

Telesat Canada Act

government, that of the companies, as well as the role of the approved telecommunications common carriers listed in Schedule A.

Does the Canadian government or the Finance Minister (Mr. Benson) wish to acquire and to hold the majority of the shares of the Corporation? What will be the participation of the agent corporations? What will be the part of the shares which will be developed to the approved telecommunication common carriers? Those are the questions which are unanswered in the bill now under study.

Other important questions are raised as to the membership of the board of directors of the Corporation.

Section 13 provides that:

—any Canadian citizen ordinarily resident in Canada is qualified to be a director of the company elected by the approved telecommunications common carriers who are holders of common shares of the company—

If he is not an officer or director of an approved telecommunications common carrier.

As for the board of directors, who are the president and the vice-president or vice-presidents, it is specifically stated that these can be neither a director of the company or a shareholder of an approved telecommunications common carrier.

But to what extent do the shareholders of these approved telecommunications common carriers have the right to hold shares in the proposed telecommunication corporation? How can we be sure that the percentages proposed by the minister will actually be respected with regard to the participation of the federal government, of the approved telecommunications common carriers and of the public?

I ask all those questions for the following reasons: several approved common carriers, the names of which are listed in Schedule A, are owned and controlled by foreign interests. Now, it is possible that by purchasing shares in the Canadian corporation for telecommunication by satellite, they might finally end up, if not by controlling the system, at least by impeding its activities, as is the case with the International Telephone and Telegraph, in the COMSAT, in the United States.

For instance, the British Columbia Telephone Company is under the control of the Anglo-Canadian Telephone who holds 51.1 per cent of the common shares. On the other hand, the Anglo-Canadian Telephone is controlled by the General Telephone & Electronics, from New York, which owns 82.3 per cent of the shares belonging to the Anglo-Canadian Telephone.

Moreover, the Quebec-Telephone Company is under the control of the Anglo-Canadian Telephone which holds 53.07 per cent of the shares, since July 1966.

I also want to point out that another common carrier, the RCA Victor in Montreal, which has submitted to the government a brief entitled "A Canadian satellite which will meet the needs of Canada in the field of domestic communications", is also a concern entirely controlled by RCA of America.

There are many other questions concerning the technical aspects and the impact of the system. For instance, the minister told us in his statement, that there will be channels for French language stations and other channels for English language stations. Will there be other channels available for educational programs? Did the government think of selecting a channel for the Quebec government for the purpose of educational programs? It should be kept in mind that education is the responsibility of the provinces and that the latter should have on their own territory the required facilities, for educational programs.

We also want to know if the Canadian corporation for telecommunication by satellite intends to compete with private enterprise in the field of telecommunications, of commercial advertising, for instance, as COMSAT did in the United States.

Other questions remain unanswered with regard to the cost of the facilities to be built, with regard to the satellite itself as well as with the ground facilities. Have consultations been held between the government and the transcanadian telephone network companies with regard to costs and estimates? Is it true that, contrary to what is being claimed with regard to the transmission of television programs between Europe and America, it would be preferable to install a cable instead of launching a satellite?

Here is what one could read in the *Congressional Quarterly* dated March 15, 1968 in this connection, and I quote:

Although no telecommunication enterprise is opposed to the construction of a satellite in itself, they claim that it is far more important to maintain a diversity of communications through improved cables and ground communications technology.

The cable advocates challenge the COMSAT argument to the effect that satellites are less costly than cables. In a letter addressed to the Federal Communications Commission, International Telephone & Telegraph Communications state that the total cost of a cable between the United States and Europe would amount to some \$260 million over a period of 25 years, whereas the investments in Intelstat IV, including related ground facilities, would cost \$1.2 billions over a period of only 7 years.