

Last year the government sold Telesat, Canada's space based telecommunications carrier, to a consortium of telecoms. At the time the minister proudly boasted, and I will quote from committee records: "The sale was completely in the interests of the public and certainly meets the test of my own department's telecommunications policy".

I would like to ask the minister if he is aware that Telesat's new owners are now poised to gut the company's marketing arm, to take it out of the picture as a competitor and throw up to 400 Telesat employees out on the street?

Does the minister support feeding Telesat to the lions as government policy and does he suggest that the loss of up to 400 Canadian jobs is in the public's interest?

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, the NDP still clings to the outdated notion that the best way to provide services in telecommunications is for the government to own them.

I have just come back from Vancouver at Intercomm 93. I can tell the hon. member that throughout the world, governments are turning to the private sector to provide these services because the private sector can provide them more efficiently, more effectively and at a lower cost to consumers.

Only the NDP would continue to drive into the future with their eyes focused firmly on the rearview mirror.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, a supplementary for the Minister of National Revenue.

Telesat was sold to its new owners for \$154.8 million. At the time of the sale Telesat held approximately \$350 million in tax credits, known in the industry as tax loss carry forward.

Will the minister confirm that part of Telesat's restructuring plan involves an application to his ministry to allow \$350 million in tax credits to be transferred to the new owners and applied to their profits? Does he recognize that if he allows it to proceed, the government will allow Canada's major telecoms to recover the full cost of their purchase, to throw 400 Canadian workers out of work and to pocket no less than a cool \$200 million of taxpayers' money as a thanks for their efforts?

Oral Questions

Will the minister do something to stop this unprecedented sell-out of the Canadian taxpayer?

• (1450)

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, it is obvious that the New Democrats have nothing better to ask so they are fishing. However, they are fishing in the wrong pond.

The question that the hon. member asks is totally hypothetical. Under the provisions of the Income Tax Act, it would be inappropriate for me to give out specific information.

Some hon. members: Oh, oh.

Mr. Jelinek: I can confirm—

Some hon. members: Oh, oh.

Mr. Jelinek: Do you want to hear the answer, or do you want to just keep on yapping?

I can confirm that Telesat has come to Revenue Canada to ask for an advanced ruling. This advanced ruling is being looked at under the provisions of the Income Tax Act, under the normal, regular, fair provisions of the Income Tax Act. Once a decision is made, it will be made public.

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PEARSON INTERNATIONAL AIRPORT

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is for the person answering for the Minister of Transport.

I was wondering if the government could advise the House why it went ahead with a very expensive environmental review process at Pearson International Airport when it knew that if the environmental process was against the government, it would go ahead regardless of the cost of the environmental review process.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Mr. Speaker, we certainly did not ignore the advice of the panel.

It provided the government with useful input into our decision-making process. It is, however, the responsibility of the government ultimately to make the final decision.