

In August 1967, the Canada Science Council published a special report on space activities projected by Canada.

In August 1967, a Canadian electronics company, Northern Electric, completed the analysis of a program for the Department of Transport on the integration of a satellite communications system with terrestrial communications systems.

In September 1967, the public could read a report on the R.C.A. space system entitled: A Canadian Satellite to Serve the Needs of a Communications System in Canada.

The 1967 White Paper identified the various legal, financial, economic, industrial and international factors underlying the implementation of such a system.

In September 1968, the Canadian Government's intention to introduce a bill to establish a domestic system for telecommunication by satellite was stated in the Speech from the Throne. The numerous discussions going on between the Project Office, the minister, the C.B.C. and the CN-CP express companies came to a head at a meeting held on January 13, 1969, between representatives from the Trans-Canada Telephone System and the minister. Mr. Kierans agreed then to submit a proposal whereby express and communications companies would be invited to take part.

Furthermore, the Project Office kept the provinces informed as to the events which were taking place.

Recently, a suggestion for a joint system was submitted by Comsat, the American corporation for telecommunication by satellite. Meetings were also held with representatives of Power Corporation, who were interested in the project in 1966, of Niagara Television, National Television Network and the Department of National Defence.

The necessary international discussions were told as to the available orbital positionings. The arrangements relating to frequency and means of satellite launchings were then agreed upon.

[English]

The present bill has been prepared in the light of all the above knowledge.

The stage was set for another great Canadian achievement that would trigger communication facilities not dreamed of or hoped for yesterday.

Honourable senators, the legislation proposed is simple in its non-technical objectives, but complex in its technicalities and, to some extent, in its formulation. It is a new

type of legislation. It establishes a non-crown company where the Government shares and participates with public common carriers as companies and the general public as individuals.

Bill C-184 provides for a Canadian corporation to establish a domestic satellite communication system on a commercial basis. Perhaps it would be of some use and of interest to give first the highlights of the proposed legislation.

The target date for the start of the system had been set for the end of 1971, but that has now been changed to early 1972. As is now known, the ownership will be split between the federal Government, the common carriers, Canadian National-Canadian Pacific Communications, members of the Trans-Canada Telephone System, and public participation. Although there is no provision governing the shares given in each sector, there is a clause to prevent more than 20 per cent of the shares from being held by non-residents. The proportions of stock intended to be issued to the three sectors will be decided by cabinet, in negotiation with the participating telecommunications companies. The interim board will be appointed by cabinet. The interim board will arrange the stock issue and will call the shareholders' first meeting to elect directors. The bill does not impose the obligation that the final ownership arrangements be implemented immediately. The Government will be free to decide whether it will want to take up its statutory limit of \$30 million worth of shares at the outset or if it will provide for public participation from the beginning. The price tag quoted for the system is between \$60 million and \$70 million.

This is below the \$100 million or so estimated for the complete network of two satellites in the air and one reserve satellite on the ground, plus some three dozen ground stations covering all of Canada.

Nevertheless, it would be enough to provide a pilot system of orbiting satellites plus a few ground stations. By one estimate, the space segment would take roughly \$35 million, launching from a U.S. base, another \$30 million, and the rest would go toward ground stations. It is expected that bringing the ground stations up to strength and providing the back-up satellite would probably eventually raise the cost well beyond \$100 million.

To meet the 1971 or rather early 1972 deadline, Telesat Canada would probably have to let the satellite construction contracts by the middle of 1969.