

**The Chairman:** With the forbearance of the Committee, I have a couple of questions I would like to ask. I say to both the witnesses and the Senators I will be very brief.

You make the point in the brief, and you made the point in your oral presentation, about extending the recommendation of the O'Leary Report, 12A into broadcasting. Would that really have the desired impact? Would not many of the national advertisers simply book those stations? So many of our national corporations are American, would they not simply book through the American stations?

**Mr. Chercover:** They may. I suspect you will find—you are quite aware of this—brand allocations in competition. If you are talking about major soap companies, the brand people in the United States are not likely to stand still for allocations for the Canadian penetration without getting that money charged against the Canadian corporation. So I do think there can be some advantages. It may be more limited but I think at least it provides impetus.

**Senator Prowse:** It is worth looking at.

**Mr. Chercover:** It is worth looking at.

**The Chairman:** There are charges repeatedly made that CFTO dominates the CTV network. How would you answer those charges? I'm sure you have heard them.

**Mr. Chercover:** Many times. Nonsense. Absolute nonsense.

**The Chairman:** CFTO said the same thing this morning.

**Mr. Chercover:** Well, I am not surprised. John Bassett and I have been associated for a great many years. I first went to work for him at CFTO before the ground was broken on the station. I left CBC to go there. From the outset of our relationship we have fought on occasion, we have disagreed on occasion.

**Chairman:** I have an article here which says that you have even won some arguments with him.

**Mr. Chercover:** Indeed I have. I find him one of the most stimulating people in the industry, very strong in his views. He is also very amenable to the other point of view. I have been in consultation with him many times, not so much with respect to the network but in general. He said "Oh, you don't agree with that? Tell me why." He listens and

says "Okay. Do it your way." No arguments at all but an individual with the leadership qualities and the stature of John will lead other people in. For instance, a Board environment is not a domination by any means. It certainly is not domination on the networks operation in any respect.

**The Chairman:** Did you agree with his decision to leave CAB?

**Mr. Chercover:** I was not consulted.

**The Chairman:** Do you agree with the decision?

**Mr. Chercover:** Let me say that...

**The Chairman:** No one was consulted, so Eddy Goodman told us this morning.

**Mr. Chercover:** Did Eddy Goodman agree, may I ask?

**The Chairman:** He said it was a decision which John took. I think he said he agreed.

**Senator Prowse:** Yes, he agreed.

**Mr. Fortier:** It was a lawyer's answer!

**Mr. Chercover:** Since I am not a lawyer I guess I cannot escape—or can I?

**The Chairman:** I don't want to embarrass you. It is not a question of escaping. I am just wondering, it seems to me two of your most significant members have resigned from CAB and this must give you pause for thought.

**Mr. Chercover:** There are 10 who have not.

**Senator Everett:** It seems to me the witness should be given an out on a hypothetical question if he wants to take it.

**Mr. Chercover:** I haven't spoken to John since his resignation.

**The Chairman:** I don't think I am forcing the witness to make an answer, Senator Everett.

**Senator Prowse:** Why don't you tell him what the man said this morning. Mr. Goodman said that they objected to the way in which the presentation was made. Is that right?

**The Chairman:** I am sure you understand.

**Senator Prowse:** Not necessarily the content.

**Mr. Chercover:** There were some other factors with respect to the constitutionality of