

Now, to play a meaningful role \$100,000 a year is just nothing. That is what we feel we can afford. We are very hopeful that advertising revenues will allow us to spend say \$1 million a year, of which we may recover, say, \$900,000. We would still finance it to the tune of \$100,000 a year or whatever a cable operator can afford, but it is much better to multiply what you can afford by getting advertisers who cannot otherwise be heard in their community because they are not large enough to be on a television station and let them finance this.

The Chairman: These would be local advertisers?

Mr. Rogers: These would be local advertisers. Local, local advertisers. There may be some bigger advertisers who would want it but it is only to attract these people so I desperately hope they permit advertising. They permit it on FM.

The Chairman: Should they permit national advertising on cable?

Mr. Rogers: I hope they put a minimum of restrictions and if we do something wrong then they could put restrictions.

I must emphasize: I am not against restrictions because I am a relatively young man and we must have them. We must have rules or else we will be run over crossing the street.

I think we must remember that this is a small country and we have built cable to where it is today out of the ingenuity of individual Canadians and so on. All in all it has been a plus.

I would just like to emphasize, while I think of it, that in Toronto there is no single household that can receive a good picture of both local television stations. People do not buy cable to watch 6 and 9. They do not think of it in their minds but they get a much better picture on 6 and 9 when they have cable, and I am sure that statistics will show that the viewing of 6 and 9 in cable homes is higher than in non-cable homes.

The Chairman: Perhaps at this point I should apologize to Senator McElman who is our lead questioner and who has asked exactly one question.

I have Senator Everett and Senator Prowse both indicating that they have supplementary questions.

Senator Everett: I will pass, thank you.

The Chairman: I was not saying that you should. Senator Prowse, will you pass?

Senator Prowse: No. I would like to ask a question now. I will never get back.

The first thing is: as I understand it, am I correct in assuming that when you are talking of your own programming, you are talking about what would be free channels on your cable?

Mr. Rogers: Yes.

Senator Prowse: In other words, some of them are not used and this is where you are able to give this extended type of coverage, because you do not have the limitations imposed by ordinary programming? This is something extra that you are able to offer. Is that correct?

Mr. Rogers: Yes. We are removing a television station to make room for a local programming channel we are now programming.

Senator Prowse: Within the limits of your own distribution system?

Mr. Rogers: That is correct, sir. We are now doing it part time on the channel.

Senator Prowse: These questions are very simple, Mr. Chairman, they are just for clarification.

Did I understand you to say that because the CBC is very heavily subsidized that the programmes which they produce ought to be made available to all broadcasters who want them?

Mr. Rogers: I think so, yes.

Senator Prowse: That was one question and the other one was the suggestion that there should be some form of subsidy to cover line costs of making available special types of broadcasts from one part of the country to the other.

Mr. Rogers: Very definitely. This is our greatest need.

Senator Prowse: You would suggest a direct subsidy to whom? How would you work