

color television in 1966, to 500 permanent employees, including the personnel of our two subsidiaries, Paul L'Anglais Inc., a sales company, and JPL Productions, a commercial production company.

So as to meet with the growing requirements of our audience, it also was necessary to double the number of hours of programming to arrive at a figure of 18 hours daily, that is, an average of 125 hours each week.

You can appreciate without difficulty the need to double the number of studios and services required to cope with an evolution which was so rapid, dynamic and interesting.

You also can evaluate immediately the mammoth task of producing in color each week in our studios sixty-two hours of varied programming.

The advent of color created serious problems, both from the viewpoint of production as well as that of profit. An expenditure of three million dollars made it possible for us to transform our monochromatic installations to a color production system without delay.

In September 1970, we will proceed in connection with the last phase of this program at an additional cost of one million dollars. It should be noted in passing that the slow sale of color receivers, delayed marketing and the high prices set by manufacturers did not contribute to any additional revenue for our station.

Solely the spectacular increase in our ratings over the years justified the raising of our tariffs to justify our investments, thus improving our revenue picture and making it possible for us to meet our new responsibilities. In any event, a booming economy benefited both advertisers and producers.

Obviously, this entire pattern was shaped within the framework of commitments made at the issuance of our license to operate as well as within a rigid observance of BBG and CRTC regulations. Generally speaking, we believe the regulations we must follow are equitable and that they allow satisfactory television for the public.

Undoubtedly, we accidentally straddled at times but we can state that we have progressed without particular difficulties in regard to these regulations. As noted earlier, the question of Canadian content never was a problem for Channel 10.

However, the Canadian Radio and Television Commission recently presented a White Paper regarding new regulations governing the percentage of Canadian content and com-

mmercial control and it appears in order for us to include here the observations and amendments which we have proposed.

In the demographic situation which concerns us, we are in agreement, generally speaking, with the measures aimed at assuring more authentically Canadian and reasonably commercialized television. It appears clear to us that the search for and discovery of a Canadian identity constitutes an objective of major importance for the survival, the definition and progress of our culture.

Among the means placed at the disposal of society towards this end, radio and television are undoubtedly the most direct and the most effective. They are not the only ones. And if one is to envisage a serious, long-term effort, it is imperative that the other media involved in the cultural life of our country, such as the printed word and the cinéma, also become positive factors.

We certainly cannot refrain from commenting today on the fact that for the past nine years, we have dedicated ourselves constantly to the purpose of reflecting our audience in its reality and in its aspirations. In addition to meeting the needs and exigencies of a second French-language service in the Montreal region and in the Province of Quebec, we simultaneously have stimulated a movement whose effects have been felt in every sector of artistic activity, especially in the recording industry.

Despite this orientation, which involves serious risks because of the major investments required for the production of our programs, the development of talent and the costs of fixed assets necessitated by technical requirements, we have experienced satisfactory financial progress during the decade.

It is beyond argument that it is simpler and less costly to receive or to purchase programs already produced. As a result of this, the owner or owners of a station may, generally speaking, expect a higher return through use of these programs.

It is thus true to say that the margin of security would diminish considerably for a television station or network if the CRTC's proposals were applied integrally. And this is a point which should be emphasized since an overly reduced margin could compromise the financial balance of the station. This threat to operational stability would bring about a reduction in the quality of services. Any possible or eventual fragmentation of advertising revenue in the field of television therefore