

Oral Questions

If Air Canada is not going to pay more as a result of the redevelopment of Pearson and if the developer is going to make money as a result of this project, can the minister tell Canadians how much the taxpayer is going to forgo in lost revenues and how much the travelling public is going to pay in increased fares, fees and taxes?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, as I mentioned yesterday, when we put out the RFP in March, it contained the following provisions.

The developer will be required to take on the ongoing operations of terminals 1 and 2 and associated facilities in a manner which provides fair and equitable access by users to the national air transportation system and proposes a terminal development program which appropriately considers both the timing of demand for additional terminal capacity and the economics of the air transportation industry.

We are developing a plan which will not call for additional input by air carriers.

Mr. John Manley (Ottawa South): Mr. Speaker, the minister will forgive me if I have trouble understanding how he proposes to pull off this feat of financial wizardry. The government is taking us into a major plan of airport expansion at Pearson at a time when many of the people who work there are wondering how long they are going to be able to retain their jobs.

The question is very simple. Who is actually taking the risk for this multimillion dollar project that he has announced at Pearson airport. Who is going to pay?

• (1450)

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, the hon. member should not be surprised that I do not understand what he is saying.

The hon. member said at the time that we issued the proposal that no sensible corporation would be prepared to go along with a proposal of this nature. He has been proven wrong. Two very reputable firms have tendered to the Government of Canada two very good proposals. We have examined them and Paxport's proposal has been selected as the better. It will be providing the money.

[*Translation*]

TAXATION

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, I wish to ask the Minister of Finance a question. As of January 1, 1993, the minister is planning to prevent companies from deducting from federal income tax the provincial payroll and capital taxes that they pay. The disastrous effects of this measure have already convinced the minister to delay or postpone its implementation. Could the minister not announce now that he is giving up this idea once and for all, since it would cost Quebec employers \$300 million more over three years?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I would like to advise the hon. member that there will be a meeting of finance ministers next week and this issue will be discussed.

I am sure that my hon. friend understands that it is important to preserve the federal tax base. That kind of payroll tax deduction serves to erode the federal tax base and we have to keep that in check.

We will attempt to find ways and means to deal with that, but I can assure my hon. friend that we will deal with it in a co-operative fashion with the provinces.

[*Translation*]

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, I would like to hope from the minister's answer that he will consider very carefully that this is not the time, with very high unemployment in Canada and in Quebec, to impose a burden that directly penalizes those who hire the most personnel. I really think that the government will want to avoid being in the strange situation of doing double damage, first hitting the unemployed and then those who create jobs. I ask the minister if he can give a message of hope at this time to all those in Quebec who are waiting to be told that this burden will not be imposed on them.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): As I said, Mr. Speaker, this is a matter that is being discussed.