

so far. It is our policy so far as national broadcasting goes not only to extend but to improve the sound broadcasting services. We think it is extremely important and is going to continue to be extremely important.

Q. I do not want to suggest anything which would give rise to an international incident, but would you comment on the earlier part of the statement with respect to conditions in the United States?—A. I would prefer not to comment, but I will do so if you like.

Q. May I ask you whether you would contradict the assertions which had been made to me?—A. No, I would not contradict them. I think some of the factors are very well known, and that while advertising money has been going into television broadcasting, I think it is true with most stations last year that they showed an increase in sound broadcasting in their station revenues.

Mr. FLEMING: You are speaking of the United States?

The WITNESS: Yes, I am speaking of the United States, and I think it is pretty common knowledge. Therefore it is a hard thing to say whether the standards have gone down or not. It would appear that so far still more money is going into and is available for sound broadcasting, but under the American system that might change in the future.

*By Mr. Fulton:*

Q. You indicated it would be your intention, and you thought it would be possible to carry on both radio broadcasting and television broadcasting actively and to further improve radio even at the same time you are developing television.—A. Yes.

Q. Do you foresee any eventual tendency that the radio broadcasting services, both nationally owned and privately owned, will be of more interest to the remote areas which are not covered by television, or do you see the two actually continuing as co-existent for the whole country from coast to coast?—A. That will be one of the main reasons for trying to keep high standards in sound broadcasting in the remote regions which for a long time at least won't have television service. I think in general there is plenty of room for the two services.

As television progresses, it may to some extent affect the pattern of sound broadcasting, and the programs may vary to a certain extent, but there is a basis for both. I believe and the United States authorities think the same thing, that sound broadcasting may be affected in what it does, but there is still a very big place for it. For example, in some homes which have television as well as sound receivers, while there is a great deal of television viewing, there are still some people who are listening to sound broadcasting, and therefore it will continue to have a very big place.

Q. May I ask you this: do you anticipate being able to continue the two types of broadcasting at the same level, which your statement seems to contemplate, without asking parliament for more money from time to time for radio broadcasting than you have in the past? Do you think that the doing of these two things together will involve extra requirements for money over and above what you would undoubtedly have for television in any event?—A. Taking sound broadcasting by itself, last year there was a re-arrangement of the financial basis with the inauguration of the statutory grant. At that time, as we told the last committee, we thought we were well set for five years ahead at least. Beyond that it was pretty difficult to proceed, and we still think that, provided this new system as indicated in the budget speech produces as much revenue as the license fees would, and if it lives up to the expectations as indicated by the estimates of what it would produce, then we think that no matter what happens in the television field, we will be able to maintain and effect some improvements in the sound broadcasting service for at least until the end of that five-year period.