

Q. That is a matter of policy that eventually must be passed on by the government before any station is taken over?—A. Precisely so.

Q. Whilst you may be prepared to advise the Governor-in-Council to do certain things, the responsibility for that rests with the government?—A. Exactly.

Q. Under the Act, as it stands?—A. Yes.

*By Mr. Ahearn:*

Q. I think you realize that this has happened to the privately owned stations since the commission came into being: first, they have been required to make large capital expenditures for new equipment, and secondly, their advertising time has been cut down very low.—A. No, no, in the majority of them the advertising time has not been cut.

Q. Is it not down to five per cent?—A. You mean the duration of the advertising?—A. Yes. That was not done by us; that was done by parliament. The Act of 1932 precisely says advertising shall be five per cent of the time.

Mr. GAGNON: The recommendation of the committee of 1932.

The WITNESS: Yes.

*By Mr. Wright:*

Q. That ruling has never been put into effect?—A. Yes.

Q. You are going on the assumption of five per cent direct?—A. We have been very successful in putting that ruling into effect, and we have had the co-operation of the American networks on that, in connection with the stations that I mentioned last week. In fact, when I went to New York to discuss the matter, I found that the high officials of both the NBC and Columbia, as well as the leading advertising agencies, were heartily in favour of restriction similar to that for the United States.

*By Mr. Ahearn:*

Q. I believe it is a good thing to cut down the advertising, but I do not want it cut down in such a way as to put the stations under a handicap, so that they cannot attract business to themselves. That is what I had in mind.—A. The theory of the best advertising experts in Canada and the United States, on that matter, is that the shorter the advertising the more remunerative it is. With an excess of advertising on a broadcast it simply offends the public and works to the detriment of the advertiser. I have discussed that matter with many eminent advertising men, and they adopted the policy or started to adopt the policy on their own account. Let me cite one case, Chase and Sanborne's coffee. They are amongst the biggest advertisers in America, and they started about two or three years ago with Eddie Cantor. They were running with nearly 20 per cent of their time devoted to advertising. Chase and Sanborne comes into Canada on one or two stations. When we asked for a schedule, we found Chase and Sanborne had voluntarily reduced their advertising to 3 per cent of the hour. They were using a full hour, and only 3 per cent of that time was advertising. In Canada they could have had 2 per cent more; but they believed that clever ad writers—and that is the opinion of all experts—could put the punch in 10 words much better than in 100 words.

Q. I do not think anybody wants advertising increased, but I was worrying about what effect it had on the private stations, in regard to attracting business to themselves. That is what I had in mind. I quite agree with you about cutting down the advertising.—A. I have had no complaints at any time that it has had any detrimental effect on the ability to get business. It depends on the size of the advertiser, largely. There are certain small advertisers who think they are not getting their money's worth unless they spill the whole story; but