

The aim is to put in place the framework for integrated transportation based on a policy that is consistent, transparent and fair for everyone. Transport Canada will focus its efforts on maintaining and improving the world class safety record enjoyed by our transportation industry, whether on the surface, in the air or on the water.

Our transportation system must be modern, dynamic, innovative, growing and as unrestricted as possible. We must constantly move forward to find newer and better ways to move our goods and our people if we are to remain competitive as a nation.

The air sector has been modernized with a national air force policy, open skies, bilateral agreements with the U.S., the international air routes policy and the commercialization of the air navigation system that will take place in April 1996. We will also announce the marine policy initiative the government intends to pursue before the end of 1995.

I support the motion to refer this legislation to the Standing Committee on Transport for review prior to second reading. I believe the Standing Committee on Transport will be well able to handle this task, as evidenced by the national marine strategy report tabled recently by the chairman, the member for Hamilton West. I look forward to hearing its suggestions and views on this legislation.

Over the years successive governments have attempted to maintain a reasonable level of competition in our rail transportation system. That strategy has only been relatively successful. It is time now for the government to withdraw from the direct operation of railroads and let the private sector do its job. It is time to put the private sector entrepreneurial skills we know exist to work to make CN a viable, successful and competitive operation.

I have every confidence that with this legislation the government is taking another step in its commitment to providing for an integrated, affordable, viable and competitive transportation system in Canada.

The Acting Speaker (Mr. Kilger): Before following up on the debate, I remind the House the debate will be at the maximum 180 minutes—three hours—before the question is put. Interventions will be no more than 10 minutes without questions or comments.

[Translation]

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, the Bloc Québécois approves in principle the government's proposal to sell CN to private interests. However, it has serious reservations about certain provisions of Bill C-89.

I will propose amendments to these provisions in committee. We object to clauses 8 and 16. We will also recommend an

Government Orders

amendment to clause 6 regarding CN property that may be transferred to the Minister of Transport so that he can put it up for sale later.

Let us start with clause 8. One purpose—undoubtedly laudable—of its seven subsections is to prevent any individual, corporation or associate as defined in subsection (4) from holding more than 15 per cent of voting shares.

Notwithstanding these provisions, subsection (5) allows two such associates to disassociate, so to speak, from each other for the purposes of the act by submitting a statutory declaration stating that they are not acting and will not act in concert with respect to their interests in CN.

• (1220)

Each of the declarants may acquire voting shares up to a maximum of 15 per cent as if he or she was not associated with the other person. This dispensation, which broadens the pool and purchasing power of potential buyers, is probably necessary given the size of the operation. However, CN administrators must still be able to check if, in fact, declarants comply with the terms and conditions of their statutory declarations.

We feel that such control would be difficult to exercise in the case of foreign buyers. We are therefore proposing an amendment under which subsection (5) respecting the statutory declaration would be restricted to Canadian buyers. As a result, two or more foreign associates will not be able to exceed the 15 per cent limit by submitting statutory declarations.

If clause 8 aimed at preventing an individual or corporate takeover of CN must be approved in principle, the same cannot be said of clause 16. Regrettably, even in this bill whose provisions should have been purely financial in nature, the government could not resist, once again, one of its old demons: trying to invade an area of provincial jurisdiction.

Clause 16 may appear harmless. It reads as follows:

(1) The railway and other transportation works in Canada of CN, of every subsidiary of CN and of every corporation formed by any consolidation or amalgamation of any two or more of those corporations are hereby declared to be works for the general advantage of Canada.

The catch is that, once they are declared to be for the general advantage of Canada, these works will be subject to federal legislation. If CN reaches a joint ownership agreement with a short-line railway, this railway will shift from provincial to federal jurisdiction, as suggested in the Nault report, we should point out. And the deed will be done.

Not only is the principle of this federal encroachment on a provincial jurisdiction unacceptable, but so are the economics of it, as we all know that one of the main reasons short-line railways can operate on sections considered non profitable by major companies is that they are not subject to cumbersome