

The Chairman: I was going to ask you who your associates are. If that is not something you don't wish to announce...

Mr. Campbell: Well, we haven't entered into any formal agreement. We have just had preliminary discussions and had their preliminary consent that they are interested in such a company.

The Chairman: Mr. Fortier?

Mr. Fortier: Now that the CRTC's recent announcement has opened the door to the creation of a cable network, do you foresee that it will become a reality in the near future?

Mr. Campbell: Not in the near future, but I do in the future, definitely. I think we will start off probably as television started off. We will start to bicycle, and once we have sufficient customers on the system that you can afford to do more than bicycle, we will get into microwave, perhaps or something of that order.

Mr. Fortier: You spoke of the philosophy of the Canadian Cable Television Association—some of its philosophies which you could not accept. One of the ones—I don't have the reference here in the brief—but it is where they say the existing television stations, as we know them today, will throw in the towel in the near future and just feed their programs into the cable network. Is this one of the philosophies with which you do not agree with?

Mr. Campbell: That is true. We do not agree with that one and will not agree with it for many years to come. We still have 25 per cent of the population in Canada living in rural districts. I don't know how you are going to get cable out to them for many, many years to come; but they must be serviced and therefore the broadcasters are going to fulfill this role.

Mr. Fortier: I suppose that some people said the same thing about electricity and the telephone not so long ago.

Mr. Campbell: Well, we don't say that it won't ever happen. But you did ask us specifically, and I think the question was, could it happen in five years? Well, I certainly don't think it will and I don't think really any of us see it happening in the next 10 years. There are so many other ramifications tied up in the broadcasting system that we

have today that I just can't see that happening. I can't make it any more definite than that. I just don't believe that this is going to happen.

The Chairman: Mr. MacGregor?

Mr. MacGregor: I was just going to add that I think it will lead to a great deal more co-operation between broadcasters and cable operators. I think we will find ways where we can serve a margin by getting together and making a joint presentation.

Mr. Fortier: I would be very interested in hearing you expand further on this co-operation between the broadcasters of today and the cable operators of tomorrow.

Mr. MacGregor: Yes, sir.

The Chairman: Yes, you go ahead and we will come back to Senator Prowse.

Mr. MacGregor: In the past few years we have noticed a marked change in the attitude of broadcasters towards cable operators. Now the broadcasters have accepted cable as another medium. I think that with that trend toward more co-operation, we will be able to approach service situations in which we may be able to co-operate with the broadcasters perhaps in the extension of second service in certain areas. In other areas, where they just may be able to provide a rural distribution of the second service, we could contribute to the cost of getting the service to the community.

I think there are many areas where we could co-operate with the broadcasters and I think this is quite evident from the fact that large numbers of broadcasters have already taken positions in the cable industry.

Mr. Fortier: Yes.

The Chairman: Is there co-operation now between conventional broadcasters controlled by Maclean-Hunter and cable operators controlled by Maclean-Hunter?

Mr. MacGregor: Not specifically.

Mr. Campbell: I might just point out, Senator, that the television company in Calgary, which we own, is part of an application for Calgary cable along with the other television broadcasting outlets. In other words, Channel 2 and Channel 4 have gotten together and put in an application whereby we would each own 23 per cent of the stock. Hopefully we will finance the rest through a public issue.