

There seems to be some confusion between government departments, the Liberal dominated Standing Committee on Transport and the minister as to what is really planned. The Reform Party is quite prepared to help them sort that out in committee.

I am also concerned about the section which limits the share of purchases to a maximum of 15 per cent of the total shares. In marketing the shares of CN Rail to the public there are only two types of investors who would look at such an offer. One is the common investor made up of individuals, companies or investment groups. This type of investor buys shares primarily for a return on investment. CN Rail's track record does not provide a very rosy picture for this sort of investor unless they feel a new private sector operator can run the company much more efficiently than it has been run in the past.

● (1230)

This brings us to the second type of investor: a company or a group of individuals who believe they can operate the rail company much more efficiently than in the past, thus raising the value of their investment. Such an investor would be far less likely to invest if they felt they could not purchase a large enough portion of the company to ensure that the needed new operating efficiencies would be implemented. Let us not kid ourselves, the general investors are not going to be lining up to purchase a company with such a losing track record as CN Rail has had.

Two provisions contained in the legislation that would create restrictions on a new company when formed are neither common to their competitors nor necessary. These two restrictions are the requirement to maintain the corporate headquarters in Montreal forever and the requirement to maintain the current official language policy of the government. It makes no sense to require a company to maintain its headquarters in any one city, nor to require it to follow any other restrictions that are not followed by the rest of their industry. As I said earlier, this company is going to be hard enough to market without placing a bunch of ill-conceived restrictions in the way of the sale.

Other concerns involve items that are not contained in the legislation. These include some measure of protection for Canadian investors, including individual workers and unions in the company. The rail industry in Canada has occupied a special part in the building of this country. Many Canadians may want to try to be part of the revitalization of one of our national rail companies and certainly should be given every opportunity to participate. One way to ensure they would have this opportunity would be to restrict the sale of shares upon introduction to Canadian individuals and companies before opening it up to the international market. I know that it will likely take an international market to sell off all the shares of CN Rail, but what is

### *Government Orders*

wrong with offering a little benefit to the Canadian people who we are here to represent in the process?

Another area to be considered is the suggestion I made in my presentation to the all Liberal task force last year. That idea involves the consideration of selling only the rolling stock and buildings of CN Rail and retaining the track infrastructure to form a common rail system that would be open to all railway operators on a cost recovery basis. This would include revenue from diesel fuel taxes paid by the rail companies. To be successful this would have to incorporate CP Rail's track as well, but it would not have to be government owned. It could be set up as an industry and user operated system, just the same as we are in the process of doing in the aviation sector with air navigation services. This would open up the track to any rail operator, which would greatly enhance the potential for short line operators.

These are some of the concerns I will be bringing to the committee stage of the legislation. The government has shown good sense in accepting the concept of Reform policies on this issue. I hope the good sense will continue, so that they can also accept the amendments necessary to change this from a good concept to good legislation.

[*Translation*]

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ):** Mr. Speaker, I am pleased to participate in the debate on Bill C-89, particularly after hearing the objections made by the hon. member for Kootenay West—Revelstoke to the CN head office's remaining in Montreal. I simply want to thank the hon. member, because he is helping us win the upcoming referendum. We often hear members from English Canada say that Quebec gets too much and that the federal government is too generous with our province. It is just incredible to hear such comments.

That being said, my purpose is to tell those Canadians who are watching us today about this important bill.

This will only be a foretaste, if I can put it that way. Indeed, the real fight will come in committee, where our party intends to condemn this bill. The Minister of Transport will appear before committee members tomorrow afternoon, at 3 p.m. We hope that he will answer our questions in a more explicit manner than he has usually done in the House, where he is arrogant and often hurls insults at the opposition.

As well, I can hardly wait until Wednesday, when the transport committee will welcome CN's president, Paul Tellier, the one who benefited from a generous interest-free loan of \$300,000 to buy a \$345,000 house in Westmount. This will be my first encounter with Mr. Tellier, since that generous loan was granted to him.