

Government Orders

• (1340)

After reading Bill C-89, one has to wonder how the privatization of Canadian National will affect the maintenance of infrastructures in remote areas and one has to ask oneself if the Minister of Transport can guarantee these people access to public transportation where roads are not adequate?

This question is even more pertinent, since clause 16 of the bill before us gives the federal government the right to meddle with the property of short line railways. It is particularly unacceptable and even economically inefficient and unjustifiable for the federal government to take over all or even some of these small operations.

One of the main reasons that these short line railways can make a profit operating short lines is that they are not heavily regulated by the federal government. These operations need the flexibility which they enjoy under the jurisdiction of the provinces. This federal initiative could discourage the creation of short line railways and limit their numbers. We must not forget that each of these operations saves a railway line from abandonment.

If the government impedes the development of these small operations, an increasing number of kilometres of track in Quebec and in Canada will be abandoned.

Another aspect of Bill C-89 which makes me fear for the future of remote areas is the lack of controls regarding foreign takeovers of CN holdings.

The aim of the Minister of Transport in presenting this bill is highly praiseworthy, but his prime obligation is to ensure that all Quebecers and Canadians, who paid the cost of building and operating the national railway, continue to have the service available to them. One way for this to happen would be to limit ownership of CN to Canadian interests.

Clause 8(5) is unacceptable in its present form, because it allows a foreign group of associated businesses to acquire a majority of CN shares. The only thing blocking an effective takeover in such a situation is the decision by CN directors that the companies in the owner consortium will stand by their statutory declaration to not act jointly. A company acts first and foremost in its own interest and in the interest of its shareholders. If the companies owning CN's shares have common shareholders, they would not need to act jointly in order to achieve the same end.

Therefore, clause 8(5) must be deleted in order to limit ownership of CN to Canadian groups.

In closing, I would remind the Minister of Transport that he is responsible for keeping control of Canadian National within Canada, because it was built with the tax money of Quebecers and Canadians. With billions of dollars of public money already

poured into this rail system, it would be intolerable if it were now to be taken out of the hands of Quebecers and Canadians. Furthermore, if we are to keep CN rail traffic from heading south to the American rail systems, it is vital that CN remain under Canadian control.

In the past two quarters, CN has recorded profits of over \$200 million. Now that it is beginning to make money, we sell it. CN must be well managed, serving the needs of its clientele and of the remote regions.

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, I welcome the opportunity today to speak to Bill C-89 which, as we know, will have the effect of privatizing Canadian National.

This bill will also determine the mechanism that will be used by the government to implement the process. As soon as the legislation is passed, CN will no longer be a crown corporation. It will become a business corporation.

When I began to examine this bill, I soon realized that some of its clauses were cause for concern.

• (1345)

Clause 6 of the bill allows the transfer of CN property to the government. Under this clause, the government will be able to take possession of CN affiliates and real estate not directly related to the railway sector.

We also know that the minister made it clear he wanted CN to keep only those assets directly related to rail transport. Assets related to other sectors will be privatized separately.

I would like to take as an example the intermodal station in the riding of Jonquière, next door to my own riding. If the station is closed, all freight will be transferred to Quebec's highway network, more specifically the highway through the Parc des Laurentides wildlife reserve.

We know the Minister of Transport has no long term policy for the road network, which means that the entire road network in Quebec will be penalized. Safety will be a casualty as well. People will have to cope with larger numbers of heavy trucks on our roads.

To me, this clause rang some alarm bells. We know that CN affiliates include businesses that are not in very good financial shape but still manage to do the job thanks to CN.

One wonders whether these businesses will be viable without CN and whether they will maintain the same employment levels. Will these levels be maintained? I think this is a very important question.

Eighteen months ago, throughout the election campaign, the Prime Minister's main platform was creating jobs for the people of this country. Eighteen months later, we see this promise was not kept. Even worse, in the last budget the Minister of Finance failed to include measures for direct job creation. I would even