

homes of subscribers, installation of Telemeter units and maintenance of the amplifiers remained in the hand of Trans Canada Telemeter.

Furthermore, Trans Canada Telemeter paid to Canadian Bell a monthly lease charge for the cable. Initially, the Telephone Company fixed a charge of \$25 per mile per month. However, within seven months of completion of the cable system, Canadian Bell reduced its least charge to \$10.56 per mile per month.

The initial 93 miles of grid was completed by April, 1960. Eighteen months later an additional 15 miles of cable were strung to reach 2,000 homes in an area immediately adjacent to Etobicoke. This brought the total number of homes within the range of Telemeter programs to 14,000.

A studio site and operational quarters were selected at the center of Etobicoke's business area. The corner of Bloor Street and Royal York Road, geographically speaking, is also the direct center of Etobicoke's residential areas. A one-story structure housed facilities for a film studio, "live" studio, control room, tape equipment, color transmitter, sales department, collection department, servicing department and offices.

On February 26, 1960, Trans Canada Telemeter inaugurated its service to subscribers. Experience gained in all facets of closed-circuit, multi-channel transmission, over a period of five years of continuous, uninterrupted daily service, provides a valid, ample and proved basis upon which to project the pattern for the introduction and successful operation of Telemeter systems in the United States, Canada and abroad. These projections will be summarized below.

As explained above, the Etobicoke market is unique in that extreme competitive forces in operation would put a subscription TV system at the maximum disadvantage. In fact, Telemeter altered its original sample after its initial studies by inaugurating an installation and annual service fee in addition to the per-program charge and by expanding into a less homogenous ethnic area. After the years of experience in and about Etobicoke, Telemeter has been able to come to certain meaningful conclusions concerning the technical efficacy of the system and concerning subscriber interest. It was felt that Telemeter had gathered practically all the significant data that the experiment could yield in light of the self-imposed limitations. Therefore, it was decided to discontinue the Etobicoke experiment as of April 30, 1965.

With the notice of termination of Telemeter service, subscribers were sent a questionnaire asking for an expression of opinion on the types of programs they had enjoyed most, any other comments they might care to make, and whether they would like to see Telemeter return to the Toronto area. To date, over 20% of the subscribers have responded and 96.9% of them expressed regret at the termination of service and urged its early return. (See Appendix "A" for details.)

Based on its conclusions that Telemeter has a marketable system whose commercial operations on a regular basis would be feasible, Telemeter is now negotiating with a potential franchise holder in Montreal, Canada, for the establishment of a regular commercial cable subscription TV operation in that city. Arrangements have been made for similar franchises in the United States in Atlanta, Georgia; Miami, Florida; Dallas and Houston, Texas.

B. REPORT ON ETOBICOKE

1. Audience Acceptance and Support

(a) Preliminary Public Survey

To determine the degree of acceptance and support which subscription television is able to obtain from members of the public in a position to make a free choice, the groundwork for Telemeter's studies was initiated by a survey conducted by Canadian Facts, Ltd. in June, 1959. In that survey 400 Etobicoke families selected at random were asked about:

1. Existing TV viewing habits
2. Types of TV programs preferred
3. Awareness of prices paid for various forms of entertainment available in and around Toronto
4. Awareness of Telemeter and degree of interest in it
5. Willingness to pay for entertainment at home and to what extent

This initial survey revealed the following:

- (a) Nine of ten homes were TV equipped
- (b) Fifty-one percent of the males and 29 percent of the females interviewed indicated an awareness of Telemeter, although there had been little concentrated promotion up to that time