

of daytime serials "I do not know whether they are higher or lower level, but they are a type of entertainment that appeals to the great mass of our public".

It was said emphatically that the C.B.C. could not be impartial. No evidence whatever was given to substantiate that declaration. Not a single example was given to show that at any time we have done anything which would favour C.B.C. stations at the expense of private owned stations, unless anything we do is considered partial because it is not always in the exclusive interest of some individual broadcaster. Everything we have done, which at times may have appeared to be detrimental to individual stations, had to be done to make sure that listeners at remote points would not be deprived of the best programs available to those in large centres. We have yet to be shown any evidence that we are protecting our commercial interests at the expense of private enterprise.

It is submitted that private stations should be permitted to line up a network across the country in competition with one operated by the C.B.C. The C.B.C. has no interest in opposing that suggestion except that of protecting listeners. We maintain that private broadcasters are not in a position to give satisfactory Canadian broadcasting to the Canadian public because of their evident and quite understandable limitations in financial means. The only real argument submitted in favour of this suggestion is that it would create a competitive situation which would be in the interests of the public. Our competition at present comes from the stations located where there are C.B.C. network basic stations either owned by us or by private enterprise. As I have said before, we are fully prepared to co-operate with private broadcasters in facilitating the broadcasting of programs produced by them on our networks. They are at liberty now to introduce in Canadian broadcasting the competition they are suggesting would be beneficial to all. As we take it, we are expected to see that the best possible broadcasting service is given to all Canadians and the only way for us to do so effectively is to operate the networks and make sure that talent, facilities and money available are most efficiently used.

You were told that the CBC does not contribute to the commercial prosperity of private stations because all it does is to transfer to such stations on its network monies paid by sponsors. It is true that we do not use public money to subsidize private stations directly, but network revenues which stations enjoy are made possible because of the fact that the C.B.C. maintains network facilities across the country and even supplies sustaining programs and highly sought educational programs paid from its own revenues. Private stations do not pay anything for the services they receive from us except a very low licence fee for broadcasting permits and there is a small balance of sponsors' money which helps to pay for expenses of our commercial department. In the United States, where there is nothing else but private network broadcasting, each station has to pay a substantial fee to network operators for the privilege of being on the network and of having access to sustaining programs. As a matter of fact, many stations in the United States consider that even if they do not receive a single dollar revenue from their network affiliation, the prestige connected with such an affiliation fully compensates for the time devoted to network service. In Montreal, Toronto and Windsor there are privately owned stations which are affiliated with American networks and which pay important sums of money to American network operators for the privilege. Indeed, this also applies to our own stations affiliated to an American network where we have to relinquish part of our duly earned commercial