

Government Orders

go so far as to say that the budget's impact will be the reverse of what was promised in the red book.

In my riding, things are very bad, with over 30 per cent of the population on unemployment insurance or welfare. Of this group, a number of people have decided to give up looking for jobs. They have stopped looking for jobs because there are none. We are gradually killing off an entire generation.

Jobs in CN affiliates must be guaranteed so that we do not get thousands more unemployed people looking for jobs. This is particularly crucial when we realize that this government is doing little or nothing to deal with this problem.

The Prime Minister seems to have forgotten the golden rule which says that when you are the boss, never take on a task your assistant will not be able to do. Let me explain. Clearly, neither the Minister of Labour nor the Minister of Finance are in a position to keep the government's promise that it would put people back to work and provide for economic recovery.

• (1350)

CN itself has concerns about this bill. I will take the specific example of AMF Technotransport Inc. of Montreal, which employs 1,300 people but, on its own, without the support of CN, it may get into financial difficulty, which will add to the unemployment statistics of the province.

Again, this bill does not contain any provision to protect jobs in subsidiaries. This could be very dangerous, leading to jobs cuts, layoffs and perhaps even businesses closing down. We cannot afford this kind of luxury.

Another clause that would require further consideration is clause 8. My colleagues mentioned it earlier, but I would like to address it anyway, particularly as regards paragraph 5, which, as it stands, authorizes a foreign group of corporations which are associates to acquire majority control of CN.

The only thing that stands in the way of an effective takeover in such circumstances under this clause is the judgment of the CN board of directors, which they have shown in negotiations, and collective bargaining in particular, with employees at every level. Collective agreements were signed that were considered generous at the time, but then the company only tried to take these hard won rights away from the workers later on. They tried to do so by seeking legislation like the bills that were brought before this House a few months ago. Knowing how much common sense the CN directors responsible for determining whether the corporations in the owners group are complying with their statutory declaration not to act in concert really have, I doubt this can be achieved.

Everybody knows that corporations are guided first and foremost by the interests of their shareholders, and that is absolutely normal. So, if the corporations that own CN all have

the same shareholders, they do not need to act in concert to act along the same lines. It is therefore essential that clause 8 be amended.

Need I remind you that this railway system was built with money provided by the taxpayers of Canada and Quebec? It would be unacceptable for control over a railway in which billions of dollars of public money were invested to be lost to Canadians and that CN traffic be redirected toward U.S. rail systems.

Finally, at a time when the provinces are asking the federal government to give them more flexibility and to withdraw more and more from certain jurisdictions, clause 16 authorizes the federal government to interfere in a wide variety of provincial jurisdictions through short-line railways.

In closing I would like to add that these entities should be protected so that they can be sold to private sector enterprises, but enterprises truly owned by Canadians and Quebecers.

[English]

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, Bill C-89 is a very important bill to the railway industry and for the future of transportation in the country. I appreciate the number of members who have spoken and the vast number of questions which will be answered in due course in the committee hearings to commence tomorrow.

I want to extend appreciation to the opposition parties, the official opposition, the Bloc Quebecois and the Reform Party, for their support in principle of the bill. I understand it is conditional support at this point in time and that we will endeavour to answer their questions at committee. I should point out that the NDP continues to be in a time warp. It believes the government must own and operate everything to ensure that it is run efficiently. Most members have indicated that we have a tremendous opportunity to create a new CN with greater efficiencies.

• (1355)

I highlight two questions that have been posed to the government. The first concerns no restrictions to foreign investment. The Canadian taxpayer has helped to build Canadian National and the Canadian taxpayer deserves to get the maximum benefit for that investment. Therefore the experts have indicated to us that to ensure the maximum benefit, one cannot impose certain restrictions on the share offering to try to get the best possible value for Canadian National.

Second, we have put a restriction on individual shareholdings to a maximum of 15 per cent. A number of opposition members have indicated that certain unaffiliated or unrelated companies could band together to essentially take over Canadian National. I want to say with regard to that concern that the experts have told us it is impossible. The reason we have drafted the bill with