

capital-cost allowance on the investments in certified film and videotape productions can be used for television programming. And certification for non-feature film and videotape projects, which are mainly television productions, rose from about \$9 million in 1978 to about \$35 million in 1979 and to an estimated \$50 million in 1980.

We must also look at the cable television industry. This system of distribution has increased or improved the circulation of television programming. But it has not contributed significantly to the solution of the content problem.

It has, in fact, been very tempting to feed our distribution system with content easily available from our neighbours. After all, they are the largest source of cultural products in the world.

But can a country remain vigorous and independent and successful if it has little to say for itself? Can we simply sit back and watch and listen to what others have to say? My own answer is no — no, not only as Minister of Communications but also no as a proud Canadian.

For the time being, individual or incremental solutions must not be underestimated. Among these are extension of service, pay-TV, additional provincial educational networks, interprovincial educational networks, new Canadian content rules and better use of the capital-cost allowance. Moreover, such solutions need not wait for the elaboration of an over-all strategy. Nevertheless, the elaboration of such a strategy must be undertaken. If we are to solve the basic problems, we will have to move boldly.

At the request of Cabinet my department is now actively developing, as an important element within its cultural thrust, a broadcasting policy for the 1980s. And there is a role for you to play.

...First, I suggest that we should start by analyzing the North American environment with its growing European components very carefully — as it develops from day to day.

Second, we must realize that we will be operating in a much more competitive environment where audiences will be more fragmented. We must look at the opportunities of world markets for some of our programs.

Third we should try to determine more precisely what our objectives and targets ought to be. What kind of Canadian programming do we want? We are doing reasonably well in news, public affairs, documentaries and sports. We are, however, doing rather poorly in variety, drama, and children's programming.

Fourth, once we have established some targets, let's establish the cost.

Fifth, what are the sources of potential revenue? What projections can we make concerning subsidies from government — both federal and provincial? What are the projections concerning advertising revenue for broadcasting? Are broadcasters investing as much as they could in program production? What kind of fiscal incentives might be

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