

[English]

As I mentioned earlier, the use of a satellite involves international agreements at the federal level on frequency allocations, launch timing and facility. These, I understand, have now been complied with. In addition, consideration is presently being given to the possibility of agreement for the Canadian system to service Alaska. Most critical is the necessity for a national status which can command parking space for one or more synchronous satellites. As one has said, segmentation of Canadian sovereignty by independent provincial action is inviting loss of recognition by the great powers and is therefore untenable.

The provincial governments of the three prairie provinces are also owners of their respective telephone systems. We might anticipate, therefore, that this program, in so far as it affects development of Canadian telecommunications policy, is discussed between federal and provincial governments as well as between the federal Government and common carriers. However, it is now assured, in the first instance, that the Trans-Canada Telephone system maintains its position as the voice of the carriers. The federal Government has stated that provincial governments will continue to be fully informed on developments.

It must be mentioned that in its planning, the present proposed legislation for the corporation departs from the MacIntosh proposals on three counts which are: firstly, greater reliance on debt financing as compared to equity financing, because it permits the Government to maintain complete control for a longer start-up period; secondly, delayed entry by both carriers and public into capital participation, thus protecting the general public against possible loss; and, thirdly, control of directorships, using a single class of stock—this is introduced to maintain Government control.

It is considered that Cabinet should retain the power to appoint a director or directors and, therefore, that two classes of common shares would be unnecessary at the outset of the program.

The legislation therefore proposes provision as follows: firstly, a single class of common share—there are also preferred shares; secondly, distribution initially only to the Government; thirdly, power for the cabinet, by directive, to cause subsequent by-laws to be enacted, as required, to permit distribution of shares to the carriers, to special

groups, and to the general public in such order or combination as the Government sees fit to do so; and, fourthly, to outline basic corporate structure.

In all other aspects the bill will incorporate into the law the central recommendations of the White Paper of 1967. The three groups, government, private industry and the public, would each own a proportion of the system which will be reflected on this board of directors.

Honourable senators, these pertinent general explanations of the proposed legislation having been made, I believe we can better analyze together the more important clauses of this bill. It is not my intention to detail to you this lengthy act. I will summarize it and detail only the most important sections, as I see them. It is further my intention, at the end of my presentation of this bill, to propose that it be sent to the Standing Senate Committee on Transport and Communications for study.

The company's name is incorporated as Telesat Canada in both French and English, and the act limits to seven those who can be designated by the Governor in Council as provisional directors. The powers and duties of provisional directors are the same as those of the board of directors. The tenure of office of the provisional directors ceases when the board takes office.

The corporate objects are to establish satellite communication systems on a commercial basis.

The company must utilize Canadian content as much as possible in research, design and industrial personnel, technology and facilities in research and development connected with its satellite telecommunications systems and in the design and construction of the system.

The company has power to negotiate and to enter under the direction of the minister, suitable arrangements for the launching of satellites; power to enter into contracts and to conduct research; certain powers as set out in subsection 1 of section 14 of the Canada Corporation Act, except those certain powers that are specifically mentioned.

In addition, the company has the power to enter into arrangements, other than amalgamation arrangements, for the sharing of profits, union of interest, co-operation, joint adventure, reciprocal concession or otherwise, to deal with any other company, firm or persons.