

*Telesat Canada Act*

Two or three weeks ago we advanced the proposition that since a role coming under provincial jurisdiction was involved in the field of communications, and since educational television somehow impinges on this whole matter of communications, then for reasons of constitutionality plus better dominion-provincial relations it would be worthwhile to consider the notion that this corporation be established as a publicly owned Crown corporation. Fifty-one per cent of the shares should be owned by the Crown in the right of the federal government, and the balance allocated proportionately and appropriately to the Crown in right of the several provinces. If the minister likes new ideas, and he is the sort of man who does, I believe he would be doing Canadian unity a great tangible service if he would pause and consider this proposition.

• (9:00 p.m.)

If there are some sound logical reasons that this proposition is not feasible, let us hear them. In my opinion, it is inexcusable to place in a position of increased power and privilege the common carriers, the major privately owned corporations, many of whom have exercised influence and power in this country disproportionately for a long time. Let us not pretend we can somehow rely on the process of governmental regulation to protect the public interest. For years I have been suspicious that government regulation was a highly bureaucratic and expensive way to proceed but that sometimes it was necessary if there was no alternative way to protect the public interest. A few weeks ago I had occasion to speak to a man who for a period of many years was an economist with the F.C.C. of the United States, a man whose experience certainly made him qualified to speak. The distinct impression I got from him backed up my suspicion that regulation is an expensive way to proceed and should be avoided if there is an alternative available to protect the public interest. I suggest there is in a case such as this, and that is public ownership.

The way this government has chosen to proceed will be expensive. The government will be sharing the revenues from this corporation with the common carriers who have a vested interest. Their relationship to this corporation will be in the nature of vertical integration because presumably they will lease or rent services from this satellite system and in turn retail the services to their own customers. If that is not vertical integration, then I

[Mr. Schreyer.]

do not know the meaning of the term. It is vertical integration. I suggest this is a phenomena which we should choose to discourage rather than encourage. So, we are extending to the common carriers, who as I say for a long time have enjoyed economic power and privilege out of proportion in this country, the right to exercise more of that type of power. They will enjoy the net revenues of this corporation. It will be necessary to regulate their participation. This means it will be necessary to hire quite a number of people to staff the regulatory agency. The public taxpayer, in the end, will be the loser.

It seems to me that we might have benefited at least somewhat from the experience in the United States. A few years ago Congress enacted legislation to establish COMSAT which in turn will be a major shareholder in Telesat. I recall distinctly the minister this afternoon saying that communication, in its international aspect, should be owned and controlled by the national government representing the people. I am sure he said something to that effect or very close to it. The fact is, however, that while in some fields of communication the international organizations are owned and controlled by national governments, in the field of telecommunication by satellite the international organization is owned by a giant privately owned organization. We hope the world trend will be away from that position and somehow the necessary changes will be made so that international telecommunication in the future will be owned and controlled by an agency which in turn is owned and controlled by the representatives of the people.

I believe there is a growing body of opinion in the United States that a mistake was made in the first place when ownership of an industry as important as telecommunication by satellite was allowed to be concentrated in the hands of privately owned giants. I should like to mention something about research and development. Because telecommunication by satellite is a new field, obviously there will be a large program of research and development before there is sufficient expertise and technical competence to go ahead with the actual launching. The minister tried to use this as an argument for private ownership. He says there exists in the common carriers in Canada a pool of expertise upon which the government would be foolish to turn its back. No