

radio broadcasting legislation contemplates and effectively provides for one national system; that the private stations have been licensed only because they can play a useful part within that system; and that the CBC control of network broadcasting, of the issue and renewal of licences, of advertising and of other matters related to radio broadcasting, is a proper expression of the power of the CBC to exercise control over all radio broadcasting policies and programmes in Canada.

"The principal grievance of the private broadcasters is based, it seems to us, on a false assumption that broadcasting in Canada is an industry. Broadcasting in Canada, in our view, is a public service directed and controlled in the public interest by a body responsible to Parliament. Private citizens are permitted to engage their capital and their energies in this service, subject to the regulations of this body. That these citizens should be assured of just and equal treatment, that they should enjoy adequate security or compensation for the actual monetary investments they are permitted to make, is apparent. We shall have recommendations to make on this matter later. But that they enjoy any vested right to engage in broadcasting as an industry, or that they have any status except as part of the national broadcasting system, is to us inadmissible.

"Before 1919, there was in Canada no property interest in any aspect of radio broadcasting and no citizen's right with regard to broadcasting. From 1919 to 1932, some citizens enjoyed, under licence, the privilege of radio broadcasting. In 1932, the Parliament of Canada, with full jurisdiction over the whole legislative field of radio broadcasting communication, established a commission "to carry on the business of broadcasting" in Canada by a system which contemplated the subordination and final absorption of private stations. In 1936, the CBC was constituted to "carry on a national broadcasting service within the Dominion of Canada". It was given for that purpose the very powers over private stations which are now the subject of complaint. The only status of private broadcasters is as part of the national broadcasting system. They have no civil right to broadcast or any property rights in broadcasting. They have been granted in the national interest a privilege over their fellow-citizens, and they now base their claim for equality with their "business rivals" on the abundant material rewards which they have been able to reap from this privilege. The statement that the Board of Governors of the Canadian Broadcasting Corporation is at once their judge and their business rival implies a view of the national system which has no foundation in law, and which has never been accepted by parliamentary committees or by the general public. The Board of Governors is the national authority under whose direction the private stations exercise their privileges and with whom their arrangements are made.

"We wish to recognize fully the private stations as important elements within the framework of our national system. But we are resolutely opposed to any compromise of the principle on which the system rests and should rest. Radio has been the greatest single factor in creating and in fostering a sense of national unity. It has enormous powers to debase and to elevate public understanding and public taste. Believing as we do that it is an essential instrument for the promotion of unity and of general education in the nation, we cannot accept any suggestions which would impair the principles on which our present national system is based.

"This does not mean that we claim perfection for the system or that we are not impressed with the importance of taking every possible measure for the further improvement of programmes. We have had this matter in mind in framing the financial recommendations which follow, and in certain recommendations on programme production. We are, however, convinced that the policies advocated by the private