

The question of commercial sales is a matter which CBC continues to watch closely. Television sales, in the year 1959-60, exceeded those of the previous year by nearly \$6,000,000. While the sales effort is admirable in many respects, it is a development which the Corporation feels must not in any way be allowed to usurp primary responsibilities. Service to the public must continue to be the basic criterion for all CBC decisions.

The 1959 Committee also found what it called "disparity" in the charges to sponsors and asked the Board of Directors to study "some practical formula to eliminate this disparity and obtain the maximum return from sponsored programs."

During the sittings of the Committee the Corporation was asked if it charges one company 50 percent where it might charge another company for the whole cost of the program. The Corporation's aim is to obtain the maximum return possible from sponsor participation and this approach is followed in contacts with all agencies.

How, for example, do we come to a price of \$8,000 and what leads us to charge that amount of money for sponsor participation in what might be a \$15,000 program?

The answer is very simple: it is supply and demand.

For a fraction of \$8,000 a sponsor can purchase what is called in the trade a first-class film to fill that period. That is what we are competing with. We want to interest sponsors in contributing to live Canadian production and this is the manner in which we have been able to do it.

A basic principle of the Corporation is that it must provide a complete program service. A major part of this complete service is the creation of Canadian programs for broadcast over CBC networks and stations. The setting of the standards for these programs and their inclusion in the program schedule are responsibilities which rest solely with the Corporation.

The overall balance, or "completeness" of a program schedule, is something which must be decided by the Corporation ahead of and apart from strictly commercial considerations. Many programs are scheduled as a vital part of our program service before sponsor participation is considered. Consequently everything we receive from sponsor participation lessens the direct charge on public funds for these programs.