

*Telesat Canada Act*

Fourth, establish a second and supplementary service to the existing east-west microwave network so as to ensure telecommunications from coast to coast.

• (5:40 p.m.)

[*English*]

This fourfold demand can only be met by a domestic communications satellite system. Because we need such a system, and because we possess the means to build it, this bill will set in motion the construction of the first domestic communication satellite system in the western world. It represents the same kind of confidence in the future which Canada demonstrated shortly after world war II by her decision to develop a nuclear-fuelled power system. As hon. members know, our national scientific and industrial resources are limited. We can succeed only by concentrating our resources in areas where there is a direct national need and a definable prospect of financial and technological return on investment. We can afford neither to bite off more than we can chew, nor, by being too timid, to totally lose our taste for competition. Communication satellites fulfil these qualifications. They represent an opportunity to be grasped and a challenge to be met.

The implications of this convergence of supply and demand have been demonstrated by the interest shown by a number of organizations in the possibility of a domestic communications satellite system. The first such proposal, and the organization deserves credit for its initiative, was made in 1966 by Power Corporation and Niagara Television Corporation. Subsequently, proposals were made by the common carriers, the Trans-Canada Telephone System and Canadian Pacific-Canadian National, and by R.C.A. Victor. The government's own interest was demonstrated by the formation, in 1967, of a special satellite task force headed by Dr. John Chapman who is now an Assistant Deputy Minister in the Department of Communications. The findings of the task force were made public in the government white paper of April, 1968. Its essential recommendation was, and I quote:

Having carefully considered the relative merits of public and private ownership of satellite communication facilities, the government will propose that a corporation be formed by special statute of parliament to develop, own and operate both the satellites and the earth stations of the system, consistent with relevant international agreements. The government will propose to encourage private participation in the corporation and to this end will initiate discussions with the interested parties.

The pattern of ownership needed to maintain effective government control in those matters involving national interest will emerge from these discussions.

This bill incorporates into the law the central recommendation of the white paper. The three groups—government, private industry and the public—will each own a proportion of the system. That proportion of ownership will be reflected in representations on the board of the Satellite Corporation. Without shares there will be no board representation for any party, nor will there be shares without votes nor votes without shares. In other words, there will be no power without financial responsibility and no responsibility without power.

Subsequent to the publication of the white paper, planning for the system has moved ahead, conducted by a special project office with the Department of Communications. During the past nine months continuous and extensive discussions have taken place with all the parties interested: the potential users and participants including the common carriers and C.B.C.; the provinces; other government departments; manufacturing industries. Discussions have also been carried on with authorities in Europe and in the United States and will be carried out with the appropriate international bodies on such matters as frequency allocations. All these discussions have proceeded satisfactorily and I might say that no difficulties have arisen relating to international aspects of the system or to the launching of the satellite. In addition, we have had the benefit of a special financial study conducted by Mr. Robert McIntosh, General Manager of the Bank of Nova Scotia and of technical studies by Northern Electric and R.C.A. Victor.

All of these strands have been brought together in this bill. I would like at this point to praise the efforts and the efficiency of the officials of the Communications Department, and in particular those of Gilles Bergeron, formerly head of the satellite project office and now assistant deputy minister in the department. It is thanks to their efforts that the project is not only proceeding on schedule, but at the moment in fact is slightly ahead of schedule. This has happened although the critical paths involved have been taxing in the extreme. The legislation, which as I have said breaks new legal ground, has had to be drafted; simultaneously negotiations of crucial importance to the success of the project have had to be carried on with the principal users and participants; the technical profile of the satellite itself has