

figure was \$375.6 million, both private and CBC. Even taking into account the CBC's parliamentary grant, the total of American funds to underwrite programming dwarfed the amount available in Canada. Hence budgets of \$250,000 to \$500,000 an hour represented the American norm compared with \$60,000 to \$80,000 an hour in Canada.

In its March 1979 report, the committee made a host of recommendations to buttress the Canadian character of the CBC. The broadcasting services provided by the CBC are the main national instruments for the preservation of Canadian social and cultural sovereignty. The committee recommended that the CBC be afforded whatever means were required to reinforce that function and that a task force be set up to study the CBC; that provincial governments move into broadcasting of a more general character; and that private broadcasters provide for a continuing expression of Canadian identity. More precise CRTC regulation of Canadian content, the use of cable-TV revenues to support a Canadian program-production fund, government initiatives to promote corporate sponsorship of Canadian programming, and a series of measures to reduce the incursions of American border stations, particularly via cable television, were further recommendations.

16.5.1 Cable television

Cable television has expanded dramatically in the last 12 years. In 1968, cable passed by 29.9% of Canadian homes, but only 13.2% of households subscribed to the service. By 1977, 71.7% of homes were passed by cable and 48.2% received the service. In January 1979, an estimated 52% of Canadians were hooked into a cable TV system, one of the highest percentages in the world.

One reason for expansion of cable-TV services has been the popularity of the American television stations which cable makes available to Canadian audiences. Between 1967 and 1977, the audience share of American stations rose from 24.3% to 29.2%; and in Quebec from 4% to 9%, with the gain made almost entirely at the expense of French-language TV stations.

The cable industry is planning to expand into the provision of a variety of new services rendered possible by the new information technologies. Cable companies produce community and educational programming. The cable industry is experimenting with two-way TV. Grand River Cable, a subsidiary of one of Canada's cable operators, started a teletext field trial in Kitchener, Ont., and was planning to move to a more elaborate videotex system. Canadian Cablesystems Ltd. applied for CRTC approval of an experimental two-way cable service in London, Ont., which would allow viewers to talk back over their television sets. These and other proposed trials would make available to the Canadian public a variety of information-retrieval services, teleshopping, remote security services, automatic utility meter reading and a host of other services.

The cable industry also could make use of the new communications satellites. The Canadian Cable Television Association (CCTA), a national association of cable companies, expressed an interest in forming multi-casting, nationally interconnected networks through the use of Canada's existing and future satellite capacity. In early 1979, the communications department decided to permit earth station ownership by cable operators and other non-carriers.

Expansion of cable into a variety of new services introduces the possibility of competition with telecommunications carriers and other information providers. In the not too distant future cable companies, with their capacity for video carriage, may be expected to compete through direct-feed programming with the print media, carrying news, classified ads, audio-visual substitutes for newspaper and magazine features, alternative versions of the yellow pages in telephone directories, and other material. This possibility raises questions of regulatory principles.

16.5.2 Canadian Broadcasting Corporation (CBC)

Evolution. As early as 1929, a federal Royal Commission on Broadcasting had recommended the creation of a public broadcasting system, national in scope, to combat the incursions of American radio and to serve areas in which commercial radio was uneconomic. It was not until 1936 that Parliament passed the Broadcasting Act which