Newfoundland.

#### **1. Bell Island/Portugal Cove**

This service operates over a distance of 2.5 miles from the mainland terminal at Portugal Cove to the terminal at the southeastern end of Bell Island. The

ferry '*John Guy*', with a capacity to handle 200 passengers and 26 vehicles, is backed up by the '*Katherine*' which can accommodate 250 passengers and 23 vehicles. The Federal Government subsidy to this service during the 1976-77 fiscal year was \$877,500, and to supplement the service during the summer months the Provincial Government provides a subsidy of \$10,000 per week, up to a maximum of 10 weeks.

Expenditures of \$191,469 were incurred during the 1973-75 period on terminal repairs at Bell Island, while in 1975-76, \$112,011 was spent on replacement of the ferry ramp. No improvements to docking facilities at Portugal Cove have been made since 1971-72.

#### 2. St. Brendan's/Burnside

Regular ferry service has been provided since 1966, with most customers being passengers without vehicles or small trucks carrying freight. The ferry the '*Linda Ann II*', which can accommodate 20 passengers and 3 vehicles, operates on a year round schedule, but owing to weather conditions, especially during the winter months, the service is frequently supplemented by air transportation from Gander Aviation. During the 1976-77 fiscal year the Federal Government subsidy amounted to \$82,475.

No funds have been spent on waiting room and wharf facilities at St. Brendan's or Burnside during the past five years. However, construction of a new wharf is proposed for 1978. At present, there are no waiting room facilities.

#### 3. Greenspond/Badger's Quay

This service began in 1965, and now operates on a year round basis on the three mile run using the '*Clara Hallett*', which can accommodate 20 passengers and 2 vehicles. During the 1976-77 fiscal year the Federal Government subsidy amounted to \$55,760. No waiting room facilities exist at either end of the route, nor during the last five years, has any expenditure been incurred for the improvement of wharf facilities at either end.

#### 4. Fogo Island/Carmanville

The CTC took over the subsidy of this service from the Province in 1967. The ferry '*Hamilton Sound*', which can accommodate 77 passengers and 25 vehicles, operates on a 12 month schedule from Seldom, on Fogo Island, to Carmanville. The service is complemented by air service from Gander Aviation in the winter when ice conditions prevent the ferry from operating. During the 1976-77 fiscal year the Federal Government subsidy amounted to \$173,081.

No improvements to wharf and waiting room facilities have been made since 1974.

#### 5. Change Island/Cobb's Arm

This ferry service replaced the CN coastal boat service from Lewisporte in 1967. The ferry '*Agnes and Ann II*' which can accommodate 12 passengers and 5 small vehicles, operates from a privately owned

wharf at Change Islands to a MOT-owned wharf at Cobb's Arm. The '*Barbara Darlene*', which can accommodate 12 passengers and no vehicles, serves as a backup. During the 1976-77 fiscal year the Federal Government subsidy amounted to \$86,100.

During the winter, when the ferry is unable to operate on a regular basis, air service is provided by Gander Aviation.

Both the wharf at Change Islands and the wharf at Cobb's Arm are in extremely poor condition and need considerable improvements.

#### 6. Little Bay Island/Long Island/St. Patrick's

Ferry service to the two islands began in 1971 with the construction, by the Newfoundland Government, of wharves at Little Bay Island and Lushes Bight on Long Island. This service is operated on a year round basis by the '*Green Bay Transport*', which can accommodate 50 passengers and 11 vehicles, with backup service being provided by the '*Seaview*', which can accommodate 25 passengers and 4 vehicles. During the 1976-77 fiscal year the Federal Government subsidy amounted to \$209,886.

In 1971-72, \$11,323 was spent on repairs to the wharf at St. Patrick's, the main terminus. More recently, in 1973-74, \$207,301 was spent on wharf extension at Springdale, the alternative mainland terminus.

#### 7. Blanc Sablon/St. Barbe

The service was started in 1966, and has been subsidized by the Federal Government since 1969. During 1977, the '*Northern Cruiser*', which can accommodate 100 passengers and 40 vehicles, provided service to 15 communities across the Strait of Belle Isle along the coast of Labrador and Quebec between the months of May and November. During the 1976-77 fiscal year the Federal Government subsidy amounted to \$225,000.

The wharf at St. Barbe was constructed in 1973-74 at a cost of \$284,202 and improvements to wharf facilities at Blanc Sablon are at present underway.

In addition to these seven ferry services which receive federal subsidy, two others are subsidized by the Government of Newfoundland:

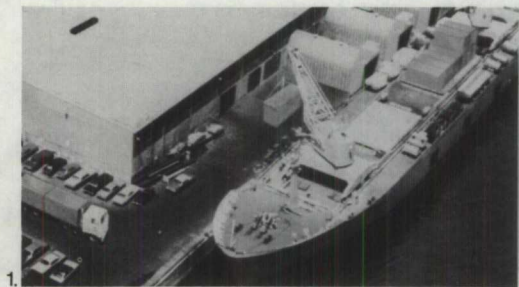
#### 8. Woody Point/Norris Point

This service in Bonne Bay was originally provided as a quick means of transporting persons to the hospital in Woody Point. A year round service is provided, subject to ice conditions.

The '*A. Stirling MacMillan*', which can accommodate 24 passengers and 10 vehicles, has replaced the smaller '*Highland Lass*', which can accommodate 16 passengers and 6 vehicles, as the main ferry. Recently the wharf at Woody Point has been extended.

#### 9. Burgeo/Ramea/Grey River

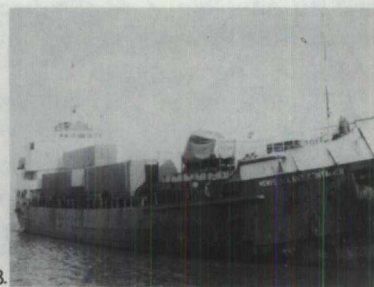
This service is operated out of Ramea by John Penney & Sons Ltd., a local fish processing firm. The



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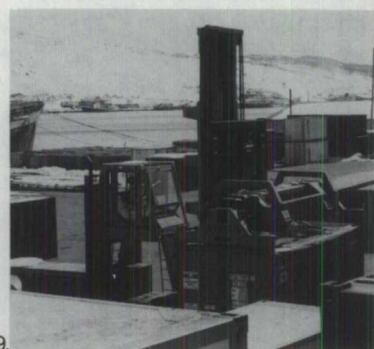
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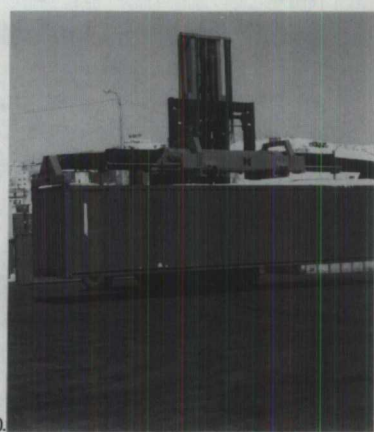
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1. Loading for Newfoundland at Clarke Transportation facilities in Montreal
2. Loading mobile housing units for Newfoundland
3. '*Chimo*' at Newfoundland Steamships Facilities, St. John's
4. Paper carriers loading at Bowater, Corner Brook
5. '*Fort St. Louis*' at Western Terminals Facilities, Corner Brook
6. Newfoundland Steamships container
7. Chimo Lines new ship, '*Lady M.A. Crosbie*'
8. Newfoundland Container Lines ship '*Newfoundland Container*'
9. Container handling facilities used by Newfoundland Container Lines and Chimo Lines, St. John's
10. Container being transferred from ship to tractor-trailer flatbed



'Senator Penny', which can accommodate 26 passengers and no vehicles, is a passenger ferry, operated on a year round basis, with the 'David Pauline', which can accommodate 16 passengers and no vehicles, serving as a backup.

This service is operated in addition to service provided by the CN Marine 'Petite Forte'. Significant amounts of capital expenditure were recently incurred on wharf and shed facilities at the communities involved.

### **Direct Steamship Service to Newfoundland and Labrador**

There are four main steamship services operating from the mainland to various points in Newfoundland and Labrador:

- a) Chimo Shipping Limited
- b) Newfoundland Steamships Limited
- c) Newfoundland Container Lines Limited
- d) Federal Off-Shore Services Limited

#### **1. Chimo Shipping Limited**

Chimo Shipping Limited is a wholly owned Crosbie Group Company and is operated on an unsubsidized basis. Container service is operated from Montreal to St. John's and a break-bulk service to Goose Bay. The frequency of service to St. John's is one round trip every eight days, while Goose Bay is serviced once every four to five weeks.

#### **2. Newfoundland Steamships Limited**

Newfoundland Steamships is administered by Clarke Transportation Canada Limited of Montreal. Service is provided from Montreal to Corner Brook and St. John's using modern side-loaders which handle palletized, crib and a limited amount of container traffic.

The first side-loader, 'M.V. Cabot', was introduced in 1965, and the second, 'M.V. Chimo', in 1968. Although initiated as an unsubsidized service, rising costs led the company, in 1969, to apply for and be granted a subsidy by the CTC. The original subsidy was \$7.00 per ton, but this was later increased and now is \$15.64 per ton. The company now would like to augment this service by providing a larger vessel. Accordingly, it has applied to the CTC for an increase in subsidy in order to be able to accomplish this.

Between 1972 and 1976 a total of \$2.4 million was spent by Clarke Transportation in terminal facilities at Montreal, St. John's and Corner Brook.

#### **3. Newfoundland Container Lines Limited**

Newfoundland Container Lines Limited is a subsidiary of A. Harvey and Company Limited of St. John's. It provides a newly instituted container line service between Halifax and St. John's.

The main vessel, the 'M.V. Newfoundland Container', is a side-loader and is operated on a year round basis. At the present time the service is not subsidi-

dized, but the company has applied to the CTC for a subsidy of approximately \$20.00 per ton.

The company has extensive terminal facilities (also used by Chimo Shipping Limited) in St. John's harbour and therefore has not had to incur significant capital expenditures on wharf infrastructure in order to set up this service. Major capital outlays were for the vessel, containers and fork-lift.

#### **4. Federal Off-Shore Services Limited**

Federal Off-Shore Services Limited are agents of Federal Commerce and Navigation (1974) Limited of Montreal, and provide a roll on/roll off (ro/ro) service from Halifax to St. John's. Under contract to the CNR, the firm's eastbound traffic is confined to shipping new automobiles and trucks from Dartmouth, Nova Scotia, to St. John's. Westbound traffic to Halifax consists of privately owned cars and trucks.

The firm operates from the autoport in Dartmouth, which is owned by the CNR and uses National Harbours Board facilities in St. John's.

#### **5. Additional Shipping**

There are other services provided by direct sea, mainly bulk cargo, to and from the Province. Petroleum is shipped to the refinery at Holyrood, as is phosphate bearing rock to the ERCO plant at Long Harbour. Fish, forest by-products and minerals are also shipped from the Province. This service is provided under contract with the suppliers and the companies concerned.

### **Highway Infrastructure**

The Province at present has a highway network consisting of two distinct segments, i.e., the Island segment and the Labrador segment. The Island portion of the network is fairly well developed and the vast majority of communities is connected to this network. However, there are still some areas without connection to the Island highway system; namely, the south coast from Rose Blanche to the Bay D'Espoir area, part of the east side of the Northern Peninsula and some small settlements on Placentia and Fortune Bays.

The type and quality of highway provided vary with the function of each highway. The main emphasis, since the 1950's, has been firstly to provide isolated communities with access, and secondly, to provide a road network compatible with the expected functions of the roads. The last major area, the Burgeo area, will soon be linked to the provincial network. Hence, at the present time, the primary emphasis is on bringing existing roads up to desirable standards dictated by various conditions of speed, traffic volumes, safety, etc.

The Labrador segment of the network, by comparison, is in a state of under-development and the roads which do exist are, for the most part, in relatively poor condition.

## 1. The Island Segment

As of March 1977, the Island highway network consisted of 2490 miles of gravel road and 2756 miles of paved road for a total of 5246 miles, excluding the Terra Nova and Gros Morne National Parks' roads, which total 25 and 48 miles respectively. In addition, there are several hundred miles of forest access roads maintained by the Provincial Government or private operators such as Price and Bowater.

The most vital element in the movement of intra-Island freight and passenger traffic is currently the highway network and this situation will continue in the foreseeable future. Thus, it is of the utmost importance to embark upon a systematic road upgrading programme to provide for this traffic.

There are three classifications of highway on the Island as defined by the Roads and Transportation Association of Canada (RTAC). These are: (1) Arterial (the TCH), (2) Collector (Northern Peninsula Highway), and (3) Local (Port Albert Road). The backbone of the system is the TCH, which starts in the west at Port aux Basques, the access point for mainland ferries, circumscribes an arc north and ends in the east at St. John's. This highway closely follows a parallel route to the railway. The major collector roads branch off the TCH, the minor collector roads branch off either the TCH or the major collectors, while the local roads are connected to either of the preceding or other local roads.

## 2. The Labrador Segment

There are 45 miles of gravel road from Red Bay to the Quebec border on the south coast, a paved road from Wabush through Labrador City to the Quebec border (a distance of 12 miles), an all-weather private road from Esker to Churchill Falls, a 160 miles seasonal gravel road from Churchill Falls to Goose Bay/Happy Valley, and a 25 mile all-weather gravel road

from Goose Bay to North West River. There is no interconnection between the southern Labrador coast and Goose Bay, nor between Goose Bay and Wabush.

Evaluation of these two segments appears later in this report.

## Trucking Services To And Within Newfoundland

### 1. Schedules

Over 90% of all trucking firms serving Newfoundland from points of origin on the Mainland and within the Province provide irregular or unscheduled service to communities. This is mainly caused by the reluctance of predominantly small carriers to leave warehouses without full truck loads.

However, the few large firms which provide regular service account for a substantial portion of the total trucks in use at a given time.

### 2. Inventory Of Vehicles

A profile of both intra and extra-Newfoundland public carriers using tractor-trailers and straight trucks is shown in Tables 3-1 and 3-2. These tables show data for 1973 and 1977, showing the change during the four year period since the trucking industry was studied by Kates, Peat, Marwick & Co., in the Trans Newfoundland Corridor Transportation Study.

Tables 3-1 and 3-2 reveal a significant increase in the number of extra-Newfoundland carriers, and a considerable decline in the number of carriers operating within the Province. PUB\* officials indicate that over the past few years there has been a major decline in the number of intra-Newfoundland carriers owing to the high incidence of small firms' consolidations. These mergers have resulted in 10 to 12 companies handling a large proportion of the total trucking market.

\* Public Utilities Board

Table 3-1. Intra-Newfoundland Carriers Vehicle Fleet Profile

	1973	1977
Number of Companies	479	344
Straight Trucks M.G.W. 10,000 lbs or less	228	49
Straight Trucks M.G.W. 10,001 to 15,000 lbs	53	17
Straight Trucks M.G.W. 15,001 to 23,000 lbs	138	52
Straight Trucks M.G.W. 23,001 to 28,000 lbs	539	286
Straight Trucks M.G.W. 28,001 to 45,000 lbs	84	84
Straight Trucks M.G.W. 45,001 lbs or more	—	2
Tractors	114	476
Total Driving Units	1,156	996
Total Payload (tons)	8,845	13,372
Average Driving Units/Co.	2.4	2.8
Average Tractor/Co.	.2	1.4
Average Payload/Co. (tons)	18.5	38.9
Average Payload/Driving Unit (tons)	7.7	13.8
Ratio Tractor Driving Unit (%)	9.9	49.3

SOURCE: Motor Carrier Division of Public Utilities Board

Table 3-2 Extra-Newfoundland Carriers Vehicle Fleet Profile

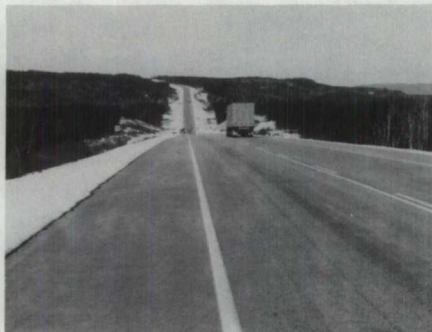
	1973	1977
Number of Companies	80	140
Straight Trucks M.G.W. 10,000 lbs or less	14	1
Straight Trucks M.G.W. 10,001 to 15,000 lbs	2	1
Straight Trucks M.G.W. 15,001 to 23,000 lbs	20	5
Straight Trucks M.G.W. 23,001 to 28,000 lbs	77	44
Straight Trucks M.G.W. 28,001 to 45,000 lbs	22	21
Straight Trucks M.G.W. 45,001 lbs or more	—	5
Tractors	189	635
Total Driving Units	324	712
Total Payload (tons)	4,824	13,450
Average Driving Unit/Co.	4.1	5.1
Average Tractor/Co.	2.4	4.5
Average Payload/Co. (tons)	60.3	96.1
Average Payload/Driving Units (tons)	14.9	18.9
Ratio tractor Driving Unit (%)	58.3	89.2

SOURCE: Motor Carrier Division of Public Utilities Board.





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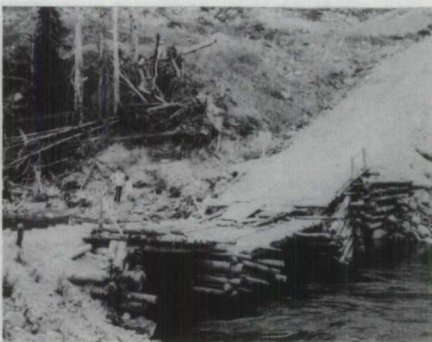
7.



11.



4.



8.



12.

1. Great Northern Peninsula highway, gravel portion
2. White Bay gravel road
3. Trans Canada near Birchy Lake
4. Corner Brook Harbour Arterial
5. Trans Canada, Terra Nova National Park
6. Trans Canada and Arterial outside St. John's
7. Trans Canada near Port Blandford
8. A bridge on the '*Freedom Road*', Labrador
9. The Red Bay road near Pinware River, southern Labrador
10. Red Bay road washout
11. Trans Canada near Glovertown, spring 1978
12. Trans Canada, Little Harbour junction, spring 1978

Conversely, the number of extra-Newfoundland carriers has increased over the same period because of market demands for trucking services.

The majority of equipment used by both types of carriers is 2 to 5 years old, suggesting that most is in good physical condition.

Over 80% of all carriers have less than six driving units. However, although there are significantly fewer large carriers, they account for a substantial proportion of the total number of driving units in service at a given time.

PUB information reveals that 181 temperature-controlled driving units are registered by intra-Newfoundland carriers. About 67% of these units are owned by trucking firms in the 21 to 60 units category.

### **3. Service**

Transit times for vehicles have improved significantly over the past few years. This has been due to a number of factors; the development of containerization, greater experience, more paved roads and competitive pressures.

Previously, the industry was highly fragmented with many small firms providing service which was not always efficient. With the emergence of larger firms and a considerable reduction in the number of one-man carriers, a group of 12 companies has captured most of the trucking market in Newfoundland and the Maritimes.

Another element that has led to an improvement in overall quality is the method of paying drivers. A large number of carriers serving Newfoundland does not employ salaried personnel to operate company owned vehicles, but instead hires brokers who act as independent operators of their own vehicles within the firm. These brokers haul freight in their own trucks for a portion of the fare which is measured by the mile instead of the hour. This contract provides more incentive for the brokers to supply quick, efficient service in order to maximize income.

In 1969 the Newfoundland trucking industry was made more viable when a subsidy similar to the MFRA subsidy was extended to all carriers which operate under a class and commodity rate tariff. The Atlantic Regional Freight Assistance Act (ARFAA) included the following three provisions which exert a Newfoundland positive impact on the Newfoundland trucking industry.

a) A 15 percent subsidy is offered to trucking firms which move freight between any two points in the Atlantic Region. This subsidy will be changed in September 1978, to one applying only to selected commodities moving in the Atlantic Region. The amount of the subsidy will remain unchanged.

b) A 30 percent subsidy is payable to those firms in respect of all westbound freight movements that originate in the select territory and terminate outside the area.

c) A further 20 percent subsidy is offered for selected commodities.

Most of the larger firms are able to provide reliable service to isolated communities along the coast of Newfoundland by entering into verbal agreement with smaller carriers serving specific areas not normally served by the larger carriers where the volume of traffic does not warrant a special trip by the larger firm.

### **4. Employment in Trucking**

Total employment in the trucking industry in Newfoundland is shown in Figure 3-1, which indicates employment by traffic zone. Total employment for all 17 zones is 1578 persons. Figures include drivers, maintenance, management and related functions.

## **Bus and Taxi Transport**

### **1. Private Bus and Taxi Service**

Twelve privately-owned bus companies provide passenger service to various areas within Newfoundland.

In addition to the above private bus operators, eight companies provide limousine service in the Burin Peninsula region. These operators are regarded as being "mavericks" who do not always abide by existing PUB regulations in that their service is based upon demand rather than schedule.

Service by the twelve private companies is generally from coastal communities to the larger centers of the Island.

### **2. CN Roadcruiser Bus Service**

After termination of the rail passenger service, CN introduced the Roadcruiser Bus Service which is designed to provide passenger service to communities along the TCH.

#### **a) 1977 Schedule**

The Roadcruiser service operates three times daily from St. John's to Port aux Basques with stops at various locations along the TCH between these points. Additional service is provided between Corner Brook and Port aux Basques at specific times and days during the week.

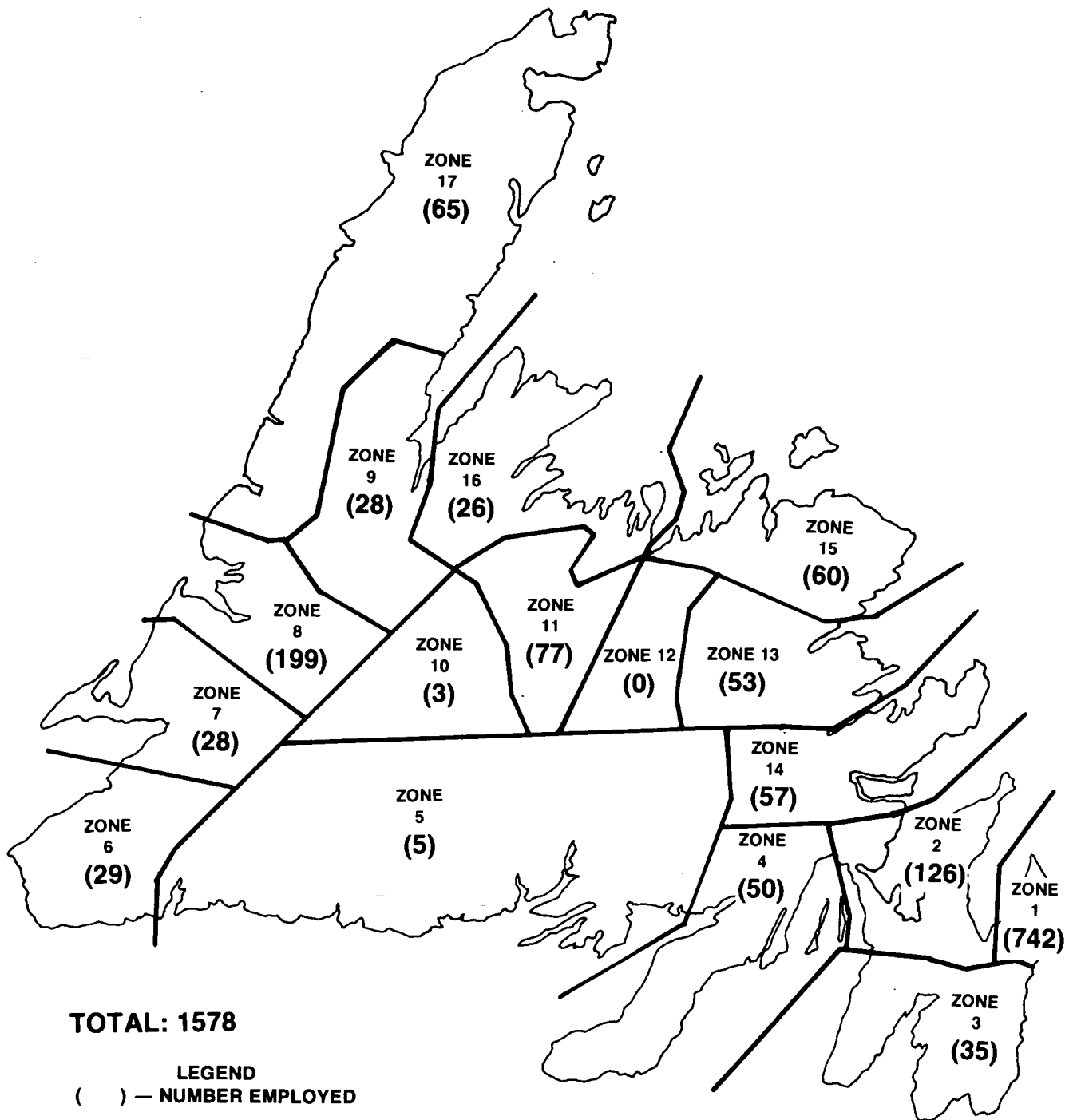
#### **b) Fare Structure**

Officials of the CN Roadcruiser service have recently negotiated a new tariff schedule at a series of CTC hearings. The new tariff was permitted to take effect on November 1, 1977, pending final approval from the CTC.

This tariff allows for an estimated total of 42,200 CN Bus passholders. These passholders include CN employees, students, senior citizens, blind persons and clergy, all of whom are granted passes at substantial discounts from normal prices.

Figure 3-1

## EMPLOYMENT IN TRUCKING INDUSTRY BY TRAFFIC ZONE







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13.

1. Moffatt equipment
2. Clarke Transportation truck
3. Canadian Tire trailer
4. Day & Ross tractor
5. Refrigerator (Reefer) trailers used for delivery of fresh fruit and vegetables
6. Canada Packers truck
7. Express shed, Port and Basques
8. Log truck near Corner Brook
9. CN Transportation Ltd. equipment
10. CN Transportation tractor-trailers on the TCH
11. CN Roadcruisers, Port aux Basques
12. CN Roadcruisers
13. CN Station and Roadcruisers, St. John's

### *c) Inventory Of Vehicles*

In the past four years, a total of four Prevost Roadcruiser buses have been retired and three new buses acquired. At the present time 22 buses are used in the Roadcruiser operation. All vehicles are being depreciated over eight years on a straight line basis.

CN officials reveal that with continuous preventive maintenance, the useful life of the buses can be extended to 10 years.

### *d) Capacity*

Of the 22 CN buses, not fewer than 15 are capable of providing service at any given time. On normal weekdays, CN places 10 buses in service to complete the scheduled 4 round trips per day (3 between Port aux Basques and St. John's, one between Corner Brook and Port aux Basques). Two additional buses are in service on Sundays between Port aux Basques and Corner Brook.

On a busy day, a total of 18 buses is placed in service. If the volume of traffic at any time exceeds the capacity of 20 buses (maintenance is normally being conducted on the remaining two), CN hires various local buses. CN hires about 130 buses a year with peak hiring occurring at Easter, August and Christmas/New Year periods.

### *e) Capital Expenditures On Infrastructure*

The bus system does not include established terminals along the TCH where buses stop. Rather, most scheduled stops are held at well known local points, e.g., service stations, stores, hotels. Because of this, CN has not spent any capital for improvement of terminal and related facilities in small areas. However, funds were recently spent on renovation of garage facilities in St. John's. The depot in Corner Brook is under lease.

### *f) Express Package Service*

CN Roadcruiser offers an express package service between St. John's and Port aux Basques, delivering packages to normal stopping points along the TCH. The consignee is responsible for delivery beyond these points.

## **Ports**

### *1. Port Infrastructure*

In a Province where direct sea transportation plays such a vital role, there must be port facilities to service this traffic. There are innumerable ports in Newfoundland and Labrador, some of which lack even the barest necessities and others which display some degree of sophistication. Owing to the isolation of many communities, sea transportation, for many years was the sole mode of transportation. Even today, the CN coastal service makes calls where the ships must anchor off-shore and both passengers and freight are loaded onto smaller vessels to reach the

port. However, the main ports are described here and they are St. John's, Lewisporte, Argentia, Marystown, Port aux Basques, Stephenville, Corner Brook, St. Barbe, Botwood, St. Anthony and Goose Bay.

### *a) Port of St. John's*

St. John's is the only National Harbours Board Port in Newfoundland and is open to navigation year round. The main traffic is the importation and distribution of general cargo and petroleum products. It is a compulsory pilotage port under the Atlantic Pilotage Authority.

Facilities: There is a graving dock with an adjacent machine shop equipped to make major repairs to hull and machinery. The dock also has heavy lifting equipment with a maximum capacity of 150 tons.

There is a small harbour tug to assist ships and there are divers available for underwater repairs and survey.

There are 36 berths, 16 of which are National Harbours Board property and 20 of which are either privately or publicly owned.

These vary in length from 192 feet to 600 feet with depths alongside of up to 31 feet.

There is road connection to all waterfront property and the airport is some 3 miles distant.

### *b) Port of Lewisporte*

This port is a public harbour which is open for navigation from May to December with occasional arrivals assisted by ice-breakers during the winter season. Traffic consists of incoming petroleum products and general cargo and outgoing forest products. It is also a CN terminal for northeast coast and Labrador ports.

Facilities: There are three main wharves owned by CN, Imperial Oil and the Government respectively. The lengths vary from 120 feet to 600 feet and depths alongside are up to 32 feet.

The CN rail tracks run to the port, a 25 mile paved highway connects to the TCH and Gander airport is 35 miles distant.

### *c) Port of Argentia*

Argentia is a year round port which serves as a terminal for the CN coastal service and the Port aux Basques-Argentia ferry.

Facilities: There are three wharves ranging from 600 feet to 2671 feet which belong to the U.S. Government.

In addition, there is a 375 foot CN wharf and the CN Ferry Dock. The latter is equipped with a ramp capable of handling sixty-five 40,000 pound tractor trailers.

There are rail and road connections to all marine facilities but the airport nearby is no longer in use.



**d) Port of Marystown**

Marystown is open for navigation year round and is a public harbour under a Ministry of Transport appointed harbour master.

Facilities: There is a Government wharf, 118 feet in length with a depth of 18 feet alongside. The wharf is equipped with a shed and hoist.

Also located here is the Marystown Shipyard Limited, which has a synchrolift with a lifting capacity in excess of 2000 tons. There are two repair and outfitting berths located here with depths alongside from 20 to 24 feet. This shipyard has facilities for ship construction and repair.

Furthermore, Mortier Bay (on which Marystown is located) is one of the few deep water harbours in North America capable of taking loaded VLCC (largest ships afloat).

**e) Port of Port aux Basques**

This port is a public harbour under a harbour master and pilotage for certain ships is compulsory. It is a year round port but drift ice may interrupt the service to North Sydney during the late winter—early spring months. It is an important ferry transfer point for goods and passengers between Nova Scotia and Newfoundland.

Facilities: There are four berths which vary in length from 380 feet to 600 feet with depths alongside of up to 25 feet. The CN berth can accommodate the transfer of railcars, tractor trailers, autos and passengers.

**f) Port of Stephenville**

This is a public harbour under a harbour master and open year round for navigation, although from December to March operations may be curtailed. However, ice-breaker assistance is available upon request. This is a compulsory pilotage port for all ships except those of Canadian registry under 1500 tons.

Facilities: There are two wharves, one of 954 feet and the other of 45 feet with depths alongside of 30 and 28 feet respectively.

**g) Port of Corner Brook**

This is a public harbour under a harbour master. The port is hindered by ice in the winter but with the use of ice-breakers in recent years, the port has been navigable year around. The main exports are newsprint, pulp, fish, cement, gypsum board and the imports are oil, sulphur and general cargo.

Facilities: There are nine berths which vary in length from 280 feet to 600 feet with depths alongside of up to 32 feet. There is also a 35 ton capacity crane at the Bowater's wharf.

There are connecting railway spur lines to some of the wharves and there are paved road connections to the TCH. The nearest airport is at Deer Lake, some 33 miles distant.

**h) Port of St. Barbe**

This port is open to navigation from May until December and is a public harbour. It is important mainly as a terminal for the St. Barbe - Blanc Sablon ferry service.

Facilities: There is a Government wharf 90 feet long with a depth alongside of 20 feet. There is also a freight shed near the wharf.

There is a partially paved highway which connects with the TCH, some 206 miles distant.

**i) Port of Botwood**

This is a public harbour under a harbour master. Although ice is a problem from December to May, the port is now a year round port with ice-breaker assistance. The main imports are fuel oil, soda ash, sulphur and general cargo with the exports being pulp and paper products.

Facilities: There are seven wharves which vary in length from 900 feet to 183 feet, with depths alongside of up to 32 feet. All except two of these wharves are connected with the railway.

Botwood is connected to the TCH by a paved highway and Gander airport is 57 miles distant.

**j) Port of St. Anthony**

This is a public harbour under a harbour master and is open to navigation from May to December. It is the headquarters of the International Grenfell Mission and fishing is the principal industry.

Facilities: There are three wharves which vary in length from 80 feet to 482 feet, with depths alongside of up to 21 feet.

There is a paved landing strip for aircraft and a partially paved highway connecting with the TCH which is 272 miles distant.

**k) Port of Goose Bay**

This is a public harbour under the direction of a harbour master and is navigable from late May to December. It is a terminal point for the shipment of goods and passengers to Northern Labrador.

Facilities: There is an 810 foot wharf with shed space of 48,000 sq. ft., with depths alongside of 28 feet. There is a large coastal wharf which is three sided, with a depth alongside of 24 feet.

The airport at Goose Bay is within easy access of these facilities.

**Air Transportation**

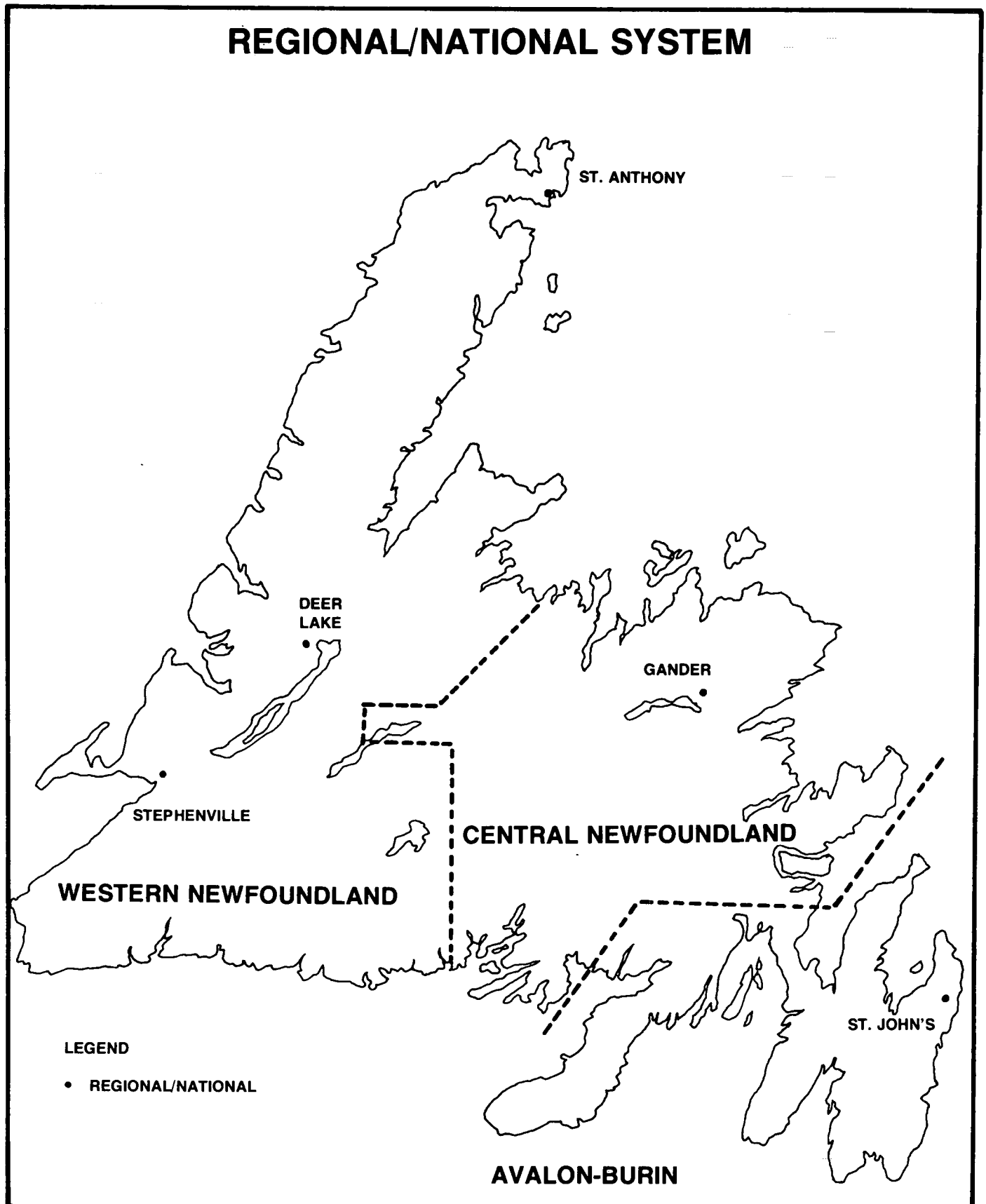
**1. Island Airports/Airstrips**

There are five airports on the Island:

- |                 |                         |
|-----------------|-------------------------|
| 1) St. John's   | National Primary        |
| 2) Gander       | International           |
| 3) Deer Lake    | National Secondary      |
| 4) Stephenville | International Secondary |
| 5) St. Anthony  | Regional                |

The locations are illustrated in Figure 3-2.

Figure 3-2



The St. John's Airport is served by Air Canada, EPA and several small charter operations. This airport serves the Avalon and Burin Peninsulas and the City of St. John's. It is National Primary as only chartered domestic aircraft destined for international points are permitted to land.

Gander International is Newfoundland's only International airport. Air Canada serves Gander with overseas flights from Halifax to London and return twice per week. Foreign and American charters and scheduled flights, as well as military aircraft of Canada, Britain and Western Allies use the airport for technical, service and refuelling stops. The airport is served by Air Canada and EPA on national routes, and is the headquarters of EPA and Gander Aviation. Air Rescue operations for Newfoundland are also based in Gander.

Both Deer Lake and Stephenville airports serve the Corner Brook area and Western Newfoundland. Stephenville is served by both Air Canada and EPA, while Deer Lake is served only by EPA, and Labrador Airways, which operates to Labrador from the Island.

St. Anthony is served by Labrador Airways.

In addition to the five airports above, there are many smaller strips and water aerodromes on the Island (see Figures 3-3 and 3-4). Some of these are provincially owned, others privately owned. These facilities vary in standard condition and usage.

None of these airstrips is served by scheduled passenger or cargo service. Most of these facilities are only large enough to handle single and light twin engine aircraft. They are used only for emergencies, government activities and private or charter operations.

These airfields are supplemented by seven licensed and five unlicensed water aerodromes (see Figure 3-4). These water aerodromes are located throughout the Island. Various facilities for upkeep, maintenance and supplies exist at each.

## 2. Labrador Airports

MOT operated national/community airports in Labrador are:

- |                     |                              |
|---------------------|------------------------------|
| 1) Goose Bay        | National Primary             |
| 2) Wabush           | National Secondary           |
| 3) Churchill Falls  | Community Feeder             |
| 4) Blanc Sablon     | Community Intermediate Label |
| 5) North West River | Community Remote             |
| 6) Saglek           | Remote (military only)       |

The first major aviation development of Labrador was the construction of a military base at Goose Bay by the United States Air Force (U.S.A.F.) during World War II. Ownership of the airport and the responsibility of its operation was accepted by MOT in 1973. The U.S.A.F. left Goose Bay in 1976, and Eastern Provin-

cial Airways, along with Labrador Airways, currently provides service to this airport. International flights from overseas use the airport as an alternative landing site and, as such, the facility is categorized by MOT as an international alternative.

The U.S.A.F. also developed the airstrip at Saglek, but with its withdrawal, the facilities constructed at this community (except the airfield) are no longer being used.

Industrial developments at Wabush and Labrador City, and later at Churchill Falls, necessitated the construction of airports at these locations. Wabush is currently served by Quebecair and Eastern Provincial Airways while only the latter stops at Churchill Falls. The gradual winding down of Phase II of the Churchill Falls development is exerting adverse influence on the load factors at this airport.

The airports located at Blanc Sablon, Quebec and St. Anthony, on the northern tip of Newfoundland, are adjacent to Labrador, but are vital to the provision of aviation service to the Labrador area. Blanc Sablon is currently serviced by Northern Wings, a subsidiary of Quebecair, as well as by Labrador Airways.

The final MOT licensed airstrip in Labrador is at North West River, twenty-five miles east of Goose Bay. The main user of this facility is the Grenfell Mission which has its facilities near the airstrip.

In addition to the above major Labrador Airports, there is a number of smaller strips which must be noted. Rigolet and Nain each have airstrips but the former is unusable while the latter is of poor quality. Airstrips developed at Forteau and Red Bay are also of relatively poor quality.

Labrador also has one licensed and six unlicensed water aerodromes. As on the Island, these facilities are located throughout Labrador and, in some regions, provide the only air facility in the area (see Figure 3-5). The following communities have aerodrome facilities in Labrador:

Churchill Falls  
Hopedale  
Goose Bay  
Makkovik  
Cartwright  
Mary's Harbour  
Red Bay

## 3. Air Service in Newfoundland

Newfoundland is served by three air carriers on a year round scheduled basis: Air Canada, EPA and Labrador Airways. In addition there are a number of smaller charter and specialized flying services available.

The three airlines serving Newfoundland each provide services which are complementary. Air Canada connects both Western and Eastern Newfoundland

Figure 3-3

## NEWFOUNDLAND AIR STRIPS

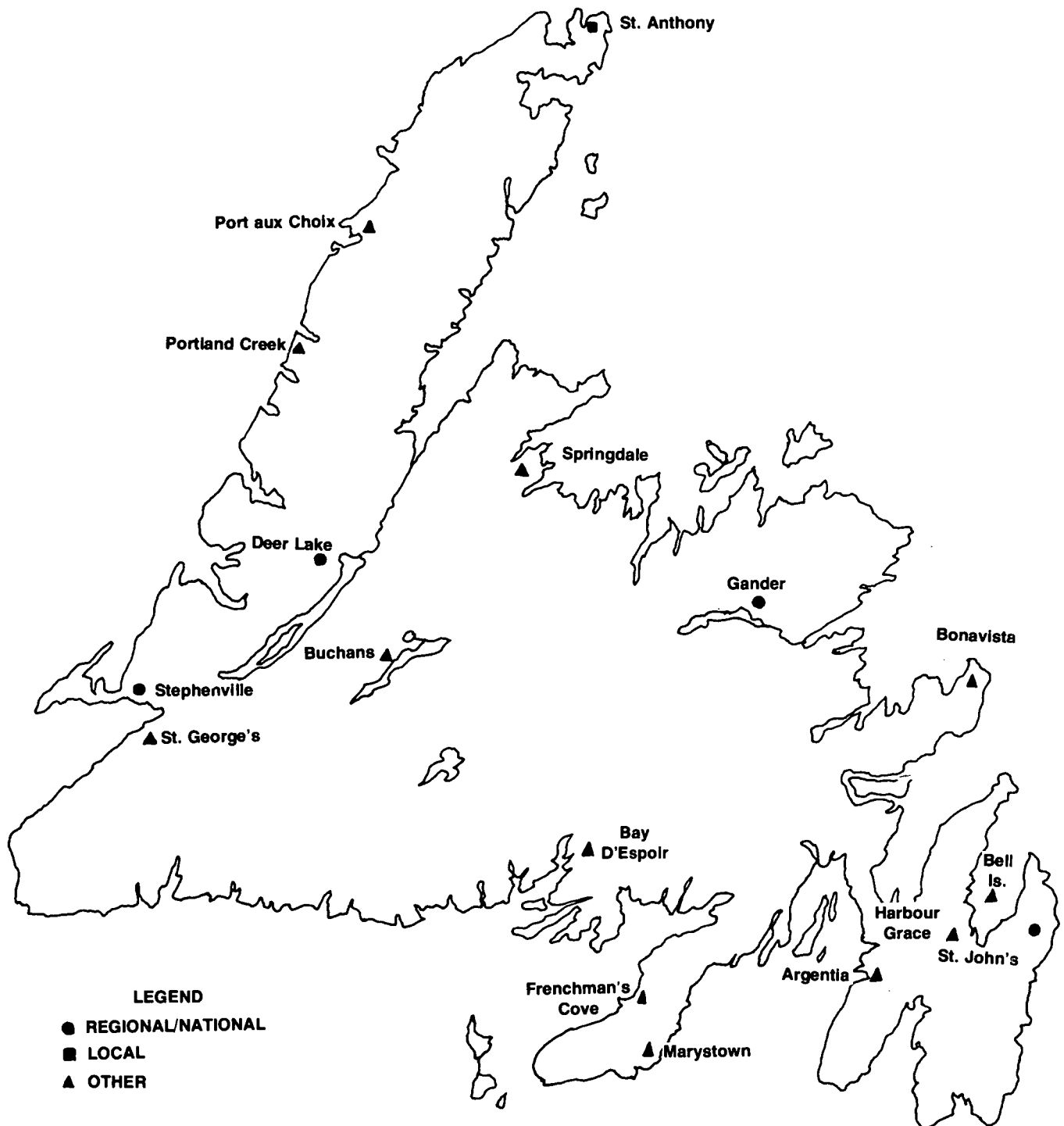


Figure 3-4

## NEWFOUNDLAND WATER AERODROMES

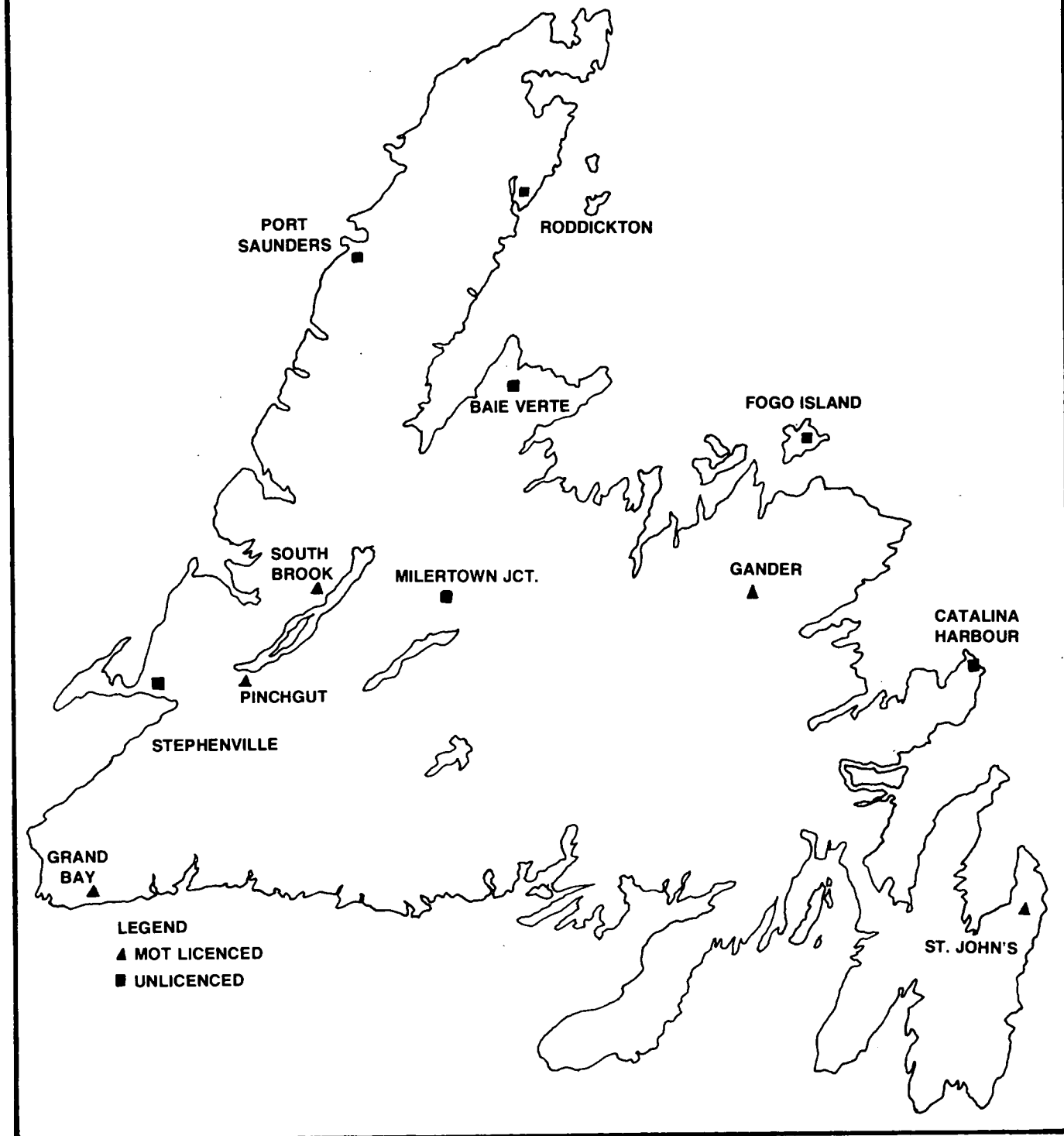


Figure 3-5

# LOCAL SERVICE/GENERAL AVIATION SYSTEM



with Halifax and Toronto and international service to Britain from Gander. EPA provides an extensive intra-Island service with connections to Labrador and the mainland. Labrador Airways is the only local service carrier on the Island providing service between Deer Lake, Gander, St. Anthony and points in Labrador and Quebec.

#### a) Air Canada

Currently, Air Canada operates DC-8 (seating capacity 259) and DC-9 (seating capacity 103) jets on a daily basis through St. John's, Gander and Stephenville. Direct flights to Halifax from St. John's are available three times daily with connections to Boston, the Maritimes, Montreal, Toronto, and other points west. There is a direct flight from St. John's to Toronto and return once daily. One flight per day is available from Gander to/from Halifax and similarly one flight per day to Stephenville. In Gander, Air Canada also operates two international flights per week to/from London, England.

#### b) Eastern Provincial Airways

From its head office in Gander, EPA officials administer the operation of six B737's (seating capacity 125) and two HS748's (seating capacity 40). The B737's serve St. John's, Gander, Deer Lake and Stephenville. Until 1975, the airline operated a DC-3 to St. Anthony on the northern run, but subsequently relinquished this route to Labrador Airways.

EPA's routes link the major Atlantic Canada centres and Montreal with the four Island airports noted above. Connections with Air Canada flights to major Canadian points west of Montreal and the U.S. are available. Many of EPA's routes are composed of short stage lengths designed to service a relatively large number of centres in close proximity to one another (see Figure 3-6).

Eastbound travellers may travel to Newfoundland three times daily *via* Halifax or daily *via* Labrador. Flights between St. John's and Gander are also three times daily with St. John's being the eastern route terminus for all flights. The airline's maintenance and repair base is located at Gander.

#### c) Labrador Airways

Labrador Airways operates Class 3 and charter service in Northern Newfoundland and Labrador. Established in 1971, with its head office and maintenance facilities at Goose Bay, the airline took over Newfoundland Air Transport in 1976. Its fleet consists of Otters, Beavers, Twin Otters, Cessnas, Pipers and a Beech Queenair on routes in Northern Newfoundland. These aircraft can be equipped with floats/wheels/skis for operation during most of the year. An inventory of the Company's equipment follows:

Type of Aircraft		Number	Seating Capacity
Aero Commander	560 E	1	6
Beech Queenair	8800	5	9
Cessna	180	4	4
Dehavilland	DHC 2 (Beaver)	6	5
Dehavilland	DHC 3 (Otter)	8	8

Routes connecting Gander and Deer Lake with St. Anthony, Blanc Sablon and Goose Bay, operate three to five times per week each way. This is the only scheduled air service on the Great Northern Peninsula of Newfoundland. Other services provided by Labrador Airways include a winter airlift of supplies from Flower's Cove, Newfoundland, to the southern coastal communities of Labrador.

#### d) Gander Aviation

Gander Aviation operates under a Class 3, 4, 9-4 and 7RF license and bases itself in Gander. Although the majority of its work is charter, it does provide a winter passenger and cargo Class 3 (unit toll) service (January - April) to supplement the Fogo Island—Carmarville ferry on the north coast. The Company's fleet consists of Cessnas, Beavers, Otters and Beech Queenair in multi-landing gear configuration. An inventory of the Airline's equipment, along with corresponding charter rates for each type of aircraft, follows:

Type of Aircraft		Number	Charter Rates
Cessna	180	1	\$ .85/mile
Dehavilland	DHC 2 (Beaver)	2	1.40/mile
Dehavilland	DHC 3 (Otter)	2	2.10/mile
Beech Queenair	8800	2	1.40/mile

The unit toll service noted above, connecting Gander to Fogo Island, Change Islands and St. Brendan's, operates on a daily basis with as many as four flights per day depending on traffic offering. The one-way fare for each of three routes is \$11.00.

At present, the Company has permission from the CTC to operate a Class 9-3 service (international) on the following routes:

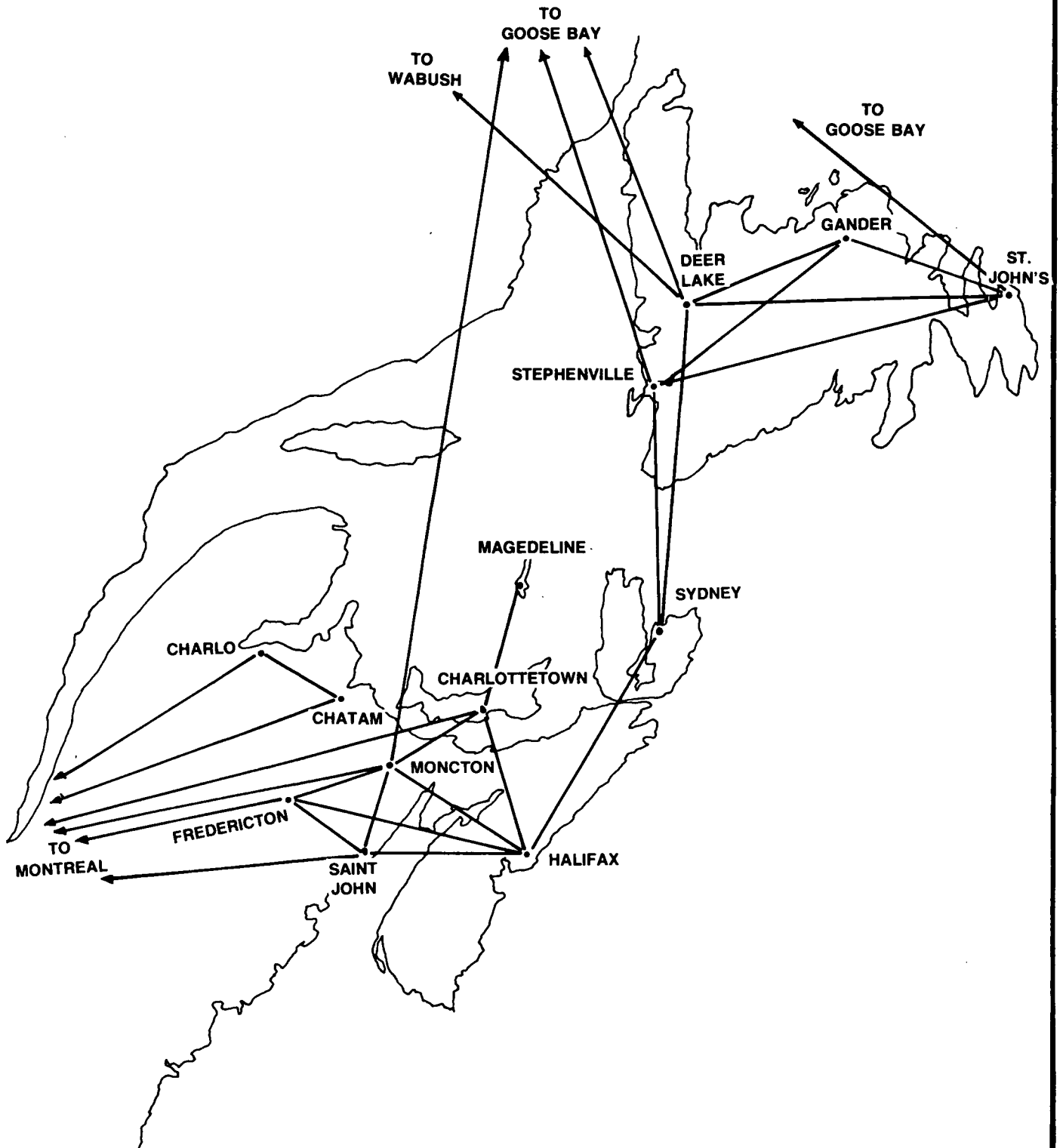
- 1) Gander—St. Pierre
- 2) St. John's—St. Pierre
- 3) Marystown—St. Pierre

Service on these routes has not started, but Company officials reveal that proposed passenger fares are \$55.00 one-way to St. Pierre from Gander and St. John's and \$25.00 one-way from Marystown to St. Pierre.



Figure 3-6

## E.P.A. AIR ROUTES



Besides the obvious constraints which inclement weather exerts on the Company's operations, the absence of land-based airstrips on the Newfoundland coast is the most significant problem faced by the Airline. As a result of this situation, the company is unable to land aircraft during the spring thaw or the winter freeze-up periods.

#### e) Other Operators

There are several private and chartered operators providing service under various classes of licenses in Newfoundland.

- *Universal Helicopters*: Universal Helicopters has been operating in the Province since 1963, and provides charter helicopter service to Newfoundland and Labrador as well as to the offshore drilling rigs.
- *Wentzell's Flying Service*: Wentzell's Flying Service, based in Corner Brook, operates under a Class 4, 7RF license. It uses Cessna 185's.
- *Straits Air Limited*: Straits Air Limited is a new operation in Newfoundland at present applying for Class 4, Group A and B licenses. The Company is based in Springdale and uses Cessna 180's and Beavers on floats and skis.
- *Port Aux Basques Air Service*: Based in Port aux Basques, this Company operates Cessna 185's and an Aztec under a Class 4 license.
- *Aztec Aviation Limited*: Aztec Aviation Limited operates under a Class 6 flying school license at St. John's.
- *Government Air Services*: The Government of Newfoundland and Labrador operates Canso Water Bombers on a seasonal basis to fight forest fires. The aircraft are usually based at strategic locations throughout the Province to contain outbreaks of fire during the summer months.

The Government also operates a King Air aircraft for use on Government business and as an emergency ambulance.

#### 4. Air Services In Labrador

Three air carriers provide the largest part of the air service in the Labrador area. Two regional carriers, EPA and Quebecair, provide the major component of this service. The remaining air services are provided by Labrador Airways, whose service is confined to Labrador and Northern Newfoundland.

##### a) Eastern Provincial Airways

In Labrador, EPA provides a trunk type service to Wabush, Churchill Falls and Goose Bay, connecting these places with the Island of Newfoundland, and except for Wabush, with Montreal. The larger number of these routes is maintained using B737 aircraft five or more days per week (see Figure 3-7).

##### b) Quebecair

The only point served in Labrador by Quebecair is Wabush, which is tied into the airline's network in the Eastern Quebec Region. The services between Montreal and Wabush is provided with BAC 1-11 (seating capacity 79) and B727 (seating capacity 181) aircraft.

Northern Wings, a subsidiary of Quebecair, operates services between Sept-Iles and Blanc Sablon, Quebec. This service uses DHC-2 and 3, F-27, HS-748 and DC-3 aircraft types, making a variety of stops along the north shore of the Gulf of St. Lawrence. After arriving at Blanc Sablon, this service is then available to people living on the Southern Labrador coast, although there is evidence revealing that use of this route by Labrador residents is minimal (see Figure 3-8).

##### c) Labrador Airways

Established in 1971, Labrador Airways provides air services from Goose Bay to all communities on the Labrador Coast with scheduled service on a frequency of twice per week, year round. The airline provides freight and charter services to the coastal communities and modifies its routes during each of these seasons when traffic is sufficient (see Figure 3-9).

Labrador Airways is at the mercy of the environment in which it is operated. Often the service must be suspended due to inclement weather, and must be totally terminated during the winter freeze-up and spring thaw periods (6 to 8 weeks per year). This period of forced inactivity is primarily owing to the significant lack of land-based airstrips, which, were they developed, would enable the airline to provide year-round service to the coastal communities.

Many of Labrador Airway's aircraft provide a VFR service which, as a result of the unstable and unpredictable weather conditions in Labrador, makes it difficult to maintain a reliable flying schedule. The airline is further constrained in terms of payloads because of the floats and skis which the aircraft are forced to use.

##### d) Laurentian Air Services

Laurentian Air Services offers a charter winter supply airlift service out of Wabush and Schefferville direct to the Labrador coastal communities. The firm operates DC-3 aircraft which have payloads of 5000 lbs., and are able to land with skis from late January to the beginning of May.

#### Air Freight Services

##### 1. Newfoundland Air Freight

The development of air freight transportation to Newfoundland is dependent on the feasibility of an all-freight operation with the new DC-8 freighters.

Figure 3-7

## EPA ROUTE STRUCTURE

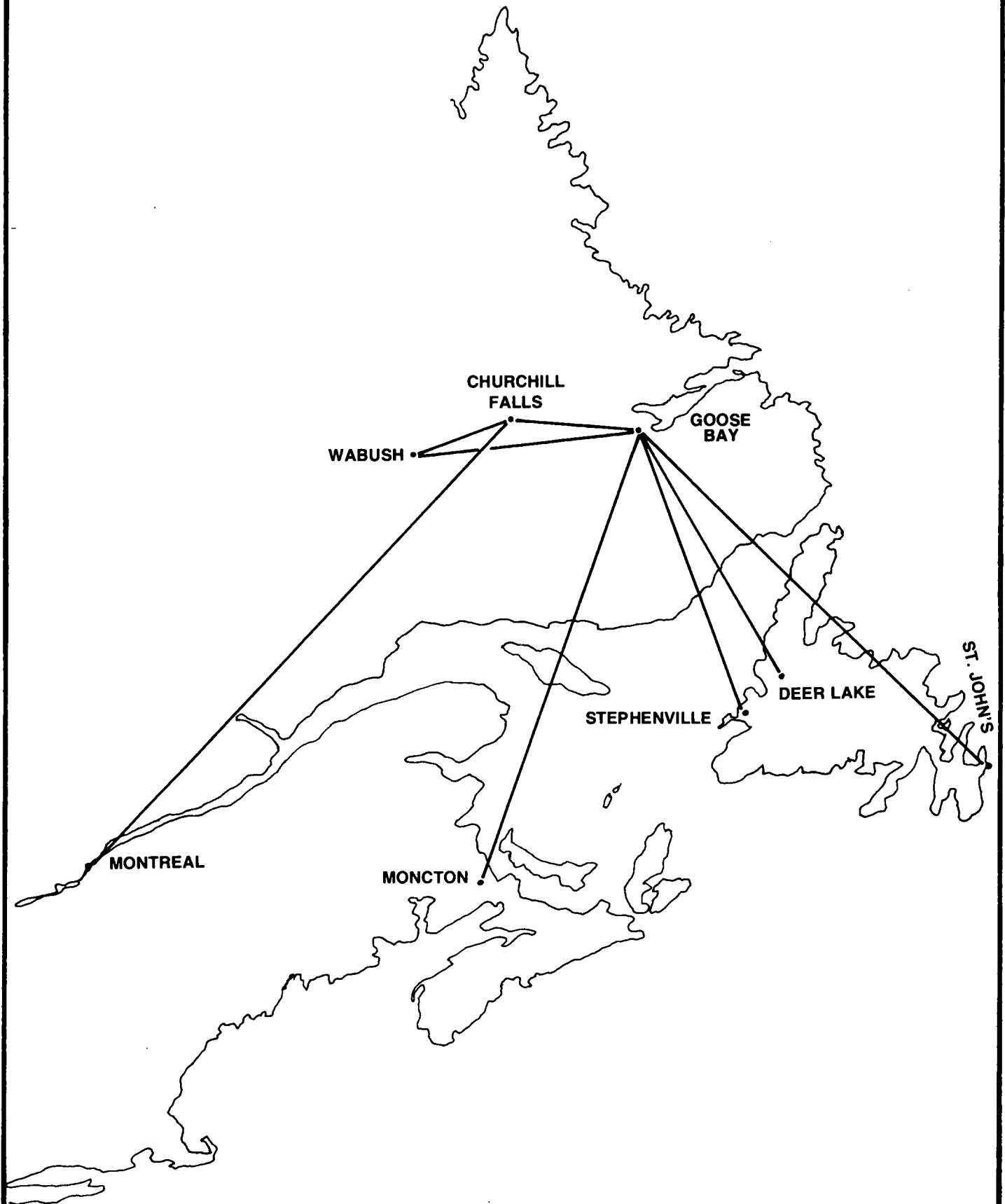


Figure 3-8

## QUÉBEC AIR ROUTE STRUCTURE

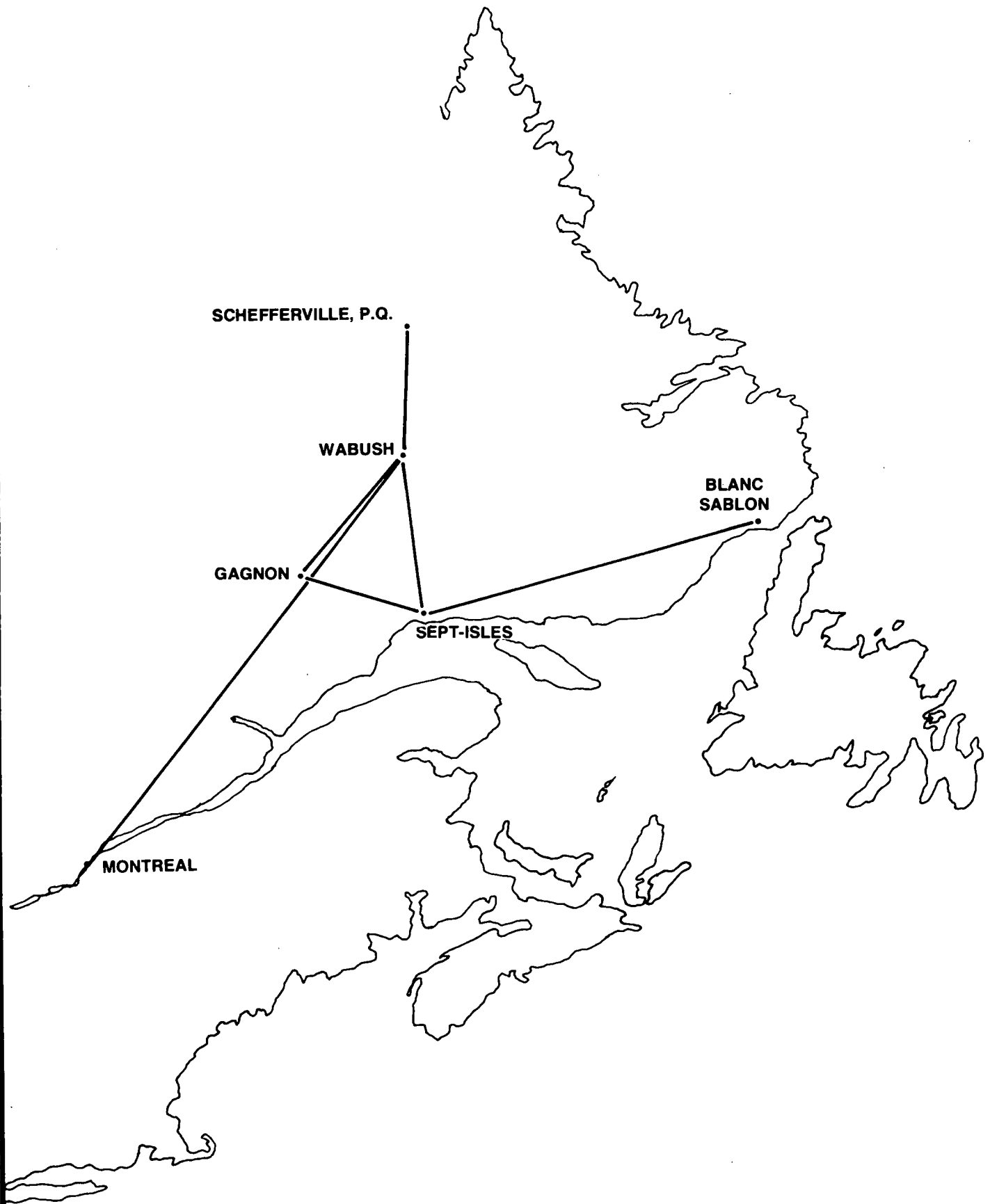
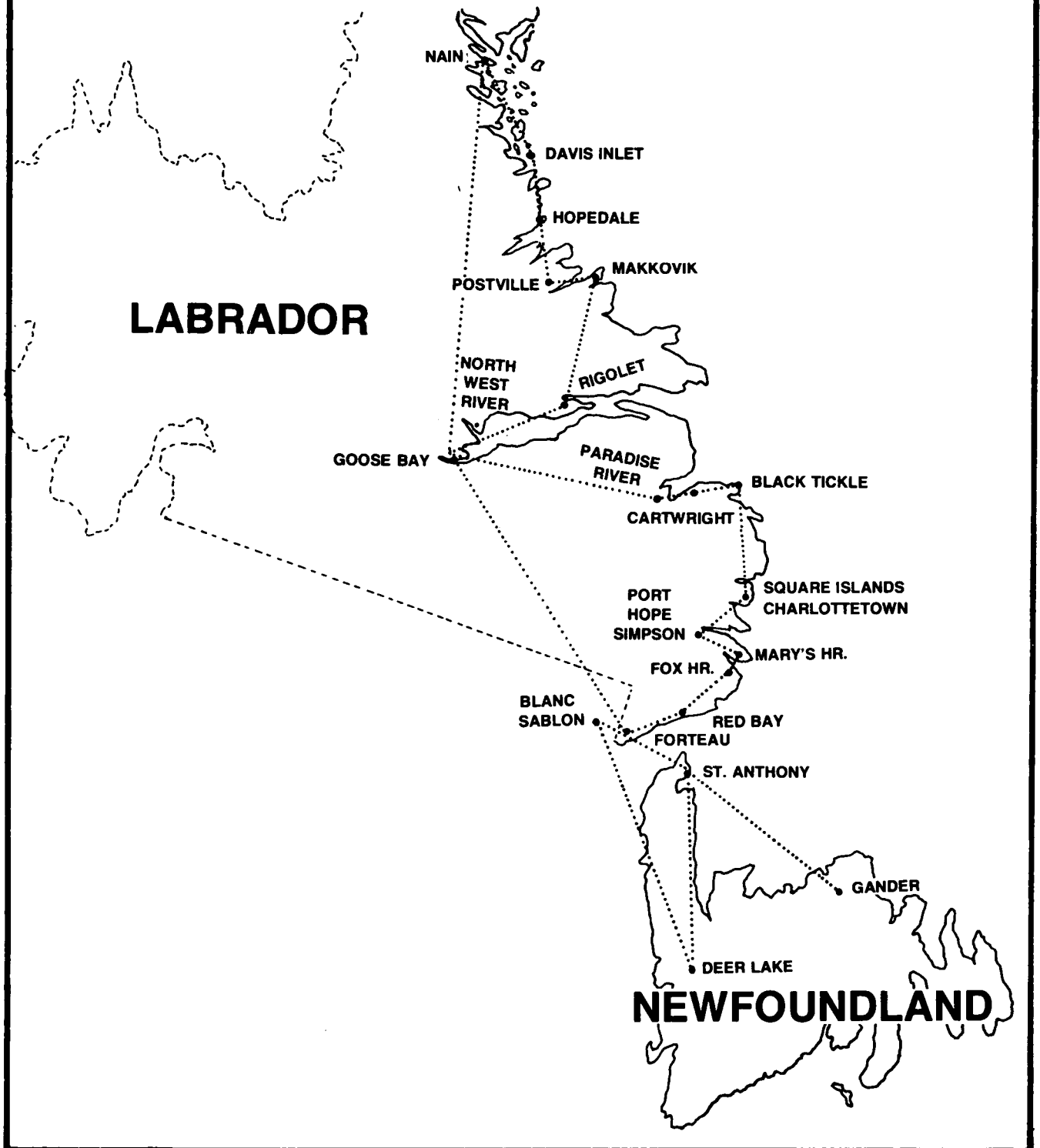


Figure 3-9

## LABRADOR AIRWAYS ROUTES 1976



At present, the volume of freight traffic going by air is a small proportion of total air traffic to Newfoundland. It consists largely of emergency shipments of spare parts or of goods where speedy delivery is required. These types of articles are observed to be frequently shipped by air because of their low bulk, high value per unit characteristics. Most commodities shipped to Newfoundland are high bulk, low value per unit goods, and are generally unsuited to air freight transportation. Therefore, these types of goods are found to travel primarily by truck, rail and sea where low value per unit shipments are welcomed.

Most of the air freight to Newfoundland is restructured to the capacity of the "belly" compartments of the passenger aircraft serving the Province. The capacity of these "belly" sections varies according to a number of factors, including the mix of passenger/baggage and the type of cargo offering on each flight, and the weather conditions in Newfoundland at the time of the flight. Airline officials revealed that cargo capacity declines if weather conditions are poor because additional fuel must be taken onboard so that the aircraft is capable of reaching alternative landing sites. The cargo capacity of the passenger aircraft serving Newfoundland, given full passenger loads and good weather conditions, is as follows:

Aircraft Type	Cargo Capacity (Lbs)
DC-8-L	32,000
DC-9	10,000
B737	10,000

In addition to the "belly" compartments of the above passenger aircraft, Air Canada operates DC-8 freighters to St. John's five days per week. This aircraft has a capacity of about 85,000 lbs. and frequently carries non-perishable commodities, including car parts, mail, ship parts and food stuffs. All perishable articles and express freight are shipped in the "belly" sections of the aircraft serving St. John's.

## 2. Labrador Air Freight

Air freight is used more extensively for shipments of goods within Labrador because the transportation system in the area has not developed to the extent that it has in Newfoundland and other parts of Canada. The CN Coastal Service accounts for movement of most of the freight traffic within coastal Labrador and Labrador Airways provides the remaining capacity for winter food supply shipments to coastal communities.

Three airlines, including EPA, Labrador Airways and Laurentian Air Services, provide air cargo services to points in the interior and coastal regions of Labrador. EPA accounts for most of the air freight traffic destined for coastal Labrador from points out-

side the region. The airline operates a B737 convertible freighter to Goose Bay from Halifax via Moncton, five days per week. On the return trip, the freighter might land in Moncton enroute to Halifax, or alternatively, might use Moncton as the point of origin for future trips to Goose Bay, avoiding Halifax entirely. The actual route structure is dependent on the daily traffic offering at these two centres.

The other two airlines above offer freight services to coastal communities, but account for a small portion of total air cargo traffic to this area. CN Marine provides most of the cargo capacity to coastal Labrador from communities outside the region.

## Rail Freight and Express Service in Newfoundland

The railroad transport system in Newfoundland consists of a 3 foot, 6 inch narrow gauge, single track, main line running 547 miles from Port aux Basques to St. John's. At Port aux Basques, the railroad interfaces with the CN at North Sydney, Nova Scotia. In addition to this interface at the Port aux Basques yard, the rail system includes the yard facilities at Corner Brook and St. John's, both of which play prominent roles in the operations of the entire system.

### 1. Schedules

#### a) Extra-Newfoundland

Interprovincial rail freight traffic destined to Newfoundland moves by rail to North Sydney. At North Sydney the cars are loaded on to the two rail car ferries, the 'Frederick Carter' and the 'Sir Robert Bond', to cross the 97-mile Cabot Strait to Port aux Basques. These vessels operate on an unscheduled basis, providing service when sufficient traffic to fully load each ship is offering.

#### b) Intra-Newfoundland

CN provides a minimum of once daily freight service to the communities which are linked by the main rail line. CN officials revealed a number of expectations to this service schedule, including the following:

- Bonavista Subdivision serviced from Clarenville Wednesday only.
- Argentia and Carbonear Subdivisions served three times weekly from St. John's.
- Stephenville serviced from Corner Brook as required.
- Lewisporte serviced from Bishops Falls daily except Saturday and Sunday.

#### c) Standard Gauge/Narrow Gauge Interface

At Port aux Basques, the standard gauge cars arriving on the railcar ferries are subsequently interfaced with the Island's narrow gauge railroad. This interface is accomplished by use of the truck to truck or manual car to car transfer procedure.

The truck to truck transfer facility is used if the arriving car meets certain conditions with respect to





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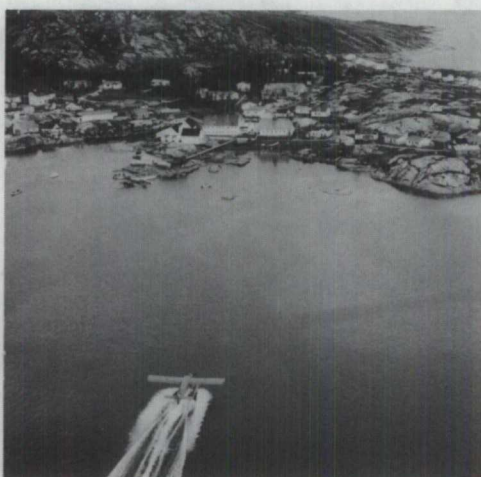
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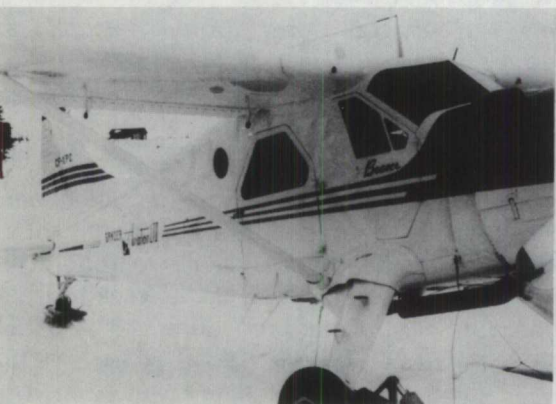
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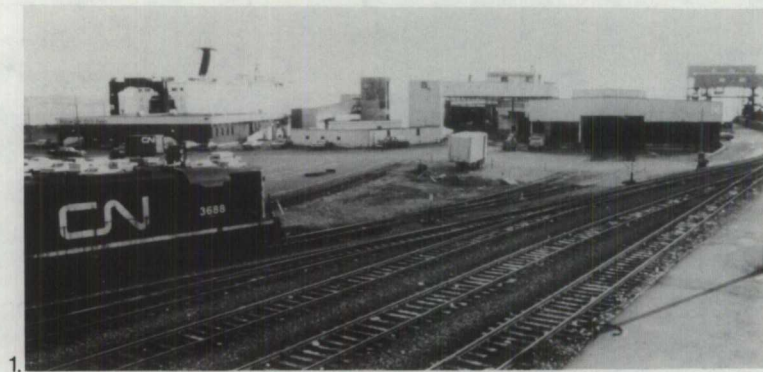
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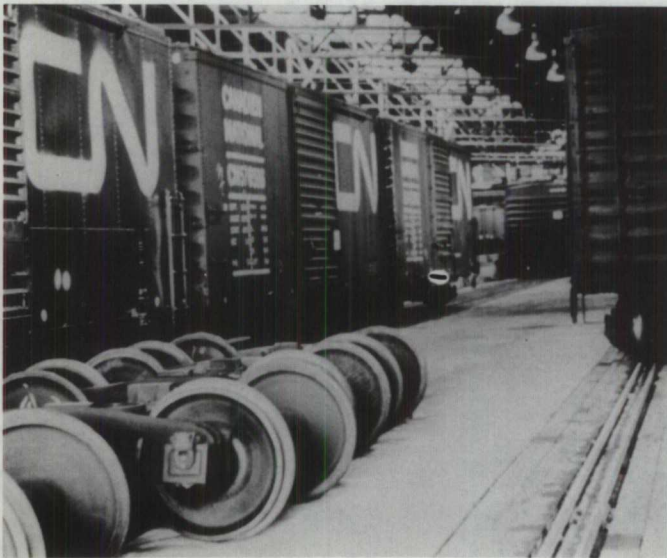
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1. Air Canada DC-9
2. Wabush Airport
3. EPA Boeing 737 at St. John's airport
4. Gander Aviation Dehavilland Beaver on the winter ice, Fogo
5. Gander airport
6. Deer Lake airport, EPA
7. Labrador Airways Dehavilland Otter arriving at Hopedale
8. Labrador Airways Otter at Nain

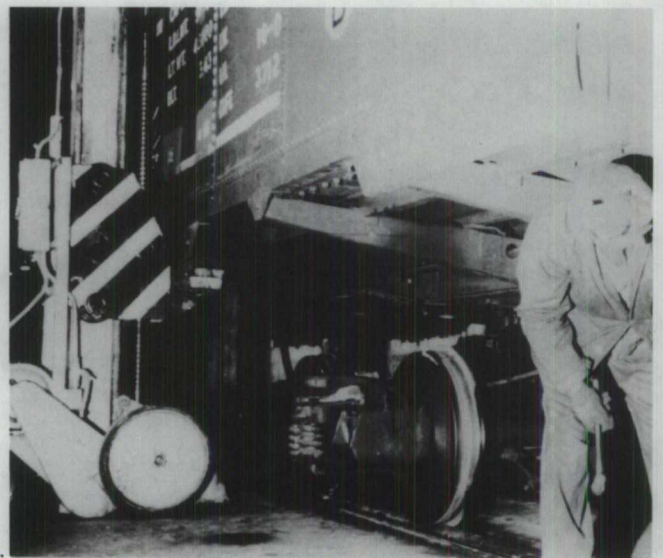




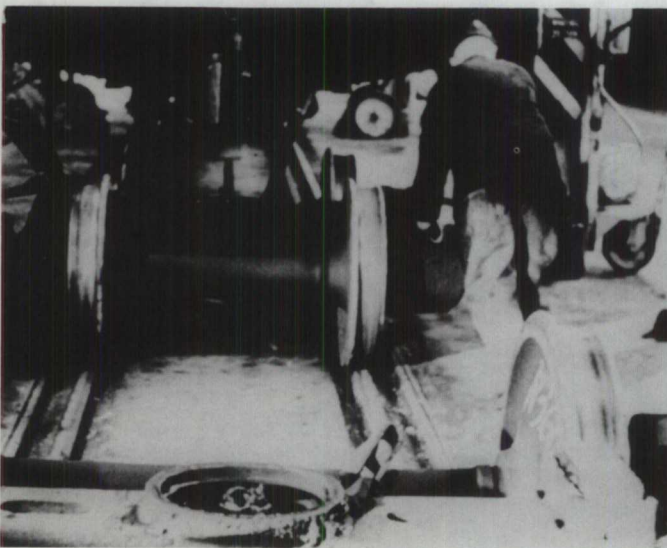
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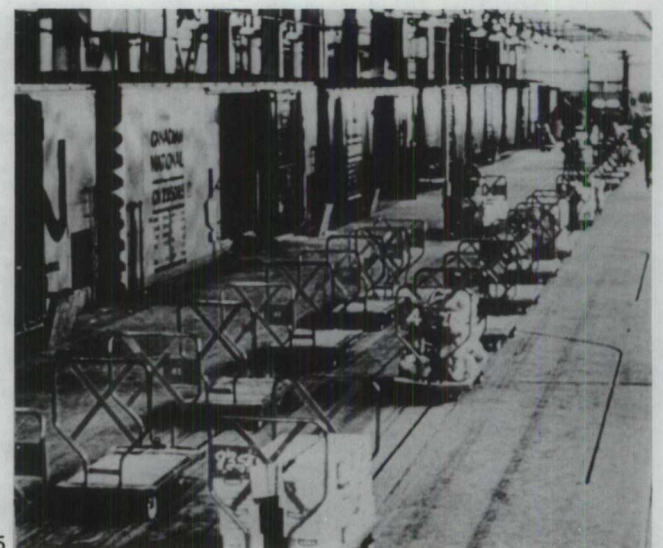
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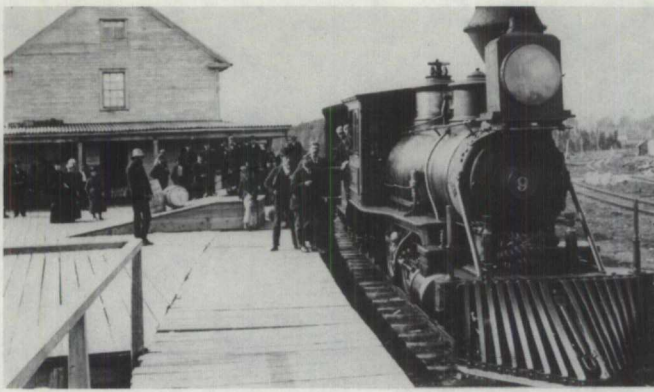
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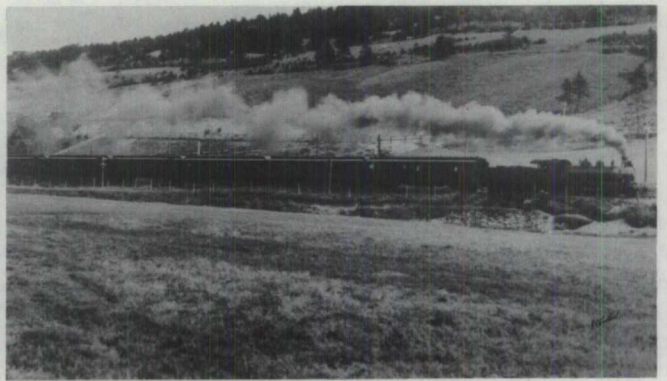
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1. Gulf Ferry/Rail interface, Port aux Basques
2. 'Trucks' ready for transfer
3. Truck to truck transfer
4. Truck to truck transfer
5. Freight transfer from wide gauge rail cars, Port aux Basques

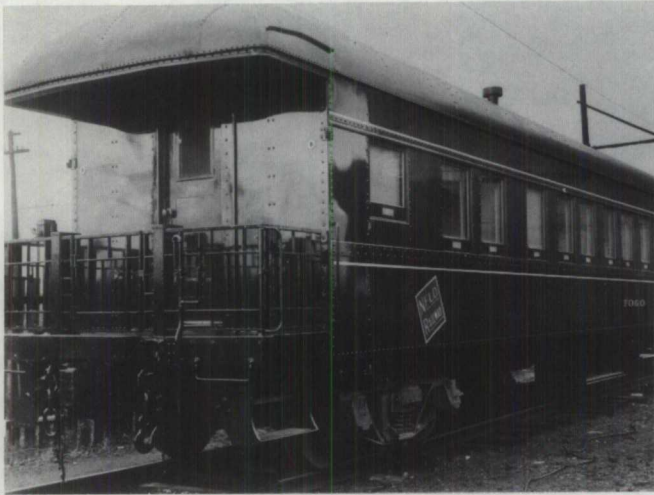




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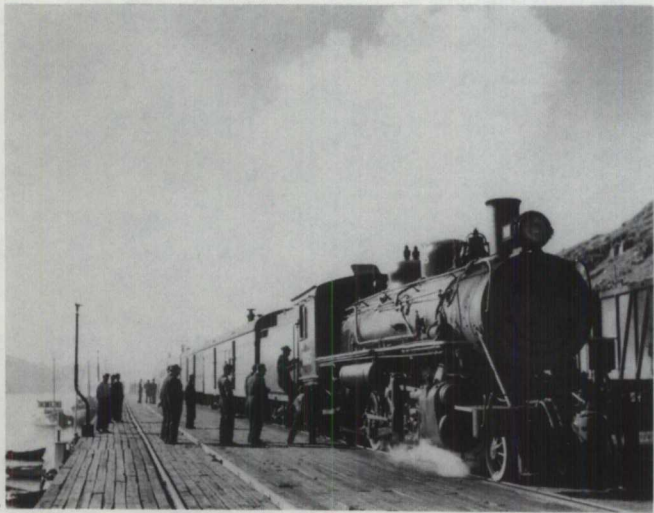
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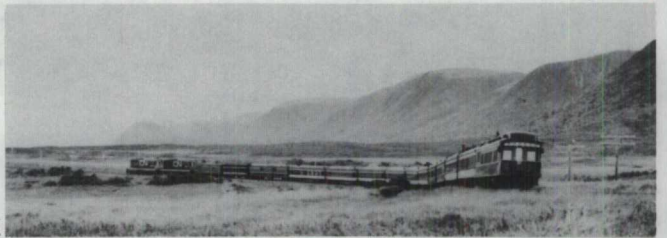
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1. Whitbourne station, c. 1895
2. Newfoundland Railway observation car., 1943
3. Eastbound at Port aux Basques, c. 1940
4. Deer Lake station, c. 1940
5. Westbound passenger train near Kilbride, c. 1940
6. Eastbound meeting westbound, c. 1940
7. Eastbound outside Port aux Basques, c. 1966
8. Log train
9. CNR engine (narrow gauge diesel)



car ownership, car design and the gross weight. In the transfer process the car body is lifted off its standard gauge wheels and placed on narrow gauge trucks. The standard gauge trucks are then stored to be replaced on the same car when it returns.

Any mainland car which does not meet the conditions for truck to truck transfer, must be accommodated by the car to car procedure where contents of the car are transferred by hand into a narrow gauge Newfoundland car. Additional cars are used if the weight of the car plus its contents exceed the tonnage limits of the main rail line.

At the time of the writing of the Trans-Newfoundland Corridor Transportation Study, the Port aux Basques transfer operations posed the most significant constraint to the movement of rail freight to Newfoundland. At the time, the truck to truck facility handled only 12 cars per 8-hour shift for eastbound traffic, and only 32 cars over the same period for westbound movements. In recognition of this problem, MOT expanded the truck to truck transfer facilities and CN extended operations over a 24 hour day. Both of these changes resulted in an increase in the capacity of the facility to a total of 36 cars per day each way, a capacity well in excess of the current volume of 24 cars per day. The excess capacity of the truck to truck facility is a direct result of the significant decline of rail freight traffic over the past four years.

#### *d) Fixed Plant*

The rail equipment that CN uses in Newfoundland is composed of 51 diesel-electrical locomotive units and 1715 units of freight equipment.

The Newfoundland Railway was constructed with simple curves without easement spirals. There are over 1700 curves on the main line, constituting 213 miles, or 39% of the 547 miles of main line.

Almost 20% of the main line has curves over 6 degrees. The present maximum operating speed is 40 miles per hour, with many restrictions due to curvature and lack of easement spirals. Approximately 55% of the main line has 1% to 3% grades.

The high proportion of curves and grades, as well as the relatively severe degree of curvature are possibly due to the combination of rugged terrain and crude construction equipment available at the time of construction.

There are 173 highway crossings at grade on the main line between St. John's and Port aux Basques, 34 of which are equipped with automatic crossing protection. The TCH is grade separated at all but five locations where it intersects the railway.

Highway grade crossings on the branch lines are as follows:

Carbonear, 52 crossings

Bonavista, 41 crossings

Lewisporte, 5 crossings

The car capacity of the main line between St. John's and Port aux Basques is 142,000 pounds maximum weight of car and contents. The car capacity is determined by the design of several track bridges.

There are 139 bridges on the main line. Five of these were rated at 142,000 pounds at the time of the Corridor Study but have since been upgraded to 220,000 pounds. Six are rated at less than 177,000 pounds, but one of them is to be upgraded to 220,000 pounds during 1978. Under full impact (40 mph or greater) 68 bridges are rated at less than 220,000 pounds. Current CNR estimates reveal that a train could handle 220,000 pound loads from Port aux Basques to St. John's with replacement of the Exploits River Bridge, at an estimated cost of \$2¼ million.

The Argentia, Lewisporte and Stephenville subdivisions are rated for 142,000 pounds capacity. The Bonavista and Carbonear subdivisions are rated for 100,000 pounds capacity.

Yards and other tracks owned and maintained by the railroad amount to 68.6 miles. There are 664 turnouts on the railroad with 334 in the main track and 330 in yard tracks.

In addition, there are 18 miles of privately owned and maintained tracks served by the CN.

#### *e) Capital Expenditure On Infrastructure*

Over the past five years, most of the funds allocated for infrastructure improvements have been spent on the replacement of old rail tracks with partially-worn track which has a remaining life of 80 years. In addition, funds have been spent on ballast, ties and additions to the weight capacity of bridges.

These expenditures accounted for about 62% of the total spent in each of the past five years. The remaining expenditures have been incurred on improvements to terminals, sheds and related equipment.

#### *f) Freight Service*

CN provides rail carload freight service, all other freight is moved by truck at the present time.

Carload freight service is available to customers who require the volume capacity for delivery of specific commodities in large quantities.

To keep Newfoundland's rail freight operations in perspective it should be realized that on an average day in 1976 47.5 carloads were received in Port aux Basques from the mainland for all Newfoundland points. Only 3.9 cars per day were loaded in Newfoundland for mainland points, the remainder returning empty, and 62.7 cars per day were loaded for other points on the Island. The principal destination

for carloads in Newfoundland were Corner Brook (26.2 per cent) and St. John's (29.7 per cent). The average carloadings for the peak month were 128 per cent of the monthly averages.

Express service, provided by Canadian National Transportation Limited (CNTL), effectively provides door to door parcel delivery to the major population centres in Newfoundland. Express movements normally cross the Cabot Strait in containers on the CN passenger ferries.

Delays are incurred when the express shipments arrive at the ferry terminals in boxcars and must be transferred into containers. Another source of delay can occur at Port aux Basques when a shortage of container flatcar loading spots in the shed often necessitates double handling of containers arriving on the ferries.

The primary express and LCL facilities in Newfoundland are located at Port aux Basques, Corner

Brook, Grand Falls and St. John's. Express facilities are also located at Gander, Lewisporte and Stephenville. Additional freight and express sheds are located at virtually all of the stations along the main line and branches of the railway in Newfoundland.

Intra-Newfoundland service is provided by both rail and highway to the various stations. Highway schedules are a combination of point-to-point through trucks, which then break bulk and distribute to smaller stations or deliver to the local pickup and delivery units in the major cities. Pickup and delivery services are provided in St. John's, Gander, Grand Falls, Corner Brook, Deer Lake, Stephenville and Port aux Basques.

Pickup and delivery is provided only for express shipments; LCL shipments must be delivered to the freight shed by the shipper and picked up by the consignees at the destination shed.