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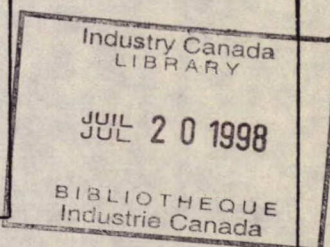
THE FUTURE DEVELOPMENT
OF PUBLIC TELECOMMUNICATIONS IN CANADA: 1976-1991

PROJECT DELTA

RATIONALIZING CANADIAN TELECOMMUNICATIONS:
A PLAN FOR ACTION

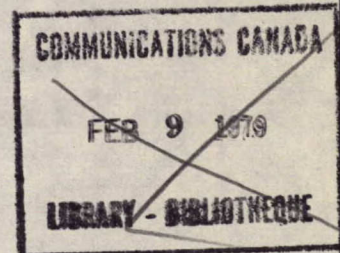
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DISCUSSION PAPER
PREPARED FOR

PLANS FOR ACTION: UNTANGLING THE
CANADIAN TELECOMMUNICATIONS WEB



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AUSSI DISPONIBLE EN FRANCAIS

AFTERWORD

This is a long paper. It had to be.

Its subject, the future system architecture of Canadian communications, covers a wide range of multidisciplinary issues of major importance.

I have also, possibly presumptuously, tried to reach all members of the communications community who will influence or determine that future. At one and the same time, I have attempted to answer the legitimate questions of the legislators and their policy advisors, expose the fallacies of powerful lobbies, overcome the inertia of venerable institutions, counter the opposition of vested interests, broaden disciplinary horizons and shore up our sagging convictions.

Above all I have tried to decorticate the facts and distill certain broad coherent principles which could guide us in our pursuit of the common good.

I thought, when I started this paper, that I would be writing as much about the "new services" as I would about television. It is only in developing my subject that I came to realize that it would be wrong to divert attention from what I consider to be the present national "life and death" issues of television, by too much speculation about the fascinating but less pressing promises of the new technology.

At my age, I should probably know better than to get involved in controversy which, it might be said, should no longer be my business. Actually age should be my ally in this venture. After such a long past, few are likely to think that I personally have anything to gain in this crusade for the future.

It is with regret that I find that the burden of the changes proposed in this study would fall for the most part on the

shoulders of our multicasters, to use their preferred appellation. Personally, I have only admiration for the great initiative of our Cable pioneers. In many ways, they are becoming the victims of their own success. The Cable they have brought into the world has now become so important for our individual and collective welfare that it can no longer be left to the uncoordinated efforts of a multitude of private entrepreneurs, however gifted they may be.

As to the forthrightness of my criticism of past policies, it should be taken as a measure of my deep concern about the future of Canada and as the confirmation of the old saw that "hindsight is better than foresight by a damnsight".

Speaking of foresight, how then can I be so sure about the future? If I appear to be, it is that I am really not dealing with the future, but with what already is and with principles which will be as valid tomorrow as they are today.

I have discussed this plan, both in its elements and as a whole, with many people and I am grateful for their patience and suggestions. I have had some arguments on semantics and details but, possibly out of deference, very little on fundamentals, except in one area, the impact of the surfeit of American television on our Canadian identity.

I sincerely hope that the broad circulation of these ideas in communication and public service circles will generate wide discussion and in turn lead to even better solutions.

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(I) THE NEED FOR ACTION

RATIONALIZING CANADIAN TELECOMMUNICATIONS

THE NEED FOR ACTION

We have talked enough. Let's get on with it.

The purpose of this paper is to present a broad perspective on the various issues and developments already discussed at previous Delta and CORCOB meetings and to propose a concrete plan of action.

There is no need to demonstrate to the members of Delta that we are living in a period of accelerating change in electronics and communications. With the spread of the Cable we are already more than half-way to the once much questioned "wired city". Our satellites now cover the whole country with CBC television and telecommunication services. The computer and its pervasive technology is everywhere. Digitization and integrated circuits are revolutionizing all forms of telecommunication. Tomorrow it will be the further impact of fiber optics and broadcasting satellites. Many claim all these developments to be so important as to herald the dawn of a new era which they call "the Information Society".

It is to be an age of many important new information and telecommunication services which have already been in the research mill for some time. But, with the exception of teletext which seems to be progressing rapidly, they are probably all some years away from widespread usage.

The fully computerized office, electronic mail, E.F.T., the home tabloid, personal access to information banks, telemedicine, teleducation, teleshopping, teleconferences, telemetering, telesurveillance, telethis and telethat will all come in due time. We have to be ready to make the most of them when they do arrive - and some may be nearer than we think, but they are not really today's major issues.

Today's main issues, Pay-TV, the role and status of the Cable, its relation to telecommunication carriers, the future of broadcasting in general and of CBC in particular, the Americanization of the Cable and the decline in the viewing of Canadian programs, the paralyzing conflicts between various institutions and particularly between governments, have all been before us for some years now. And time is obviously getting short.

Our situation in this respect is no different than that of other advanced telecommunications countries of the world. Everywhere policy makers are finding it difficult to keep up with technology. It is moving so fast and the policy issues which it raises are so intermeshed that it is no longer possible for government and regulatory authorities to deal with them on an ad hoc basis, as they could in the past. Many of these issues can only be resolved together as a package within the overall framework of a broad communications strategy.

Actually this need for an overall policy strategy is greater in Canada than possibly anywhere else, as we are in most respects leading the world in the use of telecommunications technology. Fortunately, as we have learned from its Delta representatives, DOC seems to be very much aware of the problem and attacking it with renewed determination. Delta itself owes its birth to the desire of DOC, in the formulation of this strategy, to take fully into account the needs and opinions of industry, institutions and the general public.

It is in this spirit that I am submitting this overall plan for the consideration of Delta and through you for the attention of government authorities. For it is simply not conceivable that all the pieces of the Canadian telecommunications puzzle will fall into place without governments, and the experts who advise them, assuming a great deal more

leadership than they have been able to do in recent years, for reasons which are well understood.

In this respect also, we have become so influenced by American ideology that any leadership which is not "private" has unfortunately become suspect in Canada. Too often, public or Government leadership is rejected a priori as just another form of government interference.

It will be clear that I hold another view. For some years now, I have also felt that we had a sufficiently clear idea of the general social and technical landscapes ahead to move from reflection and prevision into action. We have all the information necessary about the present and the future to decide on the basic policies and principles we need to ensure our smooth passage into the "Information Age".

I have had the privilege of discussing most elements of this plan on many occasions over the years, and many of the ideas it contains have been in circulation for some time, as expressed in the Halina, Megarry and Griffiths papers. Taken overall, however, this is my own plan and I take full personal responsibility for it. In no way is it intended to reflect the views of the organizations I am formally or informally associated with.

If some of my proposals do not appear to be in line with current policy and legislation, it is not that I have not given enough consideration to political considerations. It is rather that I am convinced that, in dealing with the architecture and management of large scale systems, such as Canadian telecommunications, the rational approach is not only the most effective, it is also in the long run the best politically. Politicians naturally tend to seek incremental solutions which do not involve radical changes and will not disturb established interests. In many cases I am sure this approach is not incompatible with long term public interest.

In this instance, however, I am now convinced that there is in the long run no way we can take full advantage of the new technologies to provide the best possible communications services to Canadians without disturbing some of the players. Once we reconcile ourselves to that inevitability it is surprising how simple our problem becomes.

Another look at the major issues listed at the top of page 2 reveals that the Cable is the only element which is common to all of them. Not unexpectedly it is the Cable which, at one and the same time, is the hero and the villain in the piece. Fortunately, we can have one without the other.

All we have to do is recognize the Cable for what it has now become, a new kind of Carrier and no longer a glorified pair of rabbit ears. Then, with a little common sense, all the rest falls neatly into place, as I will try to demonstrate under four main headings:

- II) The Status of the Cable and the separation of Carriage and Content.
 - III) The Rationalization of the Carriage Sector.
 - IV) The Rationalization of the Content Sector.
 - V) Executive Summary and Implementation.
-

(II)

THE STATUS OF THE CABLE

THE SEPARATION OF CARRIAGE AND CONTENT

THE STATUS OF THE CABLE

I am not in contradiction with the Supreme Court in stating that the Cable is a new kind of Carrier.

The only thing the courts and regulatory bodies can do is interpret and apply the laws as they are, even when these laws have been overtaken by the forward surge of events. I am talking of what is and should be, not of what has been.

In its early years, when it was still known as CATV or Community Antenna Television, the Cable could logically be considered as a mere extender of television broadcasting and rightfully be called a "broadcasting receiving undertaking". The main feature of these early CATV installations was admittedly the high and sensitive communal antenna, while the cable which connected it to a small number of subscribers could be considered of secondary importance.

Today we hardly hear the word CATV anymore. We call it rightly the Cable, because the system is no longer used simply to feed hard-to-receive neighbouring TV signals to a few hundred isolated customers deprived of any service at all. For some years now, individual cable installations have been carrying, with approval, all the television signals, local and distant, they can economically appropriate or produce, to tens and hundreds of thousands of viewers over hundreds of miles of cable. It is no longer the community antenna which is the main feature of the Cable enterprise, but the cable itself. As a matter of fact, the Cable subscribers would be a lot better served if the Cable was fed directly from the networks and studios without the hertzian reception which protects the "broadcasting receiving undertaking" label which has kept it under federal jurisdiction.

No the primary function of the Cable is to be a "cable", that is a carrier, and its broadcast receiving function has

become only incidental and should eventually cease completely. Because of its channel capacity the Cable is rapidly replacing broadcasting for the delivery of programs in areas of heavy and moderate population density. On an average in these areas, there are less than 40% of the homes still using any antenna at all. By the early 80's this figure will be down to about 15%, a level which has already been considerably surpassed in a number of cities.

At some stage in the relentless replacement of hertzian broadcasting by cable carriage in populated areas, the Government will have to ask itself whether the continued use of scarce VHF and UHF channels can any longer be justified for broadcasting into dead air. Not so far down the road, it is thus not unreasonable to expect that, except for standby purposes hertzian broadcasting of television will eventually stop almost completely in urban, suburban and contiguous rural areas. Television programs and any other non-mobile communications services will then be carried into most homes only by the Cable.

When and where television broadcasting ceases to exist, will we still pretend that the Cable which will have replaced it is still a "Broadcasting receiving undertaking"?

Fortunately we do not have to wait for this ultimate reductio ad absurdum to prove the point. It is already clear that the Cable is above all a carrier, and that it should be treated as such.

There are those, of course, who still insist on calling the Cable "broadcasting" for reasons which have nothing to do with its hertzian antecedents. It is broadcasting, they claim, because it is just another way of doing what broadcasting did itself before. The proof being that, for all practical purposes, the Cable has already replaced TV broadcasting in many Canadian cities. As an example of reasoning

this is about as rigorous as saying the automobile is the same as the horse and buggy it has replaced. As this lack of rigor is the cause of many of our problems, let's examine the question further.

Broadcasting and the Cable - Major points of difference.

Broadcasting must use Hertzian waves.
The Cable doesn't.

Broadcasting casts but doesn't deliver.
The Cable carries right to the subscriber.

Broadcasting serves all within its coverage area.
The Cable serves only its subscribers.

Broadcasting is paid by all via taxes and advertizing.
The Cable is paid only by its subscribers.

Broadcasting stations transmit only a single channel.
The Cable carries up to 35 channels.

Broadcasting stations only emit their own content.
The Cable carries mostly the content of others.

Broadcasting channels are limited to few in any area.
The Cable could operate up to 35 channels anywhere.

Broadcasting's only essential function is to broadcast.
The Cable's only essential function is to carry.

Today the Cable operators themselves are the first to stress these basic differences. They are no longer satisfied to go along with the label of "broadcasting receiving undertaking" given to them by our past-oriented legislation. They now boast about all the things they can do and the broadcasters can't. They want to be the "multicastors" of the future.

While they agree that their basic function is to carry the content of others, they see no reason why they shouldn't be also be allowed, to program themselves some of their television and new services channels, to form networks by hooking up together by satellite or microwave as broadcasters have done for years, and especially to establish control over Pay-TV programming in order to guarantee "adequate" profits for their Pay-TV carriage operations.

Judging from the statements of their trade association, Cable operators want to do just about everything other than to operate the telephone service. And, in hindsight, it is only too clear that we have only ourselves to blame for it. Most were quite satisfied to be special carriers of broadcast signals, specially those of U.S. border stations which made them flourish, until they were forced by regulatory pressure "to cease being broadcasting parasites and contribute programs of their own". So it is that most became reluctant programmers, as well as carriers, and started to see themselves as a new breed of multichannel broadcasters.

As the number one Cable country in the world, Canada owes a great deal to the extraordinary initiative of its Cable industry. I just wish it weren't now necessary to hold it back and, in certain ways, even to force it back. But there just doesn't seem to be any other way we can at the same time solve our present telecommunications problems, efficiently meet our future needs and hopefully ensure our national self-preservation.

It is not that the broadcasters should be protected against erosion by the Cable, which was the principle on which most of our regulatory decisions were based in the past, with exactly the opposite results. The architecture of macro-systems, and this is what we are discussing in this paper, can not be based on the protection of vested interests, but only on sound basic principles. The first and most important of which should be the "separation of carriage and content".

THE SEPARATION OF "CARRIAGE AND CONTENT".

First a word about the doublet itself. It has nothing to do with those famous doublets of "the medium and the message" and "the hardware and the software". The "carriage" by itself certainly does not make a "medium", and the "content", as in television, may actually involve more hardware than the "carriage". The "content and container" would certainly be more elegant philologically, but the image it conveys is too static to apply to telecommunications.

It is rather self-evident that the "content" is what is sent by the communicator to the communicatee(s), either directly, as in Hertzian broadcasting, or partly or wholly through a "carrier" who does the "carriage".

The traditional telecommunications carriers.

In telephony, telegraphy, telex and facsimile, this separation is inherent in the very concept of interpersonal communications. These traditional telecommunications carriers have never had anything to do with the content of the messages they carry.

They might, however, be tempted to do so in the introduction of the new services, as the British and other European public telephone organizations already are in the case of teletext.

The rationale of carriage-content separation.

To the Canadian mind it seems self-evident that powerful telecommunications carriage monopolies, be they for telephone or television, should have nothing to do or to say about the content they carry, except to specify the electronic form in which they can carry it. The protection of freedom of expression is not, however, the only essential reason why carriage and content must be separated.

Even more important from a practical standpoint is that the responsibility for content and the responsibility for carriage inhere in two diametrically opposite worlds, as for example, the very different worlds of the CBC on the one hand and Bell Canada on the other.

The first is primarily an artistic, journalistic, intellectual and showbusiness world, whose field of concern is as broad as that of man and society themselves, and whose mode of action is the custom production of a multitude of content packages, all different from one another. It is a world of the widest possible diversification in which the management of individual and team creativity is the primary challenge.

In contrast, the second is a world of organized technical order within a highly specialized field. It is a world of sophisticated electronic devices rather than people, and its complexity lies in the endless multiplicity of identical elements providing identical services to millions of subscribers. It is a world of relatively great uniformity in which the economic management of large scale logistics is the primary challenge.

No. Whatever their respective strengths might be, neither Bell - the carrier, nor the CBC - the provider of content, could do one another's job. The fact that the CBC and other broadcasters "broadcast" as well as produce content does, however, raise an interesting question. If responsibility for carriage and content has to be separated on the Cable of tomorrow, does this mean that the broadcasters should similarly be asked to give up their television and radio transmitters? The answer is no, for two simple reasons.

The first is that in direct-to-home broadcasting, there is no "carriage" since there is no carrier. Unless Hertzian waves and Bell Canada belong to the same genus. Neither can it be said that the broadcaster is his own carrier. He emits

but does not carry anything. It is entirely up to the communicatee(s) to complete the telecommunication, if he is interested and able to do so. In its original limited technical sense of the word, "broadcasting" is therefore only a first step in a relatively simple telecommunications delivery process. Much simpler and usually cheaper, but also of lesser dependability and capacity than direct carriage right to the communicatee.

This is to say that, neither in practical nor theoretical terms, is the precept of content-carriage separation too germane to radio and television broadcasting through hertzian waves. Furthermore, and this is of fundamental importance, unlike the cable operator who carries the content of all others, the broadcaster transmits only his own content. And he usually does so within the limited capacity of a single channel. In any case, with the rapid replacement of broadcast transmission by cable carriage, it is only a matter of time before television content and hertzian broadcasting do become in fact largely separated. That is, as long as we keep the Cable and other carriers out of the content sector and vice versa.

So why complicate matters? Let nature take its course.

If only we could say the same in the case of the Cable! This is of course, what we would all like to do, if we did not know that continuing our laissez faire policies could lead to a virtual monopoly of the Cable over both the content and carriage of television into the home. If we did not know also that, precisely because of the very nature of its operations as a carrier as well as a high investment enterprise, the Cable is probably the least qualified institution of all to assume any important programming responsibility.

There is no doubt that keeping the Cable completely out of Content operations, as defined later in this paper, will be

a challenging task. Not because of difficulties in the concept of separation itself or in its applicability, but because of the weight of the interests involved. We can be sure of one thing, however. The longer we wait in making up our minds, the more entrenched the Cable will be, and the more difficult and unpleasant the job. Also the more disruptive for the Cable people themselves.

This is why this basic principle of separation of carriage and content should be adopted and promulgated now, so that all may know the rules of the game not only for television but also for the "new services".

Carriage-content separation and the services of the future.

A quick look at each of the new telecommunications services we can reasonably expect in the foreseeable future indicates that there should be no problem whatsoever in keeping responsibility for their carriage and content separated. At least much less than in the case of television, for the good reason that the Cable is not really involved yet.

As is the case for the telephone, telex and facsimile, separation will come automatically for tele-conferences, tele-purchases, telemedicine and the like. Neither do I see any carrier becoming involved with the contents of tele-education or electronic funds transfer.

It also seems unlikely that any carrier, including a cable carrier, would wish to take responsibility for the content of tabloids, or of other publications which may eventually be printed electronically on subscribers' premises. In the same area of publishing we might have a problem, if we are not careful right at the start, with teletext which is being developed rapidly by a number of public telephone systems in Europe and particularly in Great Britain.

My point here again is that no telephone or other carriage monopoly should have anything to say about the content they carry into the home. Neither should the carrier engage in the business of purveying, packaging or selling content. The carrier could, however, be the collecting agent for electronic transactions. But more about this point in the Content section of this paper.

Throughout this section, it should have become increasingly obvious that the key to the orderly development of telecommunications in Canada, now and in the future, is not only the separation of carriage and content, but also the early rationalization of the cable industry.

(III) THE RATIONALIZATION OF THE CARRIAGE SECTOR

THE RATIONALIZATION OF THE CARRIAGE SECTOR

The proposed separation of Carriage and Content has the corresponding added advantage of greatly facilitating our examination of the future of Canadian telecommunications by dividing our task into two much more manageable and homogeneous parts.

With the addition of the Cable, the Carriage sector will comprise two main groups of unequal size, the traditional carriers with roughly 95% of the investment and revenue and the Cable carriers with the rest. Unless the Cable eventually takes over some of the traditional carrier functions, it is expected to remain relatively small in comparison with the older carriers.

The traditional carriers.

The TCTS family represents about 90% of the assets and operations of this group. It is composed of Bell Canada, which serves Ontario and Quebec, privately and publicly owned telephone and telecommunications utilities in other provinces, and now Telesat Canada. While maintaining their essential autonomies, Bell, Telesat and the provincial carriers have pooled their planning and operating resources to provide Canada's coast to coast telephone services and most of the country's microwave and satellite facilities.

CN-CP Telecommunications provides transcontinental telegram, telex, microwave and data services. CN Telephone operates in Newfoundland and North West Canada, while the Independents provide limited regional telephone operations which interconnect with TCTS but are not part of it.

It is clear that this older group, which provides us with one of the best telecommunications services in the world, is already relatively well structured. To an outsider, the continued existence of the telephone independents appears

to be an anachronism of no great consequence. More important in terms of the future will be the tensions created by the convergence of telecommunications technologies. It has already started to blur the traditional frontiers between the legitimate operations of TCTS, CN-CP and now of course those of the Cable. As the old-fashioned telegram is rapidly disappearing, CN-CP Telecommunications is fighting hard to keep its place under the sun. CP's suit against Telesat and its attacks on Bell's alleged restrictive practices are evidence of the tensions developing amongst the traditional carriers under the impact of the technological push. For a while it also looked as if the microwave and the satellite were to clash head-on in a wasteful contest at the public expense. Fortunately this has been prevented by the kind of government leadership which this paper suggests be assumed on a much broader scale.

Yet, whatever issues and jurisdictional problems may now stir the traditional telecommunications sector, and these are bound to increase as the telecommunications revolution develops, I doubt that we would be talking about the need to rationalize the carriage sector if the Cable had not come along. Furthermore it will be seen that many of the measures which the arrival of the Cable calls for can be applied to advantage to the rest of the carriage sector.

The Cable carriers

It is the very success and momentum of the Cable which makes its rationalization a matter of urgency. As we have already seen, more Canadians get television by Cable than over the air. By the early 80's, some 80% of our urban and suburban population will be fed by Cable, a level already exceeded in Vancouver and other cities, and nearly attained in Toronto. At \$10 a month or less for up to 35 channels in many cities, the cost of Cable service has proven more than reasonable for a quality and quantity of service which is generally definitely better than that of over the air reception.

It is therefore clear that, except in sparsely populated areas, practically all television and video services to the home will be delivered by the Cable within a decade. As already mentioned, broadcasting of television signals in areas served by the Cable will eventually have to be discontinued. First, because the frequency spectrum is too limited and valuable to be wasted for services which are not used. Second, because local broadcast transmissions interfere (within the receiver and not within the Cable itself) with the efficient use of the full capacity of the Cable.

Long before urban stations go off the air, most signals carried by the Cable will be fed directly to it by the Content undertakings concerned, instead of continuing with the increasingly silly process of having the Cable pick these signals off the air without regard to propriety or quality.

Without indulging in futurology, it is therefore clear from the above that in populated areas, which represent some 85% of the Canadian population, the Cable will become the exclusive carrier of a wide variety of television and video services to practically all homes in its service area, very much as the telephone company with its service. Like the telephone also, the Cable will continue to be a monopoly. There is little chance that we could ever become so rich as to afford two competing Cable companies in the same area.

As a monopoly, the Cable will of course have to be ready to serve all homes wishing to get service and to do so within regulated tariffs and standards of performance, just as the telephone company must do. This kind of monopoly on which all citizens of a given area depend for an essential public service has for a long time been recognized in Canada as a "public utility" monopoly and has been regulated as such. For example, hydro, water and telephone services.

Our job today is not to determine whether the Cable will or should eventually become a public utility monopoly. In the

long run I think there is simply no way this can be prevented from happening. Neither is there a valid reason why we would want to do so. What we have to decide is the kind of cable utility which will best serve our needs.

We have a lot of experience to go by. Our telephone, telegraph, hydro, rail and air transportation industries all started, like the Cable today, with a multiplicity of independent local enterprises of various sizes. To achieve economies of scale, to facilitate interconnections, to insure a measure of uniformity in the quantity and quality of service and to optimize public service generally, governments finally had to step in to guide, propose or impose the kind of structure which would best serve the public interest.

Thus hydro was gradually nationalized in all provinces. Telephony was generally organized on the basis of provincial public utility monopolies, private and public. Our railroads and airlines have been placed in the hands of a competitive national duopoly. But today there is a growing feeling that this kind of competition might be a luxury which Canada might not be able to afford much longer. However, this is rather beside the point, as there is surely no one in his right mind who would suggest that the Cable itself should be rationalized into some form of duopoly.

The more important issue about the Cable is that we haven't the time to wait for the forces of the market to do most of the job for us, as happened in the case of the telephone, hydro and other public utilities. However attractive this laissez-faire attitude might be politically, it is not open to us. Technological progress moves immeasurably faster today than it did a hundred or even just twenty-five years ago. It can neither be stopped, resisted, ignored and, I would even add, compromised with - with impunity.

At this point, before proceeding further, we have to agree as to the role we expect the Cable public utility to play.

The responsibilities of the Cable carriage public utility.

For the next 10 to possibly 15 years, it seems likely that a cable of the current maximum capacity of 35 one-way video channels, with a few divided up for narrower band services, should be adequate to meet our needs, if used efficiently. Return or retroactive communications would be over voice or equivalent circuits. No Cable broadband switching would be required within that time frame, but the bulk of the video channels should be addressable for adequate control of Pay services. In brief, as far as carriage is concerned and except for the last requirement, this is the type of service already provided by the more advanced cable systems.

In accordance with the principle of separation of content and carriage, the cable utility would have no part to play in the choice, appropriation (including off air pick-up), production, procurement, packaging, programming, networking or selling of content of any kind, including messages and advertizing. Content on all channels, whatever its nature, would be supplied by content undertakings duly licensed for that purpose, as described later in the Content section.

The content of some channels would be designed for national distribution, other channels would carry content for provincial distribution, while the rest could be purely local in interest and delivery.

Like all other public utilities, the cable monopoly would have to undertake to serve all the people in its territory who wish to receive all or part of the content it carries, all in accordance with duly authorized tariff structures.

Equally important, the cable utility will also have to provide carriage at regulated rates for all content undertakings duly authorized to offer their content to the public.

This charge for carriage, to be discussed on page 81, will provide the mechanism for the allocation of channels.

If the carriage utility is to meet all the carriage needs of broadband home telecommunications, as well as some narrow-band, and to meet them without undue delays, it will have to do a great deal of long term planning and advanced engineering. Very much like the telephone and hydro utilities have been doing very successfully for a long time. With the difference, however, that the pace of transformation of television and the development of the new home telecommunications services is expected to far outstrip that of telephony and power utilities, both of which have had the chance to settle down into much more easily predictable patterns.

Long term planning - and all the research that goes with it will thus be one of the most essential and exacting functions of the cable utility. A function which will not only require high engineering and operational expertise but also the broad social awareness required for the anticipation of the needs of a rapidly changing society.

There will also be the ordinary engineering task of translating long term planning into dependable and efficient operating systems. The magnitude of this requirement will become more apparent later on when we examine the rapid convergence of evolving technologies. Even with the existing cable technology there will soon be important operating problems to deal with.

First, the "uniformization" of services, at least within economically homogeneous areas. How long can we tolerate the marked differences of quality, quantity and breadth of services offered by different cable companies in the same region? For example, in the Montreal area, where I live, there are several separate cable operations with different social awareness and business philosophy, which over the years have resulted in widely disparate services. Whatever the reason for the CRTC's fragmentation of the Cable in the first place, it is clear now that it has to be defragmented to provide uniformity, efficiency and quality of service.

Then there is the provision of the necessary mechanisms to limit access to certain channels to those who subscribe to them. At the moment we are talking only of one or two Pay channels, but who knows for sure that Pay-TV may not eventually be the method of financing most channels?

As Cable services develop, there will eventually also be the necessity of squeezing all we can out of every available channel. At the moment we are inclined to consider a cable channel as a cheap commodity, because we have so many of them since the introduction of the converter. Yet it won't be long before the use of a channel will have to be justified by the value of its content, as is the case in broadcasting. The use of full 6 megahertz channels to display a 100 hertz of news, weather and consumer information will have to be discontinued. Thousands of alpha-numeric displays could be squeezed into a single video channel. To be discontinued also will be the present duplication of the same programs on several channels, which results from our transplanting full U.S and Canadian stations instead of programs.

Then there are all those new services we have talked about. Whichever carrier handles them, the Cable, the Telephone, or both in cooperation, there are some important system engineering problems ahead, especially at the interfaces between the carriers, the content undertakings and the subscribers.

In an entirely different order of ideas, the cable utility has to be of sufficient size to encourage the creation of a Canadian cable hardware industry and also to keep within Canada a reasonable share of the manufacture of home terminals. An industry which is expected to represent several billion dollars of business over the years.

We just can't expect the cable industry, in its present fragmented form, to even begin to discharge any of these very important responsibilities. Neither can we wait for this deliberately fragmented industry to integrate itself

into the kind of large scale units required for the job. To start with, the philosophy of most cable operators, which is articulated in the clearest possible terms by the CCTA, is that of undiluted private entrepreneurship seeking maximum return on investment and certainly not maximum public good within the constraints of a strictly regulated public utility. There are notable exceptions, but not very many.

Clearly then, the satisfactory rationalization of the cable industry can only be achieved by government leadership and probably direct intervention. A process which must be started very soon if it is to be at all successful.

The size of the Cable utility.

How big should these cable public utilities be to achieve all that we have a right to expect of them? The answer is rather obvious not only in terms of sound organization principles but also in relation to the nature of Canada itself.

It would be a gigantic and almost impossible undertaking, even without considering political difficulties, to set up a coast to coast public utility. Neither is it necessary nor advisable to do so, as long as the smaller utilities we do set up accept the common Canadian technical standards necessary to insure the interconnectibility of channels necessary to form national and international networks. It is also obvious that the regrouping of local cable companies into separate regional public utility monopolies within each province would create more problems than it would solve.

It should be pretty clear already that, no matter how we face the problem, we will end up with province-size units, which have already proven their suitability in the case of telephony and electricity. Allow me at this point to dispel any possible misunderstanding as to what I mean by province-size units. There is no thinking here that we should cable the whole territory of any province. Actually this may never

happen, as there will probably be better and more economical ways than the Cable to bring improved service to remote areas. "Province-size" simply means that the proposed utilities would be responsible for cable service wherever and whenever such service is provided within their province.

As we are about to see, this assumed division of carriage responsibility between the cable and the existing telephone utility is not without very real problems. My purpose to this point has been only to demonstrate that the cable carriage of television and other home telecommunications services could only be achieved practically by public utility monopolies. Whether publicly or privately owned, these utilities should be provincial in terms of their operations. Political considerations have had no place in this reasoning but my conclusions certainly have political implications in terms of jurisdiction and financing.

The provincial Cable Carriage public utility monopoly.

Of course, there can be only one answer to the question of jurisdiction over an electronic pipe built entirely within a province, responsible only within that province for carriage of content over which it has no responsibility at all. Cable carriage should be a provincial public utility monopoly which has nothing to say about the content it carries. To avoid misunderstanding at this stage, it has to be made clear that this statement by itself does not imply anything whatsoever about content jurisdiction. This is an entirely different question, to be studied further on.

It should be clear also that I am not calling for the scrapping of existing cable companies and their extensive and valuable installations. Neither am I advocating any form of nationalization. I am only saying that, in order to do today's and tomorrow's job properly, the present cable fragments in a given province should eventually, and in some way or other, be aggregated into some form of public utility monopoly. And the sooner, the better.

Just how this aggregation takes place would be up to the provinces concerned to decide after close consultation with the cable operators themselves. This process of aggregation has already started in some areas where financially stronger cable enterprises are buying out weaker ones. However, this is not a process which can be left entirely to the forces of the market, as it leaves out the less profitable communities. There must be government guidance, incentive and leadership in accordance with a carefully worked out plan. A plan which would ensure maximum usage of existing facilities and expertise as well as take care of future needs.

I would be less than honest if I gave the impression that I believe that strong and efficient cable public utilities can be structured as loose federations of quasi-autonomous local cable enterprises. Frankly, I doubt that such arrangements could last very long, but it would be a start in the right direction, if it turned out to be the only immediately acceptable way politically.

I wish it were possible at this point to leave "carriage" and to move on to the consideration of "content", because these are the only recommendations I really wanted to make regarding carriage for the short and medium term. They are more than enough for our Cable friends, and the politicians who will have to resist their recriminations, to swallow in one bite.

Towards integrated telecommunications carriage?

I would not raise the question if I believed we had any choice in the matter. But can we reasonably envisage having two telecommunications public utilities in each province: the present telephone utility and a new one for the carriage of television and other services yet to be clearly defined?

If Cable carriage is to be a matter of provincial jurisdiction, it is, of course, up to each province to decide.

If this be the case, it takes little insight to predict which way Alberta, Saskatchewan and Manitoba would go. These provinces already operate their own telecommunications utilities, each quite capable of assuming, without any great additional strain, responsibility for cable carriage. Some of the other provinces might a priori wish to follow the same course, though their telephone utilities are privately owned. But let's not speculate about such political decisions, except to note that the approach likely to be taken by the three Western provinces would certainly have some influence on the likelihood of others considering the technological, economic and administrative advantages - and probably the eventual necessity - of having a single integrated telecommunications service into the home and office.

The technical push.

One of the most interesting feature of the communications revolution is the convergence of technologies and, as a result, the vanishing of natural boundaries between the traditional industries based on these same technologies. There was a time, not so remote, when the telephone, the telegraph, television, the computer and the cable all separated nicely without overlapping into clear-cut technological and business compartments. The telephone entered the home on a copper pair, the telegram came by messenger, television over the air, while the computer was an unconnected rarity. Tomorrow all such services and many new ones will enter the home through some form of conduit or cable, be it the coax or, more likely, optical fibers. More important perhaps than the unification of the means of delivery is the concomitant standardization of electronic packaging prior to delivery.

The human voice, the written telegraphic message, the event being televised and the tabloid to be printed in the home may look very different in their original form. But, once electronically encoded for transmission, they are very much the same, even today, - just electric signals of different

shapes and frequencies. Even these electric differences are for all practical purposes disappearing with the spread of digitization through all forms and stages of telecommunications. It now seems virtually certain that telecommunications content, whatever its original form, will eventually all be transmitted in packets of quasi-identical digital pulses. It is therefore difficult to see how the delivery of identical merchandise to the same address could for very long be kept artificially divided between two different public utilities serving the same territory.

Also, what would be the sense of having two public utilities, each with its own fibre optics cable entering every home, one bringing us the telephone and associated services, and the other feeding us television and its own associated services. When the time comes for fibre optics to replace the copper pair into each home, the economics of a single entry, and of all the rest behind it, would force the twins of a duopoly to work so closely together that they might as well integrate.

Still within this question of system economics, how far into the Information age can the Cable meet our needs, without broadband switching? With an unswitchable system, all content choices must be fed simultaneously to or into the home, for subscribers to make their choice. This means that only one of the 35 channels brought in is actually in use at any one time (for each receiver), and the other 34 are wasted. This simple brute force solution may be the best for the moment. But how long will it remain the most economical even without "on demand" broadband services?

And what will we do when television or other broadband services have to be provided on demand? True "à la carte" television may not arrive within our working time-frame, but it does no harm to know that, when it does, the unswitchable Cable won't do the job. Probably long before that, much of the telephone switching will need to be modernized. Would it

not make sense for a single carriage utility to integrate to the extent possible both forms of switching? We may not have the full answers to all these questions, but we do not have to be engineers to know that the "technical push" towards integration is not about to give up.

Although we are wisely taking our time before plunging into Pay-TV, it is also obvious that most of the new services and eventually many of the television channels will have to be paid for. Unfortunately the present form of cable distribution does not lend itself readily to the handling of C.O.D deliveries. Jos Halina's interesting and valuable short term solution to the problem, the coupling of the Cable with the Telephone without marriage, may go a long way to provide narrow-band pay-services, but it could only be just a start for "pay-per-program" TV. All program choices of such a service would still have to be brought to the home, using up as many Cable channels as there are choices. Without broadband switching we would therefore be a long way from "à la carte" pay-on-demand television.

Integration and service to remote and rural areas.

There is yet another major socio-technological factor which will probably force us to integrate our telephone and cable utilities. So far, because this sector represents 85% of the population, we have talked only about urban and suburban communications. What about the other 15% living in the rural and remote areas? And I am not talking here of the Arctic which has done relatively well since the arrival of the satellite.

Just outside Montreal's 35 channel service area, there are still communities with antiquated telephone party lines and one or two channels of television. When we speak of Canada, and rightly so, as the number one telecommunications country in the world, we have to limit our claim to the quality and choice of service available to the 85% who live in its populated areas.

We are far from leading the world for communications services to the remaining 15%. As a matter of fact, because of our over-generous geography, we are definitely lagging in this respect. While it is unlikely that we will ever be able to provide our more remote and less densely populated areas with all the telecommunications advantages which our cities enjoy, we certainly have to find ways to treat them a lot better than we have been able to do so far. A great deal of thought has already been given to the problem, but we do not yet have the answers. One thing, however, appears certain. We will definitely be able to stretch our limited resources much farther by using a single integrated telecommunications system than by having two separate public utilities cabling or otherwise connecting these expansive areas twice over. Once for television, and once again for the telephone, and with all the other services still in between.

I think few would contest that claim. If this be so, could we seriously consider a monopoly for rural areas and a duopoly for urban centers. Obviously not, even if we could keep the rural and metropolitan operations separate, which we certainly can not. On the contrary, our only hope to keep our cost down to a practical level for the less populated areas is to use, in every possible way, the management, engineering and personal resources, as well as the basic operations of the urban monopolies, so as to maximize expertise and avoid costly duplication.

Then, of course, there are the regulatory problems and institutional rivalries which a telecommunications duopoly would create and a monopoly would avoid.

For all these and other reasons I can only conclude that the eventual integration of Cable carriage with the telephone public utilities seems inevitable in the long run. For those who might wonder why it shouldn't be vice versa, I would just note that the telephone and the cable industries are of greatly different size. With some 70% of the country already

cabled in terms of homes passed by, cable distribution represents only about one twentieth the size of telephone operations in terms of annual business.

Finally, another cogent argument in favour of integrated provincial telecommunications monopolies instead of duopolies is that the former can be so readily achieved while the realization of the latter presents many practical difficulties. The provincial telephone utilities already have the institutional size and strength, and the management and engineering resources to do the job. They also have the proven ability to work together. All of which would have to be developed from scratch in a relatively short time in creating separate cable public utilities.

There is also that, except for the understandable protests to be expected from the cable entrepreneurs, the adjunction of the Cable to the existing telephone utilities might be a relatively simple operation. On the other hand, the building up of the fragmented cable industry into cohesive provincial units could be a formidable task. Furthermore I am quite certain that the conversion of the Cable into new provincial utilities would not be any easier for the cable operators to take than would be their integration with the telephone.

As far as my plan is concerned, the essential point is that the Cable should be dealt with for what it is - a natural provincial public utility monopoly, which should have nothing to do with the content it carries.

As to the integration of the Cable with the telephone, it seems to be such a matter of common sense and economy that it is likely to come sooner or later. But it is not an essential element of my proposal, though I urge governments to keep it very much in mind.

Now, a word about carriage system architecture.

The architecture of the carriage system.

If we haven't mentioned carriers other than the telephone, it is that it seems unlikely that they will be directly affected by the Cable, though they might be involved in the provision of some of the "new services". It is purposely also that I have referred to microwave, satellites, coaxial and fiber optics cables only in passing. For they are only links in the total telecommunication chain, which can often be used interchangeably or in combination depending on their special suitability and cost for the job to be done.

Few Canadians realize that CBC television network programs make most of the trip to their home via satellite, while CTV network programs reaches them entirely by microwave, prior to local transmission and/or Cable distribution. All they know and care about is on what channel on their set or on what button on their converter these particular programs can be received. It will be the same when the fiber optic cable starts to replace the coaxial cable. I doubt that viewers will be much aware of the change of technology, whatever changes it might eventually bring to their viewing habits.

I would be the last to minimize the very great importance of satellites and fiber optics. They certainly arrive at a time when we can make good use of them. But the glamor we associate with space and the dimensions of a human hair must not detract us from the real challenges. I venture to say that the basic issues we face today in Canadian communications would be very much the same without satellites and that they will not be greatly changed by the advent of fiber optics.

More important than satellites and fiber optics to the developing home communications revolution are three basic technologies that have been around for some time, the Cable, the telephone, the computer, and their intermarriage.

Which brings us to the carriage of the "New Services".

The carriage of the "New Services".

Which of teletext, E.F.T., electronic mail, the home tabloid, data bank and computer access, teleconferences, telemedicine, teleducation, telepurchases and other non-television services of the future will come via the telephone and which via the Cable utility?

Although this is an important question, I doubt that an answer can be given at this time, unless we were to assume that the Cable and the Telephone will in fact be integrated. This integration may, however, not actually take place or, if it does, it may take quite a while in some Provinces. While this whole question of New Services may not be too pressing in North America at the moment, we just cannot sit idle. There is a lot of research and experimental activity going on at this time in Europe and Japan in the field of home access to information banks of different kinds. We have to get busy ourselves and take advantage of the present respite on this continent to develop a general plan which would enable us to take leadership and coordinated action before ad hoc decisions are forced on us by outside pressures. If, in this case, we could manage to be ready for action before the U.S., we would certainly stand a better chance to retain in Canada the specialized electronic manufacturing that will be required for the job.

It is in good part because of the lack of such planning and leadership that we have lost most of the specialized manufacturing needed for the Cable itself. We now have a chance to avoid repeating the same mistake. The "New Services" present us with problems of system architecture which should be solved by D.O.C. in consultation with the Provinces and the carriers concerned. This is not a problem for regulatory CRTC decision alone.

And now a word about the jurisdiction question.

The questions of jurisdiction in the carriage sector.

Even if broadcasting is not strictly "carriage", it will be expedient to dispose of jurisdiction over its non-content aspects at this time. The behaviour of hertzian waves has not changed over the years and there isn't any way, as there is with the Cable, to restrict their signals within a Province. The Federal jurisdiction over hertzian transmissions themselves should therefore remain unchanged.

As to the Cable, we have already seen that the separation of carriage and content automatically resolves the question of jurisdiction. As long as it has no content responsibility, the Cable as a carrier should unquestionably be under provincial jurisdiction, with one important proviso.

Federal jurisdiction must be maintained over the technical standards necessary to insure that channels on the various provincial systems can be tied together, directly or indirectly, to provide interprovincial, national and international networks for television and other purposes.

Thus, the fields of federal and provincial responsibility over carriage would be neatly divided and there would be no two-tier complexities as at present. But, if the principle of separation of carriage and content is not accepted, the question of jurisdiction over carriage will remain unresolved. And, as we shall see later, it will be the same for jurisdiction over content.

There are other questions of telecommunications jurisdiction which should be resolved at the same time as the Cable. To any detached observer, I am sure it doesn't make sense that jurisdiction over the carriers is provincial in seven of the provinces and federal in the other three. What is the profound reason for this anomaly? None other than the accident of their particular incorporation. BC Telephone and the

Bell fall under federal jurisdiction simply because this is the way they were incorporated. And just as logically the others are under provincial jurisdiction because they were incorporated in the provinces. This somehow reminds me of the flags of convenience for ships.

One of the reasons Ottawa would be reluctant to leave the regulation of Bell to Ontario and Quebec, and B.C. Tel. to B.C., is that it would lose the only way it now has to oversee transcontinental telephone operations, which certainly should be under federal jurisdiction. But the Trans-Canada Telephone System, which coordinates and plans these operations neatly escapes any direct regulation, federal or provincial. Why? Because it is an unchartered association which has no legal entity. If Ottawa could find a way to regulate T.C.T.S. which should not be so difficult, I am sure that it would be ready to leave the telephone companies, as well as the Cable, to the Provinces.

A split arrangement, with the Cable to the Provinces and the Telephone remaining within the present jurisdictional mishmash would soon present new problems.

And now what about content?

(IV) THE RATIONALIZATION OF THE CONTENT SECTOR

THE RATIONALIZATION OF THE CONTENT SECTOR.

"Content" is a very large subject. As this working paper will not serve its purpose if it is too long, it will be necessary to approach this question with some discipline. Otherwise we could well end up with a book. We could easily anticipate the CRTC hearings and second-guess the CBC on everything its doing. We could also bring commercial broadcasting to trial for its well-known sins. We could even lose ourselves in a passionate debate on "TV and national unity". I hurriedly mention all these things, so as to get them out of my system, even if I know we will have to touch on them again when we examine the difficult and important question of the impact of American television on our Canadian identity and cultural survival.

In spite of its obvious importance, this question of rationalizing the content sector has received little attention. Possibly because so many telecommunications thinkers, whatever their discipline, have been inclined to assume that content would more or less take care of itself once cable carriage is rationalized.

Taking television as example, the idea seems to be that, as we approach the ideal broadband switchable grid of the wired city, subscribers will simply order what they want from a multiplicity of independent producers. The cable utility would take care of the rest. In this model, anyone with content to offer would be at liberty to do so through the cable utility, and the number of takers would determine his success. The cable and its computers would then constitute a sort of electronic market-place which would in effect bring the producers and the consumers of content in direct electronic contact without the "stifling" intermediation of programmers and networks, as we have today.

As far as television is concerned, I think we are a long way from the practical realization of this concept, if it is

ever fully achieved. I am all in favour of long term planning, but not that far ahead. We still have years of work ahead just to rationalize our present broadcasting content operations so as to take full advantage of the channel liberation which the Cable offers us. The possibilities of the "electronic market-place" for new information based services are much more promising. But even there I am not at all sure that we can in the foreseeable future dispense with the publisher in an important way.

We have just seen that the rationalization of the carriage sector is likely to require a difficult transformation of the cable industry. There is no reason to believe that the rationalization of the television content sector can be accomplished on the Cable more easily. Fortunately, however, the same general principles would also be applicable to the New Services. And, as there will be no established interests to be disturbed, we should not encounter any major problems in this respect, if we act quickly and wisely.

The content promises of the cable.

I am sure it means little to you whether your favourite programs are piped into your home through some form of conduit, be it of copper or of glass, or whether you pick them out off the air with rabbit ears. Yet the difference between the two is fundamental.

What has happened is that we have moved, more or less unawares, from the extreme shortage of channels inherent to conventional hertzian broadcasting to an increasing abundance of channels with cable delivery.

It is that difference which, in the best sense of the word, could completely revolutionize television programming as we know it today. In fact, the television content explosion has already started. But, unfortunately for the most part, it has gone in the wrong direction.

Our task is to determine how we can now correct our initial errors so as to best exploit this unexpected channel abundance to improve our present television services. Obviously, before we try to answer this question, we have first to agree, at least in a broad way, on what is wrong with our present TV programming.

If I am giving so much attention to television as compared to the New Services, it is not only because, for many years to come, television will be keeping most of the channels and almost all of the audience. It is that I expect the Cable to increase rather than decrease the total impact of television on the home and society.

Home tabloids will displace newspaper reading, not television. Electronic mail will just replace ordinary mail. Tele-shopping, if ever popular, will replace shopping. Teleconferences and other tele-office operations will allow the viewer to spend more time at home, not less. Telemedicine might replace a visit to the doctor; teleducation, attendance at school; and E.F.T., visits to the bank. The only type of new service which might compete with television for the viewers attention is teletext, and in my opinion not to a large degree, at least not in the long run. Access to information banks of various kinds will be a convenient replacement for a trip to the library and possibly easier than consulting the home encyclopedia. But all those who can't call upon themselves to do either today are not likely to get a sudden thirst for knowledge because it is electronically packaged and has to be paid for. However important to those who will use it, accessing data banks will probably for some time remain an esoteric pursuit for Canadians. I am, of course referring to home services.

For years, the impact of new services will be much greater for the office, or for professionals and students who will be working at home. But, since these people are not at home today, there should be little change in their TV habits.

THE CONTENT HANDICAPS OF CANADIAN TELEVISION.

It is not only in Canada that television has become the favorite scapegoat for many of modern society's troubles. The constant criticism aimed at television everywhere is probably more a measure of the importance which the medium has assumed in the lives of men and nations all over the world, than it is of its shortcomings. We are inclined to forget that television is technologically just emerging from its own explosive infancy and that we still have a lot to learn in adapting it to our needs. Nevertheless, at this important transitional point in its development, any objective observer would have to agree that the balance sheet of television is already overwhelmingly positive. Few inventions play a more important, pleasant and generally beneficial role in the daily life of men than does television.

What is so exciting about the Cable is that it has the potential of making television a great deal better still. For it can provide us with the solution to the two most serious handicaps of television broadcasting, the scarcity of TV channels and the impossibility of direct payment for TV broadcasting service.

The scarcity of TV broadcasting channels.

Until the advent of the Cable, the only means of television program distribution was by hertzian broadcasting. The relative simplicity of this method was in good part responsible for the rapid spread of television at the start. With time, however, it became clear that it was also its most serious limitation, in the sense that it did in fact determine the basic shape and the kind and quality of television we could have. This it has done in two ways.

First, with the availability of only a few channels in any given region, countries were forced to choose right at the

start between complementary or competitive television. They could not have both. In general, European countries chose public service monopoly with its capacity for complementary service, while North America chose commercial competition.

The second impact of the scarcity of hertzian channels on the shape of television has been even more fundamental, particularly in North America. In the United States and in Canada, this shortage of channels combines with our dedication to commercial competition to create what I will call the North-American "single-channel" mentality.

In both countries, the rule of this commercial competitive game is that each television broadcasting undertaking should be limited to a single channel. In turn, this approach has imposed two serious and distinct limitations on the kind of service television broadcasting could provide. Of course, the high cost of television has also had a major impact on the kind of programming we can afford. But this economic limitation acts in an entirely different manner. Even if television programming were not so expensive, the two fundamental limitations of "single channel" television which I am about to describe would have been the same.

The limitations of "single channel" television.

The first has to do with the very nature of electronic publication, as compared to the printed media. On a single channel, radio and television must necessarily present their programs one at a time and one after the other, in serial fashion. In contrast, all the articles of a magazine or newspaper are presented to the readers at one and the same time, in a parallel format. In a printed publication, we just skip quickly over pages, articles and advertizing which do not interest us and concentrate all our attention immediately on what appeals to us. In the case of television and radio on a single channel, we simply have to wait our turn while other people are being served - that is, if our turn does come at all.

The second basic limitation of a television service which has to compete for its audience with a single channel, is that it tends to gravitate at all times towards the larger common denominators of taste. A little more so if commercial, a little less if not. The purest example of the effect of single-channel commercial competition can be found in the programming content and practices of the three American commercial networks. Other than a couple of rating points, is there any real difference between the programming of NBC, CBS and ABC, as there is with PBS?.

In broadcasting commercial competition seldom broadens choices. It just produces more and slicker replicas of the same.

What television needs today is not more competition but complementarity. That is the coordinated use of several specialized channels to serve the great variety of public tastes and needs, like the specialized publications which have replaced LIFE, LOOK and other general appeal magazines of a decade ago.

To summarize, it is the joint effect of the shortage of hertzian television channels and the dominance of the commercial ethos in North America which has gradually forced Canadian television to cater so much to popular taste with consequent neglect of higher values. I say "forced" because it really had no other choice. I added "gradually" to recall that things were quite different in the early years of Canadian television, when the CBC and its private affiliates enjoyed a monopoly position, as is still current in most of Europe. It was then possible for CBC programming to cover consistently, even on a single channel, a much broader spectrum of tastes than it can today under competitive conditions. However, that monopoly also had important disadvantages of its own. I am not suggesting that we return to it.

Fortunately, there is no longer any need for nostalgia or for sterile debate on the relative merits of the European

public service and the North American commercial broadcasting ideologies. The Cable, with its abundance of channels, could make it possible for us to enjoy the best of both worlds, if for once we could be bold enough to proceed on our own without copying the United States. As this is the major proposal of this paper we will come back to it after we have completed our examination of the major handicaps of TV broadcasting.

The problem of paying for TV broadcasting services.

One of the unfortunate accidents of birth of broadcasting is that, having no way to charge its consumers directly for its services, it has had to become a ward of either the state or of commercial advertizers. Unfortunately, it is both in a number of countries, such as Canada, where radio and television are considered to be at one and the same time public services and legitimate fields for commercial exploitation. Obviously this dependence of broadcasting on third party financing has also had a considerable influence on its philosophy and on the nature of its contents. It would take too much time to examine this important phenomenon in depth. I raise it simply because at last it seems almost certain that, if we plan its use wisely, the Cable can in time and to a certain degree free radio and television from this shackle. It is a matter which will obviously come up again when we examine the all important issue of Pay-TV.

The particular challenges of Canadian television.

Without dwelling on the subject at length, it might also be well not to forget that, in spite of our considerable television achievements and reputation, Canada is probably the most difficult country in the industrialized world for television. No other country of any size has to meet at one and the same time, as Canada does, the challenges of an impossible geography, the distinct needs of two culturally separate nations, the exigencies of strong regionalisms, the problems

of a widely scattered population and limited resources, and the overwhelming and omnipresent competition of the richest and most popular television on earth.

The problem of our limited resources is too important to be disposed of in a couple of words. There is more to it than just the natural economic limitations of middle size. More serious and seldom officially recognized, because it is obviously a delicate subject, are the very normal limitations of our Canadian cultural resources. Canada is very young and it lacks the cultural, intellectual and artistic traditions of the older, more mature and more homogeneous countries of Europe, such as Great Britain, France, Germany and even of smaller countries such as Sweden and Holland. More important, even if the United States are only twice our age, their enormous population, wealth, and the resulting self-confidence which came with it, have given them a dominant role in the international worlds of music, theatre, cinema, entertainment, science, literature and the arts.

One of the most serious mistakes we constantly make, and not only in the realm of television and radio, is to take ourselves for the United States and feel depressed because they get the better of us in most cultural contests. How could it possibly be otherwise? Culturally, Canada is really two countries in one, both very small in relation to the U.S. The population of English-speaking Canada is only 1/14 of that of the U.S., and French-speaking Canada only 1/35. Even if we assume that Canada and the United States have reached about the same level of cultural development, American television can draw on a cultural pool which is 14 to 35 times the size of ours. And this rapid calculation obviously does not take into account the exodus of our best talent to the American entertainment capitals of the world.

I would be selling Canadian talent short if I did not quickly add that our artists, performers and all the other creative minds which make TV possible, have actually done a

great deal better than these bare statistics give us the right to hope for. Why this restatement of the obvious?

First, because these are facts which should lead us to be a little less critical of some of our alleged television shortcomings and also a little more realistic about future expectations. Also because, as time goes by, we seem to treat our unique difficulties more and more as a subject for abstract debate instead of as a serious matter calling for urgent practical action. What is so disquieting is that it is taking us so long to react to this situation in a coherent and effective manner. Furthermore, without the necessary long term planning, the few measures we have half-heartedly taken have largely proven counterproductive and the situation we face today is a great deal more menacing than it was ten years ago.

If we continue to use the cable as recklessly as we are doing now, it won't be long before there will be precious little Canadian television to worry about. Yet, if we can gather enough courage to face our television problem squarely, the obvious need to rationalize our Cable content practices can provide us, first with the means of halting the erosion of Canadian television, and second with the possibility of rebuilding it gradually to an acceptable level.

What is wrong then with our current content cable practices?

Cutting off the Cable's broadcasting tether.

The full potentiality of the Cable, as the carrier of television and new services to the home, will not be realized unless it manages to get rid of its broadcasting heredity and label. There is more to this question than just a question of legislative semantics. The Cable was born as a broadcasting appendage, ie, as a receiver and redistributor of broadcast transmissions. As long as the major part of its service to the home is made up of television signals picked

off the air, it can only perpetuate television broadcasting's own limitations, not only in the TV programs it carries but also in any other services it may offer. Whatever the Cable does today, it does it "à la broadcasting".

First, the Cable as it is operated today automatically reproduces all of broadcasting's technical limitations, since the basic package it brings into the home is the standard hertzian TV channel, which is of lower quality than the studio or network picture. More serious, however, are the limitations which the broadcasting mold will impose on the quality of cable picture transmission in the future.

Then, there are the many non-technical limitations of broadcasting which the Cable should help to reduce, and not perpetuate and even less accentuate. We have already seen that the kind of television service which we now have, has been determined to a large extent by the scarcity of broadcast channels. I have called it "single channel" television, which in the North American commercial competition context, tends to limit our choice of viewing to some form or other of common denominator programming. It must be rather obvious that, if the Cable is to broaden and elevate our viewing habits it must offer different and better choices than those which have been possible in television broadcasting. Such new choices can only be delivered by Content Undertakings directly to the Cable for carriage. The Cable will simply not be able to pick them off the air because these new choices won't be and can't be on the air.

Hertzian broadcasting has also imposed other kinds of limitations on television. Limitations which the Cable would only perpetuate if it were to continue mainly as a broadcasting "extender", instead of the new high capacity broadband carrier, which it should be. Current television network practices were the best that we could develop within the restricted framework of "single-channel" broadcasting. The greater capacity of the Cable can free television networks

from these restrictions. But it will obviously not do so if we insist on forcing the Cable itself to replicate in every home the same general broadcasting world, with all of its original limitations. To repeat, we must liberate the Cable of its broadcasting atavism if we are to get the most out of it as a carrier. And the first thing we must get rid of is the CATV concept itself, which is still the very essence of all Cable operations.

Stop the Cable practice of wholesale station transplantation

A number of court decisions, including very recent Canadian judgments, have upheld the right to pick broadcast signals off the air for distribution to subscribers. We can only conclude that according to existing laws this basic CATV operation, on which the Cable has developed and flourished, is legally defensible, even when the broadcaster concerned objects to having his signals thus appropriated. There still remains a great deal of doubt, however, in the minds of most observers as to the ethics and social merits of such a practice.

Originally, when the coverage of only one or two stations was thus extended, it could be claimed, not unreasonably, that the extra circulation thus obtained was in the interest of the owners who could raise their commercial rates accordingly. However, as more and more stations were thus transplanted from one market into another, and vice versa, it did not take very long before Canadian broadcasters realized that the resulting fragmentation of their audience made them all losers. The real beneficiaries of our overgenerous Cable policies were, of course, the American border stations who might as well have been granted unregulated franchises to operate rebroadcast stations practically anywhere in Canada.

And we say we worry about Canadian content!

At least we do worry, as we should, about the commercial viability of our private stations. In hindsight there is no doubt that we have been injudicious in allowing such a massive influx of U.S. programs into our cable systems across the country. But having opened the gates so wide there was no possibility of pushing them back without creating a major political uproar. The CRTC then tried to provide a palliative by allowing and even ordering that the transplanted U.S. stations be "pruned" of certain programs and that, in spite of strong American opposition, the original commercial messages be replaced by Canadian advertizing.

Even if approved by CRTC and recently declared legal by the Supreme Court, this practice is in my view unethical and reprehensible. To me this is a form of privateering and the fact that we have had to use it, allegedly to protect Canadian broadcasters, is proof that the original CATV concept of electronic program appropriation, which has led to the present Byzantine arrangements, should be eradicated from modern Cable operations. Whether the programs thus appropriated are American or Canadian is not the point, it is the fact that they are used and tampered with against the expressed wish of the originators and often against their best interests.

Of course, it is a long time since the question of rebroadcasting somebody else's radio or television signals without permission has been settled, thus making it doubly strange that it has been encouraged on the Cable, itself a "broadcasting undertaking" under present legislation.

I am not dealing with legalities here. These have been settled. But the ethical question remains. Furthermore, even if CRTC's recent rulings have been based on perfectly justifiable short term considerations, the continued application of the original CATV concept and practices is definitely not in the overall public interest, including that of the viewers. As we are about to see, there will be better, more

efficient and less questionable ways to satisfy the unsatiable appetite of Canadians for American programs.

I therefore propose that the CATV practice of picking off the air whole stations or individual programs for retransmission on the Cable, or on the air, should be resorted to only with the permission of the owners, and avoided entirely when possible.

The rationale for this proposal has already been explained. Its acceptance may in certain cases call for payments for programs which are today offhandedly appropriated. The extra costs which might be involved should be relatively small in terms of total television economics. They would be more than justified as the price of ensuring the orderly, efficient and manageable programming of the Cable in the future.

The complexities of the Canadian system of broadcasting.

This is too serious a handicap not to be mentioned at all. As a result of a whole series of ad hoc compromises over a period of fifty years, we can in all honesty brag about having the most complex broadcasting system in the world. Other major countries, like Great Britain and Japan, who have opted for both commercial operations and the public service concept, keep the two separate in what is called a "dual" system. We are the only country I know of which persists in believing that the two divergent concepts of public service and commercialism in broadcasting can somehow be married into a "single" coordinated system.

This illusion, and the aberrations it has led to, may not hamper the operations of the private sector very much, but it certainly makes CBC's already difficult job a lot more so than that of the BBC and NHK. It is also responsible for difficulties of overlapping authority between the CBC and CRTC Boards, and also between the Department of Communications and that of the Secretary of State.

THE SHORTCOMINGS OF CANADIAN TELEVISION CONTENT.

On top of all the challenges and handicaps which make its job difficult, television in Canada as in any other country has shortcomings of its own. It is a subject on which each viewer has his own personal ideas and it would take too long to present a balance sheet of Canadian television programming at this time. However, I would think that our respective beefs could be grouped within the following categories:

- Television in Canada is too Americanized.
- Television in Canada does not serve all tastes.
- Canadian programs are not good enough.
- Canadian programs are not popular enough.

Television in Canada is too Americanized.

This covers two different yet related aspects of television in Canada. First, it carries far too many American imports. We will discuss this indubitable fact later under the heading of "The importation of American programs" on page 64. Second, our own English programming tends to be too much like the American and is quite often just a copy of the U.S. product. This is of course a reflection of how American we have already become, not only because of television but for many other reasons as well. This in turn is another manifestation of the basic problem of our weak sense of Canadian identity.

Television in Canada does not serve all tastes and needs.

This is also certainly a fact, but it is one we can do something about, as discussed under "Competition and Complementarity", on pages 54 to 57. For the moment it might perhaps be stressed that this problem is hardly surprising in view of our excessive importation of U.S. popular programming and the fact that Canadian television has had to operate within the limitations of the American commercial mold.

Canadian programs are not good enough.

Canadian programs are not popular enough.

These are, of course, two different things. But they are so interrelated that they can best be discussed together. As these questions will also come up again later, it will be sufficient at this stage to outline the problems and recognize that no overall plan for the improvement of telecommunications in Canada can leave them aside.

In a sense these two statements express in simplified terms the feelings of opposite segments of our cultural spectrum. The less educated would like to have more programs like the popular U.S. imports. While the more culturally sophisticated believe that we already have too many programs of the popular type and that this is not good enough, specially for the national television service of the CBC.

There is, however, a thought in "not good enough" which is common to the criticism of both groups. It is that too few Canadian programs, whether conceived for the mass or for the elite, attain the level of excellence which would, either make "popular" Canadian programming as good in its class as the U.S. variety, or enable us to compete internationally with the great cultural productions of Great Britain.

Here we are obviously blaming ourselves in good part for not having yet reached goals which are unattainable in the foreseeable future. First, English Canada probably has less than 1/15 of the resources the Americans can devote to their programming. French Canada, even less. Second, and as a result of the first, it will be a long time before we have a Canadian equivalent of Hollywood where all these popular shows come from. Third, with respect to the more serious type of programming, we have to realize that we do not yet have the cultural resources and traditions of older and more populous countries, such as Great Britain and other European nations. We have to try to do better, but must also be realistic.

THE ORGANIZATION OF TELEVISION CONTENT ON THE CABLE

The responsibility for content.

For some years yet, that is until broadband switching comes into use, content responsibility must obviously be allocated on a per-channel basis, whether hertzian or Cable.

I therefore propose that Content operations on each channel should be the responsibility of a Content undertaking duly authorized for that purpose.

According to the principle of separation of carriage and content, these content undertakings should not have anything to do with carriage, keeping in mind that broadcasting is not carriage. It may be worth repeating that, as already defined on page 18, Content means the choice, appropriation (including off air pick-up), production, procurement, packaging, programming, networking or selling of Cable content of any kind, including messages and advertizing.

The exhaustiveness of this list is deliberate. Most cable companies agree that they are not the best suited for television program production. However, many believe that they should be allowed to program some of their channels. Most also think that the establishment of large storage banks of films, cassettes and data, all properly indexed and catalogued for transmission on demand from their subscribers, is a natural extension of their carriage function.

I disagree on the basis that it is unthinkable that a carriage monopoly, big or small, which would already control all delivery in a given region, should also control the content of the television, data and other information banks on which society will exclusively depend for much of its information and entertainment. There should be no exception to that rule as far as television is concerned.

In the case of some of the new information based services, such as Viewdata, some content suppliers may not have the economic base required for the establishment of their own storage and retrieval facilities. In this case, if such facilities are not available elsewhere locally, it would be reasonable to allow the Cable to provide this electronic service on the expressed demand and under the full responsibility of the content supplier. As the Cable or any other carrier involved would have nothing to say about the content so stored and retrieved, the principle of "separation of content and carriage" would still be preserved.

Before leaving this basic question of channel content responsibility, I should make it clear that my insistence on placing responsibility for the content of each channel squarely on the shoulders of a duly authorized content undertaking does not necessarily limit each such undertaking to single channel operation. As we are about to see, the number of channels given to any content institution will depend entirely on the obligations placed on it by its mandate or license.

The television content undertakings.

Again we had better define our terms, keeping in mind the future as well as the present and the past. In this paper, a television content undertaking is an undertaking responsible for the program content of one or more television channels, whether on the air or on the Cable.

We already have hundreds of such undertakings in Canada. All existing television broadcasting stations are responsible for the content of their hertzian channel, and also necessarily for the Cable channels on which the same content is retransmitted. The gradual replacement of the hertzian "broadcasting" function by the Cable has not and should not

per se, even if it becomes total, diminish the content responsibility of those we know today as television "broadcasters", even if their name may have to change.

While the long term institutional repercussions of the Cable may be hard to predict, there is no reason why the content responsibilities of our television networks and stations should be affected in the short and mid-term. As a matter of fact, it should be abundantly clear to the reader of this paper that we already have more than enough on our hands without starting to tinker with the basic content responsibilities of our existing television institutions.

Who exactly are these existing TV content institutions?

In order of importance, we have the Canadawide networks and stations of CBC-Radio-Canada and CTV, the provincial networks and stations of TVO, ORTO, Global and TVA, and finally the hundreds of local network and independent television stations. Whether their content is "carried" or broadcast, these institutions should be the foundation on which we develop the Canadian television services of the future.

At this stage many are undoubtedly surprised to note that I have not included in this list film institutions such as NFB and Crawley Films, independent film producers like Claude Jutras and Peter Pearson, and independent or subsidiary television production houses such as Champlain and Glen Warren Productions. There are two reasons for this.

The first is that these organizations have no direct or officially recognized responsibility for television content either on the air or on the Cable. The second is that, while they produce individual programs for television, they are not involved in television "programming". It is obvious that there is an ambiguity here and we might as well clear it up immediately.

In television terminology, the production of "programs" is not "programming". The programming of a television station or network, and here we obviously have another distinction, involves a number of important and essential activities, other than actual production. Because they may not immediately come to the mind of those unfamiliar with television operations, I should list the more important:

- the ordering of in-house and outside productions,
- the procurement of individual programs through purchase, rental or other means,
- the acceptance of commercial and other messages,
- the organization and packaging of all these elements of content into attractive daily and weekly schedules which must take into account the needs, the tastes and the availability of the audience,
- the audience promotion of individual programs and schedules,
- the sale of advertizing and related activities,
- the observance of regulations and maintenance of relations with authorities.
- the negotiation of broadcasting and/or Cable rights.

These activities are common to both networks and stations. In addition, the networks have other important responsibilities of their own:

- the organization and procurement of the microwave and satellite facilities needed to feed their affiliates and their own stations,
- the actual programming and operation of these facilities taking into account time zones and special regional hookups,
- the maintenance of satisfactory relations with affiliates,
- In the case of the CBC, the provision of broadcast coverage to all remote areas of Canada.

These television operating realities make it somewhat difficult to take seriously, a recent application made to the CRTC by a consortium of cable operators for authority to operate a "seven-channel satellite-cable network package" to bring the House of Commons debates, the four American networks and a couple of distant Canadian stations to their subscribers. Even more disturbing is that I have heard that some people in Ottawa were toying with the idea of adding to the package a "national unity" channel.

I hope they were only pulling my leg.

We have long-established and competent television programming and network institutions, let's start by making full use of their experience, facilities and know-how. If we find that they can't do the job properly, we can then turn it over to someone else, even create new institutions. But there surely would be no better way of plunging Canadian telecommunications into total chaos than for politicians to let a few public servants and cable operators loose on an enthusiastic do-it-yourself television network spree.

The encouragement and improvement of Canadian production.

The overdependence on in-house production of both CBC and to a lesser extent CTV (Glenn Warren) is probably too great. Many observers feel that, past a certain size, production institutions lose some of their original creative drive and cost efficiency. This is probably true for certain types of programs and CBC particularly should gradually encourage outside production, or place its facilities at the disposal of outside producers, much more than it does at the moment. To that end there should be no further increase in production facilities and personnel in most locations and future increases in Canadian production should come from outside.

This is an important point. It should not be off-handedly brushed aside by the institutions concerned.

The need for moderation in creating new content undertakings

It should already be clear that I do not subscribe to the theory that we should scrap everything and start from scratch, as proposed by Stuart Griffiths to the Ontario Royal Commission on Violence. Whatever merits his plan may have had, and there are many important aspects of his proposals with which I am in entire agreement, this radical overall approach makes it impractical and unacceptable.

I take an absolutely opposite view. I hold that our television content institutions, both public and private, have generally served us well, in spite of the unnecessary complications of our broadcasting system, our limited resources and the overwhelming pressures of American television.

Although, as we will see further on, there is still a great deal of room for improvement, these institutions represent an inestimable fund of professional competence, experience, tradition and dedication which is absolutely essential to our future progress. We would be much wiser to treat them with greater care and respect, lest we finally destroy them and find it impossible to come up with something better.

CBC is a particular case in point and it is one that worries me a great deal. No other institution is so much like Canada itself. The CBC generally shares with Canada the same promises and challenges, the same strengths and weaknesses, the same problems and handicaps, and the same very great vulnerability. Even more than Canada, CBC is considered as an oddity in the pure capitalistic world of North America.

Furthermore CBC shares, with all other independent publicly owned national television services, the politician's deep resentment of that independence and his mistrust of television itself, as the common Opposition to all parties. Then there is the natural reaction of the tax-paying viewer who is inclined, like politicians, to consider that any program he doesn't particularly like is a waste of public money.

Competition, Complementarity and Common sense in television.

As we have seen already, the most important thing the Cable, with all its channels, can give us is complementarity. That is the capacity to serve a wide variety of tastes at the same time. A thing which "single channel" broadcasting can't possibly do even one after the other. Furthermore the Cable can give us complementarity without sacrificing any of the advantages of competition we already have, as long as we do not continue present wasteful Cable practices.

Complementarity is what distinguishes some European television from the purely competitive approach of the American networks. Because Canadians like the American product so much, there is no question of giving up the American system for the European. My contention is that we can have the best of both worlds.

What would this mean in practice for the Canadian viewer? We would simply retain, but also rearrange, what we have now and add to it a great deal which is now missing. To the present limited choice of American type common denominator programming, whether Canadian or U.S produced, and too few programs of substance, we would simply add "the rest".

"The rest" would comprise:

- More programs of substance.
- Repeats of the better programs for those who have missed them.
- The cream of international programming in all areas and at all levels of entertainment, enlightenment and information, for all classes and ages of society. It is expected that in time a great many programs of international excellence will become available in the principal languages on videocassettes or discs.
- Programs of particular appeal to important minority tastes not served today.

As important as the nature of this new content is the manner in which all the television content, old and new, is presented and organized on the Cable. Let's deal with the Canadian channels first and we will follow with the important questions of U.S. imports and Pay-television.

Nationally we have CBC English and French, and CTV, which we should keep pretty well as they are so that they may continue to compete in the area of popular and general interest programming, Canadian and American. In addition certain provinces have their own so-called "educational television", such as TV Ontario and ORTO in Québec, and no doubt other provinces will want to do the same before long. There is also Global which operates in southern Ontario. Then there are the individual local independents and affiliates.

All these we obviously have to keep on the Cable, and on the air also as long as they are needed, with the likelihood, however, that they will improve with the "competition" of the new complementary channels.

These complementary channels would carry no commercials and, except for repeats of the best programs of the original channels as judged by audience reaction, they would provide new and specialized types of service for different audiences which are not well served at present. There are, of course, many different ways this could be done and the question requires a great deal more consideration. But, as an example, the following should come close to it.

I believe that many viewers, of all levels of education, would like to have the latest television news at their convenience and not, as at present, just at six or eleven. So there should be a new "News and Public Affairs" channel. Its cost should be relatively low as it could make use of basic resources which already exist. Furthermore, as the same news package would simply be updated every hour, the operation would be a relatively simple one. A couple of

these hourly newscasts could be longer and more complete than those we have now, possibly lasting the full hour. The others would then be shorter, leaving plenty of time in between for in depth analyses of what is behind the news. Extra time also for increased coverage of public affairs.

Another new channel would be dedicated to Children's programs during the daytime. The same channel could be available for something entirely different in the evening, such as sports. An alternative, if the idea isn't too sexist, would be to use the Children channel also for programs of special interest for mothers who might be at home with their children. This type of programming is also relatively cheap.

Then there could be a new channel dedicated to cine-club-like presentation of films of various types and from sources which are not now available on the general interest channels. Whether ordinary films should also be shown on this new cine channel will depend a great deal on how we handle Pay-TV, an important question which we will be discussing shortly. Fortunately, films of the cine-club variety are not expensive either.

Although often mentioned as a possibility, I doubt that we could use a full Sports channel, considering the possible evening use of the Children channel for that purpose as well as the sport programs which have to be maintained on the existing channels. Undoubtedly, as in the case of films, major sports will also be presented on the new Pay-TV channels at least at the start. If there is no dedicated Sports channel, there is obviously no additional cost here.

Which leaves us with entertainment programming: variety, music, situation comedies, serial and anthology drama, ballet, opera, personality shows and games, major documentaries, nature and scientific films and do-it-yourself shows. Of course, this is a field in which the viewers' tastes vary the most depending on their education, socio-economic level

and the degree of sophistication of their environment. This is consequently also the area of greatest dissatisfaction with television, specially at the better educated levels of society. In the evening and on the weekends, I believe that three separate channels of entertainment programming, aimed respectively at the base, the top and the middle of the taste pyramid, would eventually be required to keep everyone satisfied. At other times these same channels could be used for other purposes, such as business whose time schedule is complementary to that of the home. Again I have to stress that I am talking about the long term. To start with, even a single complementary entertainment channel would be a very major improvement. And I do not expect the other complementary channels I have mentioned to all come about tomorrow.

I have talked of the possibility of six complementary channels for one language. In bilingual cities like Montreal or Ottawa it might be eleven, as surely the top "cultural" entertainment channel could be bilingual. However, I won't bet on that. The cost of this complementary service, which would make Canadian television unique in the world, would depend mainly on how high a percentage of Canadian content we feel it is necessary to maintain on the new channels.

Canadianism or Excellence?

The shock effect is deliberate, but it could be misleading. The question is not the same as "Canadian or American?", although Hollywood programs are excellent in their genre. Neither does it mean that we do not produce excellent programs. We do very often. What it does mean is that we do not have the financial and, - yes, let's not be afraid to admit it, - the cultural resources to fill up 75 % of the present or future schedules with programming of sustained excellence of our own. And here, I am thinking obviously of the CBC, as the commercial networks neither have the mandate nor the public financial support to come anywhere near it.

Considering the challenges which Canadian television has to meet, as briefly mentioned already, we have no reason to be despondent. On the contrary. But neither should we lose all sense of reality. Surely, our Canadian survival and development does not depend so much on some overall percentage of Canadian programs in our schedule as it does on whether the programs we do watch, whether Canadian or foreign, actually strengthen, weaken or have little or no cumulative effect on our Canadian cultural identity. Pursuing this line, I suggest that the CRTC should examine against these criteria all the programs, whatever their origin, which together absorb most, say 90%, of our viewing time. After such a study we should know a lot more about the issue of Canadian content.

There are obviously areas of programming where Canadian content, quantitatively as well as qualitatively, is important to our national survival. I would be less than frank, however, if I didn't add that there are other areas, and they probably constitute the bulk of our daily fare, where the predominance of Canadian content may not be of such great importance, except in terms of support to Canadian talent, which is quite a different matter.

Obviously we have to be careful that the cumulative effect of our total viewing does not destroy our Canadianism. Few would contest that we would have little chance to survive as a nation on a steady diet of American news, political analyses and ideology, however well presented they might be. In the general field of programming, however, excellence is as important as Canadian content, whatever the subject. Surely there can be little harm to Canadian survival in listening to the best the world, - which includes the U.S. - has to offer in the fields of music, opera, drama, ballet, science, art, philosophy, religion, international documentaries and intelligent talk with the world's greatest minds. I have deliberately started at what is considered the top of the pyramid. But the statement is valid also for the more popular fields. What harm is there for Canadian television

to present the best international films, sports, popular entertainment, serial drama, serial situation comedy, even game shows, etc., as long as these programs do not promote either the self-interest or particular ideologies of the country of origin. Whether they do or they don't can not be decided in bulk. Each program must be judged on its merits, in terms of both excellence in its field and "national suitability". There is no way of knowing ahead of time that the whole programming of a particular network or station, American or European, will meet the criteria of excellence and suitability I have just mentioned. But it is easy enough to judge whether "The Forsythe Saga", "Mary Tyler Moore", "All in the Family", "The René Simard Show", "The Duchess of Duke Street", "The Waltons", "The Jeffersons", "The King of Kensington", "The Connections" and any other individual production are either excellent, "suitable" or both.

This excursion in the philosophy of Canadian broadcasting is not just a digression in a paper basically concerned with the overall architecture of our communication system. The status of the Cable, the principles which must guide the development of Pay-TV in Canada, and the manner in which we should satisfy our very great appetite for American imports could not be disposed of without considering these complex issues of excellence and national suitability.

Of these two criteria, "national suitability" is the most difficult, controversial and subjective question. In the minds of many it conjures up visions of censorship while, for others it is simply a matter of self-preservation. The wide range of reactions I have found in discussing the subject with people of many diverse Canadian background and disciplines, and for all of whom I have the greatest respect, is a clear indication to me that we have to examine the whole problem of Canadian identity in much greater depth before we can dispose of the issues I have just mentioned.

AMERICAN TELEVISION IN CANADA AND THE CANADIAN IDENTITY.

"Canadian television" and "television in Canada" could be synonymous expressions, but we know that they are not. To start with most of the television entering Canadian homes today is American. Then also, because Canadians generally find the American popular programs more attractive, the actual television viewing in Canada is three times more American than Canadian.

I am sure the average Canadian has no guilt feeling in selecting the U.S. imports if he finds them more entertaining. Neither should one have such a feeling.

But for those of us who have to think of the survival of Canada as a political entity different from the United States, it is only natural to ask ourselves whether we can reasonably expect to survive politically, when both our economy and our cultural life are dominated to such a degree by our powerful neighbour.

Personally, I don't think we can, at least not for very long. However, I realize that, although much anglicized, I may not be the best judge of English Canada's immunity to the present American cultural overdose. This is why I would like to base my conclusions on some kind of consensus among my English Canadian communications colleagues. And there lies my greatest difficulty, for there does not appear to be any such consensus. At least not one that is translated into concrete action.

Most everyone is ready to blame CBC for not having developed popular Canadian programming that can really compete with the U.S. variety, but few know enough about broadcasting to really know how it could be done, and among those who should know, even fewer are ready to pay the cost of doing so. Then there are those who think that the way to meet the U.S. commercial invasion is to turn the CBC into a sort of Canadian

PBS, thus leaving the Canadian mass audience to its U.S. commercial diet but keeping the Canadian elite satisfied with something a little more substantial. I personally think this is a defeatist and most dangerous attitude. Surely, the cultural survival of Canada will depend a lot less on our ability to satisfy a 2 or 3% Canadian elite than on the cultural diet we serve to the remaining 97 or 98%.

In my view, the only way we can ever solve this problem of the mass and the elite is to realize that it is one which was created in good part by the North American commercial approach, and therefore one that can be unmade. All we have to do is to break down the mass into component elements and serve each one of them with what they would individually like best instead of with a second or third common choice. It was not possible to do this on the single channel system of broadcasting, but now that the Cable has given us all these new channels it can readily be done. This is exactly what the "complementary" programming proposal I am trying to put across with such emphasis will do. It will serve all the different components of the mass and of the elite with their first choice of programming rather than with the artificial common choice the system has imposed on them.

As there is little likelihood that the American networks would find this approach commercially attractive I doubt that they will even seriously consider it. This means that we could develop something really indigenous to Canada that would at the same time give us the only chance we have to reverse the present trend towards the total Americanization of Canadian television. It is really such a simple idea. If I could only find the right words to get it across! Thanks to our passivity, the Americans, without even trying, have established a practical monopoly on Canadian mass viewing.

We can break that monopoly, by breaking up the mass.

But let's get back to the question of Canadian identity.

There are, of course, many Canadian thinkers who think that the Americanization of English-speaking Canada is already so advanced that there is little left to our Canadian identity which is worth the cost of preserving it. In my mind, I have no trouble dealing with that kind of thinking; I simply think it is all wrong. But in practice since, by our lack of purpose and our lack of action we have all been behaving as if it were true, it does worry me a great deal.

It worries me even more because the apathy of those who do not care anymore is no different in its consequences than the ethical reluctance which does prevent so many Canadians who do care from taking practical remedial action. We also find this same ethical hesitancy to go all the way in the defense of our trade and industry. Recently someone who knows that field much better than I do called it "our holier than thou attitude" to our economic self-defense. It is an expression I do not hesitate to apply to a similar attitude which many Canadian intellectuals seem to have with respect to our cultural self-defense.

The position of this group is that, whatever impact our liberalism might have on the preservation of our Canadian identity, it would be ethically or morally wrong not to provide to all Canadians, wherever they may live, access to all American television networks. Not just to the more popular programs, but to all of them, including the American news on the four networks in competition with only two of our own. I presume that, if we were also sitting geographically next to the U.S.S.R., we would also have to provide channels for all of their four channels, that is if we understood Russian. Perhaps a more pertinent analogy would be the provision on our Cables for the four or five French language channels of Europe which could easily be brought in by satellite for the added enjoyment of our French speaking viewers. We have to presume also that, if it is somehow wrong not to facilitate Canadian viewing of all that is available today on the existing U.S. networks, it will be

equally wrong not to open up new American channels on the Canadian Cable everytime new networks or channels become available in the U.S. in the future, whether on the air, on the Cable or on satellites. This is a tough game to play with a country which can afford twenty TV chnnels for each one of ours.

We have to remember that what we are discussing here is not whether we should prevent Canadians along the border from having access to American signals. It is whether Canadian entrepreneurs should have practically unlimited rights to "retail" American signals anywhere in Canada, as the Cable people do today. Or, when the Cable becomes a straight carrier, whether Canadians wherever they may live really have the right to have their Government arrange for the integral delivery of all Amercan network signals into their home.

How do the new communications libertarians reconcile their dedication to total freedom of TV access with the minimum prerequisites of cultural survival? They don't or, if they do, I have never yet heard how they arrive at their conclusions. Either they do not believe that the dangers of American cultural assimilation are not as great as I am convinced they are, or they believe that assimilation is going to come no matter what we do about it.

I would not be at all unhappy if the circulation of this paper would generate a more rigorous debate between those, who feel that in the hierarchy of moral values the survival of a nation is more important than the right of being completely saturated with foreign television, and those who don't.

Maybe I am an old sentimentalist and thus overestimate the danger. Maybe I also overestimate the cumulative impact of massive daily doses of television. But we can not have it both ways. If television has so little influence on the viewer, why are some crucifying CBC for the present unity crisis?

The importation of American programs.

The average Canadian greatly enjoys his favorite American programs and he will not tolerate any form of electronic curtain which would deprive him of them. But there are less suicidal and generally more responsible ways to provide the Canadian viewer with all the American programs he cares to see than those we have allowed the Cable to develop, and which some would now like to extend to the whole of Canada.

It cannot be repeated often enough that it is not programs the Cable imports from the United States but whole stations. Today, as we have just seen, there is even serious consideration of the integral transplantation of the four American networks themselves.

In hindsight it is clear that we started down the garden path the day we first allowed Cable operators along the border to transplant into Canada any U.S. stations they could readily pick up on their high antennas. The excuse for giving in the first time was that if the Cable weren't allowed to do it, the viewers would do it themselves any way. This was only partly true as the reception range of individual antennas was very much less than that of the average Cable headend. More serious is that, as should have been expected, this first step could be taken as official recognition of the right of Canadians on the U.S. border to have American programs actually carried into their home under government approval. As could have been expected it did not take very long before Cable entrepreneurs were stirring up public demand for similar service in areas too far away to be picked up directly without microwave relays. After all, these Canadians could not be treated as second class citizens and deprived of the full choice of U.S. programs, just because they did not live near the American border. So official permission was granted for the Cable companies remote from the border to get closer to it by means of microwave relays. And now, of course, with the availability

of satellites the inevitable has happened. There are now applications before the CRTC to use satellites to bring the four American networks to a number of cable systems in the West and in the Maritimes, where the use of microwave would be more expensive. Already convinced that the CRTC will have to approve, if it is to be consistent with its previous decisions, some Cable people and their policy friends are already thinking of the possibility of having the ubiquitous satellite bring in the four American networks into every Canadian home. Having started down this suicidal path, this is the only way we can ensure that no one will feel treated as a second class Canadian, for in the process we will all have become first class Americans.

And why not? Even now, we couldn't possibly deny that the most important common cultural activity of Canadians is the viewing of American television.

The best way to place in perspective what we have allowed the Cable to do already is to think of it in terms of our former broadcasting practices and policies. Suppose we had had the hertzian channels to do it, would we ever have thought of granting to each of the four American networks licenses to operate their own repeater stations in every single city or community in the country? Of course not. That question was settled in the early days of radio, when half a dozen Canadian stations which had become affiliated to the U.S. networks were forced to give up their affiliation.

Now we have more than reversed our position, I believe without realizing fully what we were doing. The permits we have granted the Cable to transplant practically all U.S. border stations in Canada is a lot worse than the old idea of U.S. affiliation. The difference between the two is fundamental. If the U.S. networks had been given permits to operate affiliated stations in Canada, they would have been held responsible, in their programming, to take into account the needs of their Canadian audience. In the case of the present

Cable transplantations nobody is responsible. Certainly not the U.S. network who programs for its U.S. audience, with naturally no consideration whatsoever of the needs of its Canadian audience. And still less the Cable who, even if it wanted to, couldn't possibly have a say about the American network content which it simply picks out of the air and carries to his subscribers. The "pruning" of commercials which is imposed on him by CRTC doesn't, of course, alter the fact that there is no Canadian responsibility for the content which is thus transplanted.

In contrast, CBC and CTV or any other Canadian broadcasting undertaking, other than the Cable, are responsible for the programs they bring into Canada. They have to choose them individually in the first place keeping in mind both their suitability for the Canadian audience and the needs of the schedule. We may not always agree with their judgment but at least there is judgment and not just blind acceptance. If some of the programs selected by CBC or CTV or Global do not turn out as expected, they may be discontinued as regularly happens or they may not be renewed the following year.

Part of the trouble, of course, is that the Cable not only carries the CBC, CTV and all other imports included in the schedules of Canadian broadcasters, it repeats those same programs again as part of the schedule of the transplanted border stations. But this is far from the end of it. In some areas more than one affiliate of the same American network may be transplanted and, on top of that, neighbouring affiliates of CBC and CTV are often also carried by the Cable. In this way we may end up with the same American program being repeated on several channels at the same or at different times. In this blind, wasteful and irresponsible way we do not only get four showings of the more popular American network shows, but also all the local news, local advertizing and TV trivia of the small U.S. communities which happen to be on our border. We may also get the same Canadian programs on several Cable channels at the same time. But never as

many as in the case of U.S. programs.

In many countries where there isn't the slightest danger of cultural assimilation, there are quotas limiting foreign TV and film imports to a small fraction of the total schedule. Two years ago, for example, Great Britain reduced its foreign quota from 15 to 12%. Yet there was no cry of curtailment of personal rights.

Even the United States, which should certainly not have any worry about becoming a cultural colony of Canada, restricts the number of Canadian stations which can be carried on U.S. Cable systems. In a recent article John Kettle reminds us of that fact by quoting Pierre Juneau. "In the Buffalo-Toronto area, perhaps the world's richest television environment, with some 30 signals available to Cable systems, our national policies differ. Toronto cable systems are licensed to carry from 18 to all of these signals. Buffalo systems are permitted to carry only nine, just two of them Canadian."

I recognize that, our tastes and habits being what they are, we can't substantially cut off American imports. But we certainly should not blindly import the same program four times the same day together with twice as much material again which is of no relevance to Canadians. No other country in the world, and there are none as seriously threatened with cultural assimilation than Canada, welcomes its potential cultural invader with such open arms.

There would be no better time to end our folly than on the occasion of this overall rationalization of our telecommunications. I therefore propose again that the Cable should be restricted to carriage and that the importation of all the American programs which we can reasonably expect Canadians to want to see be entrusted to responsible content undertakings. There are only three ways this can be accomplished and here again common sense should dictate our choice.

- First, we could take all the popular American programs not already imported by CTV and CBC and group them together on two Cable channels dedicated exclusively to U.S. programs.
- Second, we could take all American programs off CTV and CBC, add them to those just mentioned and create three instead of two new U.S. channels on the Cable.
- Third, we could continue the old method of mixing Canadian and American programs in the most sensible way possible on the same channels, as we have been doing for years on both CBC and CTV.

In the first and second case we would probably create new institutions who would have the responsibility for choosing the imports which would program the new channels. Under the third option we would get along with the institutions we already have. But I do not think that the question of institutions is a determining factor in our decision. It is rather the very practical question of just how impossible we want to make it for ourselves to compete with the U.S. If we dedicate two or three of our Cable channels exclusively to the most popular programs the richest nation on earth can produce, just how long could we expect to keep any kind of an audience for our own Canadian popular channels which, we must remember, have to be financed for about 1/15 of the American costs.

These first two options and specially the second, which would in effect be to use two or three of our Cable channels to provide a "showcase" for popular U.S. programming, would provide for efficient use of the Cable but, in terms of further weakening of the competitive position of the Canadian channels, they would be even worse than continuing the same blind transplantation we now have on the Cable.

A fourth option has recently been suggested and that is to put on per-channel Pay-TV all the transplanted U.S. programs not already imported by CBC and CTV. I believe this option is even worse than #1 and #2 for it would make these U.S. showcase channels doubly attractive and difficult to compete with, at least amongst Canadian viewers who can afford to pay for them. To the common Canadian a priori assumption that "American is better than Canadian" we would be adding the carefully promoted idea that "Pay-TV is premium TV". Also, what about the "rights" of Canadians of lesser means?

All in all, the old method of mixing Canadian and American programs intelligently on Canadian channels, i-e the third option on the preceding page, seems to be by far the best. We have to keep in mind, however, that if we are not to deprive Canadians of anything of importance they can see now on the transplanted channels, there will be more imported programs to fit in on the Canadian channels. However, this should not be a problem as the "complementary" approach we have already proposed contemplates the gradual addition of specialized Canadian channels on the Cable, including one dedicated to popular entertainment which would also include both Canadian and imported programs of various sources.

I want to stress again that everything I am proposing in this paper is to be done gradually. We shouldn't close down the U.S. transplantation channels until the American imports we want to keep are all taken care of on the Canadian channels. There is one further reason, which has not been mentioned yet, why it is so important for us to eventually regain full control of imported programs on our own Cable channels. It is that if, with greater financial support or just plain genius, we can over the years succeed in making Canadian popular entertainment programs Canadians would rather watch than the Hollywood product, we will be able to change our Canadian-American mix. If we continue the present wholesale Cable transplantation, we haven't even got a chance.

The vital role of the CBC.

At this time of national soul-searching, it is not surprising to find the CBC at the center of the great Canadian debate. As I said earlier, CBC is Canada's alter ego. Being dissatisfied with ourselves as a nation, or as two, it is perhaps only natural that we should blame our alter ego for our own failures. But this vicarious catharsis has recently become too harsh and unconsidered to be without danger. There is no way I can possibly examine this problem in depth in this paper, for it is the problem of Canada itself. All I can do is to appeal to the many arm-chair CBC Presidents amongst Ottawa's politicians and public servants to jump off their anti-CBC bandwagon before it is too late.

We need the CBC more than ever. Most of the challenges ahead in broadcasting can only be met by an independent public service institution like the CBC - and surely no one would suggest that we should have two.

We cannot seriously look to the private broadcasters or to the Cable to develop greater public viewing of Canadian programs. There is twice as much viewing of U.S. imports on private TV stations as there is on CBC. The Cable with its added U.S. transplants is an even greater factor of Americanization.

Neither can we ever expect the private sector to develop the kind of complementary programming which the Cable now makes possible and which is absolutely necessary for a complete and civilized television service. Generally speaking it is not possible for private commercial enterprises to abandon common denominator programming no matter how many channels they might be given. Furthermore, they have no mandate to do so. But the CBC has. For the past twenty-five years it has broken its neck trying to serve all tastes and needs on a single channel. An impossible job. We now have the channels, let the CBC show us what it can do when it has the means.

Pay-TV.

There are different types of Pay-TV. In the United States there is both Cable Pay-TV and broadcast Pay-TV. Except in areas that will not get Cable, I do not believe there is much of a future for the "on air" variety for two reasons. First, as we have already stressed the Cable is fast replacing broadcasting and, second, anything Pay-TV broadcasting can do, the Cable can do better. The main importance of "on air" Pay-TV for us at this moment is that its pending introduction in Detroit and the obvious repercussions it will have in Windsor is being used by Pay-TV interests as an argument for the early introduction of the Cable variety in Canada. It is a poor argument, as long as for once we are not stupid enough to let the Cable spread it all over Canada. In the total picture, it is of little importance whether Canadians in Southern Ontario make use of it or not. Any Pay-TV scheme we could possibly launch ourselves at this time would be 90% American in content anyway.

Staying with the Cable then, there are two very distinct varieties of Pay-TV possible. The "per-channel" kind, which is already flourishing on the Cable in the United States and which could easily be introduced in Canada, if it is so decided. Of course, the Cable itself is already a form of Pay-TV, in which the subscriber pays in bulk for all the channels he receives, instead of paying on a per-channel basis as is now proposed.

There are four major reasons why Pay-TV per-channel should not be introduced in Canada at this time:

- By its very nature per-channel Pay-TV, like commercial television, is another form of lower common denominator programming. The only way to get maximum returns on this kind of channel, and this is obviously the purpose of having it in the first place, is to fill it with super-mass appeal programming. Surely we already have

enough content of this type. What we need is much more diversity and quality, not more hyped-up sameness.

- All who have studied the per-channel Pay-TV question, including the Cable operators who are lobbying the hardest for it, agree on one thing. Until Canada develops a strong Canadian film industry, which is quite some years away at best, a per-channel Pay-TV channel will carry mostly American films after their first run in movie houses, perhaps some Las Vegas type entertainment and possibly some special sporting events not shown on regular channels. Hence the Canadian content of such a channel would be about nil.
- The introduction of such a per-channel Pay-TV channel or channels would further increase the already high level of audience fragmentation which is endangering the survival of our commercial stations and networks. And this it would do without adding to our system anything more than to allow those able and willing to pay some \$10 or \$12 more per month, to see recent American films a few months earlier. At the same time ordinary viewers would have to wait longer for the regular TV movies, since the film companies would have to impose a longer delay in order to make Pay-TV subscription worth the extra cost.
- The last reason is that there is no public demand for Pay-TV of any kind. Hence there is no urgency whatsoever to take the plunge into something which has so little to offer. This is not to say that the Pay-TV issue is a comfortable one for the Federal Government. The Cable lobby is a strong and resourceful one. But the more important Pay-TV pressure on Ottawa is the fact that one or two provinces have chosen this issue as a good one for them to show their displeasure with what they consider to be the dog in the manger attitude

of the Federal Government. They have just gone ahead with Pay-TV, on a limited scale, without CRTC's approval. The Pay-TV lobby argues that, if Ottawa does not act soon, provincial jurisdiction on Pay-TV and the Cable will be a fait accompli. In my humble opinion, this is not a valid argument and I hope Ottawa will not react to such pressure tactics on an ad hoc basis by itself opening the gates to at least 90% American lower denominator Pay-TV all over the country.

The provinces, in their own way, are no less nationalistic than the central government. They are just acting on an ad hoc basis in the context of confrontation which has now made any coherent progress in the field of communications impossible in Canada for a number of years. As we will be discussing soon, I am sure that they are ready to join Ottawa in an open minded search for the communications system architecture which will best serve the common good. Then, consensus on the Pay-TV issue will come easily enough.

For the moment the federal government and the provinces should declare a moratorium on the further introduction of Pay-TV per-channel in Canada and concentrate on more urgent communications questions.

We have been talking about per-channel Pay-TV. What about the per-program variety, which offers the viewer individual programs for which he has to pay? It is immediately clear that this kind of Pay-TV does not have the levelling effect of the per-channel type. On the contrary, it has the very interesting potential of serving a great variety of tastes and actually raising our horizons, if I am allowed this heresy. For reasons which will become even more evident in a moment, this is the kind we should go after. It shouldn't cost any more in the long run and it will serve a lot more people, specially with the kind of complementary programming approach I have been advocating. Furthermore those of you who attended a special Delta meeting called for that purpose earlier this year will remember that DOC is already doing

research in an allied field which also seems to hold the solution to the per-program Pay-TV problem.

We should be careful to point out that this is not the same as "on demand" TV which would permit the viewer to actually order what he wants and, of course, pay for it also. As mentioned at the start we are years away from this kind of service, if it ever comes.

Since it is only a matter of time before we do get some kind of Pay-TV, we should perhaps consider on what principles we should allocate the responsibility, or more accurately the privilege of exploiting this new instrument of business. It is this very question which is making the Cable people impatient and many others worried. The Cable operators want at least to control it, while the broadcasters including CBC think this is the last thing that should be considered, and with good reason. While the Cable's proposition contemplates that the actual programming of the Pay-TV channel would be the responsibility of a separate programming undertaking, they want it to be their undertaking so that they may be sure that the channel will in fact pay. They talk of the heavy investment they will have to make to set it up, but as yet I have not seen any serious estimates of the cost involved. I am sure they exist and they should be studied to make sure this is the case,

Briefs to the CRTC, other than those of the Cable people, have generally been against the introduction of Pay-TV. However, in the event it was introduced anyway, they also contemplated the creation of a new institution to exploit it. All, including the Cable, also contemplated that a slice of the revenues of Pay-TV would be made available to encourage Canadian productions. It is always amusing to see how we sooth our conscience anytime we are about to do something wrong. The Cable people were practically saying we needed to watch more American films on Pay-TV so that we might have more Canadian productions to watch.

Frankly, I think those, other than the Cable, who are suggesting that we should have a special institution to operate Pay-TV, have not carefully thought out the long term implications of their suggestion.

Fundamentally what is Pay-TV? Certainly not a new medium, any more than Cable-TV. It is just television. What it will show on your screen will be exactly the same movies you would be seeing anyway on the same set a few months later. It is, therefore, not the content of Pay-TV that is different but the method of paying for it. I doubt that today anybody still has the illusion that he is not paying for CBC-TV through taxes and for commercial TV through the increased prices of goods. Fundamentally, therefore, the only thing that is different about Pay-TV is the method of payment. Who knows that Pay-TV, particularly the per-program kind, will not eventually replace other methods of TV payment?

In the name of what principle could we then possibly refuse the private television program undertakings, the present private broadcasters, the right to use the better method to get paid for their services, generally or specifically? Why should public television content undertakings, such as CBC, TVO and ORTO be prevented from financing themselves at least partly through this new method of payment? How could we possibly grant any one TV group, be it the Cable, a consortium or anyone else, an actual or potential monopoly of Pay-TV?

In the circumstances, the only Pay-TV policy we can adopt is an open one which would let any television program undertaking use Pay-TV within certain regulations, once it is ready to serve the common good. Let's remember also that we have already established that the Cable is not a program undertaking but a carrier. The desire of the Cable industry to be recognized not as ordinary carriers but as special carriers is just another way of saying: "the principle of 'separation of carriage and content' does not apply to us because we are special". This special treatment, not granted to other carriers, would indeed make the Cable special.

The non-television content undertakings.

There will obviously be no content undertakings needed for telephony or telegraphy, telex and data transmission. It will be the same for teleconferences, telemedicine and E.F.T. as their contents will be the sole responsibility of the users themselves. Meter reading and home surveillance will be purely technical operations and there are surely others of the same kind I am forgetting.

But we will need new kinds of content undertakings to feed some of the "new services" channels. There will undoubtedly be information banks of all sizes springing up all over the country, and all over the world, to feed all the Viewdata-like services for the office and the home. Although we should try to keep this new sector unfettered by too many regulations of various kinds, some framework of policy and some minimal regulatory action will be necessary to get these services started in the right direction. Let's not forget again that the Cable as a carrier should not get involved in content of the "New services". The control of our large information banks of the future can't be left to the carriers, however special they may be.

An important point that should be stressed about the new services which require special content institutions is that we shouldn't take it for granted that they will spring up by themselves. I don't think it is up to governments to sire each and everyone of them, but we might consider the advisability of creating a coordinating body of some kind who would be there to plan, advise, help and even provide the leadership that will undoubtedly be necessary in the field of software. We tend to be rather hardware-oriented and we must not forget that hardware and software are useless without one another. I haven't spoken of the home tabloid and other similar publications, because I doubt that there will be much need to stimulate the publishers once we overcome the problems of developing a cheap printer for the home.

The question of jurisdiction in the TV content sector.

Again it will be more convenient to begin with Television and then to consider the New Services.

For a number of reasons, the division of jurisdiction in the content sector is not as simple, even on paper, as that which became obvious for the carriage sector once we accepted the principle of separation of carriage and content.

To start with, it is clear that no jurisdictional distinction can be made between television Broadcasting content and television Cable content. Except in remote areas where there is no Cable, all that is broadcast is also carried by the Cable. We must therefore develop a jurisdictional formula which will be suitable for both broadcasting and Cable content at the same time.

It is equally clear that the separation of jurisdiction must not be based on the nature of the content itself. Such an arrangement would necessarily involve two-tier regulation and accountability. We have already established that each channel, whether Cable or Hertzian, should be the responsibility of a duly authorized content undertaking. All we have to do to avoid the problems of double jurisdiction is to divide the content undertakings themselves, rather than their content, into two distinct categories, federal undertakings and provincial undertakings.

Let's start with the easy ones.

The CBC, because of its national mandate, its coast to coast networks, its country-wide coverage through broadcasting stations and Cable distribution, also because of the national character of its programming, its considerable international operations and importations, and its federal financing, is obviously a Federal television content undertaking. CBC achieves its national mandate, not only through programs

for national distribution, but also through a considerable amount of program content prepared for local and regional consumption. There is no practical way, of course, that such local or regional content could be placed under provincial jurisdiction. Neither would it be desirable to do so, in as much as the national and regional content of CBC programming are two essential and complementary elements of a single national service. For these reasons the CBC itself, as well as all its content operations should obviously remain under Federal jurisdiction.

Similarly, and for equivalent reasons of mandate, geographical coverage, financing and programming character, TVO, ORTO and ACCESS are clearly provincial television content undertakings. They should therefore be under exclusive provincial content jurisdiction. And for all practical purposes they already are. Apart from the occasional sermon to the ORTO, the CRTC clearly avoids getting involved in the program content of provincial broadcasting institutions.

The "community television" undertakings, which will eventually take over from the Cable the responsibility for the content of the Cable's community channels, should also certainly be under provincial content jurisdiction. These future "community TV" content undertakings must not be confused with the numerous "local" broadcasting stations and their corresponding Cable channels, which we are about to look at.

So far we have covered the public institutions. In the private sector, there can be no doubt that CTV should be under federal jurisdiction. Although it has no specific national mandate and receives no federal funds, CTV is certainly national in terms of coverage. It operates a coast to coast network and has stations in most parts of Canada except the North. Its programs are also conceived for national consumption. I would even include Global under Federal jurisdiction because, even though its operations are limited for the

moment to Ontario, it is planned as the third national network and is to be extended gradually to other provinces as finances permit. In the mean time, its programming is much more of a national than of a provincial character.

We now come to the local commercial television content undertakings, that is the local private broadcasting stations and the channels they occupy on the Cable. There would be little problem if the content of these local hertzian or Cable channels were exclusively local in character and distribution. But, in our complex Canadian broadcasting system, most of these so called "local" channels are also the only program outlets our national networks have in these local areas. Therefore, a good portion of the programming of "local" stations or channels is national in character, making these local undertakings essential components of our national networks. We would be creating a regulatory nightmare if we had Federal regulation of their national content and Provincial responsibility for their local programming. The sensible thing to do in the circumstances is to leave them as they are, under federal jurisdiction.

All we have left to sort out are a half dozen or so "independents". These are local TV stations or channels which are not affiliates and therefore do not carry programs of our national networks. Such a station is CHCH in Hamilton which really operates as a third Toronto VHF station. These independents are so much part of the same general popular television picture as are CTV, CBC, Global and the American transplants, and so little like the the provincial and community channels, that we should not make an exception for them. They should also remain under Federal jurisdiction.

It might be well to stress again that jurisdiction over content is all that we have been concerned with here. We have already seen that hertzian transmission has to remain under federal control, while Cable carriage is clearly a provincial matter.

This must certainly have looked like a very tortuous road to my rather simple conclusion that:

- In addition to full carriage jurisdiction, the Provinces should have content jurisdiction over their own provincial television undertakings such as ORTQ and TVO, as well as over television community channels in their respective territories.
- All other existing television content undertakings, in other words today's broadcasters, would remain under federal jurisdiction.

The content jurisdiction over the New Services.

The New Services content undertakings should be as free of regulations as possible. We cannot, however, entirely avoid the question of jurisdiction, specially at the start.

Actually, few of the new services will originate content outside the Province or the community they serve. Others, which might have to cross provincial borders, will likely be the responsibility of existing institutions over which jurisdictions are already clearly established, e.g., the Post Office for electronic mail. Still others are likely to call on general telecommunications services on an ad hoc basis, as for example teleconferences and telemedicine.

The printing of local home tabloids, E.F.T., telepurchasing and teleeducation all seem to be clearly matters of provincial jurisdiction. But there may be special issues to resolve in connection with home access to various kinds of information banks. There is no doubt that there are already some information multinationals in early stages of development. Only the federal government is really in a position to take early initiatives in cooperation with the Provinces to ensure that the new information services on our screens are not, like our television, saturated with foreign material.

The jurisdiction over Cable channel allocations.

If Cable carriage is to be under provincial jurisdiction, if also jurisdiction over television and New Services content undertakings is divided between Ottawa and the provinces, which level of government will be responsible for Cable channel allocations? The Provinces or Ottawa?

Neither. Any duly authorized content undertaking, whether federal or provincial, will be guaranteed carriage as long it can pay the freight.

Like the telephone, hydro and power utilities, the Cable carriage utilities have to serve all subscribers who want service. They will also have to serve all undertakings who wish to have their content carried and who can pay the uniform rates established for the kind of carriage and coverage they want. Thus the rate for television carriage within a certain territory will be the same for all content undertakings whether provincial or federal. The rates for narrower band services would also be uniform but correspondingly lower. The whole rate structure of a given provincial utility would, of course, be regulated by the competent public utility regulatory board of that province.

As in the case of all other utilities, the Cable carriage monopoly will have to do whatever planning may be necessary to meet the developing carriage needs within its territory, and to do so without undue delay. As mentioned earlier, this obligation to plan and build the necessary extensions ahead of time is one of the reasons why today's fragmented Cable industry must be aggregated into strong homogeneous provincial public utilities.

Finally it should be noted that, for this neutral mechanism of allocation to work, the content undertakings requiring carriage should pay part, possibly 10 to 25%, of the carriage costs which are now paid entirely by the subscribers.

(V) EXECUTIVE SUMMARY AND IMPLEMENTATION

EXECUTIVE SUMMARY

The communications revolution.

Electronic progress is now so rapid and its repercussions on our systems of telecommunications so complex that the traditional ad hoc approach of governments and their agencies is no longer adequate to safeguard public interest. I know from previous Delta discussions that we generally agree that in today's exponential context only firm government leadership and long term planning can avoid irreversible mistakes and harness the new technologies for the maximum common good. It is with this necessity in mind that I have prepared this plan and that I am submitting it for your critique.

If the Cable has been given such attention in this paper, as compared to the satellite, digital transmission or even fiber optics, it is not that it represents a greater technological achievement. It is rather that its total impact on society in general is so much greater. Were it not for the Cable, there would be no Delta discussions.

It is the Cable, with its abundance of channels, which can either become the greatest threat to our cultural survival or make Canadian television the best in the world. Which of the two it will be will depend entirely on the wisdom and courage we can bring to bear on the Cable issues we face today. The basic question is whether the Cable will be made to serve our long term interests as a nation as well as individuals, or whether it is to continue to be the prime instrument of our Americanization.

Of course, the promise of the Cable covers more than television. In a recent press conference Dr. Parkhill has lifted the veil off some of the important developments being carried out by DOC in the field of new home and business services. This work is important and must be pressed forward if we are to give our Canadian electronic industry any kind

of a foothold in our own New Services market. The reason why I have given less attention to these future services is that, at this stage at least, there seems to be much less possibility of some major and irreversible error of policy in that area than there is for television.

Television in Canada.

We cannot intelligently discuss Canadian Cable policy before discussing Canadian television. It would be more accurate to call it "American television in Canada" since already about 75% of the viewing time of English-speaking Canadians goes to American programs. People in authority seem to be placing the blame for this incongruous situation on the shoulders of CBC rather than to recognize that the marked drop in Canadian viewing during the last ten years is in good part the result of wrong ad hoc decisions. Little by little, because we didn't have any long term plan, we have allowed ourselves to be pushed by commercial interests deeper and deeper into the American mold. Even more worrying is that, unless we come back to our senses quickly, we are about to give in again to further commercial pressures and clinch our fate for ever. I am thinking here about the relentless Cable lobby for per-channel Pay-TV which we all know will be at least 90 to 95% American content, and also of the serious proposal to dedicate four of our satellite channels to feed the four American networks to all Cable systems in Canada and, through the Cable, implant them in every Canadian home.

What worries me so much about all this is that, judging by their actions and their omissions rather than by their statements, those who decide seem so ready to give up in the face of the difficulties of regaining control of the most important instrument of communications and culture at our disposal. For some, it is simply too late to turn the clock back as if the only way to proceed in this political world of ours were to build as best we can on our past mistakes.

Many people whose opinion I respect even tell me that it is not politically possible to take away from Cable operators or broadcasters any privileges already granted, whether in the public interest or not. I refuse to accept that proposition. I think it is a serious mistake to assume that our political leaders do not have the courage to do what is necessary in the best public interest. I can well understand, however, that at this time of major economic and constitutional crises, the Canadian television crisis and other pressing communications problems may not sit very high on the list of Government priorities. I am not sure, however, that this would be the only reason for axing \$71,000,000 off the CBC budget, as announced by the Government yesterday in the midst of rumours of more drastic cuts yet to come. There is too much evidence of subjective anti-CBC feeling on the Hill not to be a little skeptical when something like this happens.

I am very much concerned about the future of the national broadcasting service whichever institution is responsible for it. For, without the CBC or some other independent publicly owned institution with adequate public support to provide the kind of full complementary service I described earlier, the viewing of Canadian programs will virtually disappear, and with it most of our chances of national survival.

One would think that after so many years of experience it should be obvious that commercial television and the Cable, as used so far, are two of the strongest factors of Americanization of English Canada. How then can we constantly place in jeopardy the only major element of our TV system which can make any real contribution to our national identity?

I have the feeling that it is a long long time since Parliament has taken time to consider the fundamental reasons for the existence of the National Radio and Television Service. I hope my forthright comments will revive interest in a subject which was considered quite important at one time.

Cable carriage.

The most important and essential thing we have to do about the Cable is to stop thinking of it as a simple appendage of broadcasting and to start getting rid of all its hertzian limitations. The Cable will not be television's second chance if it is allowed to perpetuate and exaggerate the very shortcomings of television broadcasting itself.

Once and for all, let's cut the Cable's broadcasting tether.

The Cable is a new kind of carrier of great potential capacity and versatility. But we will not fully realize this potential for public service unless we forget the past and treat the Cable, like other carriers, for what it is today, a public utility carriage monopoly, and restructure it accordingly.

Furthermore, a communications carriage monopoly cannot be allowed to have anything to say about the content it carries. I believe I have amply demonstrated why we must have "Separation of Carriage and Content" and there is no need to amplify further on this basic principle.

Naturally the Cable companies are opposed to any of this, even if they are having a great deal of difficulty defining just what they are. They recognize that their primary role is to carry the content of others. But they still want to be free to originate some of their own content for television and for the New Services, free to continue the holus bolus transplantation of U.S. border stations into Canada, free also to control the content of Pay-TV, free to set up multi-channel satellite-cable networks and, obviously, free also from any rate of return regulations.

And why should the Cable entrepreneurs have all these privileges which are denied to other communications carriers? They have few arguments, but they have a powerful lobby.

Cable content.

Each channel on the Cable, be it for television or some new service, should be the responsibility of a content undertaking duly authorized for that purpose. A single content undertaking can be responsible for a number of Cable channels.

For television, most if not all the content undertakings we need already exist: CBC, CTV, Global, TVO, TVA, ORTO, ACCESS and all the local and regional stations. They should be used fully before we think of creating new ones.

If we use its 35 channels efficiently, the Cable can give us a quantum breakthrough in Canadian television programming. To our "North American single channel lower common denominator competitive programming", we can at last add "multi-channel complementary programming" which, as its name indicates, can provide us simultaneously with a wide diversity of choices needed to meet the broad spectrum of tastes of our pluralistic society. Unlike PBS, this varied national service would serve majority as well as minority tastes.

"Complementarity" requires the non-competitive coordination of a number of channels dedicated to various segments of the taste spectrum. It can only be achieved by a public service institution like the CBC, as it is incompatible with the exigencies of commercial broadcasting arithmetic. The cost of each complementary channel would be considerably less than that of competitive channels, but its audience would necessarily be smaller. It is my belief that, except for news and public affairs, such complementary channels could, without weakening our cultural identity, aim at excellence even if it has to be imported rather than at some arbitrarily high percentage of Canadian content.

There are two special areas of content that we had to examine separately, American imports and Pay-TV.

Pay-TV.

Pay-TV is not a new medium, or even a new type of television as some would like us to believe. It is just a different method of paying for TV and we have had it for a long time. Cable TV is a form of Pay-TV which charges a monthly fee for a number of TV channels. The kind of Pay-TV which is being pushed at this time is per-channel Pay-TV. For an extra payment of \$10 a month the Cable would make it possible for subscribers to the Pay-TV channel to see films, after their first run in the movie houses but well before their availability on the ordinary channels. The Pay-TV channel would also show the odd sporting event and entertainment special. Its content would be over 90% American and necessarily programmed for the greatest possible mass appeal.

At a time when we are already submerged by the U.S. transplants on the Cable, it would be sheer folly to dedicate, whether for money or for love, even a single additional channel to content which we know beforehand will be almost exclusively American and not necessarily of the best kind.

Why should we further jeopardize our dwindling chances of regaining control of our television channels? There is no real public demand for Pay-TV. The only people who stand to gain anything from its early approval are the Cable operators. They want it for two reasons. First it could be a highly profitable expansion of their business. Second, and much more important, early control of Pay-TV would be another foot in the content door which could "save" them from becoming straight carriers, a prospect which can't have much appeal for them.

It is true that some provinces are using Pay-TV operations to affirm their jurisdiction over the Cable. For Ottawa to counteract by a unilateral Pay-TV move of its own would just prolong the sterile jurisdictional dispute which has now paralyzed progress in communications for many years.

Before we decide on per-channel Pay-TV, we should also have a good look at the per-program type which seems much better suited to our Canadian needs. In any case, the question of Pay-TV cannot be dealt with on an ad hoc basis or in isolation. It is only one of the many complex television and Cable issues we have to resolve. It must be studied with all the rest, for it will affect all the rest. In the meantime, there is nothing to lose and everything to gain by delaying decision until we have decided on the general framework in which Pay-TV will have to fit.

There is, however, one aspect of Pay-TV which can be decided now as a matter of principle. The choice of charging the viewers directly for the programs they receive or view, rather than indirectly as at present, should be available in principle to all purveyors of television content. We cannot be sure today that eventually all television services might not be paid for directly by the consumer. How could we then grant a Pay-TV monopoly to any particular group?

Pay-TV is a key issue. Let's stop and think it over very carefully, before we make the jump.

The question of jurisdiction.

Once the principle of carriage-content separation is recognized, the division of jurisdiction becomes quite clear. Jurisdiction over broadcasting transmissions remains federal while Cable carriage becomes provincial. As television content is the same on the Cable as it is in broadcasting, the jurisdiction over it must also be the same in both cases. The content of provincial television undertakings, such as TVO, ORTO and ACCESS, and that of future community TV operations should be transferred to provincial jurisdiction. The content of all other television undertakings should remain under federal authority. The New Services will require both federal and provincial content undertakings and the jurisdiction over them should be divided accordingly.

IMPLEMENTATION

The best way to test a plan is to figure out the steps and priorities which will be needed, and to assess realistically the oppositions which will have to be overcome, before it can be placed into effect.

The responsibility for taking the initiative is obviously that of Ottawa. I am under no illusion that the federal communications authorities will just take my word for it all and start running with the ball tomorrow morning. I can only hope that the plan I propose will be considered sufficiently well thought out to filter to the official level. If it passes this first hurdle, I am sure it will take several months to examine it in all its aspects and implications, and to make sure there is not some better and more politically economical way to serve public interest.

The corner-stone of this plan, the carriage-content separation and its inevitable corollary that the Cable must be limited to Carriage, would be readily accepted if it did not lead directly to public utility status for the Cable. However I honestly believe there is no way this can be avoided in the long run. This principle has now been debated for many years and I have never heard of a compromise alternative capable of protecting both public and vested interest at the same time. I don't think such an alternative exists and sooner or later we will have to choose between the two, the interest of the public or the legitimate business ambitions of the Cable industry. The greatest danger we face is that, once again, we will try to conjure some great new Canadian compromise which will prove to be a disservice to all concerned including the Cable people.

In the body of my text I have stated, without pressing the point, that we were moving inexorably towards some form of integrated telecommunications service to the home. If my analysis is correct, Governments could save themselves all

kinds of trouble and also save the country a lot of money by accepting this inevitability, and starting to move towards this integration immediately. It is obviously not something Ottawa could do entirely on its own, if Cable carriage is to be under provincial jurisdiction.

In one swoop, a common decision of the Federal and some or all of the Provinces to recognize the principle of "separation of carriage and content", and the desirability and inevitability of "integrated" telecommunication services to the home, would clear the stage for the rapid rationalization of both the carriage and content sectors, and for both television and new services at the same time. It would halt the Cable's incessant drive for more transplants, control of Pay-TV and the operation of satellite networks, and wake up the lethargic telephone industry. It would put an end to most of the federal-provincial jurisdictional disputes and leave federal authorities with more time to think about the vital questions of national television content and the role and future of the CBC; with more time also to start thinking about the software requirements of the New Services, so that a few years hence we may not find ourselves in the same mess in this respect as we are now for television.

Until authorities decide whether they should take the bull by the horn or by the tail, there must necessarily be a moratorium on ad hoc decisions regarding Pay-TV, more transplants, satellite-Cable operations and any new Cable ventures into the content sector.

At the same time federal-provincial consultations must be reopened in a completely new spirit. This is also an area in which federal authorities should take the lead. With the sort of jurisdictional package I am proposing, there should be little difficulty convincing the Provinces that, in this area at least, this is the end of the cold war, and that the central and provincial governments have to work hand in hand if they are to solve the country's communications problems.

I am sure that, once Ottawa indicates its good intentions, the Provinces will no longer feel the need to assert their authority through ad hoc Pay-TV decisions of the type we have witnessed in recent months. I am even sure that they would be ready to join in the kind of moratorium I just proposed.

Furthermore, considering their more limited communications resources and expertise, it is clear that, if a spirit of mutual confidence could be restored, the Provinces would be quite ready to accept federal leadership in the development of a mutually acceptable plan. Somebody must start the ball rolling and I think it is easier for Ottawa to do so than it would be for the Provinces, which may well be of divided opinion to start with.

To be successful these consultations must not be based on negotiations, swappings of fields of competence, paternal federal delegations, provincial threats or any other kind of political maneuvering. I may be an old idealist, but I am convinced that the rational pursuit of the common good is the only basis on which agreement can be reached between the eleven governments. If I hadn't had that conviction, I certainly wouldn't have found the patience to develop this plan in such detail, and even less the temerity to impose it on your own indulgence.

If Ottawa and the Provinces did agree on the basis of the jurisdictional arrangements I have developed, a schedule of transfer of powers would have to be worked out together with agreement on the technical specifications and operating arrangements necessary to insure the interconnections required for national and international transmission. The Provinces would then be responsible for the transformation of the presently fragmented Cable industry into workable carriage utilities, integrated or not with their respective telephone systems. Knowing how B.C., Ontario and Quebec feel about B.C. Tel. and Bell, I am sure they wouldn't be very

interested in integrating the Cable with the telephone. But, as already suggested, let Ottawa turn over its accidental jurisdiction over Bell and B.C.T., and integration will start to make sense to these provinces also. However, as I have said earlier, this is not an essential element of my proposals.

As to content, the Provinces who do not already have their own television service would decide themselves whether they should have one. If Cable carriage is all they need, they would arrange for it with their respective Cable utility at the standard rates established by their provincial public utility board for all content undertakings using that type of carriage. Should they need hertzian transmission as well, they would have to get the necessary federal approval, as they do today. But this federal approval would not be concerned with content. Communities wishing to have their own "community" service would create community TV undertakings under the approval of their provincial public utility board. The Cable utility would have to give them carriage at the standard channel rates corresponding to the areas to be covered.

New services operating within a single province would similarly be the responsibility of a provincial undertaking while those with wider national or international operations would be federal. It is difficult to be more precise here because so much work remains to be done on the system architecture of the new services. In this connection it has been suggested that a politically more acceptable alternative to full carriage-content separation would be to allow the Cable operators to supply content for the new services, while keeping them out of television. Again I think this is just another example of our inveterate attachment to compromise and one that we would deeply regret in the long run. Before even considering such a possibility, even if only as an interim measure, we should carefully measure all of its long term consequences. Of course it would be unrealistic to

expect the Provinces to respect the principle of carriage-content separation unless the Federal Government commits itself to it in every respect.

The rationalization of the system's infrastructure, in cooperation with the Provinces, and the concomitant transfers of jurisdiction, however fundamental and essential, are only some of the tasks facing Federal authorities. Of greater importance to the survival of the nation are the decisions Ottawa and all of us have to make if Canadian television is to avoid being submerged by the ever rising American cultural tidalwave. These life or death decisions concern the way we handle Pay-TV, control our U.S. importations and how we generally extricate ourselves from the American broadcasting mold so that we can have a distinguishable Canadian television system of our own. For the moment, in spite of the low esteem in which some politicians, not the public, seem to hold the CBC, our national television public service is more than ever the only Canadianizing instrument we have at our disposal. It can still do the job if we stop treating it as the scapegoat for our own national weaknesses.

We have already seen that each channel on the Cable must be the responsibility of a content undertaking. Unless it is ready to use the CBC for that purpose, the Federal Government will have to create a new operating agency to assume responsibility for the operation of the American and Canadian channels now transplanted by the Cable. In both cases, federal jurisdiction is involved, either because it involves an international operation or content under federal jurisdiction.

The rationalization of Canadian transplants should be a relatively simple matter. But that of the U.S. transplants may involve a great deal more than may appear on the surface. In order to place the whole operation on a sound business and ethical basis, the new importing agency would have to obtain the agreement of the station or network whose pro-

grams are to be imported, whether individually or in bulk. There will have to be negotiations with respect to rights and certainly with respect to deletions and substitutions of programs and commercial messages, as is done at present. It will be recalled that, as outlined on page 69, the continuation of U.S. transplants is to be only a transitional measure "until the American imports we want to keep are all taken care of on the Canadian channels". This will be done gradually as specialized complementary Canadian channels are added to the national service. It has been suggested to me recently that, as individual American programs are thus integrated on the Canadian channels, they could be deleted from the transplanted U.S. channel and replaced by Canadian programming. Perhaps. I mention this suggestion to make the point that there are many possible sub-arrangements within the broader plan. But we have to be extremely careful to pick the right one. And the only way we can be sure of that is to refuse to be stampeded into action before we have had time to think things out carefully.

In any case, the creation and operation of this agency obviously raises the whole question of importations and not only of transplants. Should this agency also act as the importing agency for CBC, CTV, Global, etc., to ensure that in competing for American programs they do not raise U.S. prices by trying to outbid one another?

The handling of American imports and the long term reestablishment of a proper balance between Canadian and American programming on Canadian channels is obviously a national responsibility which can not be left to commercial exploitation. As the new agency would in effect be a programming organization it should, like the CBC, be an independent public service non-profit organization with a clear national mandate. In the long run, after the dust has settled down and the CBC is in good graces again, it might be well to make sure whether this duplication of Crown agencies operating in fields so closely related is in the public interest.

Finally, how should we proceed with per-channel Pay-TV? Well we simply should hold off until we have made absolutely sure that we can't come up with our own per-program system which, as outlined earlier, could provide us with new opportunities for excellence and for Canadian self-expression, instead of submerging us deeper in the American television sea.

In hindsight, it is clear that we have made many mistakes in the way we have used the Cable. I am the first to recognize that there is no way we can suddenly turn the clock all the way back. But there is a great deal we can do, first by refusing to be rushed further into cultural colonialism, and second by having the courage to do the necessary to regain gradually control over our cultural development.

On this question of "refusing to be rushed", it is obvious that the various steps suggested in this plan are not all of equal urgency. In certain cases we have to act immediately before it is too late. In others we must refrain from taking action before having carefully considered the short and long term implications of our decisions.

There should be an immediate moratorium on further transplantations, on further fragmentation of the viewing audience, on the further use of microwave and on the new use of satellites to bring Cable headends closer to the border, on further regulatory pressure to get the Cable involved into programming, and finally on approval of per-channel Pay-TV.

There should be the earliest possible critical examination of the basic principles proposed in this plan with a view to their early adoption as a basis for further action. These principles,

- the separation of content and carriage,
- the status of the Cable as a provincial carrier,
- the exclusion of carriers from content responsibility,
- the need to cut the Cable's broadcasting tether,

- the content of each channel on the Cable to be the responsibility of a duly authorized Content undertaking,
- the great threat to the Canadian identity of too great a diet of American programming,
- the inherent dangers of U.S. stations transplantation,
- the superiority of a TV system combining both complementarity and competition over one based on competition only,
- the relative simplicity and rationality of the jurisdictional arrangements proposed,
- the essentiality of the CBC National television service not only in the preservation of the Canadian identity but also in the provision of a wide spectrum of programming,
- the possibility and desirability that eventually most TV services be self-supporting through per-program Pay,

are all based on present knowledge and values, not on some form of crystal ball gazing. They can be accepted, improved upon or rejected now. We already have all the facts we need for their examination and assessment.

As soon as a tentative assessment has been made, consultations with the provinces could begin. Consideration should also be given to the need of having a major reexamination of the basic principles and convictions on which our Radio and Television system was founded. I have the strong impression that there are a lot of new and not so new people on the scene who do not know or have forgotten what this struggle is all about and we should either write off some of our primary ideals or rededicate ourselves to them. As things are, we seem to have lost our sense of national purpose and, for some years now, we have been improvising as we went along.

If we decide to abandon the fight, by all means let's have all the Pay-TV and transplants the Americans can supply us with. But if we decide the battle isn't lost yet, let's take the means to win it, - with guts and without compromise.