

CBC because there is a difference between a department of government making a request and the government.

Mr. FLEMING: That may be a matter of inference. I am still confused about the length of time that this restriction was in effect and what the restrictions covered.

Dr. FRIGON: If you leave the date out, for the time being, the restriction was: for the CBC not to include in its own news, on its own stations and network, any news of disturbance in the penitentiaries for the reason that that might encourage prisoners in other penitentiaries to cause trouble; and with the understanding that all other broadcasting stations could carry the news because their broadcasts were not heard in the penitentiaries.

Mr. FLEMING: Are we quite clear that the request was confined to news of penitentiary disturbances?

Dr. FRIGON: Exactly.

*By Mr. Fleming:*

Q. Mr. Dunton, coming to this question of municipal taxes what is the situation at the present time as regards municipal taxation of Canadian Broadcasting Corporation property?—A. Dr. Frigon knows that rather better than I.

Dr. FRIGON: What is that?

Mr. FLEMING: I am asking about the present situation with reference to municipal taxation of CBC property?

Dr. FRIGON: We pay service taxes, such as water taxes. We do not pay taxes on real estate, on property.

Mr. FLEMING: You are going to extend your ownership of property, as you said, by these stations and acquiring property for the purpose?

Dr. FRIGON: Yes, sir.

Mr. FLEMING: And coming back to Mr. Dunton if it is necessary, has the board of the CBC considered the fairness of taking exemption from municipal taxation as it expands its holdings of property?

The WITNESS: I do not think the board has particularly. I think it is a legal ruling.

Dr. FRIGON: It is a legal ruling by the Department of Justice that they are not subject to taxation.

Mr. FLEMING: It has been overcome in other cases by the necessary statutes.

*By Mr. Fleming:*

Q. Has the board considered that? I take it your answer it that the board has never considered that question?—A. Not that I know of.

Q. It is a fact, is it not, there are great developments anticipated in the field of radio broadcasting in the years ahead of us with frequency modulation and other developments?—A. Yes.

Q. And the decision that you are taking now—and I come back to the three wave lengths—is a decision with a good deal of finality to it?—A. With regard to these particular wave lengths the decision is made carrying out the policy, which I get back to—

Q. I am speaking now of the execution of your policy in your decision to take over. There is a good deal of finality about that?—A. Yes. They are important steps.

Mr. FLEMING: Dr. Frigon, I have a couple of points to clear up with you if I may. You indicated some time ago, and you referred to it once or twice