

consist of a board of nine governors appointed by the Governor in Council and chosen to give representation to the principal geographical divisions of Canada.

In referring to the Board of Governors, the Massey Commission stated in its report, at page 287:

41. We have no evidence that the present Board of Governors has used its powers harshly or unjustly. If it had done so, the proper remedy would be an improved board rather than a second one. However, we are strongly of the opinion that in view of the place occupied by radio broadcasting in the life of the nation, and particularly because of the new and even disturbing possibilities of television broadcasting, no effort should be spared to make the Board of Governors of the C.B.C. as effective as possible. It should be large enough to be fully representative of the country as a whole; and it should be composed of persons fully qualified by knowledge, experience and interests not only to maintain but to advance the present standards of radio broadcasting in Canada whether national or local. We feel very strongly the importance of retaining for the Board the services of qualified persons who are free to devote the necessary time and thought to these grave responsibilities.

The Commission then recommended:

. . . that the present Board of Governors be enlarged in order to make it more widely representative.

The amendment now proposed provides for an increase in the number of governors, from nine to eleven, in order to give a broader representation on the board.

The original Canadian Broadcasting Act provided that the Chairman of the Board of Governors would be appointed for a term of three years; and at that time the appointment was not on a full time basis. In 1944 there was an amendment to the Act which provided that the chairman would be required to devote the whole of his time to the performance of his duties, and would be paid an annual salary to be determined by the Governor in Council. It is now proposed in the bill under discussion that the chairman shall be appointed for a term of ten years. The longer term is advisable in order to provide for a continuity in this important office, and is also more consistent with appointments to various commissions and boards.

Under the original statute, expenditures exceeding \$10,000 require approval of the Governor in Council. Owing to great increases in the cost of technical and other specialized equipment, of new construction, and of the various other items required in the operation of the service, it has been necessary for the C.B.C. to apply for authority of the Governor in Council more frequently than originally intended, and it is now considered appropriate that the corporation should require authority of the Governor in Council only for expenditures in excess of \$25,000, as this would be more in line with

the value of the dollar today as compared with that of 1936. This amendment will reduce the amount of paper work and avoid delays in undertaking activities, but will still provide for a check by the government on any of the larger individual transactions proposed by the C.B.C.

One of the most important problems facing the corporation is that of financing its operations for the sound-broadcasting service. The annual licence fee for radio receiving sets has remained at \$2.50 since 1938. The revenue from licence fees for the fiscal year ended March 31, 1951, was \$5,571,991.31. This was supplemented by revenue in the amount of \$2,463,344.62 from commercial broadcasting. Miscellaneous revenue amounted to \$266,043.80, making a total income of \$8,301,379.73. Expenditures for sound-broadcasting during the same period amounted to \$9,214,625.33. After providing for depreciation and obsolescence there was a deficit under sound-broadcasting operations for the fiscal year amounting to \$1,149,093.77.

It is of the utmost importance to recognize that since 1938, notwithstanding the spectacular increase in prices and costs in recent years, the radio licence fee has remained constant at \$2.50 per annum. The fees paid to musicians, actors, speakers and other performers, have risen very substantially. There have been very sharp increases in the cost of the specialized kinds of technical equipment and supplies used in radio broadcasting. Rentals of studio and office space have increased very considerably, and in some cases have more than doubled since 1938. In common with employment practices elsewhere, salaries of C.B.C. employees have had to be increased. In other words, national broadcasting in Canada is a national institution performing a vital public service. It has been faced with very substantial increases in costs of operation and maintenance, and yet up until now there has been no provision for an increase in income in keeping with the general rise in prices, and which would provide for a proper measure of financial stability.

The Massey Commission investigated this financial problem very thoroughly, and came to the conclusion that, as stated at page 294: . . . because the C.B.C. serves the nation as a whole it is reasonable that the revenue required over and above a moderate licence fee be provided from general taxation.

At the same page of the report the Commission went on to state:

65. There are, however, serious objections to an annual grant to be voted by parliament. Although other essential government services depend on an annual vote, it is so important to keep