

studios by JPL Productions Inc., one of our subsidiaries, are executed by Canadian participants exclusively and this company pays annually the sum of \$120,000 in fees.

You can conclude quickly that the continued immobility of the CBC's commercial rates, in regard to the sale of time as well as in regard to production, would be but an additional contribution to possible asphyxiation.

If I reiterate this aspect of the problem, it is because for Channel 10, under the circumstances, it is of vital importance. The CBC often outbids us for the stars we have developed. In such cases, we fulfill the rôle that the state corporation should carry out. However, we refuse to grant to the CBC the privilege of reselling the programs produced with these artists by subsidizing them in regard to our clients; this is an intolerable situation which definitely would compromise the eventual orientation of Canadian broadcasting.

One of the reasons for my presence today is to protest vigorously against this system which can no longer continue. Channel 10, which commits itself each year with an operations budget of many millions of dollars, cannot depend on the goodwill of the commercial director of CBC.

The pursuit of this policy surely will compromise in future the normal progress of the second French-language system in Quebec.

In nine years, we have had to double our sales rates to protect our enterprise. The Canadian Broadcasting Corporation, on the other hand, has budgeted only slightly, if at all, in its advertising rate schedule. Apply, for a moment, this sort of competition to our country's airlines. How long could Canadian Pacific resist the assaults of Air Canada if the latter, strengthened by federal subsidies, cut its fares in half?

How many Canadian newspapers could stand up to publications sponsored by the federal government, produced at high cost with the best journalists of private industry, and selling its advertising space line and the newspaper itself at half the price of its nearest competitor?

These examples are as plain as a pikestaff and demonstrate graphically the CBC's unfair position in the commercial field. We believe this situation must change if a truly Canadian television industry is to survive.

A final word in connection with Canadian content. For the past two years, we have exerted certain pressures on American producers so that French dubbing of their programs be carried out in Canada. Among the reasons given is the fact that these programs would be accorded a Canadian content percentage.

We have asked the Commission to recognize that a part, minimal though it might be, of the Canadian percentage required be allotted in this form. For our part, we have paid in the Montreal region, in the past two years, some three hundred thousand dollars to artists in dubbing fees. I am convinced that this is an aspect of artistic activity which should be taken into consideration.

It is clear that the position of the purchaser is weakened and his argument becomes less valid in favor of dubbing in Montreal rather than in Paris if the Canadian status of the program vanishes completely. By the same token, I would recommend that the French dubbing of feature films benefit from the same amendment to the proposed directives. We have not become involved in this aspect of dubbing but we believe it would be possible to create a certain amount of work in this area.

Finally, commercial policy: We have noted the absence of any special commercial consideration for the total sponsorship of programs. Though total sponsorship of programs has dropped considerably in the past five years, Channel 10 still carries an important number. Application of the proposed regulations would signify the end of sponsorship of programs of 15 and 30 minutes and one hour.

You will appreciate that it would be difficult for us to require a one-product sponsor to link the four commercial messages allowed him in a half-hour and the two minutes of a 15-minute program. This point is most important because it involves the very philosophy of program production.

We always have promoted the sale of programs energetically because the sponsor, seeking a higher level of identification in a given market, is prepared to pay a certain premium. Since we began operations, we have sought program sponsors specifically to help us sustain our operational expenses which always have been very high.

Without having succeeded completely, we have retained a certain number of program sponsors and co-sponsors. It would be onerous for us if these sponsors—clients not only of