

be support for the CBC, first through a licensing fee, which would be paid by the people of Canada and which was never really adequate for the job and then consequently, it was decided to dispense with the license fee and replace that with a subsidy from Parliament for support from Parliament. So presumably what we've had over the years since the beginning of broadcasting was an agreement that in one way or another the Canadian people could afford it.

its chief purpose is a theatre and you can't use it for anything else. You can't suddenly use it for packing books or garments or turn it into a factory. It is a theatre; it is designed that way and you have to pay the rent on that theatre. You have to pay the maintenance on it, etc.

Senator Prowse: Let us find out exactly what your point is. Is your point that the CBC should be entirely dependent upon the government subsidy and not be required to go out into the commercial market place at all to raise any money?

In New York City today, for instance, which is the one area where statistics are available in any large degree, it costs anywhere between six and eight thousand dollars a week just to keep the theatre there. Now, quite clearly you are going to want to fill that as much as possible and to keep it open as frequently as possible in order that you will not have to carry those overheads yourself so you tend to play things safe. You tend to look for a writer who has been a success in the past and you tend to buy actors who have been a success in the past. You tend to not take any chances and you can't do things in a formula fashion.

Mr. Knight: You might be able to see our point of view in that light...

Senator Prowse: No, but what is yours?

Mr. Knight: What we are saying is this: the CBC at the moment is required to derive something like 20 per cent...

Now the same thing really is a direct parallel to the advertiser who wants to be able to play it safe and he wants to be able to deliver that message to the greatest number of people at any one time. Consequently he chooses programs which have proven themselves, which have been on the air before and it is known that they can deliver an audience and unfortunately the programming of Canadian broadcasting is such, in the entertainment area particularly, where this kind of audience is available to you. If you look through the programs which are tops in the popularity polls, there are no public affairs shows in those top 10, but there is the hockey game and then nine American light entertainment shows. There are no public affairs shows and there are only American light entertainment programs. Dr. Davidson takes the need to find this extra money as almost an obligation on him to use American light entertainment programs. The result is that there is an impasse in Canadian broadcasting as far as we are concerned.

Senator Prowse: Just don't say is required.

Mr. Knight: In order to meet its commitments which they claim are above and beyond the amount of money that is granted to them by Parliament. They find themselves in a situation of having to find an additional forty million dollars—which is really the figure that it amounts to.

Senator Prowse: If there is...

Mr. Knight: Something like 20 per cent of their total revenue. This I think is a fairly accurate description of the situation. Now, in order to do this, they find themselves in a situation of having to put the types of programming where the advertiser can count heads in order to determine whether or not it is useful for him to use that program as a medium to advertise his particular products, especially during prime time which is when the bulk of the audience is going to be interested in watching television, in order to attract that particular type of advertising.

Senator Prowse: Is there any difference with the CTV?

Now, if I can draw an analysis here with what happens in the theatre. If you are a theatre owner and you own a piece of real estate which has been designed and built as a theatre—it has no other useful purpose, but as a theatre. You can't use it for anything else; you might use it occasionally as a lecture hall or occasionally as a concert hall but

Mr. Knight: No difference at all. The CTV is in precisely the same boat. As a matter of fact there is an article in Time magazine, just this week, which does an analysis of CTV during certain periods—21 hours a week of prime time broadcasting where there were absolutely no Canadian programs on CTV at all. All of it is American—all of it is American.