

COSTS OF COMMUNICATIONS SATELLITE

In answer to questions in the House of Commons on June 13, Communications Minister Eric Kierans announced that Canada and the United States had agreed in principle to provide a domestic communications system for Canada, the cost of which he was "confident" would be less than \$65 million.

The Minister's statement follows:

Honourable members have raised some points relative to costs, contracts and to the actual launching of Telesat. As I informed Honourable members during the committee stage of the Bill, discussions have been going on with United States authorities to secure agreement on the necessary launching arrangements. Our objective has been to secure the most efficient and cheapest launching services. For this reason we have never at any time dreamed of encouraging the Government to enter or search for a launching capability of its own; this could easily lead us into expenditures of some \$800 million without any assurance of success.

CANADA-U.S. CO-OPERATION

I am able to say that these discussions with the United States have been satisfactorily completed by an agreement in principle. The necessary technical details will be agreed upon later. I would like to read the text of a public statement which has been agreed to by both Governments:

"Discussions have recently taken place between Canadian and United States authorities concerning launching services required by Canada to place a Canadian communications satellite in synchronous orbit in 1971. The satellite would be used to provide a domestic communications system for Canada, plans for the establishment of which were announced by the Canadian Government in the White Paper of April 1, 1968. The U.S. Government has indicated that it would be willing to provide the necessary launching services on a cost reimbursable basis pursuant to appropriate arrangements. The Canadian Government will be taking appropriate steps in Intelsat to ensure technical compatibility between the Canadian and Intelsat systems and in the ITU in accordance with ITU agreements."

This agreement in principle, which I welcome as evidence of Canada-U.S. co-operation in the vital field of space communications, will enable officials of the two Governments to proceed with the necessary, detailed, technical and financial discussions.... Those concerned with the project have worked very closely together, and I am confident that the cost will be less than the \$65 million which has been mentioned.

FIRMS INVOLVED

I have today instructed officials of the Department of Communications to open negotiations with RCA Victor Limited of Canada on the procurement con-

tract for Canada's domestic communications satellite. Provided these negotiations result in satisfactory price, quality and performance schedule terms a formal contract will be awarded to RCA Victor. At the same time, similar negotiations have been initiated with Northern Electric Limited for construction of the communications transponder of the spacecraft. Upon conclusion of these negotiations the contract with RCA Victor would include a direction to award the transponder subcontract to Northern Electric.

These two Canadian firms will thus be responsible for the main elements of the planned domestic communications satellite, the cost of which is estimated at \$25 million to \$30 million, exclusive of launcher.

Both RCA Victor and Northern Electric are leaders in the fields of space and telecommunications. It is my information that all of RCA Victor International's expertise in spacecraft telecommunications resides here in Canada. RCA Victor was the manufacturer of Canada's *Alouette II* and *ISIS I* scientific research satellites, as well as of the Mill Village, Nova Scotia, ground receiving-station built for Canadian Overseas Telecommunications Corporation. Northern Electric, which maintains the largest research establishment in Canada's communications industry, is currently building transponders for one of the *Intelsat IV* series of communications satellites.

The award of the principal communications satellite contracts will bring significant development both to Canada's communications industry and to our scientific community. Subcontracts and supplies will be sought among other Canadian firms as well as among companies in the United States and in Europe. Our object is to secure as high a Canadian content as possible, provided the price is right.

RCA Victor would operate as the contractor responsible to Telesat Canada, the tripartite government-private industry-public corporation authority, the creation of which is currently being considered by Parliament. The actual construction contracts will be awarded by the corporation....

ART AT ARTS CENTRE

The outdoor terraces of the National Arts Centre will burst with colour on week-ends during the spring and summer months when amateur and professional artists are invited to use the terraces for displays of paintings, sculpture, photography, pottery, jewellery and weaving. An exhibition by local artists inaugurated the programme during the week-end of May 17.

On Saturdays and Sundays, each artist will be allotted wall space overlooking the terraces on a daily, "first come, first served" basis.