

Supply—C.B.C.

A year ago the government estimated a revenue of \$18 million from this source. Actually the revenue yielded was \$22.8 million, an excess of \$4,800,000 over the estimate. If the revenue from this source has been underestimated this year to the same extent, it would mean that instead of a revenue of \$17 million from this tax available to the Canadian Broadcasting Corporation, they would have about \$21.8 million available from that source. In other words, if the same underestimate is shown this year, the total amount available to the Canadian Broadcasting Corporation for domestic service under these various items would be \$40 million, a very substantial sum indeed.

Item 605 of the supplementary estimates is an outright grant of \$12 million toward what is called the anticipated deficit. That, of course, is a deficit on current account. The capital budget of the corporation, which was tabled in the house a few days ago, indicates a contemplated capital expenditure by the corporation this year of \$8,948,900. Of that amount \$1,764,000 will be in relation to radio broadcasting, and the balance of over \$7 million for television.

Last year the house provided a loan of \$8½ million to the corporation to cover the capital costs of television installations and to support the development of services. Asking the house at this time to make an outright grant of \$12 million, as compared with the loan policy of a year ago, means that the house is being asked to follow a new principle. I want to say that this should not be regarded as any precedent as far as those for whom I endeavour to speak are concerned. It is not to be regarded as anything but a stop-gap provision. The idea of a grant, if it is to be put before the house in the light of a departure from principle, so far as we are concerned, is not to be regarded as creating a precedent. In other words, when this problem is presented to the house for some comprehensive solution, as it must be within the next year, we want to make it quite clear that we shall not be regarding this as any precedent to bind members of the house.

The problem presented by the staggering cost of the C.B.C. operations must be faced and grappled with. The cost is developing into these tremendous sums, largely on account of television. Television cost the corporation last year \$25 million, twice as much as it did to operate its radio broadcasting services.

As to approaches to the problem, I have only this brief reference to make to the submissions made by the corporation to the royal commission; that in its brief the C.B.C. estimates that the television revenue that will be needed to provide television services

will be the equivalent of \$15 per television household in Canada. There are two million homes in Canada now equipped with television. In other words the C.B.C. contemplates a requirement of \$30 million from that source to provide television services for Canada, and that figure has been emphasized again and again in the brief filed by the corporation before the royal commission. I just mention one or two passages quickly. At page 27 the corporation, referring to previous similar estimates, says:

We emphasize the scale of \$15 per television household per year because it was the basis of the plan as started in 1952, and the rate which the C.B.C. said would be required in the future for a system of the scope and on the conditions of the plan. Also, we believe the scale provides a convenient base for the consideration of different possible future ranges of scope, costs and conditions for the system.

There is frequent reference in the succeeding pages to that basis of estimating the cost of operating television services. On page 35 this sentence appears:

The C.B.C. estimated and continues to estimate that the \$15 figure is the amount necessary to support the system as conceived in 1952.

The brief proceeds to indicate that this cost is likely to increase.

Similarly, the corporation in that brief estimates that the cost of providing radio broadcasting services for Canada to be continued through the years ahead will cost the equivalent of \$1 per head of the Canadian population, or \$4 per radio home. With a population now of 16 million people, that would mean the present sum of \$16 million. The figure for television, at \$15 per television household, is \$30 million. The total for the two is \$46 million per annum, and the corporation warns us that this figure will increase.

Now, I ask the question if the way in which this is put is the flying of a kite to ascertain whether the particular method of financing that is suggested in the brief is acceptable. Is this to be another new tax? Certainly that is the interpretation that was placed upon the brief of the Canadian Broadcasting Corporation quite widely throughout Canada, and as it appears to indicate the intention to impose a new tax in these sums it was, I think I may fairly say, pounced upon and quite widely denounced in the editorial columns of the press. I suppose the fact is—in fact I have no doubt the fact is—that the government at the present time has no solution for this very great problem of financing the operations of the C.B.C. and it is hoping very hard that one will be forthcoming in the report of the royal commission.

Sir, I have not time to comment on the programming of the C.B.C. I have sought on other occasions throughout the session to bring