

the people of Canada in respect to radio broadcasting. The Canadian Association of Broadcasters have very evidently forgotten that private broadcasting stations have no vested interest in the radio frequencies they are allowed to use. We believe that the regulations with reference to control over the privately-owned stations have been exercised with fairness, and we recommend a continuation of that policy. The Canadian Association of Broadcasters appear to be fearful of the future and wish to safeguard their position, and suggest the matter of supervision and regulation be committed to an impartial body.

May your Committee point out that ever since 1928 every parliament, every political party, every parliamentary committee inquiring into the question has been in favour of a system similar to the one we now have. Your Committee are of the opinion that nothing would be gained for the public by having an over-all controlling commission, although the Board of Governors might be specially charged with the duty of making it clear to all concerned that they are prepared to encourage co-operation and concerted action in the national interest following formal hearings of private broadcasters. Your Committee discussed the advisability or necessity of broadening of the terms of reference for future committees on radio broadcasting so that the affairs of the private broadcasters might be investigated as well as those of the Canadian Broadcasting Corporation.

The financial statement which was submitted by the Corporation was closely scrutinized and found satisfactory. An operating surplus of \$285,500 is shown, part of which has been voted to specific capital expenditures such as the installation of a transmitter at Halifax, improvement of studios at Quebec, equipment of overseas units, etc. Your Committee are of the opinion that this money should be devoted to improving programs and that capital expenditure should be provided from moneys granted by parliament or by loans rather than taken from fees collected from licencees and commercial earnings. Looking to the future of radio, much costly preliminary work and expenditure will have to be made to develop television, frequency modulation and facsimile. The Canadian Broadcasting Corporation should keep up-to-date and be prepared to make effective any advances in modern radio. To meet this need your Corporation should have appropriated by Parliament to its use for these specific and other purposes sufficient moneys to meet their needs, so that the general radio services to the country should be uniform.

Progress is being made on the new short wave station near Sackville, N.B. Construction is near completion, and if delivery of transmitter and other equipment can be secured, operation of the station should start in the late fall of this year.

The Corporation reports that when this project is completed Canada will have one of the most up-to-date international broadcast transmitter plants on the North American continent.

Your Committee held one of its meetings in Montreal and had an opportunity of visiting the studios and technical workshops of the Corporation as well as inspecting its physical assets and meeting many of the staff. We found that in the shops were being built a number of small transmitters and receivers, as due to wartime scarcities and priorities, it was impossible to obtain the proper equipment from manufacturers. We also visited the high power broadcasting station at Vercheres. We were impressed at the magnitude and intricacies of the enterprise, as well as with the enthusiasm and efficiency of the employees. Various departments are scattered around in different buildings in different parts of the city. We were glad to learn that the management contemplated centering its activities under one roof but their plans were interrupted by the war. We recommend that as soon as conditions will allow that a plan of centralization of activities be resumed.