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which has not succeeded yet to come to an agreement with the surrounding jurisdictions.

Therefore, Quebec is certainly ready to take part in the decision making process and a sovereign Quebec will not isolate itself from the rest of Canada. Thus, I think it is important that Quebec has its say and that a consultation and discussion process is implemented to get a picture of rail transportation and to make the appropriate decisions.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, once again, we hear nothing but demagoguery from the opposition. It says that everything will turn out all right provided that Quebec becomes an independent country. But we must still recognize the following in the railway situation and the jobs that it represents for Quebec.

For instance, CN pays more than \$500 million in salaries and benefits in Quebec. There are more than \$300 million in purchases, more than \$100 million in taxes, more than \$100 million in pensions and benefits. Also, we should not forget that CN maintains almost 8,000 jobs in Quebec and that 30 per cent of all CN employees are in Quebec.

It is a fact that 68 or 70 per cent of senior executives are in the province of Quebec. To talk about the Constitution and tell us that Quebec's sovereignty is the only way for Quebec to pull through, particularly in rail transportation, is really giving a strange spin to the debate. I have asked the hon. member to advise his headquarters that we are ready to negotiate, to work as a true federation.

I must remind the member that the Canadian federation is a resounding success. You should explore this issue with a little more thoroughness and honesty, and try to back away from separatist and sovereignist partisanship, which does nothing to help the future of CN and transportation in Canada, particularly in Quebec.

Mr. Fillion: Mr. Speaker, if anyone were to ask who is the greatest demagogue here, I really could not say. According to the facts and figures that were just quoted to us, a certain amount of employment is provided.

• (1615)

However, what the figures do not show is how many jobs disappear as certain lines come up for review or are phased out. How many ephemeral jobs will come in the place of these jobs that are very well-paying? That is the question.

As for the Canadian federation, we had a chance to see what is was worth during the past century. The federation is like a sinking ship. Just look at the deficit, the debt and the rest. I think Quebecers already know the answer when they consider the real figures, not figures that try to cover up certain facts. Jobs will be

lost if these railway lines are abandoned, and they will be replaced by very ephemeral jobs.

The Acting Speaker (Mr. Kilger): I simply want to take this opportunity to remind all members to address the Chair. The parliamentary secretary.

Mr. Gagnon: Mr. Speaker, again, we were talking about VIA Rail and CN. In Quebec VIA Rail provides 1,600 jobs, or 45 per cent of all jobs with VIA Rail. What does the opposition suggest? I really do not understand. They talk about a national, integrated transportation system, and then they tell me: If we have a national, integrated transportation system, we first need independence, in other words, sovereignty.

Let us put this into perspective. I ask the opposition to say yes to the Canadian federation, yes we can work together, yes we want to keep the 8,000 or 10,000 jobs that depend on CN and VIA Rail in Quebec. After all, Montreal is the linchpin of the industry, and I think they will put these jobs at risk if they insist on pursuing a line of reasoning that does nothing to help the future of those employed in an industry that is so important to Quebec.

Mr. Fillion: Mr. Speaker, I will simply comment on the last part of the hon. member's remarks. I have just been told that Montreal is the linchpin. Yes, but the linchpin is being moved elsewhere, as a result of cuts that were never queried, as a result of closing and abandoning certain lines, because when they did the calculations to close the lines, they added repair costs, although repairs were often done in other centres.

This means that the figures we have today do not show the true picture. I am sorry, but once again, I have to say that Canadian federalism does not serve the interests of Quebecers, although you may think otherwise.

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, I rise today to support what my colleague said about the need to renew the railway industry in this country. I agree with him that rail transportation is very important to Canadian shippers. Canada's rail system is the third largest in the world and railways play a significant role in supporting other sectors of the Canadian economy and providing jobs for thousands of Canadians.

Our shippers face intense competition from global markets and rightly demand an efficient transportation system to help them flourish. Our exporters need lower freight rates to compete globally.

The railways have taken several initiatives to make them more efficient. They are attempting to sell or abandon their unproductive lines. For example, CN plans to convey its lines in northern Quebec, very likely to short-line operators. CP is currently in discussions with the Irving Group about selling part of its network in New Brunswick.