

In consequence, CRTC has announced its decision not to license broadcasting receiving undertakings (CATV) based on the use of microwave or other technical systems for the wholesale importation of programs from distant U.S. stations and thereby the enlargement of the Canadian audience and market areas of U.S. networks or stations. Consultations will take place and particular attention will be given by the Commission to the question of creating networks of cable systems to help develop original programming. This decision rests on the conviction that there is in Canada the talent and the ability in the various fields of expression and knowledge to make effective use of a complex communication system.

Protection for National Programs

According to CRTC policy, cable-television systems must give priority to Canadian network signals, independent Canadian stations, and locally-originated programming, including educational broadcasts. Non-Canadian channels have a lower priority. Cable systems are also capable of carrying FM and AM radio signals.

Recent growth of cable television has been remarkable, particularly in the cities. As of September 1, 1969, there were a total of 317 cable-television systems operating in Canada, serving a total of 926,000 urban households, or 22.6 per cent of all urban households. This represents a 45 per cent increase in penetration over 1968.

The Canadian Radio-Television Commission considers that cable systems have an important role to play in their community and encourages them to use one or more of the available channels for local programming. Where local education television programs are available, the cable system is required to devote one channel to them.

Advertising is not permitted on cable television, except for advertising that is a part of TV station broadcasts picked up by the system. The expenses of local programming are to come from subscriber revenue.

For cable TV service the subscriber customarily pays an installation fee, and a monthly rental of approximately \$5 a month or \$60 a year. Systems range from those with a few hundred subscribers to several with more than 30,000 subscribers. Annual revenues of the cable systems at present run between \$50 and \$60 million a year, and are growing rapidly.

Areas of Main Penetration

Cable in Canada is mainly concentrated in the larger centers of population since it is more practical to link television homes by cable in the more densely populated urban areas. So far, development across Canada has been extremely uneven, with the greatest concentration in British Columbia, Ontario and Quebec. Penetration in the Prairie Provinces and the Atlantic Provinces is still shallow.

Cable television is part of the Canadian broadcasting system. With radio and television, its basic purpose is defined in the Broadcasting Act of 1968: It should be "effectively owned and controlled by Canadians so as to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada" and it should "contribute to the development of national unity and provide for a continuing expression of Canadian identity".