• (1235)

And now for the most important aspects of this bill. In committee, our party, the Bloc Quebecois, will seek amendments because of two major objections we have to this bill. The first one concerns clause 8. This clause is very important because it imposes limits on the total percentage of shares that may be owned by a person or a group of persons.

Let me tell you about some of my concerns. For instance, I am afraid of an indirect U.S. takeover through company affiliates. Presumably, the minister or the parliamentary secretary will say that they plan to cap the percentage of shares held by Canadian or foreign companies at 15 per cent and that this point is very well covered. My point is that, as happens from time to time, some companies might have certain agreements. I am not talking about collusion. Certain agreements might be made under the table, as they say where I come from, in order to do indirectly what they could not do directly.

Clause 8 also contains the provision that CN shall maintain its head office in the Montreal urban community. Obviously, Mr. Speaker, unlike the Reform Party, our party cannot object to this recommendation.

Subclause 2 of clause 8 refers to strict provisions that will be enforced in the case of non–compliance with the 15 per cent limit. Of course, there is no restriction on shares held by the Government of Canada.

Subclause 4 provides a detailed definition of the term associate. The Standing Committee on Transport will have to consider this point later on. We find subclause 5 very disturbing because it provides for exceptions to subclause 4. That is something we will have to discuss in connection with the 15 per cent ceiling on ownership of CN shares.

Another point that will also gain by further study is the provision that the directors of CN shall determine whether persons in the group comply with the statements in a statutory declaration and are acting independently and not in concert. The reason the government included this paragraph is probably that it did not want to exclude companies which are part of vast financial consortiums with independent subsidiaries from becoming shareholders in CN.

I will give you an example. Could Bell Canada Enterprises buy a 15 per cent share; Northern Telecom, 15 per cent; Montreal Trust, 15 per cent; and Bell Canada itself, another 15 per cent? This would be tantamount to the situation I mentioned earlier in which one interest could indirectly achieve what it is prohibited from doing directly. The related companies I just named could take a 60 per cent share of CN. That is food for thought. In itself, this exception is certainly important, but it is not particularly worrisome because clause 8 prohibits companies from associating to form a controlling interest in CN.

Another paragraph of clause 8 defines control. Essentially, "control" means control in any manner that results in control in fact, whether directly through the ownership of a majority of shares or through negotiations between shareholders. Regarding the definition of a voting share in clause 8, I would like to ask what is the technical implication of the stipulation that a voting share is a share carrying voting rights, including a security currently convertible into such a share and currently exercisable options and rights to acquire such a share or such a convertible security? The Standing Committee on Transport will have to get answers to these questions.

• (1240)

With respect to clause 8, I have set out our party's position very clearly for you. The Bloc Quebecois will propose an amendment to close the gap we found in the bill.

We also strongly disagree with clause 16. We disagree with it completely, because we believe it gives the federal government the option of getting involved in what we in Quebec call the CFILs, local trains, or what the rest of Canada calls short lines.

We consider this clause particularly underhanded, because it declares Canadian National works and subsidiaries to be works for the general advantage of Canada and implies that these subsidiaries and works will remain under federal jurisdiction. Thus, under any joint ownership agreement CN concludes with CFILs, these short lines will come under federal jurisdiction. In Quebec, a CFIL was set up for the lines linking the Abitibi and the Saguenay—Lac–Saint–Jean regions, where employees agreed to operate the CFIL according to an agreement with CN.

Therefore, we consider that clause 16 flies in the face of CFILs as an intraprovincial form of transportation, one that operates within the province, which are thus currently under provincial jurisdiction.

I do not claim to have a monopoly on truth. The people at Transport Canada, the minister and Mr. Tellier will tell us the opposite, but our understanding of clause 16 is that it will make this means of intraprovincial transportation—that is, within the province—, currently under provincial jurisdiction, come under federal jurisdiction.

As you no doubt know, Mr. Speaker, our party, which has repeatedly had occasion in this House to reject all the federal government's attempts at centralization—what the Prime Minister calls flexible federalism—will not let the federal government try to lay its hand on this field of provincial jurisdiction. In any case, this also came up in the Nault report, which suggested that CFILs should come under federal jurisdiction.

You remember the Nault report, the work of a partisan group comprising only Liberal members and one Liberal senator and excluding the opposition parties, the democratically elected