

stations derive their cash funds solely from advertising
revenues through their own business together with revenues
from commercial network programs of the CBC national circuit.
The cost of the system is money paid directly by the tele-
viewer public has been and still is just about four cents
per television family per day. Compared with the figure
the average cost to each television family of owning and
operating its television set, including depreciation, is
around 80 cents per day.

Instead of using both public and commercial funds,
Canada could have developed a national television system
supported entirely by public contributions but the direct
cost to the public would have been much higher and the
public in many parts of the country would not have had the
chance to see on the system a number of American commercial
programs which so many find attractive. If, on the other
hand, Canadian television had relied solely on revenues
from advertising there would have been a strong tendency to
import programs rather than to produce them in Canada. In
commercial terms, Canadian programs have to compete against
U.S. programs on which five or ten times as much has been
spent but which are available in Canada at perhaps one-half
or one-third of the cost of a much more modest Canadian
production. Nor could advertising support the costs of an
effective distribution system linking Canada from one coast
to the other.

The future development of Canadian television will
be decided mainly by the people of Canada through their
Parliament, presumably with the assistance of recommendations
by the Royal Commission on Television Broadcasting which was
set up in December 1955 to study the whole subject.

EP/A