

he must sell the idea to the Board. At that time the C.B.C. had only been in operation one year. The war was still 19 months away; even the epoch-making Royal Visit was still a year off. In view of the enormous expansion which has taken place in C.B.C. activity since then, a large part of which has been associated with the war, it is clear that neither the General Manager nor the Board, nor indeed the Minister, anticipated or could anticipate the demands which have been made since on the Corporation. This is very clear from the statement of Mr. Murray before the Parliamentary Committee on March 31, 1938. He said:—

It seemed clear that a total annual net revenue of \$3,500,000 a year would be required to maintain the service and repay the capital loans. . . This meant that it would be necessary to secure from other sources \$3,000,000 a year, that is, if the plan of national coverage was to be completed and capital repaid at 3½ per cent.

C.B.C. Expense Now Five Million

That was in March, 1938. Since that time, expenditures of the C.B.C., mainly for added service demanded by the Canadian public and commended by successive Parliamentary Committees, has grown from \$3,500,000 a year to almost \$5,000,000 and the plan for national coverage is still far from completion. Moreover, the budget is tighter today than ever and the demands for further service are still expanding and must expand on a still greater scale if broadcasting and its new potential auxiliary services are to be developed.

Since 1939 the C.B.C. News Department has been started. The Farm Department which has given such an impetus to production and to group listening all across Canada has been organized. A large unit, admitted to be second to none in the field of war reporting, has been built and maintained overseas. These three alone account for increased annual expenditures of over \$400,000 to say nothing of special war programs. These and many other operations have been undertaken which neither the General Manager nor the Board anticipated so soon. Indeed, the real problem of the C.B.C. is to know where the money is going to come from to finance the expansion program with which it will be faced as soon as the war is over.

Press Referred Committee to Discuss Rates

At the second meeting of the General Manager with press representatives in Toronto about the end of January 1938, the same contention was made as was repeated before this Committee that C.B.C. network rates were too low, that they were unfair. The General Manager invited the press to name a committee to discuss rates in detail with the Commercial Manager. No committee was named but nearly two years later, on October 24, 1939, at a meeting attended by the General Manager of the C.B.C. and the Commercial Manager a long debate ensued between two factions of the press. One argued that the appointment of such a committee to discuss rates with the C.B.C. was tantamount to admitting the C.B.C.'s rates, the C.B.C. had an equal right to enquire into press rates. It was maintained by this group that if network rates were increased the C.B.C. in all probability would still carry as many programs, thereby in their opinion taking from the pockets of the publishers still more money than if the rates were low. It was finally decided by the press that no such committee should be appointed.

Publishers Knew What "Gross" Meant

At this same meeting in October, 1939, the \$500,000 limitation was again discussed. I quote from the Press record of the meeting:—

Members of the joint committee asked Mr. Murray how closely the C.B.C. had been able to approximate the estimated figure of \$500,000