

Mr. Fortier: Do you think that this committee should recommend some standards?

Mr. Switzer: With due respect, sir, it is not a technical committee and the problem is a technical one.

Mr. Fortier: We have access to technical advisers.

Mr. Switzer: Well, I believe the Committee might recognize the problem and perhaps recommend that it be studied.

The Chairman: How could you, Mr. Switzer, summarize the problem?

Mr. Switzer: I would summarize it this way, sir. The cable television industry or the companies in it are not big enough. The piece that I read at the beginning was a personal plea for a larger scale operation in cable television. I have been a personal entrepreneur in cable television. Mr. Metcalf got started a few years ahead of myself and Ross MacGregor got into the field a few years later. I have been through the small company route and because of my personal concern with the technical problems of cable TV, (and they are still with us) I have gone through the route of associating myself with as large and friendly a corporation as I could and I feel we still have some shortcomings of scale that way.

There are many technical problems in cable TV that can only be solved by further increases in scale.

Senator Prowse: The thing I have been concerned about—I have been listening to the presentation that was made by the Association this afternoon in this room and particularly as to this question of when you start to be faced with the responsibility for originating programmes, even within the limitation of the channels that will be available, it is going to cost you money, even if you keep them completely local. I believe Mr. Boucher said this afternoon that you act as a mirror of the community. Where does this money come from to pay for those programmes?

Mr. Metcalf: Well at the moment by direction from the CRTC, it comes out of the revenue which we have to operate the system.

Senator Prowse: In other words they have apparently assumed, and I don't ask you to comment on whether their assumption is correct or not, that you have some extra money that you could be using in that area? Is that correct?

Mr. Metcalf: I think they have, if you take a look at it, on the basis of the fact that the CRTC has asked cable operators to start community programming.

Senator Prowse: Yes.

Mr. Metcalf: And I think it would be safe to say, that when they announced this decision last May at least most of the larger operators felt that this was not unreasonable. It cleared away this concern that I told you we had discussed many years ago, and each time thought—well, we could do something in this area but perhaps we had better leave well enough alone.

However, the CRTC made it clear that they would welcome this. They didn't say at that time "You must" but they indicated that they were going to be quite sympathetic to those people who had done so when their licence renewals come up for renewal a couple of years from now.

Senator Prowse: They put the camel's nose into the tent!

Mr. Metcalf: Yes, I would say that they did this. I don't think there is any doubt in most of the minds of the other cable operators that there is an area here which cable can still do things because of the basic difference between cable television and ordinary broadcast television. We can cater to the minority not at the expense of the majority but along with it. It is a very nice arrangement to have.

Now, we as cable operators are delighted to be cable operators and to have this challenge but we think and this has been discussed with the CRTC. We think that in the fullness of time, it won't be possible to do all the things that they want us to do and indeed that we want to do to take care of all these people.

It will not be possible to do it with our current revenue and we will have three courses.

One, will be to add news services; two, will be to add advertising; and three, to raise the rate to the homeowner. But the third one is wrought with danger because, how much will the homeowner pay? And do the majority really want that minority programming? There is a real question there.

Senator Prowse: The point I am getting at is this. It seems to me, that when the direction came down asking you to do original programming, they pushed you first into the area. Then if your original programming gets an audience, you are going to have people