

The licence fee recommended was \$3.00 and on the question of advertising revenue it said:—

It is rather difficult to estimate what revenue would be collected for rental of time, but we think that an amount of approximately \$700,000 annually could be expected at the beginning.

Note the Commission said: "At the beginning". Moreover, this reference to \$700,000 annually at the beginning referred to the lease of time on the seven publicly owned stations and not to any revenue which might accrue from other sources and against which operating charges would be made. On the matter of revenue the Aird Report added:

"As compared with many European countries where the responsibility of broadcasting has been assumed by the Government, Canada has a comparatively small population scattered over a vast tract of country. The large territory requires a greater number of stations while the relatively small population makes it obviously impossible to finance the entire scheme from licence fees if the same are to be kept at a moderate figure. Revenues from programs employing indirect advertising will, we believe, supplement the deficiency in licence fees to a *considerable extent*. The most desirable means of meeting the *additional* expenditure required would seem to be a subsidy from the Dominion Government. We would recommend that the proposed Company be subsidized to the amount of \$1,000,000 per year for a period of say five years, renewable subject to review for a further period of five years after the expiry of the first".

This reference to the Aird Report is made on account of the almost continuous misrepresentations which have appeared during the intervening years in the press, to the effect that the Aird Report never contemplated any revenue from commercial broadcasting and that the C.B.C. is an institution which should depend for its revenues upon licence fees entirely. These misrepresentations have not necessarily been deliberate. Many publications whose editors or owners have not studied the Aird Report still are under the impression that the intention was to finance public service broadcasting entirely from licence fees.

Canadian Broadcasting Act Did Not Limit Commercials

When the Canadian Broadcasting Act was passed in 1936 it provided that the Board of Governors might secure programs from within or outside Canada and make such arrangements as were necessary for their transmission. It placed the control of all networks, stations and of the programs on those networks under the supervision of the Corporation. It put no limit whatsoever upon the anticipated income which might be derived by the Corporation from the sale of commercial programs.

The representative of the Periodicals Press Association on June 2nd, 1944, quoted from a letter written to the Honourable C. D. Howe on January 15th, 1938, as follows:—

Without consulting the public on an issue that might well have been submitted to national consideration and ballot, on its own initiative, the Canadian Broadcasting Corporation has abandoned its statutory purpose and policy by selling the Canadian public's best listener hours for the extension of foreign broadcasts.

It is very difficult to see, in view of the Aird Report and the Broadcasting Act of 1936, how the publishers could still feel in 1938 that a national referendum should have been held before the C.B.C. could engage in the sale of commercial networks.