

*Telesat Canada Act*

up on the basis of 30 per cent federal government participation, 30 per cent common carrier participation and 40 per cent public participation. Yesterday in his opening remarks the minister said there would be roughly a one-third participation by each of the different groups.

It is fair to say that this operation is a sure financial winner and, as the hon. member for Selkirk (Mr. Schreyer) has said, the decision by the minister and the government is a sell-out of the Canadian interest in this money-making venture. We in the New Democratic party have recommended that the satellite corporation should take the form of a Crown corporation with participation by the federal and provincial governments, with the federal government having 51 per cent control and the provincial governments 49 per cent. I say this because of some of the public statements the minister has made. He has said that the main objectives of the satellite communication system are social and political and not economic. He also pointed out that only a satellite communication system would be able to blanket the rural and northern areas of Canada and operate successfully in this field.

Last evening the Minister of Indian Affairs and Northern Development (Mr. Chrétien) spoke of the great importance this satellite program will have in relation to the Indians, Eskimos and Métis and the industrial development of the north. More important than this will be the contribution the satellite system will make to national unity by the distribution of television programs in French and English to every part of the country. If this is so, then it is important that there be complete public control in order to ensure that the system is devoted to Canadian aims and objectives in a way that is acceptable to the Canadian people having in mind their cultural requirements. The minister has not given economic reasons for the construction of the satellite system. In fact he has given conflicting information regarding an economic or financial comparison between the present terrestrial system and the new satellite communication system.

If we were to adopt the Crown corporation approach as recommended by this party, there would be no problem in respect of foreign ownership and participation and subjugation to government regulatory control. In this area it is worthy of note that both firms which submitted design programs included in their bids participation with foreign firms. For example, the bid by Northern Electric, a Canadian subsidiary of Bell Telephone,

includes substantial assistance from Canadair Limited, a subsidiary of Hughes Aircraft Company of California. The bid by R.C.A. Victor, an American subsidiary, includes additional assistance from Spar Arrow Space Products Limited of Toronto, systems group of T.R.W. and Company of California.

The bid by Northern Electric states that its proposal will achieve a 64.5 per cent Canadian content under the program. R.C.A. Victor has declared that its proposal would promote the participation of Canadian companies to the maximum state feasible. This is an indication that both these companies which submitted technical programs will require foreign participation in the operation of their programs. As indicated yesterday by the hon. member for Selkirk, this is nothing more than vertical integration by these companies in this field where the financial success of the project is almost assured.

We have had experience with Canadian regulatory bodies. We know what has happened in regard to the Canadian Transport Commission and the Bell Telephone Company. The Bell Telephone Company has had almost a wide-open field and complete freedom in respect of communications in Canada. The Canadian Transport Commission has played a rather passive instead of an active regulatory role. It does not dig out the facts but relies instead on the opposing parties to present the evidence. The result is that the Bell Telephone Company dominates the field and has more regard for its shareholders than for the users of the telephone services.

If this new body is to come under either the Canadian Transport Commission or the Canadian Radio-Television Commission we have no assurance that either of these bodies will do the type of research that is necessary to protect the Canadian public at large. With a Crown corporation the profits would be shared by the public and not by the private carriers or a very small group of private investors. As the minister has pointed out, any one person will be limited to 2½ per cent control or ownership. It is obvious, however, that no more than 2 per cent or 3 per cent of Canadians will be investing in this successful operation. One is reminded of the successful operation of Polymer and Sysco in Cape Breton as well as other Crown corporations. This should give the minister some encouragement to experiment once again with a Crown corporation.