

Radio Does Not Decrease Press Appropriations

The reiterations of the press to the effect that it suffers to the extent to which radio attracts advertising, that every dollar spent in broadcasting is a dollar out of the pockets of the press and that if radio were not used press appropriations would be that much greater, is sheer fallacy. Any number of agency men will tell you that radio is generally an added appropriation and that, by and large, press appropriations have not been decreased as a result of that addition. It is believed that newspapers and magazines have enjoyed quite as large if not a larger percentage increase in advertising revenue than the Corporation's increase from that source over the last five years. Some advertisers who used radio in 1937 and 1938, but did not use the magazines, are now using both on a substantial scale. Moreover, not a little of what was previously black and white advertising in the magazines is now multi-coloured. (See Appendix for comparison of U.S. radio network advertising with U.S. magazine advertising for 1937, 1940, 1943).

Local Stations Compete with National Magazines

On June 2nd, Mr. Carson, when dealing with local versus national advertising said:—

Now I would say that the local station is a direct competitor of the local newspaper, but the local station is not a direct competitor in that sense of a national publication. It is the coast to coast advertising program on a national network which takes money out of the same appropriation from which moneys are found for national advertising in national media.

In this regard I must differ with Mr. Carson. The local radio station is a direct competitor of both the local newspaper and the national magazine, a competitor of the latter to the extent to which it carries both spot programs and spot announcements for products of national distribution. There are many types of business broadcast over local stations which are directly competitive with magazines but which have never appeared on networks. Take e.g., Ever-Ready batteries which for years have been advertised both in the magazines and over local radio stations but not by national networks. This applies to all the battery business. The national magazines have provided general coverage; local radio stations—regional or local coverage. The situation is the same with farm machinery and equipment companies, fertilizer concerns, manufacturers of wall boards and roofing, life assurance companies, the chartered banks, department stores and virtually the whole field of patent medicines, stock foods, antiseptics, hair tonics, deodorants, corn salves, bunion savers, foot powders and leg do's. These are not only nationally distributed products, but very many of them have large appropriations.

C.B.C. Network Increase Very Small Percentage

We have seen that in the discussions with the press on October 23rd, 1939, the then General Manager made it clear that this estimate of revenue in 1939-40 was approximately \$600,000 with gross billings (not gross revenue) of \$1,326,000. In 1943, C.B.C. commercial revenues from network broadcasting were \$1,243,500 with gross billings of \$2,489,000. Of this \$1,243,500 revenue, \$923,000 or about 75 per cent was from network broadcasts, the kind of broadcasts to which the Periodical Press Association takes exception. Now included in the \$1,243,000 of C.B.C. revenue in 1943 was \$250,000 from government business associated directly with the war. (There was no charge by the C.B.C. for recruiting programs of all kinds). This really means that the complaints of the press rest upon an increased revenue to the C.B.C. from commercial sources of the difference