

the brief. My first question is on page 5 under "Relations with Parent Company".

"Relations with Maclean-Hunter Limited are excellent. The officers and highly specialized staff of the parent company are always available to the Cable TV company for assistance and advice on such matters as sales and advertising programs, art work, research, personnel recruiting, printing, etc."

So they are very, very closely associated and they need one another's services in order to get the job done.

Now, on page 16 you say:

"We believe that the normal forces of the marketplace should determine which services should be provided by the telephone system and which by the Cable TV operator. Unnatural restriction of this element of competition should not be permitted.

It is our belief that the needs of Canadians will best be served if two independent communications services to the home are permitted to develop. Certain services can best be provided by the switched communications system of the telephone companies which permits the direct two-way exchange of information between any two points on the system. Other services can best be provided by the broadband distribution system provided by Cable TV. We do not feel that telephone companies should operate both systems."

Now, what is the difference between Maclean-Hunter operating many systems and the Bell Telephone operating two systems. Why should you people object to the Bell Telephone system having two systems and you people do the same thing.

**Mr. Campbell:** I am going to let Mr. Metcalf answer that one.

**The Chairman:** Mr. Metcalf?

**Mr. Metcalf:** When you say systems, Senator, I don't quite understand what you mean. The Bell Telephone—when we are talking of two systems we are talking of a system as a pretty basic term here.

**Senator Bourque:** Well, they operate cables too, don't they?

**Senator Prowse:** When you are talking of systems you mean a form of communications I think.

**Senator Bourque:** You see, I really don't know just what you mean—that is why I am asking you now. You say: "We do not feel that telephone companies should operate both systems."

**Mr. Metcalf:** Well, what we are talking about here is in the general terminology. Telephone companies go into the home with a communication system and it is pretty widespread to most Canadian homes. Cable is becoming a second service fairly widespread and eventually, hopefully into most Canadian homes.

Cable can do some things which the current telephone system can't do. The telephone system can do some things that the cable system currently cannot do. You can call out from the home but the cable television system only puts in, but the cable we have is capable of carrying something like 600 times as much as the telephone lines, 600 times as much information. There is a study going on at the moment under the DOC—Mr. Switzer is a representative on it—and it is studying the implication of a single wire going into the home as opposed to the dual wires, or one cable and one wire. We are saying that we think it is more in the public interest that the telephone company continue as a telephone company and we continue as a cable company and that we compete for whatever service we can both do best. We shouldn't be restricted by regulations from competing with that telephone wire in your home with our cable, and conversely, they should be able to compete using their telephone wire with our cable.

That is what we are really saying in those paragraphs.

**The Chairman:** Mr. Campbell, I am aware that you have to catch an airplane, and I have a taxi waiting for me in a few minutes, so we will adjourn very quickly. But I have a couple of questions which are very quick and to the point.

Referring to the CRTC guidelines on cable you said and I quote "It is a disaster for the cable companies," and yet Ted Rogers who is one of your associates in the Toronto area and one of your competitors, I suppose, in the Toronto area says and I quote "The birth of a new era of opportunity for cable companies". Are you both right?