

*Oral Questions*

loss of \$30 million to \$40 million a year. Unfortunately, as things turned out, it was not possible to make a profit and the company went bankrupt.

If there are any illegalities, they will be taken into account, I am sure, by the Superintendent of Bankruptcy and the RCMP in the course of their investigation.

**Mr. Bill Blaikie (Winnipeg Transcona):** Mr. Speaker, I ask the minister if he recalls occasions on which he has risen in this House and made the distinction between a legal responsibility and a moral responsibility. What we are claiming here and what we are asking the minister to recognize is that the government, through CN has a moral responsibility to the people who lost their jobs as a result of this very, very botched privatization.

The very least the government could do would be to make a commitment, as I asked the minister before, at the appropriate time, whenever he feels that the investigation has gone far enough, to make good what these people have lost as a result of a train of events that this government, and not only CN, through its privatization plans set in motion.

• (1450)

**Hon. Doug Lewis (Minister of Transport):** Mr. Speaker, CN sold these assets with the expectation that with the refinancing and with the effort that the Fingold brothers said they would put into it that the jobs would continue. After all, these assets were bringing a loss of \$30 million to \$40 million a year. They felt it could be turned around. Unfortunately, it was not turned around. I am sure they made an effort to turn it around.

I am sorry, but CN's responsibility was terminated when it sold the assets to somebody who tried to make a go of it. Businesses succeed and fail every day in this country. This, unfortunately, is one that failed. We all regret that. I am sure CN does, too.

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**RADIO LICENSING FEES**

**Mr. Ron MacDonald (Dartmouth):** Mr. Speaker, my question is for the Minister of Communications. It deals with the outrageous and ill-conceived radio licensing fees that he has imposed on municipalities and emergency services right across Canada.

There are literally thousands of volunteer and municipally-operated fire departments that simply cannot afford these fee increases, and in some cases they will either have to decrease service or put off the acquisition of much-needed emergency vehicles.

Is the minister prepared today to respond to this issue which could affect public safety and announce that fire departments and other emergency services will be fully exempted from these fee increases?

[Translation]

**Hon. Marcel Masse (Minister of Communications):** Mr. Speaker, I am surprised to be asked that question today because it has been public knowledge for months. I recently had the opportunity to meet the leaders of the Canadian Municipal Association and they agreed it is normal for all governments to share equitably in both spectrum management and the public costs of its operation, Mr. Speaker.

[English]

**Mr. Ron MacDonald (Dartmouth):** Mr. Speaker, my supplementary question is for the same minister.

The issue has not been before the public for only a matter of months. The issue, indeed, has been before the public for a matter of years.

I would like to quote from December 1, 1986, the previous Minister of Communications, the Hon. Flora MacDonald, who said in the House of Commons in reference to Bill C-3: "The changes as they affect municipalities and volunteer fire departments will not be proceeded with".

Why has the current minister broken this government's stated commitment to exempt all fire departments from the Bill C-3 schedule of fees? Will he now finally see that the reasons for which fire departments were exempted in 1986 are equally valid today in 1990?

[Translation]

**Hon. Marcel Masse (Minister of Communications):** Mr. Speaker, quite simply, we agreed that there should be some equity among users of the frequency spectrum and governments, be they departments of the federal or provincial governments or even municipalities.