

*Government Orders*

As you know, a company acts first and foremost with its shareholders' interests in mind. If the companies which own CN's stocks are all owned by the same shareholder, they do not have to act in a concerted manner to do the same thing. Consequently, Clause 8(5) must be reviewed or, at least, its application should be restricted to Canadian groups.

We also object to clause 16, where railway and other transportation works, as well as every subsidiary of CN, are declared to be for the general advantage of Canada. That clause would allow the federal government to interfere in areas which fall under provincial jurisdiction, such as short-line railways. It would be totally unacceptable, as well as economically inefficient and unjustifiable, to have these railways come under federal jurisdiction.

• (1315)

These companies successfully operate sections which are considered to be unprofitable by major railway companies. They can do so because they are not subjected to the numerous federal regulations on rail transport. These companies need the flexibility afforded by provincial regulations to operate successfully. This attempt by the federal government could deter the development of such companies and could limit their number. It must be understood that each of these short lines operates on sections which were going to be abandoned. If the government interferes with the development of such short lines, more lines in Quebec and in Canada will be abandoned.

I am also concerned about the survival of existing CN subsidiaries whose activities are not related to railway transport. The minister said that those CN subsidiaries which are not directly related to rail transport will be sold separately. These subsidiaries include some Quebec companies which are currently experiencing financial difficulties. We will have to ensure that these companies can survive without CN, and that their current level of employment is maintained.

In conclusion, we will have to review major elements of this bill, so that a badly planned privatization does not result in a waste of all the money the taxpayers of Quebec and Canada invested in CN.

[English]

**Mr. Myron Thompson (Wild Rose, Ref.):** Mr. Speaker, it is about time a Liberal government realized the private sector can operate and manage a commercial enterprise far better than government can. I have been waiting a long time to hear that.

We on this side of the House support ending government involvement in the financial sinkhole of political policy that operated CN Rail. We do, however, have some concerns about the manner in which this government is turning the former

government operated financial sinkhole into a commercial operation.

As members know, when government sold off the money losing Air Canada to private interests government also wrote off Air Canada debt, which caused other Canadian airlines grievous harm. The question to be asked is whether this government will have the political courage to rid taxpayers of the money losing CN without causing unjustified harm to Canadian Pacific. Will this Liberal government act fairly, or will it continue government intervention into private industry? I fear that on both counts the answer is no.

This Liberal government has already written into this legislation interventions that will severely harm CP Rail and place manacles on the new owners, if any, of CN. This government, in its usual haste to appear to do something, has allowed the taxpayers to once again bail out previous government errors.

Instead of ending government involvement in CN, this Liberal government divorced one sector of CN holdings from the other. Instead of having taxpayers bail out debt, why is this government not selling off CN real estate assets and using that money to pay down the debt? Why is government holding on to the assets instead of sparing taxpayers further pain?

This Liberal government is asking taxpayers to forgive debt that is rightly payable by CN. They ask taxpayers to once again pay for government mismanagement. This government is also asking anyone who purchases CN to be bound by rules and regulations that will hamstring its future owners.

Why is this Liberal government making as a condition of sale that the head office for future CN owners must remain in Montreal? If this condition does not or will not make good business sense, must the future owners be shackled with another political decision? If CN is to be privatized, let the new owners be free to decide what is best for the railway and its customers.

Why does the Liberal government always preach freedom of enterprise and freedom for private business to operate in the marketplace yet always place restrictions upon private enterprise? That is anything but free. This government states that private industry can operate better than government in the marketplace, but then this government places cost consuming measures, such as maintaining an official languages policy, on prospective purchasers. Again, we have this government stating one goal while doing everything in its power to prevent accomplishment of that goal.

Why can this government never get it right? Why can this government not understand that intervention in the freedom of the marketplace or in constituents' lives will not encourage growth and prosperity? We on this side of the House understand fully that private initiative is the best means to economic growth and wealth and that private initiative reacting to a free market-