

Senator Prowse: The other question I had was this: I think in Ottawa there are two or three franchises where it seems to me, and this is certainly a personal opinion, it might just as well be handled as one public utility rather than two or three different ones. Do you feel that it might be possible to provide the service more efficiently and more cheaply if licenses were given the same way as electric licenses and gas franchises are given? In other words, you take what looks like an economic area and say "Okay, boy, go ahead within the limits."

Mr. Boucher: The Association, of course, has not debated or come up with a view on this point but there is a competitive element to begin with. Even if there is not a matter of territorial competition, there is certainly service competition, isn't there? So competition does exist. Your question is if it went the other way and it is very difficult to answer because a lot of study has been given to that. I will give you my personal view in this one.

There is the possibility of apathy, but bear in mind that in many markets you have to be very careful how you would choose to operate in a given territory because the economics of that territory are very important. Of course, now that we have the rising cost of electronic equipment and the general higher cost of doing business, I think you need larger and larger territories. That is why there has been no specific development in very small communities of late.

Mr. Allard: Mr. Chairman, Senator Prowse, the analogy can be drawn to raising the other question which follows logically: would it not be more economical to serve a community with telephone and power together, more economical for the residents of that community if both services were provided by one organization. They are so distinctly different, you cannot run electricity down, for instance, a natural gas pipe. You cannot use the same equipment, you cannot use the same facilities.

If I may be permitted to come back to Mr. Fortier's question regarding a public utility as to whether we indeed or in fact provide a public utility service.

If television can be considered an essential service I do believe, and I am not speaking for the Association, in certain areas we do provide a quasi-public utility service, yes.

Mr. Fortier: I should declare my interest first. I was acting for Monsieur Couture in front of the CRTC and before the Supreme

Court. I realize that the matter is now final. I think the point of view of the Association which was not expressed before the CRTC, but which was expressed by the present operator of the system in Theftford Mines, is important.

You will recall my argument. This is, as you say, a new field; it is a new area. It is a field where the entrepreneur is the one who is providing the investment and the hardware and the service. If we accept that there can be a good CATV system and there can be a bad CATV system, why should not the viewer be given the opportunity of choosing between the two? Why should he have imposed upon him a system which may not, in his community, be as good as the one they have in another community? This is without any reference to any particular market.

Mr. Boucher: Let me answer it this way: the way things are today, to obtain a license to operate in a given area, you have to go to the CRTC. The CRTC is a public forum and the CRTC is now probably the body who receives the type of letters or hears public concern that the DOT used to handle, be it problems of reception—not necessarily on cable, or just hydro noise. With the growing awareness of the public of this forum, I suggest you would not have a problem if there are public representations—in other words, if the viewer is heard.

The second part of your question still remains a practical point of economics. From a business point of view, I think probably this is the first time in history, in that particular case you mentioned, sir, where someone wanted to—I think the term used was "overwire an area." Frankly I would not do it.

Mr. Allard: It was the second time and before the CRTC took over control of our industry. This happened in Victoria in 1964 where a local operator was providing very bad service and somebody overwired and now the operator is out of business. This was permitted under the DOT.

Senator Prowse: The new fellow came in and actually took over?

Mr. Allard: Provided a much better service to the community. He took over from the original operator.

Mr. R. C. Chaston, Director of Canadian Cable Television Association: It would be a matter of interest to you, I am sure, that the CATV industry, together with the DOC and