

We are told the goal of such abandonments is to streamline the rail system in order to increase the companies' cost-effectiveness and competitiveness. However, we must realize that the idea of cost-effectiveness for a railway line does not take into account any notion of regional economic development. Of the utmost importance is the fact that the criteria applied by the government to allow the abandonments are very narrow-minded and reveal its lack of vision in transportation matters.

The National Transportation Agency examines abandonment proposals according to criteria which do not take into account the economic benefits that can ensue from the operation of a railway line. According to one of these criteria, the National Transportation Agency orders the abandonment of non profitable lines, when there is no way the situation could improve in the future. This type of reasoning is based only on the railway company's cost-effectiveness and does not consider the socio-economic benefits that bring about regional development. The other criterion provides for the maintenance of a line that is or may become unprofitable.

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The agency takes public interest into account before deciding whether a line should be abandoned or maintained. However, the law is not clear on the public interest criterion for lines that have no chance of becoming viable in the future. So far, in practice these lines are simply abandoned.

Moreover, the agency is required to review line abandonment documentation only if abandonment was opposed so that, in the absence of opposition, lines can be abandoned without the agency having to justify the application. This is directly related to regional economic development, which is closely linked to the operation of these rail lines.

By abandoning some of these lines, Canada loses economic benefits that exceed carriers' operating losses on these lines. It is imperative that the government consider the total economic impact of line abandonment applications, and not only the financial data on carriers' profits and losses.

The Chibougamau—Chapais—Chambord railway line gives us a concrete example of economic spin-offs. The Lac-Saint-Jean rail system serves among others 16 businesses employing a total of 4,095 people. Abandoning rail lines with or without transfers to a railhead in Lac-Saint-Jean would affect nine businesses out of 16, which would be faced with imminent closure involving the loss of 2,200 jobs. This would directly affect three businesses, which would become unprofitable and face eventual closure. Only two businesses out of 16 would not be affected at all. This would be the concrete economic impact

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of abandoning these lines. Many people would join the already crowded ranks of Canada's unemployed.

It is unacceptable for a region like mine which already has the highest unemployment rate in the country. Rail line abandonment, a kind of Trojan horse given to Quebec by the Liberal government, will have major consequences on the road system. Roads, need I remind you, are a provincial responsibility. Clearly, the decision to abandon lines will have a direct impact on provincial finances.

Line abandonment will significantly increase road traffic, which will lead to major cost hikes. In some cases, new roads will have to be built to accommodate additional traffic. Maintenance costs will also rise. The life-cycle will be reduced in proportion to the increase in road traffic, while the risk of road accidents will rise.

Who will foot the bill and suffer the consequences on the economic activity level in these regions? The provinces. Of course, the road system will deteriorate more quickly and will have to be maintained to ensure its safety and quality.

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The Liberal government should not try to contradict these figures. Studies prove beyond any doubt that this is exactly what will happen to the road system. Transferring this traffic from the railways to the highways will increase annual maintenance costs by about 30 to 40 per cent, due to the weight of traffic and the carrying capacity of the roads. This means additional maintenance costs for the transportation department of about \$2 million a year for just 800 km, which is approximately the cost of another 2,200 km a year.

As for the exact number of trucks on the road, the Department of Transport estimated that the phasing out of rail service between Lac-Frontière and Vallée-Jonction since 1982 meant that 4,000 to 7,000 more trucks a day used highway 204 in 1989. In the Abitibi region, traffic on highway 117 would increase by 360 trucks a day with the loss of rail service.

Two other major studies were done for the Lac Saint-Jean and Abitibi regions, to assess the impact of abandoning rail service on the public purse. The first study describes various scenarios for abandoning rail service in the Lac Saint-Jean region. One of these is the complete elimination of rail service north of Chambord and the creation of an efficient intermodal end-of-line interface in Chambord. It is estimated that this would cost the Government of Quebec nearly \$700,000 more a year. Although very large, this figure does not take into account the cost of building the roads which would be needed to increase the capacity of this highway system. Neither does it reflect the decreased life expectancy of the roads due to the increase in heavy vehicle traffic.