

Government Orders

There are quite a few minority shareholders. This particular amendment addresses the circumstances of those minority shareholders who have less than 3 per cent of the outstanding shares.

The reason I feel their situation should be addressed is because since the inception of Telesat the government has been the honest broker shareholder and has been the dominant shareholder. These minority shareholders have continued along relatively quietly with the government basically controlling the shareholder interest and the over-all direction of the board of directors and of Telesat.

While the government is now divesting itself and disposing of its shares it is basically saying: "I am all right, Jack, you minority shareholders, we are going to continue the freeze on your ability to dispose of your shares at this time while we fish around for the best price. You guys have got to all wait until we have sold our public shareholdings".

That has been seen by some of these minority shareholders to be unfair.

This particular amendment addresses that issue and insists that the ultimate purchaser in the open bidding process acquire the shares of the minority shareholders who wish to sell out at the same time.

It is the best we can do. We are not going to make a silk purse out of a sow's ear. I am hopeful the government will accept this amendment. I do not think there are a lot of minority shareholders within the shareholder agreement of Telecom, which is an umbrella group within the shareholder group.

Since the hon. member for Richelieu and his colleagues have, in a manner which is quite discourteous and disrespectful of what the House is trying to accomplish this afternoon, refused to go along with the suggestion of my colleague across the floor, the minister, I want to make a brief mention of two other related elements. They involve the other amendments, Motion No. 3 and Motion No. 5A. Motion No. 3 deals with the issue of what the government will do with the proceeds of this sale. In the press release that informed the public of what it would do the government said: "The net proceeds from the sale of the government's shares will go to the debt servicing and reduction account".

Fair enough. That is what the government has told us in a couple of budgets. In this bill the government has finessed that position and now says that it will only transfer to the debt reduction fund the proceeds of this sale in excess of the book value. The book value is approximately \$40 million. We estimate the value of the government's equity at about \$140 million. Just speaking in round numbers, I see that the minister is saying that price is a little high and will disappoint us with the sale price.

Speaking purely hypothetically, if the value of the government's shares were \$40 million and if the value of the equity were \$140 million, the government is saying that it will only transfer to the debt reduction fund the \$100 million. It will keep the \$40 million in its pocket.

This has been discussed. I have heard accounting explanations. I have given up trying to figure out what the accountants are saying. I believe it is just so much mumbo-jumbo. It is a shell game. When all is said and done if we follow the procedures set out in this bill, the government is still going to have \$40 million in its pocket. I want to see, my colleagues want to see, and members of the House want to see the government follow through on its commitment to take all of the sale proceeds, the whole net sale proceeds from the sale of this corporation and apply them to the debt reduction fund.

I will close and give an opportunity to other members to discuss this motion and the other related motions.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I appreciate the opportunity to speak on these particular amendments. I want to reflect my concern as my colleague for Scarborough—Rouge River already has. I had mentioned earlier that certain members of this House wanted to forestall, frustrate and confound the proceedings. They have essentially attempted to throw a monkey wrench in the works. I think it is unfortunate in light of the importance of this bill that they have attempted to do so.

The first amendment moved by my Liberal colleague has some good points, although it would generally precipitate a lowering of the price of the shares that may be offered for the purchase of Telesat.