

Telesat Canada Act

that the carriers should decide to decline all share ownership, in which event the government and public shares would be proportionately increased, then to have specified in the bill that the share allocated to the carriers must be such and such would render the bill inapplicable.

I can, however, inform hon. members of the principles upon which the proportionate division of ownership will be based. It has been our conclusion throughout that the share ownership of each of the three parties should be approximately equal and that in the case of none of the parties involved should it fall below 30 per cent. Given those determining considerations a logical division might be 33 $\frac{1}{3}$ per cent; 33 $\frac{1}{3}$ per cent and 33 $\frac{1}{3}$ per cent. A tripartite division may differ fractionally from those percentages but will not, I can assure hon. members, vary to any substantial amount.

Further limitations on the distribution of share ownership are set out in Appendix B. Non-residents may not hold more than 20 per cent of the shares allotted to the public sector, that is approximately 7 per cent of the total shares issued by the corporation. No single shareholder in the public sector may hold more than 2 $\frac{1}{2}$ per cent of the total shares issued by the corporation. This provision is designed to promote the widest possible share ownership while at the same time permitting institutions with a direct interest in the corporation to acquire a measurable share ownership.

An hon. Member: It is six o'clock.

Mr. Speaker: Order, please. It has been drawn to the attention of the chair that it is six o'clock. It being six o'clock I now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Kierans: Mr. Speaker, I have already described the rationale behind the public ownership. The considerations behind ownership by the common carriers deserve a more extended explanation. Aside from their expertise in telecommunications, the common carriers will be the principal users of the system. They will rent its services to retail to their own customers. The corporation will operate as a complement, not as a competitor,

[Mr. Kierans.]

to the common carriers. Except in the instances of the C.B.C. and of certain possible purchasers of a complete, undivided television channel on a sustaining basis, the sole customers of the corporation will be the common carriers.

The common carriers who will be eligible for share ownership in the corporation are listed in schedule A of the bill. One change in the list is required. Some hon. members, and most certainly those from the province involved, will have noted the absence of the Island Telephone Company. The reason is that only those eligible common carriers who expressed an interest in ownership were initially listed in schedule A. Subsequent discussions with Island Telephone have clarified this point, and at the appropriate stage in committee I will move the necessary amendment with pleasure. A parallel amendment will be required to accommodate the recent change in name of Saskatchewan Government Telephones to Saskatchewan Telecommunications. A means to ensure any other such needed changes in future is provided by clause 43.

At this point I should mention that I will, in committee, be moving a number of other amendments. For one of them I must apologize to hon. members. In the first line of clause 12(4)(c) there is a mis-translation from the French to the English text which was overlooked in proof-reading. The words "if any", after the phrase "shall fix the number of directors", should be deleted and will be deleted by an appropriate amendment. I will also place before the committee a number of other amendments, making these available to the committee at the start of its hearings. None of these amendments concern matters of substance and none affect any of the remarks I have made in this speech. They involve, however, particular aspects of the corporation's affairs where it appears the existing wording either lacks clarity or is susceptible of an interpretation other than that intended.

Such important but fine legal points can perhaps be most effectively discussed at the committee stage. My purpose here is to convey to hon. members as explicitly as I can the implications and content of the legislation they are being asked to approve. I have discussed ownership by the public and common carriers. I would like now to turn to that of the government. The project, as I have said, is one of national interest and national concern. It also involves important international