

katchewan and Alberta we suggest two 50-kilowatt stations in each province synchronized on a common channel. Further a 10-kilowatt station in Northern Ontario and Western Ontario, a 1-kilowatt station at Port Arthur-Fort William, a 500-watt station in Toronto and a 1-kilowatt station at, or near, Ottawa, Montreal and Quebec.

The CBC's plan of national coverage was outlined subsequent to its survey of the coverage of all stations in Canada. It was summarized by myself and also by the Honourable Mr. Howe in a speech at Moncton in October, 1937. These are the Minister's words:—

The Broadcasting Corporation has adopted, as a policy, government ownership and operation of the larger stations. In future private stations will not be allowed to expand beyond one thousand watts, while existing larger stations will not be permitted to increase their present power. The Corporation will, however, proceed as rapidly as funds will permit to build a series of high-powered stations, which will in themselves give full coverage.

With that policy, which I submit is incontrovertible, unified control is essential if the plan of national coverage, necessarily carried out by stages, is to be achieved and if broadcasting generally is to be co-ordinated in the public interest.

I should like now to deviate for one minute to define what I conceive to be the function and the duty of the operators of radio stations in this country. It seems to me that anybody who is enjoying the rights to operate a radio station is occupying the public domain; in other words, he owns a franchise, because a franchise consists of the occupation of the public domain, whether it be a franchise to use the air or to use the streets of a city, or to use any other national or community property. I submit, therefore, that the owner of every private station is as much a trustee for all classes of listeners as is the CBC. I intend to elaborate upon that further when I deal with certain recent controversial matters. I submit, therefore, that anybody who occupies the public domain and enjoys a franchise is in the nature of a public utility if he is granted the use of public property.

The principle of public utility ownership is that it shall be highly regulated and that there shall be a limitation on its profits with surplus profits going back for an improvement of the public service. Railway earnings, I understand, were limited to ten per cent. The earnings of gas companies, of electric light companies and of other companies occupying public franchises are limited usually to what is described as a reasonable return upon the capital used and useful in the business. Now, the CBC does not want, and I am sure nobody else wants, to prohibit private radio stations making a reasonable profit. But I think the essential interests of the community demand that there shall be no profiteering in private radio. I have reason to believe that there are men coming before this committee who are at present making a tremendous return on any capital used and useful in this public business, men who are coming to make demands and to launch attacks on the Canadian Broadcasting Corporation in an effort to increase their profits. I am going to suggest for the consideration of this committee some legislation to be passed in the future whereby the profits of holders of a franchise being part of the public domain should be limited rather than increased. Before the end of the meeting I hope to elaborate that idea, and I leave it with you as a thought.

Now, to recapitulate the evolution of the conception of a national broadcasting system.

(1) When the Canadian Radio Broadcasting Commission was created in 1932, the power of all Canadian stations was about 45,000 watts and the coverage about 40 per cent of the population.

[Mr. Leonard W. Brockington, K.C.]