

Canadian Radio Broadcasting Commission, but the basic principles for radio and television broadcasting have been revised over the years. Under Part II of the Broadcasting Act of 1968 the Canadian Radio-Television Commission was entrusted with the direction of the Canadian broadcasting system. The Commission regulates and supervises all aspects of the system except for technical matters relating to the planning and construction of broadcasting facilities, which are the responsibility of the Department of Communications.

The Canadian Broadcasting Corporation, a publicly owned corporation established by Act of Parliament (now Part III of the Broadcasting Act), provides the national broadcasting service in Canada. Its radio and television facilities extend from the Atlantic Ocean to the Pacific, and north to the Arctic Circle. The CBC, created in 1936 to replace the earlier public broadcasting agency that had operated since 1932, is financed mainly by public funds voted annually by Parliament, with supplementary revenue obtained from commercial advertising. The head office is in Ottawa and the main production centres are Toronto for the English networks and Montreal for the French networks. Regional centres operate across the country.

An applicant for a licence to establish and operate an AM, FM or TV broadcasting station, a community antenna television system (CATV) or a network files application forms with the Secretary of the CRTC. If found acceptable by the Commission, a public notice of the application is issued in the *Canada Gazette* and in one or more newspapers of general circulation within the area served or to be served by such station or system prior to the holding of a public hearing. The same procedure applies to an application for renewal or amendment of an existing licence.

16.2.1 Cable television

Basically, cable television is an antenna system linked to the individual subscriber's set by cable through a series of amplifiers, making it possible to bring in signals he could not otherwise obtain. Cable systems are capable of carrying AM and FM radio as well as VHF and UHF television signals. For this service, the subscriber customarily pays an installation fee and a monthly rental of about \$5. In 1974 there were 387 licensed cable television undertakings operating in Canada. The largest number, 147, was in Quebec with 115 in Ontario and 64 in British Columbia. In September 1974, 40.4% of Canadian homes subscribed to cable television, compared to 34.7% in 1973 and 29.8% in 1972.

Cable television is recognized as an integral part of the Canadian broadcasting system and policies and regulations that concern it must take into account the effects on other aspects of the national system. Cable television systems (CATV) are operated by private companies, each of which must be approved technically by the Department of Communications and licensed by the CRTC.

In July 1971 the CRTC announced its policy on cable television, emphasizing its mandate to provide the best possible service and widest choice from every source for the Canadian viewer. It is recognized that cable television provides an improved picture quality and extends the service area of companies dealing with broadcast transmissions. It has given viewers a greater variety of programs and has made possible a greater information flow. The policy established the composition of the basic services that cable television must provide, including CBC and other Canadian local and regional stations, a community channel and, where requested by provincial authorities, access for educational programming. The CRTC will authorize cable television systems to carry distant stations using microwave or other electronic communication systems which technically extend the receiving system. However, the number of channels carrying signals which are received by microwave from commercial stations not licensed by the Commission will generally be limited to three. The CRTC may limit the authorization to fewer of these signals if it considers that local television service would otherwise be jeopardized.

The capacity of cable television systems to import distant signals can fragment local audiences and can have an adverse effect on local broadcasting outlets. Cable systems take programs off-the-air from locally licensed television stations and distribute them in numerous other areas without contributing to the production cost of these programs. The CRTC has concluded that cable television systems should pay for the Canadian programs and services received over the air by buying additional Canadian programs from local and regional licensees as well as from network sources for play or replay on their systems, thus providing additional