

From the very many views presented to the CRTC in the past two weeks at the public hearings still continuing here in Ottawa, neither the broadcasters nor the creative community appeared to regard the CATV industry as an obstacle to the development of a truly Canadian broadcasting system. We regard ourselves as a vital contributing element.

We might elaborate here that presentations made by networks and various groups representing creative talent and performing talent are less concerned with the competitive effects of U.S. signals but they are looking for a greater opportunity to express themselves in every way. They feel confident that the potential exists in Canada to develop our own Canadian programmes which can more than hold their own—that is, to develop a unique and interesting form of Canadian programme much more acceptable than the present Canadian fare which seldom enjoys mass popularity.

Since the submission of our brief to this Committee, the CRTC has issued a further public announcement setting out proposed guidelines which will form the basis of the Commission's deliberations in deciding on the issuance or renewal of CATV licenses.

The extent of the effect of these guidelines is still being analyzed by the CATV industry and clarification sought on several important points raised in the announcement.

We do not believe the Commission intends to reduce the value of cable television to the subscribers by refusing to allow the systems to distribute signals which are readily available off-air or to limit the choice of programmes available. Unfortunately, some press reports on these proposed guidelines have been based upon premature and, in our view, inaccurate conclusions formed by interpreting the CRTC's announcement in the worst possible light.

The financial community has also reacted adversely, but we are sure that as soon as the meaning of the guidelines becomes clear, confidence in the industry will be restored.

Many cable companies are dependent on a favourable reaction from the financial community, particularly at this time because they must comply with new ownership regulations. This is a result of a directive from the Secretary of State that limits foreign ownership to 20 per cent. This has caused an unusually heavy demand for financing from Canadian

sources as licensees seek to conform with the new Federal directives. I might add that this is not restricted to cable but also applies to broadcasting interests.

We are optimistic about the future, and are somewhat encouraged by the CRTC announcement of April 10th because it does permit a limited use of microwave to serve areas where U.S. programmes are not available off-air. We are disappointed that the financial community has not seen this in the same light.

What of the future?

In presentations made before you recently and in statements made elsewhere, you are aware of the "promised land" of CATV in which 20, 40, and even 80 channels have been envisioned. It has been forecast that many new services will be available on CATV systems in future years and we shall deliver these services as soon as technical, financial, social and, dare I say, political problems have been resolved. But more important, there must be public demand, general acceptance of these additional services, and at a price that can generally be afforded.

We are confident of the future of Canadian broadcasting and the part we will play. It appears others share our view. Witness this statement made by a CBC representative when appearing before the CRTC last fall in Vancouver, and I quote: "We know that the public is demonstrably interested in multi-service television and in many areas this can only be provided in a practical way by CATV systems."

We must state, however, that to our customers we are an urban instrument supplying an improved TV antenna service. This is primarily why the public subscribe to cable and judging by the proven acceptance of this service it is apparent this industry's future is assured.

The Chairman: Thank you very much, Mr. Boucher. We will now proceed to the questioning and the Senators will direct the questions to you, although they may in the course of the afternoon want to ask questions of your associates. If, indeed, you wish to direct any of the questions in turn to either of your associates, by all means please do so.

I think the questioning this afternoon will begin with Senator McElman.

Senator McElman: Mr. Boucher, your brief, particularly pages 22 and 24, questions the authority of the CRTC to regulate cable pro-