

commendable recommendations upon which this government may act. But the fact remains that the government could have remedied existing conditions long before it ever referred the matter to the tariff board. It could have relieved the people of Canada from the conditions which existed during 1938. When the matter was first presented to the tariff board, evidence was given which showed that the cost of radios in Canada was from fifty to ninety per cent higher than in the United States. The facts are simply these. There are some seventy patents covering the construction of radios. These patents are held by a holding company which is owned and controlled by the eleven or twelve radio manufacturers in Canada. The manufacturers then purchase from the holding company a licence to use their own patents. Of course that money comes back to them, but at the same time it is tacked on to the price of the radio. Then they are in a position to restrict production, and also to regulate prices. I am sure that the tariff board will give this house a very clear description of the existing monopoly. This holding company has not been so keen to prosecute anybody since the subject was referred to the tariff board. It will be seen that for the first six months of this year radios to the value of \$440,000 were brought in under the \$100 exemption, and it is fair to assume that, including the Christmas trade of 1938, the total value of such radios will be around a million dollars. My point is that there was a necessity for referring it to the tariff board, but conditions for the people of Canada could have been very much improved had the government itself acted under the authority conferred first of all in the Patent Act, which permits the commissioner of patents to annul a patent where the owner is abusing it. On the other hand the combines act permits the director of combines to annul these patents where they are being used for the purpose of regulating prices or controlling production.

I want to take this opportunity to convince the government that it did not need any further evidence than was placed on *Hansard* last year. There was placed on *Hansard* the list of patents, the demand of the solicitors of this holding company for royalty, and a letter from the holding company telling the resident of Nelson to whom I have referred that if he brought in another radio it would be subject to confiscation and destruction. I have it from one than whom there is no keener or better authority in Canada, that under the Patent Act as it exists to-day that holding company has a perfect right to demand the surrender for destruction of any radio

brought in from the United States. Is it not a fair assumption on the part of any citizen that when he purchases a radio, pays the duty on it, clears it and takes it to his home, it is his radio and he is secure in its possession? But certainly that is not so, and surely it is a condition which this government should not tolerate when it has the authority, under the combines act and under the Patent Act, to put an end to such monopolistic tactics.

I am going to take this opportunity to thank hon. members of all parties and groups in the house for their unanimous approval of a bill last session which curtailed the activities of the Canadian Performing Right Society. The bill exempted all music communicated by radio or gramophone from payment of royalties to the Canadian Performing Right Society, on the ground that that music was paid for at the source—in other words, paid for by the broadcasting stations and by the manufacturers of gramophone records. Before His Honour Judge Parker, the royal commissioner, evidence was given by the American director of the Canadian society—and the American society, let it be understood, is the parent of the Canadian society—to the effect that the small users of music which are now exempt, that is to say hotels, skating rinks, stores, lodge halls, and so on, have no commercial value and should not be taxed with royalties. That was the evidence of this director. Apparently they had no commercial value then, yet this same society after the passage of this bill goes to the government or to the appeal board and attempts to collect—how much? Instead of \$83,000, as collected from the broadcasting stations last year, it attempted to collect \$191,000 this year in order to make up the losses which it said it had sustained by the passage of this bill, although, as I have indicated, the director said there was really no loss. But we have to thank the appeal board for its action in the matter, because had the appeal board not taken a hand, had it not reduced the minimum fee of this society, dear knows where it would have stopped. The appeal board brought their fee down from \$30 to \$5 as a minimum. The appeal board has allowed this society the \$83,000 which was allowed last year from broadcasting stations plus some \$6,000 additional to make up for the increased number of radio licences issued by the department as at March 31 last.

This is just about the driest subject that one can broach, and there is no interest occasioned in it except by persistency; but I want to try to impress on members of the government the actual burden which this society inflicts upon the public. In the *Canada Gazette* of November 5 last you will find