

As for the third point, to which I propose to come back later on, it is evident that our business has increased as any other advertising business in Canada; and if we are getting more commercial revenues now, it is largely because we are receiving our share of the increase in advertising budgets. On a percentage basis, I am positive that our increase is well below that which has been enjoyed by other advertising media. Furthermore, we cannot possibly stop progress and if advertisers go more for radio broadcasting than for the printed word, it is all to the benefit of Canadian listeners.

With reference to the mention of a third network, this is impossible at the present time, because there are no stations available for such a network. Besides, it is doubtful whether it would be possible to maintain a third network from coast to coast under the present conditions of the Canadian market.

As I explained here before, we must have on our networks the best American sustaining programs, which means that we must also carry the best commercial American programs. That is in the interest of the public and it is a responsibility which we cannot avoid. This results in a much welcome revenue, although it may not be our desire to increase our income through that source. Indeed if we were the greedy people that some persons think we are, we could easily double our present commercial revenues.

It is quite a compliment to be told by a successful publisher that we are good salesmen, but I can assure him that we do not abuse our superiority in that field. However, he should not put such ideas into our head—we may have difficulties in restraining those who look after our commercial business.

It is true that parts of advertising budgets come our way, but I am told that upwards to 75 per cent of the biggest advertising appropriations in Canada go to the press and only 20 per cent of these budgets to radio.

Further, we cannot help it if advertisers consider that radio is a better and cheaper advertising medium than the printed word and if the public insists on listening to their programs.

It was said that we have broken faith with the publishing industry. It is evidently forgotten that we do not carry spot advertising and local spot business, that we have never conducted a campaign against newspapers or periodicals; on the contrary we frequently advise our listeners to read newspapers. In this respect it would be interesting to find out who broke faith with whom.

Mr. Carson said that a promise was made some years ago that it was not the desire nor the intention of the Corporation to go beyond the figure of \$500,000 for commercial revenues.

I know statements were made but, at the time, no definition was given of what that figure should represent. I do not recall that there was any request for a definite indication of what was to be called gross commercial revenue. At the beginning we used to report as gross revenues monies collected by us, less the direct cost of running our commercial department. Later on we gave, on the revenue side of our financial statement, the total amount received by us and on the expenditure side the cost of running the commercial department. This was done because we found that it was impossible to segregate from our total expenditures all the charges which could be made against our commercial activities. This change in accounting practice did not mean that our business had increased by that much. This year, at the request of the committee, I gave a breakdown, including the share belonging to private stations on our network and other charges. This goes to show that financial statements have to be interpreted in their true light with all facts available and a perfect comprehension of the