

*Government Orders*

The hon. member for Ottawa—Vanier alluded to public employees. First of all, the employees of Telesat are not public employees. Telesat is not a Crown corporation. Telesat is a private corporation with some government ownership in it. Let us understand that he misunderstands the situation. They are not public employees. They are employees of Telesat which is a private company. That makes it a little different.

Second, the amendment proposed is there to protect the minority shareholders. Let me remind the House, if I might, that the only two groups this affects are the employees of Telesat, 1.5 per cent, and Ontario Northland Transportation Communications which holds two-tenths of 1 per cent. Those are the only two groups that it protects.

When we talk about the employee share ownership, they already have now in place—it does not change with this bill or anything else—buy-back rights under the employee share ownership plan. They do not need the protection. They have the protection now.

This amendment is redundant and we are going to oppose it for those reasons. Those shareholders are protected.

• (1640)

We brought in the share ownership program for employees in January 1990. It has been well accepted. I forget the percentage, but it is a fairly large percentage. Well over 60 per cent of the employees hold shares in Telesat. The hon. member from Vanier and the member from Gander are absolutely right about the employees. They have pride in their company. I think that is shown by their participation in the share ownership program.

The second motion that was brought forward about taking the entire proceeds and putting them into the deficit reduction fund causes some problems for the government and for the accounting procedures. There is \$30 million on our books. Other countries with Crown corporations do not have them on their books for any amount of money whatsoever. In Canada, the account procedure does. When money is expended on behalf of a corporation or a Crown corporation it goes on our books. On our books for Telesat is \$30 million which was originally invested by the government to acquire the Telesat shares. According to the accounting rules all costs of earning revenues including the original cost of

the investment must be subtracted from the net proceeds of the sale.

In other words, the taxpayers of Canada have forwarded \$30 million to this company. They are getting the \$30 million back. It goes into the consolidated revenue fund. By the way, all the money goes into the consolidated revenue fund and then is accounted to this account. The \$30 million comes off the books. It is no longer on the books as a debt of the Government of Canada. Therefore we are saving a considerable amount of money for the people.

That money has to go to write off the \$30 million debt that is on our books at the present time. The balance will go into the debt servicing and reduction account and will be available for deficit reduction.

I might also point out that the moment this particular bill comes into play, the Canada Business Corporations Act kicks in and all the protections contained in there pertain to the shareholders of the company.

The final amendment which is proposed by the hon. member for Mount Royal would have the effect of making the sale of the government's Telesat shares subject to prior approval of the CRTC.

Under Bill C-38 which we are debating the prior approval of the CRTC will be required before any person can acquire control of Telesat. The only exception is when this minister takes the shares of the Minister of Finance and CN and the subsequent sale is to a third party.

I might point out, however, that sale must be approved under the Competition Act of this country. We are advising all those who are interested in making bids to go to the competition bureau and get pre-clearance before they put in their bids. We think that will save them a tremendous amount of time and will save us a tremendous amount of time also.

We are going to oppose the three motions for very legitimate reasons. They were presented for very legitimate reasons, but we think the concerns of hon. members have been answered and are covered in the legislation as proposed and also in the Canada Business Corporations Act.

**The Acting Speaker (Mr. Paproski):** Is the House ready for the question?

**Some hon. members:** Question.