

Government Orders

federal railway regulations. Short-line railways need the operating flexibility provincial regulations give them, at least in Quebec.

This federal initiative is therefore likely to discourage the creation of short-line railways and limit their numbers. We must realize that each one of these railways is a section saved from abandonment. If the government now interferes with the development of short-line railways, this will mean that a larger part of the rail network in Quebec and Canada will be abandoned. So, we suggest that only interprovincial works of CN and its subsidiaries, and not those works which are entirely comprised within a province, be declared to be works for the general advantage of Canada.

Moving on to the intention expressed by the minister to purchase and sell separately CN non-railway assets, including AMF, a Quebec company. This company employs some 1,300 people whose jobs could be endangered if the company's ties with CN were severed. Under clause 6 of the bill, the minister may, while CN is a Crown corporation, direct CN to transfer such property. We will move an amendment providing that, before selling these companies, the minister, to protect jobs, will ensure that they are viable and, if need be, will take steps to ensure that they are.

To conclude, while agreeing in principle with privatizing CN, the Bloc Québécois cannot help but notice that, far from resulting from a rail policy based on the requirements of the economy, this transaction pursues the purely budgetary goal of bringing in a lot of money very quickly. It is not a rational choice. It is a fire sale by a hard-pressed government.

• (1225)

Pressured by creditors, obsessed by Moody's downgrading of its rating, the federal government is putting up for public sale one of our crown jewels, a national treasure, because it desperately needs money to pay the interest on the accumulated debt caused by 20 years of mismanagement. There may be no other way out, but what an admission of failure.

We are witnessing, stunned by such incompetence and the misfortune of being governed by such poor leaders, the decline of a government that had its heyday before the current Prime Minister began, some 20 years ago, as the then finance minister, to dig this bottomless grave into which our national debt is dragging us, and the proceeds from the sale of CN will be but a shovel full of dirt in this grave.

In the face of this failure, how can one resist the temptation of comparing the Canadian federal system to a father who has to sell the family furniture and silver to pay household bills after getting deep into debt because of profligate spending and improvidence? No wonder, Mr. Speaker, that we, Quebecers, are anxious to get out of the house.

[English]

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Mr. Speaker, when I made my first speech in the House I stated I was not here to oppose for opposition sake. If the government brought forward good legislation I would be the first to congratulate it. I also stated if I thought the legislation was not good I would offer constructive alternatives as to how the legislation could be made better. Bill C-89 covers both of these situations.

There is no denying the primary concept of the bill, to privatize CN Rail, is a good move. It is something the Reform Party has been pushing for since before the election. I spoke strongly in favour of privatization during transport committee hearings with the NEWCO concept and again when I made a presentation to the all Liberal task force on CN Rail.

The tone of the discussions by the members of the all Liberal task force raised the concern with me they might not be working toward the privatization of CN Rail. I am very pleased to see the government finally got around to doing the right thing. It is certainly better late than never.

In keeping with the first part of my maiden speech, I congratulate the government for accepting yet another Reform policy. However, as it seems to be a constant pattern with the Liberals as they adopt Reform ideas and policies, they lose most of the common sense in our ideas when they put their own stamp on them. This brings me to the second part of my first speech, constructive alternatives needed to make a badly worded concept a viable reality.

The Reform Party will support Bill C-89 at first reading so it can be sent to committee where I hope the government will be as receptive to amendments necessary to make this legislation work sensibly and fairly as it was in following our idea on the concept. In supporting the bill at first reading, I can assure the House it is the concept and not the content we are in favour of.

With regard to the content, there are many problems I will be addressing at committee. Areas of concern include the minister's unrestricted power to reduce or even eliminate CN Rail's debt. In this there is a potential for disaster for both the Canadian taxpayer and the rail transportation industry. If the minister plans only to do what is reasonable then he should not mind restrictions in the bill to confirm this. If he plans to go further than is reasonable then he must be stopped.

In the same area of concern is the question of the real estate assets of CN Rail being separated from the rail operation to be sold. The sale of these assets should be the primary method of debt reduction of loans carried by CN Rail. That sale should go to the private sector, not from the taxpayer owned corporation to a department of the government using the taxpayers' money to buy their own assets from themselves. This action would bring us to a new height of creative accounting.