

Mr. Frederick T. Metcalf, President, Maclean-Hunter Cable Television Limited: Mr. Chairman, Honourable Senators, our brief doesn't deal at any length with the history of our company and the beginning of cable television and because of that, I would like to quickly make four points.

Firstly, the weakest link in the broadcasting cycle has always been the antenna, the connection between the broadcast station and the television viewer's set. Because a real problem existed and still exists, cable television was born and has flourished.

When we started in Guelph in 1952 we brought television to the city. Few people had even seen it before we showed it to them, and we showed it to the at that time with only two stations available—CBLT Toronto which had just gone on the air and WBEN-TV Buffalo.

Secondly, some communities had peculiar problems which were solved by cable television. For instance in 1956, I was asked by a group of citizens of Huntsville to do a study of the feasibility of the cost of a cable system in the town. It was an urgent matter because for several months prior an enterprising young television set dealer had been receiving Channel 3, Barrie on a high hill south of town, and rebroadcasting it illegally and using this to sell television sets.

Suddenly the RCMP was at his door and the illegal repeater was shut down. To cut this story short we did the survey, a local group found it too expensive but the town council asked my company to proceed. Though we had considerable difficulty financing it, we eventually succeeded.

Thirdly, in all our northern systems we brought in the second Canadian service as soon as it was available and in every case this is still the only way they receive that service.

Fourthly, there is a much quoted myth that cable TV systems do not go broke. I suggest that they review history, as I know it, in my personal experience. I bought the system in Orillia because it was bankrupt. I bought the system in Midland because it was in deep trouble, financially and technically.

A few years ago when I was President of Rediffusion Incorporated we purchased the subscribers of the second system in Victoria-ville because it was going broke.

In the mid 1950's Famous Players of England established a system in Kitchener, Ontario and had several hundred subscribers. It finally went bankrupt and the P.U.C. had to

cut the cable down from the poles. These are from personal knowledge, four instances with which I was involved.

There are plenty of others across the country, I am sure. The point that is, in each of these instances, failure was due to a faulty service, poor reception. The people would not buy the service so it went broke. Cable television, whatever else it is or it may become, is primarily a reception service and it depends on reception for its economic base.

In 1966, though my companies were doing pretty well, it became obvious to me that the future of cable television lay in the direction of the larger companies. Indeed, this was pointed up by the fact that the American capital, which had come in in the form of Famous Players and CBS, had become the largest companies in the business.

I looked around and I joined Maclean-Hunter Limited, because it was 100 per cent Canadian company and because of their record over the years. I was going to become very closely associated with them and I wanted somebody I could live with.

I chose Maclean-Hunter, and I chose it because of the ability to finance the large expenditures which were going to be obviously needed to be with it, and where we could hire competent management and technical skills and to get the required equipment and so on.

I think now we will ask Mr. MacGregor to talk to us about the other areas.

The Chairman: Mr. MacGregor.

Mr. A. Ross MacGregor, General Manager, Maclean-Hunter Cable Television Limited: Mr. Chairman, and Honourable Senators. As has been pointed out several times earlier today, it was May 13th of last year that Pierre Juneau, the Chairman of the Canadian Radio and Television Commission, issued a public statement encouraging cable television systems to assist in the development of a community identity through locally produced programmes.

Such locally produced programmes, the Commissioner said, did complement rather than compete with programming already available to the community through television and commercial movie houses.

This new challenge was accepted by Maclean-Hunter Cable Television Limited and our first community programme was produced and shown to our subscribers in Ajax,