## **EDITORIAL**

## Pay TV - cinema's last stand

Although the film industry is awash with talk about the various pay TV applications, many are adrift before the volume of material present in the various applications.

Of primary concern to the filmmaker are the following questions: How many people will subscribe? How much of the programming going on the air is going to be Canadian? What kind of resources are slotted for features, short films, variety, sports, etc.? What overall sums are being spent on Canadian programming? Will there be a conflict of interest concerning either production or delivery? And, finally, can the eventual licensees be relied upon to deliver when the pressure comes?

A partial answer to these questions will come when the CRTC reviews the various applications and makes certain fundamental choices.

Should pay TV in Canada be a discretionary system, allowing consumers to connect and disconnect as often as they see fit? If so, the backbone of the system will be the block-busting American features which have spearheaded the pay system in the States.

Or, on the other hand, should it be a universal system — lately referred to as "first tier" in deference to the CRTC's reported aversion to the notion of universality?

All the national applications but one promote the idea of a discretionary system, are structured to generate profit, would cost between \$6.50 and \$10.00 per subscriber to the cable operator (who would be expected to double that cost and pass it on to the households subscribing). These systems estimate a penetration rate of between 40,000 and one million subscribers in the first year. The only non-profit and universal system would cost \$2.50 to the cable operator and would have a penetration of 4.4 million subscribers.

Second, will the CRTC allow a monopoly, granting only one national license? Or will it decide that competition in a market the size of Canada's is still a healthy thing, and award more than one national license? Here, the biggest factor will be the cost of buying American product, and the

effect on that cost of having two licensees bidding against each other.

Already, the British have decided not to use American features in their system because of the exorbitant prices asked, and there is no reason to suppose that Canada will be offered a better deal for American product. As one long-time observer remarked, "Remember, American law allows companies to coordinate their policies when exporting to foreign countries in a way that the anti-trust laws would prohibit, were they doing business in the States." For the moment, the Motion Picture Association of America seems happy to speak for the industry, as the presence of Jack Valenti at the World Film Festival of Montreal made clear.

How will regional needs be met and regional applications be considered? What kind of equilibrium is just and beneficial to both the anglophone and francophone populations of Canada, not to mention other ethnic groups?

And how will the CRTC consider the question of cross-ownership? Will it favor applications made by companies which already have a stake in production? Will it, on the other hand, look kindly upon applications with substantial cable-ownership involvement? In both cases, there are potential conflicts between the interests of the mother companies and the requirement to generate funds for independent Canadian production.

But there is a last, overriding consideration. Will the CRTC be able to insure that the eventual licensees set up and maintain the pay TV system so that the good of the nation is served?

Recently, Allan King spoke about the influence of conventional television and cable in Canada, saying that it has resulted "overwhelmingly [in] the depreciation and the destruction of our heritage and our values." People don't speak the language the way they used to. They don't know history. They hardly care about Canada's culture.

Perhaps it is already too late. If not, then the pay TV battle is indeed the last stand for those who want the children to grow up as Canadians.

The editors



## No. 78 - October 1981

Cover: Thomas Peacocke may have been chosen Canada's best film actor in 1980 for his performance as Pere Murray in The Hounds of Notre Dame, but that didn't turn him into a household name overnight. Why are there no stars in Canada? And what might be done to give talent its due? See Krystyna Hunt's article on page 28. Photo: Bill Brennan

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