

*Telesat Canada Act*

the Postmaster General can rise to the occasion. Hopefully, he will rise to the occasion in this instance and accept the opportunity offered him by the amendment. The minister's statement continued in these words:

—government could, by using its tremendous resources, create a crown corporation to compete with the automobile manufacturers. Government ownership is the easy way out. The trick, in terms of the maximum public good, is to achieve maximum efficiency but under the umbrella of government regulation, and if necessary, involvement. We could use up the government's scarce financial resources to build the system entirely ourselves. I believe that money can better be spent on a hundred other purposes, from regional development to foreign aid.

I draw attention to two things contained in that statement. First, there is what I think is the rather offhand suggestion as to the government getting into the automobile business. We are not here to argue about the automobile business tonight. But there are many areas in which the government could usefully create a crown corporation. We have argued for a crown corporation in respect of drugs, which would very effectively lower drug prices in Canada. The government could in many areas enter the marketplace as a competitor and effectively serve the people of this country by reducing consumer prices and increasing the efficiency of certain industries. Just because the government does not enter these fields does not mean that a crown corporation should not be established for Telesat. The minister said that money can better be spent on a hundred other purposes, from regional development to foreign aid. The implication is that if the government raises money for Telesat there will not be any money for regional development or foreign aid. Surely, the Postmaster General is far too good an economist to believe that kind of statement.

Whether we have money for foreign aid, regional development or Telesat depends upon the government's willingness to go into the money market and decide its priorities there. Since the minister has entered the cabinet it seems he has recognized how unwilling are his colleagues to change and reorganize the system under which we operate. He has developed this rather defeatist attitude toward what can and what cannot be done. Looking at the minister's statement, I am led to the conclusion that his objection, was that the government could not obtain the money and that if it had to get the money for this purpose it would not have money available for other purposes. Where is this money going

[Mr. Saltsman.]

to come from? Either way it is going to come from Canadian sources. There is no suggestion that Telesat be financed by foreign money. The financing will come from Canadian savings of one kind or another, and presumably it will not make any difference who uses the savings. The real question is not whether the money is available or whether it can be obtained. The question is: Are we going to obtain the money by giving away ownership, by giving away a say in Telesat and by creating this conflict of interest, or are we going to obtain the money by an issue of bonds and debentures. In other words, we are going to provide a return to investors who wish to invest in Telesat. The question is: In which way are we going to do this? It seems to me that one way is much more effective and purposeful for what we are trying to do as a nation than the other. It is really a question of what kind of terms we are prepared to offer. If the minister is prepared to offer one third of the shares to private investors, and if he is going to get the private investors interested in buying those shares, he will have to offer them a pretty attractive package which will compete with existing investments. There is no reason why he cannot offer them this kind of attractive package in an issue of bonds.

• (9:20 p.m.)

At some stage in the committee hearings the minister made the statement—and he may correct me if I am not quoting him accurately—that one of his reasons for going to the common carriers and to the public is that he does not want the Canadian people to pay for this venture. Had this statement come from someone without the minister's considerable background and qualifications, I would have shrugged my shoulders and said that it was the response of an ignoramus. But it did not come from an ignoramus. It came from the Minister of Communications and Postmaster General (Mr. Kierans), a knowledgeable economist, and the former president of the Montreal stock exchange. What does he mean when he says that we would have to pay for it if it were financed as a Crown corporation? The Canadian people will have to pay for it anyway, whether it is financed as a Crown corporation or whether it is financed under this arrangement.

Let us consider the situation and the possibilities as well as the reasons for which I say the Canadian people are going to pay for it. If this corporation loses money, it does not