

Telesat Canada Act

the long run. As I say, this spin-off argument would justify almost anything done in the modern scientific field.

Another argument used in justification of the Telesat project is that it would provide telephone and television service to citizens of the Canadian north. I look to Fisher and Crowe for their views on the subject, and quote from the *Toronto Telegram* of May 8, 1969:

Telesat will have some utility in improving the quality of telephone messages in the north over the present system, largely radio-telephone, but in essence it is a duplication of a service that presently exists.

Telesat does provide the C.B.C. with the capacity to beam in TV from the regular network to isolated northern communities.

The last point has its ironies to anyone who has followed the reluctance of C.B.C. to spend capital funds on reaching those parts of Canada which have been without television.

There are still dozens of towns and villages with populations from 500 to several thousands in the lower parts of Canada which are without C.B.C. television.

Further, there are only 30,000-odd people in the whole of the upper north from the western Yukon boundary all the way through to Baffin Island.

To serve these with TV from a satellite it will be necessary to build a ground station at each one (from \$100,000 to \$120,000 cost for installation).

Once you strip away all the Kierans' hyperbole, Telesat, in the short run, will make its major practical contribution by enabling the C.B.C. to put TV into a handful of Arctic communities. Laudable, but hardly enough to incite all those futuristic speeches and the planned expenditure (yes, he has it down now) of \$60 million.

I realize it is unfair to seize upon one aspect of this Telesat project and relate it to the total cost of the project but my arithmetic leads me to believe that on the basis of the present population of the north—and as for the future there are no really helpful projections available to us—the cost of the television and telephone service to be provided by the satellite works out at approximately \$2,000 a head.

Two weeks ago Mr. A. G. Lester, a vice-president of Bell Canada, expressed doubt both as to the projected cost of Telesat and as to its need in the north. I quote from a report which appeared in the *Globe and Mail* of May 14, 1969:

Mr. Lester surprised committee members by saying he could not comment on the accuracy of the government's \$60 million to \$75 million cost estimate for the project. Neither he nor anyone at Bell, he said, knows the specifications involved in the estimate.

Pressed by the members, Mr. Lester said Bell's desire to integrate satellites into its communications

[Mr. Rose.]

network, rather than hard figures, is the basic reason for its participation. "If the public is to be well-served, you cannot have a whole series of competing communications services."

Noting the constant inflation of cost and deflation of service predicted in recent testimony, Mr. Macquarrie asked if the satellite would fulfil its promise in Northern Canada. "I sometimes feel I'm getting a snow job in that area," he quipped.

While most people in the northeast Arctic who want telephone service now have it, Mr. Lester said, the satellite will be necessary to serve any substantial new settlements.

"There will be a demand for communications of higher quantity and more quantity than can be provided by radio. Here we feel justified in adding rather complicated \$1.7 million ground stations for the satellite—but they will only come in major centres."

It is possible that the unused capacity of our present microwave communication systems provided the motivation behind Mr. Lester's remarks, because at present there is a substantial capacity still available in our two microwave systems. Contradicting the minister, the Bell executive views Telesat as being a competing system rather than a complementary one, adding greatly, at least in the short term, to costs borne by domestic telephone users.

I think it is important, Mr. Speaker, that we examine at least briefly the broadcasting angle of this satellite proposition as it relates to Canadian social and cultural objectives. We know that the 55 per cent Canadian content rule laid down by the C.R.T.C. has recently been attacked by the private broadcasters of the C.A.B. as being archaic and unrealistic. We are aware, too, that the C.B.C. and private radio networks depend upon and even sometimes prefer broadcasting material manufactured outside Canada and expressing the cultural priorities of another country. Since this is the case, and since it is also true that at least some of Telesat's six channels will be rented, presumably to private firms, it is not irrelevant to ask how Telesat can fully reflect Canadian social and cultural objectives when it is so dependent on imported programs.

A second concern of mine has to do with the cost to the C.B.C. of using Telesat compared with the cost of using the microwave system. At least in the initial stages will not the C.B.C., an agency whose annual budget now exceeds \$166 million, be forced into ever greater expenditure perhaps even against its will, thus becoming an even easier victim of public criticism than in the past?