

Marine Atlantic Inc.

move is the fulfilment of an original plan which goes back some eight or nine years. It is the culmination of a process which was envisaged when CN Marine was set up as a separate corporate entity in 1977.

At that time it was clearly understood that when CN Marine was in a position to stand on its own corporate feet action would be taken to make that possible. Action to this end started in December, 1984, when, under the provisions of Section 97(2) of the Financial Administration Act, the Governor in Council ordered the company to act as though it were a parent Crown corporation. This move presented a *de facto* separation of CN Marine from CN. Bill C-88 merely formalizes a situation which, as I have already indicated, already exists.

I would now like to deal with the two key elements of the Bill. The first one effects a name change and the other effects a change of ownership. The name is to be changed to Marine Atlantic Inc. so that the company will be more closely identified with the region which it serves. A transfer of shares will take place between Canadian National and the Crown, the final result being that the Crown will own all the shares of CN Marine, that is, Marine Atlantic Inc., thus making the company a Crown corporation. The changes in name and in status will not produce any material changes. The same group of people in the same corporate structure will continue to perform the same functions and deliver the same services under contract to the Government.

Improvement in the company's performance can be reasonably anticipated since it will no longer be conditioned by the corporate profitability desires of CN, but it will be free to develop as a marine entity unto itself with a potential for greater efficiency and cost effectiveness in the rendering of the services for which it contracts. The Bill will neither increase nor decrease the Government's control over the corporation's activities. The Government will continue to provide subsidies in support of Marine Atlantic ferry services under the terms of annual operating agreements already in place. Service level and tariff decisions will continue to be made by Government in consultation with all interested parties, and these will not be affected by the change of status.

In practical terms, the change has no impact on the provincial Governments directly concerned with Marine Atlantic activities. However, it should be noted that the company has already manifested its dedication to marine service goals by strengthening its presence in the two island provinces with vice-presidential offices in St. John's, Newfoundland and in Charlottetown, Prince Edward Island.

This outlines the general principles of the Bill. I know that a number of Hon. members will want to make comments with respect to it. We will be pleased to go into the details of the Bill in response to any questions which are deemed necessary as a result of the debate.

I commend the Bill to the House. In a sense it is a housekeeping matter. As I have said, it simply formalizes a

situation which has been in existence for an extended period of time. With the consent of Hon. Members I hope that later today we can deal with the Bill in all stages, if that meets with the approval of my colleagues.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I am pleased to rise in my place today to participate in the debate on Bill C-88, an Act to authorize the acquisition of Marine Atlantic Inc. and to provide for other matters in relation thereto.

Anyone listening to the remarks of the Parliamentary Secretary to the Minister of Transport (Mr. Forrestall) will have the impression that nothing more is occurring today than simply a request for the authorization of Parliament to allow for the acquisition of Marine Atlantic Inc. I think the public should realize that Marine Atlantic Inc. is currently called CN Marine and that what we are talking about is more than a change in name. What we are talking about is taking the division of Canadian National called CN Marine, that division which operates ferry services on the east coast of Canada, and hiving it off by wielding a long sword. With one clean and vicious stroke the Government proposes to sever CN Marine from Canadian National and give it a new name.

Members should ask themselves why the Government of Canada would want to sever CN Marine from Canadian National. It is a great and historic transportation company which personifies the concept of national unity being built with a national transportation policy. That is how the country was built, which is why Sir John A. Macdonald built a railway from one end of the country to the other. He did not build it because he wanted to see a train service running from the east coast of Canada to the west coast of Canada. He did not build it because it made a lot of economic sense in those days—it did not. He did not build it because he thought it would bring revenues to the Government of Canada. He built it because he wanted to have a sense of national identity running from sea to shining sea. He understood that if Canada were to develop as a nation and as a people who could share a common identity, a common sense of opportunity, there had to be a vehicle by which to tie the country together. Thus he created a national railway which ran from sea to sea.

Canadian National grew and became involved in many other divisions. It served the needs of the Prairies, as it served the needs of the hinterland and the North. It was a main engine which drove industrial development in Ontario and Quebec. It provided a ferry service to Atlantic Canada, those four provinces located on the great Atlantic coast, two of which are islands. The people in those four provinces realized that to fully participate in Confederation, to fully participate in the country and its economy, and because of our geographic location and our isolation, certainly in the early days, we needed to have a first-class transportation network. That was provided by CN Rail to all of Atlantic Canada as a result of CN's acquisition of the Newfoundland Railway at the time that Newfoundland joined Confederation in 1949.