

Telecommunication Corporation Act

and the national importance of its work; and to insert two minor amendments, one dealing with the stated purposes of the corporation and the other with superannuation of its employees.

The bill contains provision for increasing the number of directors including the president from five to seven so as to allow for broader national representation and to make it easier to raise a quorum for meetings. It also provides that, instead of having one vice president appointed by the governor in council, there can be such vice presidents as the board may think necessary appointed by the board. At present the salaries of the president and the vice president are fixed by the governor in council. Among the proposed amendments is provision for the salary of the president to be fixed by the board with the approval of the governor in council, and for the salaries of the vice presidents to be fixed by the board. Since these officers are directing a business corporation which is in direct competition with other large private businesses in the communications field, it is desirable that the arrangement as to the designation of vice presidents, and so on, be in keeping with the practice in the competitive field in order to maintain the corporation's interest in the field of recruitment and development of senior personnel.

Among the stated purposes of the corporation in the act is that of co-ordinating Canada's external telecommunication services with the telecommunication services of other parts of the British commonwealth of nations. Because of the rapid growth in this field the corporation has become active in the opening of direct services with nations outside the commonwealth, and the bill provides an appropriate change regularizing this procedure.

The act at present provides that the Civil Service Superannuation Act is not applicable to directors, officers and servants of the corporation. In 1961, by virtue of the estimate and appropriation No. 5 of that year, and because of the change in the Civil Service Superannuation Act, the employees of the corporation were brought under the Civil Service Superannuation Act. The appropriate change is now being made in the Canadian Overseas Telecommunication Corporation Act in consequence of that step having been taken.

Mr. Howe (Wellington-Huron): I notice the resolution states that co-ordination of Canada's external telecommunication services is to include co-ordination with nations outside the British commonwealth. I am wondering which nations are involved in this program.

[*Mr. McIlraith.*]

Does this mean that the corporation is considering laying more underseas cables to these other countries in order to extend the service?

The resolution also speaks about increasing the number of directors and providing for the appointment of vice presidents. However, the number is not given. The resolution does not say how many will be required or what their duties may be. Is there to be, say, a vice president responsible for the commonwealth organization and a vice president to look after communications with the other nations which are being linked with this organization? In short, what will their duties be and how many will be appointed.

Mr. McIlraith: Because of the rapid growth in international telecommunication it is now necessary for the corporation to connect its overseas facilities in the Atlantic area with Iceland, West Germany, France, Italy, Switzerland, Norway, Denmark, Sweden, the Netherlands and Belgium. In addition, after Monday of next week, on account of the trans-Pacific cable serving Australia, New Zealand and, ultimately, Hong Kong I believe—and here I am anticipating—that, because of the necessity of having a station in Hawaii, there will have to be an agreement with the United States.

This, by the way, is a crown venture which has been extremely successful and I think it is one in which all Canadians can take a great deal of pride. The corporation has certainly sharply improved the communication facilities between this country and countries overseas.

Mr. Howe (Wellington-Huron): The minister has answered my question regarding the other nations involved. Does the corporation already have cables running to these various countries or does it intend to instal new cables? If new cables are to be laid, will the operation be financed by the corporation itself, from its own funds, or will there be a charge on the treasury?

Mr. McIlraith: This is one of the corporations which pay full taxes and interest on money borrowed. It is true, it borrows from the treasury, but the corporation pays its way. There will be a new cable physically inaugurated on Monday—the Pacific cable. Her Majesty the Queen will open it officially at an elaborate ceremony, a ceremony which, I think, will be of real interest to Canadians. I would anticipate—and I do not wish to be considered as making an announcement of any kind—that additional transoceanic cable service will be required to meet the growing demand. Demands on the service have increased beyond anything anticipated when this corporation was first set up. Indeed, the