

*Telecommunication Corporation Act*

demand has been such that the capacity of the cables already in use has been taken up much more rapidly than was anticipated when they were planned and installed.

**Mr. Lambert:** Does the minister anticipate, in connection with this envisaged expansion, that the corporation will come to parliament to seek more capital funds in the relatively near future? I am hazy about the financial structure of this particular corporation, so perhaps the minister could tell us what the capital requirements are likely to be in the reasonably foreseeable future, since what he has said in the last few moments indicates that a substantial investment will have to be made.

There has been an impression at times that some of these crown corporations operate in the nature of satellites orbiting around parliament. There is a means of communication, yes. You can send up a beam to the president of the corporation through the minister and there may be communication back, but that is all. Some of them have operated in the past on this basis. I am not suggesting this is the case in this instance, but I should like the minister to indicate with regard to this proposed increase in the number of directors and the naming of vice presidents, whether these appointments are to be within the strict jurisdiction of the corporation or whether they are to be the subject of suggestion—whether the board would be amenable to suggestion—from the government. I have some suspicion about the wisdom of creating these satellites. They go orbiting off and parliament cannot get at them. Does this amount to a step further out into the stratosphere for this corporation?

**Mr. McIlraith:** I think the simple answer to the question is, no. The need for this corporation arises out of the fact that it has to enter into commercial contracts with countries abroad and participate in the construction and management of these cable lines across the oceans, so that we may have the advantage of communication by telephone and otherwise. This is the system used by the press agencies, the telephone companies and others requiring to make long distance telephone calls and other communications across the oceans. I am not aware there has been any suggestion of any other way in which an operation of this kind could be managed.

There is nothing involved in this bill, other than changes required because of the growth of the operation. How does one take a cable thousands of miles to Australia without touching on an island owned by the United States? A piece of property must be acquired there so that the cable may be taken across. A similar situation arises in the case

of one of the Atlantic cables running to Greenland. Once the cable has been taken across, why should it not be used by the other countries of Europe? Why should its use be limited to one or two countries? I might add that there is very close co-operation in this field, in the Pacific region between Australia, New Zealand, Great Britain, and ourselves; and in the Atlantic region between Britain and ourselves. All these projects are carried out co-operatively.

**Mr. Lambert:** With the greatest respect to the minister, I must say he has done what is done by many kinds of fish when they want to escape from danger; he has obscured the waters. He has given us some technical details which I think we all rather felt we knew, but what I am concerned about is the future financial requirements of Canadian Telex and also the matter of the nomination of directors and vice presidents. Those are the questions I put to the minister, and frankly we have not had any information on them.

**Mr. McIlraith:** I think I should deal with the question of vice presidents. A vice president in the corporation has now come to be looked upon as an employee. It is a designation of an employee, as opposed to the older corporate idea, that a vice president was a part of management and the board of directors. It is to make the necessary change there, that this amendment is being made in the act. I do not know precisely what number of vice presidents there will be. I suspect it will change from time to time, but since it is the designation of an employee that is concerned I cannot see the purpose or the desirability or, indeed, the need for a limitation of the numbers because we are all familiar with the change in administration practice in this regard.

On the question of increasing the number of directors from five to seven, I would point out that this is a pretty big country. It is trite to say that, I know; but sometimes we may overlook it in considering such matters. We have to run an operation now that is almost world encircling. That means that there has to be the kind of personnel on the directorate who have a knowledge of this kind of subject matter. In addition to those who are particularly competent in the financial field we need people with a knowledge of certain more specialized elements of the communications field.

In that connection perhaps it would be useful to hon. members if I were to remind them of the fact that one of the directors is a Canadian Press representative, Mr. Purcell. The requirement for the two extra members is for the purpose of trying to