

considered to encourage private broadcasters and producers to produce more? What should be the role of a new copyright act? How much will pay-TV bring to the economies of program production? Are there taxes — federal or provincial — applying to broadcasting now which inhibit program production? Are there fiscal powers in the hands of the provinces which could be used to encourage program and film production? Should cable television be required to contribute to the financing of program production?

What forum should we use to answer these questions? I don't think that such a discussion should be undertaken in isolation by politicians or government officials. It is imperative that our strategy be developed in consultation with all interested parties who are responsible for this industry, and who care about Canadian broadcasting. I would certainly welcome all the views that you may care to express to me in letters or briefs or in meetings such as this one.

#### Pay-TV

And now, a particular word about the immediate problem of pay-TV. I have read and taken note of your concerns regarding the importance of funds going into production, regarding the importance of developing jobs for artists, and the particular concern you have about Canadian content on pay-TV.

As far back as August of last year I indicated that the introduction of pay-TV was a matter of urgency. And several months later, in October, I said that "in my view, the prerequisites for Canadian pay-TV are as follows:

- " — Canadian pay-TV must contribute positively and significantly to broadcasting in Canada.
- Canadian pay-TV must include the use of Canadian resources.
- Canadian pay-TV must stimulate the Canadian program production industries.

"Pay-TV, properly introduced in this country, will contribute significantly to meeting the programming and content challenges which we face. A properly designed pay-TV system will provide a new and financially rewarding outlet for Canadian production. It will provide a direct injection of programming funding from consumers to supplement conventional investment from advertising revenues and government in this area."

I am aware that some of you have expressed concern about the CRTC (Canadian Radio-Television and Telecommunications Commission) position. In that context I am also pleased that the CRTC has left itself open, as is its usual procedure so that it is in a position to consider new ideas, participations, initiatives, concerns, views and contributions.

#### Sound recording

Perhaps next in financial importance to broadcasting is sound recording.

As many of you will remember, on February 5 of this year, at the Juno Awards, I announced that the Department of Communications would soon be undertaking a major study on the Canadian sound recording industry. Preparations for the study are nearing completion. It should focus on the Canadian-owned and -controlled sector, the two language markets in Canada, the influence of foreign control, and inter-