

Six advertisers included the French network. Thus of the sixteen network programs being broadcast in January, 1938, six originated in Canada and ten in the United States.

*First Meeting in Toronto.*

This sudden emergence on a national scale of programs heard previously over only a few border cities was apparently a complete surprise and shock to the press. They had not been consulted and they did not realize what was happening, though no one in the C.B.C. made the slightest effort to keep them from knowing.

Their perturbation, indeed indignation, at this development of nationally sponsored programs was considerable, to say the least. They called a meeting in Toronto immediately of representatives of the dailies, weeklies and magazines and made it very clear to the General Manager of the C.B.C. that they expected him to appear and account for this activity. It was a large meeting and some emphatic statements were made about the commercial operations of the C.B.C. and their effect on the revenues of the press. Among other things, the C.B.C. was blamed for the cancellation of four colour pages in several magazines, but it was subsequently found that this cancellation had taken place many months previously and had no relationship whatsoever to the C.B.C. network broadcasts.

The General Manager of the C.B.C. found himself on the spot. The press demanded that he indicate then and there how far the C.B.C. intended to go. He was told that it was useless to try to evade the issue. The press must know the worst without delay. It was while on his feet under these circumstances and without any previous discussion with his colleagues that Mr. Murray evolved the now much discussed formula, a formula which has been proved to have been little more than a sheer guess of the C.B.C.'s ultimate requirements. I say this advisedly on account of subsequent developments. What was the formula? The General Manager of the C.B.C. said substantially as follows:—

We must have a certain amount of commercial revenue in addition to licence fees. That is imperative. How much I am unable to determine. However, I would say that if we had a \$3.00 licence fee we could probably limit our commercial revenue to \$250,000. If we had a \$2.50 licence fee we could probably content ourselves with \$500,000 commercial revenue, but if we have to carry on with a \$2.00 licence fee then there is no limit to the number of commercial programs we shall need.

Mr. Murray explained at some length that the public service nature of the C.B.C. maintenance of a substantial proportion of cultural sustaining programs and precluded the overloading of C.B.C. schedules with network commercials. On this point his listeners exhibited considerable incredulity.

*Press Approaches Minister For Increase in Licence Fee.*

Mr. Murray's statement was an open invitation to the press to seek from the Government a \$3.00 licence fee and a committee from the various sections of the press was appointed immediately to interview the Minister of Transport to seek from the Government an increase in the licence fee so as to stave off C.B.C. commercial expansion. In the submission of the Periodical Press representatives before this Committee on June 2nd, 1944, it was stated:—

The press was being asked if they would favour an increase of the \$2.00 fee if it would mean increased service to the public and we said that we were in favour of an increase of fee at that time if it meant an increase to the Canadian people of the service of the Corporation.

It is submitted that the action of the Press in moving so quickly for a \$3.00 licence fee was not motivated by their interest in a better broadcasting service to the Canadian public but by the desire to limit as much as possible what they believed was interference with their own revenues.