

business involved. As a matter of fact, if we were to charge against our commercial revenues the expenditures which rightly belong to our commercial activities we would show a rather heavy deficit.

It appears that what periodicals are afraid of is that we may increase our commercial revenue indefinitely. It is not possible to indicate clearly what will be the actual ceiling in dollars and cents which we will attain. This depends a good deal on the general economy of our country and indeed on the purchasing value of the dollar. If revenues expressed in dollars and cents increase for everyone in Canada it is evident that our own business will be subject to the same economic trend. Again, if there is much more money spent on advertising, I do not see how with our small share of the business we should not benefit by the overall policy; I can say, however, that so far as the C.B.C. is concerned, we have a number of self-imposed restrictions, which I have mentioned here before, and which limit the total number of commercials we may carry.

There is also the fact that we will always insist on having a certain number of sustainers even on private stations who are part of our network and during the best hours of the day. This is a very effective self-imposed limitation.

Our friends seem to forget that network broadcasting has to meet the competition of what is known as "national spot broadcasting". In other words, when it becomes less costly to an advertiser to distribute records to broadcasting stations across the country than to lease wire line facilities to connect a station to the network he uses the first method. Even if network operation was to stop entirely in Canada, periodicals would have to face the competition, which they had before, of the same program being repeated on all stations through recordings. This method is used every day to a large extent and we have never heard of any protest against it.

These are factors which make it impossible for us to increase our commercial revenue indefinitely and which guarantee to all concerned that we, the C.B.C., will never be in a position to compete commercially to any extent with printed publicity media.

It is therefore quite meaningless to advance that the C.B.C. was built with money which belongs to periodicals. That is a superiority complex which reveals great ambition on the part of those who support the claim but which does not add anything to their claim.

I said before that the amount of money involved does not seem to be the matter in question. You were told that we should pay taxes, that we should limit our commercial activities, that if we do have commercial revenues, licence fees should be abolished. We may meet all requirements by taking as many commercials as we wish, provided we pay taxes.

Periodicals do not care whether we receive a subsidy voted by the House out of public money provided by all the taxes paid into the treasury, whether such taxes come from Aklavik or Toronto; but they do not like the idea of listeners supporting their own national radio system through their own contribution to it. I suppose there would be no objection to our increasing our rates so that we would be less efficiently competitive.

It was stated that local stations are in direct competition with local newspapers, and that networks really compete with periodicals who draw a good deal of their revenue from national advertising accounts. Would that mean that the C.B.C. is free to compete without restrictions with newspapers? Would it also mean that we must refrain from carrying such programs as Charlie McCarthy, Metropolitan Opera, Lux Theatre, Jack Benny, Fibber McGee and Molly, Bob Hope, etc.? Even if in doing so we would deprive the Canadian people of those programs?