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proximately \$1.3 million and to create some 760 permanent jobs.

The MBB project complements earlier agreements with Bell Helicopter Textron Incorporated and Pratt and Whitney Canada for the development and manufacture of the new STEP helicopter engines. The three investments together represent the government's commitment to maintain a world-class aerospace industry in Canada.

Messerschmitt-Bolkow Blohm's joint venture arrangement with Fleet Industries is the first manufacturing initiative it has undertaken in North or South America. MBB has longstanding experience in international co-operation programs, with successful helicopter ventures in Spain, Japan, Indonesia and the Philippines. The new project may be the beginning of a long relationship with Canadian industry. The company intends to explore similar co-operative arrangements with Canadian firms in such fields as avionics, defence and transportation systems, and space, marine and composite material technology.

Pocket phones will ring in sales

The company that won the only national licence to provide a cellular radio telephone service across Canada predicts it will attract 13 000 subscribers and \$4.2 million revenues in its first year of operation.

Cantel Cellular Radio Group Inc. says that the service — which allows consumers to make or receive phone calls with special mobile telephones — should begin paying for itself within two-and-a-half years of its scheduled introduction in July 1985.

By its fifth year of operation, the firm predicts \$55.9 million revenues and by the ninth year a total of 120 000 subscribers and \$180 million revenues.

A cellular telephone system relies on a combination of radio, computer and telecommunications technology to provide relatively low-cost mobile or portable telephones. At first it will be used largely for car telephones, but eventually consumers will be able to buy portable handheld phones — which Cantel chairman George Fierheller said could fit into a purse or pocket — that can both transmit and receive calls.

Unlike current mobile telephones that rely on powerful transmitters that cover a wide radius (56 kilometres to 64 kilometres), a cellular system divides a city

into small geographical "cells" in which the telephone can operate (5.2 square kilometres to 7.8 square kilometres).

As a person moves across a city, the call is automatically switched from cell to cell without interruption and the system can handle many more conversations than standard mobile telephones.

A mobile phone now costs about \$5 000, while a cellular mobile phone will cost around \$2 000. The price of cellular telephones is expected to drop steadily to about the \$500 level within five years.

Customers who lease the equipment can expect to pay about \$150 to \$200 for the service, which includes the cost of the hardware, connection to the system and a charge-per-minute of use.

George Fierheller points out that cellular "is not a fad market" but represents "the way people will start to look at telephones in the years to come".

New oil finds

An upturn in exploration activity in western Canada seems likely next winter as companies pursue recent oil strikes in northeastern British Columbia and at several locations in north-central Alberta's Peace River Arch, one of the most lucrative oil zones discovered in the province in the past few years.

Although the new fields may not be as large as those found in earlier years, many in the industry think the volumes are ample and the development economics of "new" oil are favourable.

Another plus is that much of the land surrounding the new plays is owned by the Alberta and British Columbia governments. As a result, it will be posted for sale and the bidding could draw several companies to the search.

However, the location of the plays is also a drawback. Because of muskeg, the areas can only be explored for about three months of the year, when the ground is frozen. Also, the oil must be moved by truck. Pipelines and all-weather roads will be built, but field development will be a long and involved process.

Nevertheless, recent oil strikes at Desan, Senex, Sawn Lake and Gift are testimony to the industry's persistence and they go a long way toward dispelling the notion that there is little oil left to be found in the west.

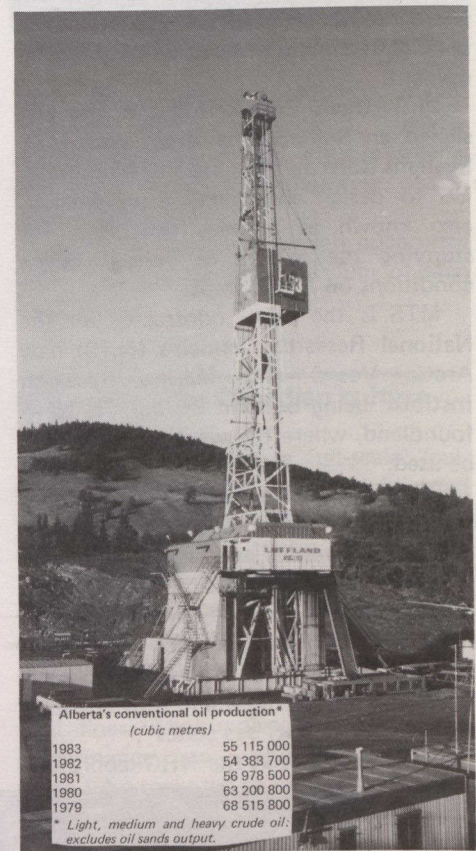
The Senex play is widely considered to be the most exciting. Initially, there were unsubstantiated rumours that a discovery by Amoco Canada Petroleum Co. Ltd. of

Calgary might contain up to 100 million barrels of oil.

Although test results from Amoco's discovery well indicate that the field is not that large, Senex continues to attract attention and it promises to be a major exploration centre next winter.

Out of eight wells drilled before the spring breakup, three were completed as oil wells and two have not been tested. The others were dry.

During tests, one of the wells produced about 750 barrels a day. Trucks were hauling about 2 000 barrels a day from the field during the winter, which indicates that the other two wells are similar in size. Production will resume this summer when an all-weather road is completed.



Alberta's conventional oil production*	
(cubic metres)	
1983	55 115 000
1982	54 383 700
1981	56 978 500
1980	63 200 800
1979	68 515 800

* Light, medium and heavy crude oil; excludes oil sands output.

New oil finds in Alberta and British Columbia may not be as large as those of earlier years but many believe they will be ample and economically feasible.

Other companies with acreage in the area include Gulf Canada Resources Ltd., Dome Petroleum Ltd., Canadian Superior Oil Ltd., Strand Oil and Gas Ltd., Canada Northwest Energy Ltd., Sorrel Resources Ltd. and Precambrian Shield Resources Ltd., all of Calgary; and, Alberta Energy Co. Ltd., Chieftain Development Co. Ltd. and Numac Oil and Gas Ltd., all of Edmonton.

George Hunter