

shares held by individuals or corporations may be held by non-residents, and that a resident shall not hold common shares for the use or benefit of non-residents. I also mentioned that no common shares of the company could be subscribed for, purchased, or held in the name or right of, or for the use or benefit of (a) a director or officer of an approved telecommunications common carrier; (b) a corporation that is deemed for the purposes of these statutory conditions to be associated with an approved telecommunications common carrier; or (c) the government of a foreign state or any political subdivision thereof, or an agent of the government of a foreign state or any political subdivision thereof.

Clause 3 of Schedule B, which is found at page 31 of the bill, was amended in the other place by striking out the whole clause, and substituting therefor the following:

3. The number of common shares of the company held in the name or right of or for the use or benefit of a person or Her Majesty in right of any province, together with the number of such shares held in the name or right of or for the use or benefit of

(a) each shareholder associated with that person or Her Majesty in right of that province, and

(b) each person who would be deemed under these statutory conditions to be associated with that person or Her Majesty in right of that province if each of such persons and that person or Her Majesty in right of that province were shareholders

may not exceed five and one-half per cent of the outstanding common shares of the company.

Bill C-184 was scrutinized by the House of Commons committee on Broadcasting, Films and Assistance to the Arts. There were some fourteen sittings of the committee. Many important witnesses in the fields of economics, electronic expertise, broadcasting, and engineering joined with the executives of the common carriers, the departmental officers, and the minister in closely analyzing the bill, its significance, and its effects on Canada.

The Canadian Association of Broadcasters, in its brief, welcomed the proposals of the Government of Canada to establish a Canadian Corporation for Telecommunication by satellite, and said:

In our view, Canada is one of those countries that can derive major benefits from satellite communication distribution, because of the geographical size of the country and the scattered nature of its population.

We feel, too, that the Government's indication of intent to enter the field now indicates it is firmly seized of the importance of Canada's staking out a claim for satellite positions in the most practical possible terms.

Later on, they added:

Our understanding of the Statute now under consideration is that it will provide a communications satellite, which is essentially a "common carrier," the facilities of which would be available to any lessee.

We believe that this is a proper, probably even essential method of operation. It would be extremely unfortunate, in our view, if the facilities of the telecommunications satellite were to be restricted to its shareholders or a limited number of these.

Were use of the facilities limited to a selected few of the shareholders, we think it would place the Government of Canada, a major shareholder in the Corporation, in an uncomfortable, if not untenable position. Nor would such an arrangement be equitable from the viewpoint of other shareholders, or that of the general public. Such limitation would, we feel, also tend to discourage investment in the Telecommunications Satellite Corporation, and tend to limit its profit potential.

I personally agree with these views. I think this bill as now presented will assure not just a few but many users. It was with relief that we saw that the objections expressed by the common carriers to the leasing of the facilities directly from Telesat have now been withdrawn. It has been agreed that Telesat will not be able to rent portions of a channel to a potential retail customer of the participating communications companies, which would have placed the companies in the position of competing through Telesat against themselves. The minister said the assurance could be stipulated in contracts between Telesat and the participating companies, but the agreement would open the option of renting a full channel to any potential buyer. The amendments studied were neither numerous