

Supply—C.B.C.

United States competition along the full length of the Canadian border has continued.

We of the official opposition are not alone in this view. On September 26, 1954, there was a conference of the Ontario young Liberal association at Vineland. A press report of that meeting in the *Globe and Mail* of September 27 of that year reads as follows:

Ontario's young Liberals have called on the federal government to revise its policy on television and permit establishment of private TV stations in cities now under C.B.C. monopoly.

During debate on TV—one of the warmest issues to face their three-day annual convention—Ben Nobleman of Toronto-Spadina charged that "a lot of misfits in high positions" in C.B.C. television were ruining it. The present monopoly arrangement should be ended and a house cleaning undertaken to remove undesirable elements, he said.

In this case the Liberal party would show that it believes in free enterprise, Mr. Nobleman contended. There was competition in radio and newspaper fields and it should be extended to television, which has had time to prove itself.

Keith Davey of Toronto-Eglinton said the C.B.C. monopoly in certain Canadian cities was "rather vicious". He accused the C.B.C. of being asleep at the switch during Marilyn Bell's swim across lake Ontario.

A resolution asking the policy change passed after a standing vote.

Just as an example, may I point out that recently the C.B.C. has transferred from channel 9 to channel 6 its station CBLT at Toronto, which gives service to an increased number of viewers. However, this transfer leaves the vacated channel exposed to the danger of being occupied by a United States station. The changing of the antenna on the top of the tower in Toronto is costly, amounting to \$190,000. But I am drawing attention to the fact that the channel is vacant, which I think is regrettable when there are those who for years have been seeking to be licensed to occupy that channel and to give service to that area. United States competition in that area comes from several stations and is very keen, and I think it is time there was some Canadian competition permitted. I therefore say that we reassert the views we have always expressed in opposition to the government policy of local monopoly in television.

I want to say a word about the financial operations of the Canadian Broadcasting Corporation as indicated in the report which came to hand just a few days ago. I have mentioned that in these various items of the estimates the C.B.C. is asking parliament to provide \$35½ million for its domestic services. This is a record amount to be provided by parliament in any one year.

In the fiscal year ended March 31, 1956—here I am examining the actual operations of last year—the C.B.C. showed an excess of income over expenses before providing for depreciation of \$282,062 for radio and

\$87,828 for television, or a total of \$369,890. In the report the usual deduction is made as a provision for depreciation in the amount of \$568,892 for radio and \$1,159,619 for television. In consequence the report shows an excess of expense over income after providing for depreciation of \$286,830 for radio and \$1,071,791 for television, or a total of \$1,358,621.

In other words, last year the C.B.C. did not have a cash deficit on operations, but rather there was an excess of expense over income attributable to the usual charge for depreciation. The corporation still shows on its books an accumulated surplus of over \$9 million, which is somewhat reduced from the figure of a year ago. Its liquid position is very good indeed. The statement shows that at March 31, 1956, the corporation held government of Canada bonds amounting to \$6½ million and \$11½ million in cash.

I have an observation or two to make about two or three of these items and their nature. Item 54 proposes an outright grant of \$6,250,000 to the C.B.C. It appears as an item to be voted. This is the same amount that has been available to the C.B.C. over the past five years and, indeed, ever since the recommendations of the Massey report were implemented by legislation. But the amount has been a statutory vote in each of those years, and now the five-year period has expired. Consequently the government is now asking that a one-year grant of the same amount be provided this year. I take it that is simply a stop-gap vote pending the report of the royal commission, and I take it that we may infer and be assured that no new policy will be inaugurated by the Canadian Broadcasting Corporation this year pending a review of the whole matter by parliament after the report of the royal commission has been submitted to the house.

The second item is a statutory item. It estimates a revenue of \$17 million from the excise tax on radio receiving sets and tubes and television receiving sets and tubes. This is an estimate of revenue on the one hand from this particular tax, and consequently there is the double element of estimate in relation to the item as one to be provided for the corporation. I point out in this respect that the revenue from this tax available to the corporation as revenue has always been underestimated ever since it has been in effect. Indeed, let me remind the house that in 1955 the sale of television sets in Canada reached an all-time record. The sales in 1956 are not quite keeping abreast with those of 1955, but there is a compensating increase in the number of sales of radio receiving sets and tubes.

[Mr. Fleming.]