

ORIGIN/ACTION

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# AIRGRAM

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*Mr. O'Malley 6/15/69*

HANDLING INDICATOR

TO : DEPARTMENT OF STATE

DECLASSIFIED UNDER AUTHORITY OF THE  
INTERAGENCY SECURITY CLASSIFICATION APPEALS PANEL,  
E.O. 13526, SECTION 5.3(b)(3)

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DECLASSIFICATION DATE: November 13, 2014

FROM : Anembassy OTTAWA

DATE: June 4, 1969

SUBJECT : Canadian Official Appraises INTELSAT Conference

REF :

### SUMMARY

A member of the Canadian delegation to the first INTELSAT Conference has expressed disappointment at the meager progress made in negotiating definitive arrangements. He blamed the United States for this, citing primarily the United States inflexibility on one of the key issues: the internationalization of the management of INTELSAT.

A senior member of the Canadian delegation is the source for the following appraisal of the INTELSAT Conference. He said his views generally reflect those of the Canadian delegation, which met daily during the conference. (Another member of the Canadian delegation, from a different Ministry, has expressed similar views to the Embassy.)

In general, he was disappointed at the lack of progress made on elaborating definitive arrangements. He attributed blame directly to the United States, and, somewhat ruefully, added that in some twenty years' experience in international conferences, he had never seen the United States more isolated from its traditional friends. He had thought it had been made abundantly clear to the United States before the conference that COMSAT's role as manager of INTELSAT would have to be phased out; instead, the U.S. position seemed anchored, without any flexibility, on the continuation without time limit of COMSAT's managerial role.

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Drafted by:

Contents and Classification Approved by:

ECON:WFXColiboy:is

ECON:CGWootton

Clearances:

MIN:RZSmith (In draft)

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He dismissed contemptuously the U.S. compromise proposal, splitting the managerial function between COMSAT as operational manager and an international administrative managerial body which would "empty the wastebaskets and sharpen the pencils". In fact, the Canadian delegation came to feel, as positions were exposed in the four committees, that the negotiations were actually between COMSAT and the rest of the participating Governments. This view was held, he said, by most informed delegations; he added that this view was certainly reinforced by the "ambiguous" position of the Chairman of the U.S. delegation. He explained that, <sup>he was</sup> referring to the generally known fact that Mr. Marks was shortly to assume his new position with COMSAT.

He thinks the position of the United States during the Preparatory Committee sessions will be closely watched to assess whether the United States is really interested at all in negotiating definitive arrangements. Scuttling such arrangements, he said, "would be a success for COMSAT, in that its managerial function would continue, but would be a disaster for the United States Government". New impetus would be provided to European initiatives for a regional telsat system, and the Soviet Union would gain time to develop ideas more palatable than INTERSPUTNIK in some areas of the world, but still incompatible with the basic aims of INTELSAT. He then commented as follows on more specific questions concerning the Conference:

The Problem of Cumberdomeness: The use of committees in dealing with such complex and interrelated issues made it most difficult for the Canadian delegation to maintain a coordinated and inherently cohesive position despite daily delegation meetings. Contact with all other important delegations was almost next to impossible; consequently, the Canadian delegation, like others, found itself keeping closest company with those delegations sharing Canadian viewpoints, especially India, Brazil and Romania. This situation tended to harden positions and make necessary compromises difficult to attain. Social events were taxing, and led to one situation vis-a-vis the United States which he hoped had not been misinterpreted: the failure of the Canadians to accept a single United States invitation. In every case but one, the Canadians had had prior commitments. In the case of Chairman Marks' cocktail party, Chairman Gotlieb of the Canadian delegation had been tied up, but his secretary had mistakenly declined the invitation for the entire Canadian delegation.

Soviet and Bloc Delegations: The Canadian delegation had frequent contacts with bloc delegations, especially the Romanians and the Czechs. The Soviet delegation was close-mouthed, but was obviously voicing its views through the Czechs. The Romanians were well informed and, prepared to join INTELSAT despite adverse pressure from the Soviet Union. Both the Czechs and the Romanians, as well as the Yugoslavs, were caustically critical of INTERSPUTNIK and pointed out that the bulk of their telecommunications traffic was western oriented.

Voting in the Governing Body: The Canadian delegation supported the United States position that voting power should be related to investment in or use of the system. They had offered a proposal embodying these views, coupled with what they considered reasonable precautions against abuse of the veto by a blocking third. This Canadian proposal had been unacceptable to the United States. The Canadians are now inclined towards supporting the United Kingdom proposal which contains much more stringent protection against use of the veto.

Expertise of the Governing Body: The Canadians took soundings with all "serious" delegations to ascertain their reactions to COMSAT's assertion that the Governing Body, if internationalized, could never attract sufficient technological expertise because it could not pay salaries commensurate with those paid by COMSAT. The Canadians found a consensus that sufficiently high salaries could and should be paid. As for the countries with the minimum or near minimum investment in INTELSAT, the Canadians were convinced they couldn't care less if scientists and technicians, whether classified as international civil servants or not, were paid fifteen or fifty thousand dollars a year.

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