

The consensus of opinion was that the agreement was unsatisfactory. Commander Edwards agreed, but pointed out that Canada by reason of low power, was not fully utilizing the clear channels now available.

With regard to possible sources of additional revenue, Commander Edwards suggested that the Board examine the possibility of securing such revenue from a tax on radio tubes and from the sales tax presently levied on radio sets. From these two sources between one-half and three-quarters of a million dollars might, he thought, be readily available. The suggested tax on tubes would, he believed, be easy to collect, since there were relatively few tube manufacturers. In response to a query from the Chairman, Commander Edwards also thought that additional revenue might be secured from a sliding scale of station licenses.

A brief discussion then took place on the existing contract with the telegraph companies for wire line services. The opinion was generally expressed that the existing contract appeared (i) financially onerous; (ii) that it ought to contain a clear right to sublet contracted time; and (iii) that the Commission should have the right to retain the revenue obtained from subletting contracted time.

Before adjourning, the Board discussed in a general way various aspects of its future work, including the wire line contracts, programmes, sources of revenue, etc.

The meeting adjourned at 12.30 p.m.

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(Tuesday)

The Board resumed its session at 10 a.m. Mr. Brockington presided. Also present: Mr. Morin (Vice-Chairman), Rev. Father Vachon, Mrs McClung, and Messrs. Nathanson, Bovey, Godfrey and Plaunt.

While awaiting arrival of the legal opinion requested the previous day from the Department of Justice, the Chairman summed up the position with respect to the appointment of the General Manager and assistant General Manager. With regard to the General Manager, he said, all members of the Board had carefully considered the various candidates and he believed he was expressing their unanimous view when he stated that Major Gladstone Murray would be their choice for the post of Chief Executive of the Corporation.

With respect to the matter of simultaneously recommending an Assistant General Manager, he desired further discussion. He still held the view that it would be both unbusiness-like and discourteous to present the General Manager with his Chief Assistant without reference to his wishes. At the same time, he had come to the conclusion that the arguments advanced the previous day by the Vice-Chairman merited further consideration. It was essential that no racial misunderstanding be permitted to jeopardize the Corporation's work from the outset.