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HOUSE OF COMMONS

Second Session—Twenty-second Parliament

1955

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SPECIAL COMMITTEE

ON

# BROADCASTING

*Chairman:* Dr. PIERRE GAUTHIER

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## MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

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THURSDAY, MARCH 17, 1955

THURSDAY, MARCH 24, 1955

FRIDAY, MARCH 25, 1955

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WITNESS:

A. Davidson Dunton, Chairman of the Board of Governors of the Canadian Broadcasting Corporation.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955.

55307—1

## SPECIAL COMMITTEE

## ON

## BROADCASTING

*Chairman*: Dr. Pierre Gauthier

*Vice-Chairman*: Mr. G. D. Weaver

and

Messrs.

Balcer
Beaudry
Boisvert
Bryson
Carter
Cauchon
Decore
Diefenbaker
Dinsdale
Fleming
Gauthier (*Nickel Belt*)
Goode
Hansell
Henry
Holowach
Kirk (*Shelburne-Yarmouth-Clare*)
Knight
McCann
Monteith
Reinke
Richard (*Ottawa East*)
Richardson
Robichaud
Studer

R. J. GRATRIX,
*Clerk of the Committee.*

## ORDERS OF REFERENCE

THURSDAY, March 10, 1955.

Resolved,—That a Select Committee be appointed on Broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies and aims of the corporation and its regulations, revenues, expenditures and development, with power to examine and inquire into the matters and things herein referred to and to report from time to time their observations and opinions thereon, and to send for persons, papers and records; that the Committee have power to print such papers and evidence from day to day as may be deemed advisable or necessary; that the Committee have power to meet while the House is sitting; that the Committee shall consist of the following Members: Messrs. Balcer, Beaudry, Boisvert, Bryson, Carter, Cauchon, Decore, Diefenbaker, Dinsdale, Fleming, Gauthier (*Nickel Belt*), Gauthier (*Portneuf*), Goode, Hansell, Henry, Holowach, Kirk (*Shelburne-Yarmouth-Clare*), Knight, McCann, Monteith, Reinke, Richard (*Ottawa East*), Richardson, Robichaud, Studer, Weaver. That Standing Orders 64 and 65 be suspended in relation thereto.

Attest.

LEON J. RAYMOND,
*Clerk of the House.*



55307—1½

# MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 277
THURSDAY, March 17, 1955.

The Special Committee on Broadcasting met at 10.30 o'clock a.m. this day.

*Members present:* Messrs. Balcer, Boisvert, Cauchon, Decore, Diefenbaker, Fleming, Gauthier (*Portneuf*), Goode, Hansell, Holowach, Knight, Monteith, Reinke, Richardson, Robichaud and Studer.

A quorum having assembled, Mr. Cauchon, addressing himself to the Clerk of the Committee, moved that Dr. Pierre Gauthier be Chairman of the Committee.

Thereupon Mr. Fleming moved that nominations close, and complimented Dr. Gauthier on his success as head of the recent Canadian Delegation to the Commonwealth Parliamentary Association in South Africa and stated that his election as Chairman augured well for the success of the Committee.

And the question having been put on the motion of Mr. Fleming that nominations close, the motion was resolved in the affirmative.

Thereupon the Clerk of the Committee put the motion of Mr. Cauchon, that Dr. Gauthier be Chairman of the Committee. The motion was carried unanimously.

Dr. Gauthier took the Chair and expressed his appreciation of his election and welcomed members who in previous years had not served on the Broadcasting Committee.

The Clerk of the Committee read the Orders of Reference.

On motion of Mr. Goode,

*Resolved,*—That the quorum of the Committee be 9 members.

On motion of Mr. Knight,

*Resolved,*—That the Committee print from day to day 750 copies in English and 300 copies in French of its minutes of proceedings and evidence.

On motion of Mr. Fleming,

*Resolved,*—That a Sub-committee on Agenda and Procedure, to consist of 6 members and the Chairman, be appointed by the Chairman.

On motion of Mr. Decore,

*Resolved,*—That Mr. Weaver be Vice-Chairman of the Committee.

At 10.50 o'clock a.m., the Committee adjourned to meet again at the call of the Chair.

HOUSE OF COMMONS, Room 277
THURSDAY, March 24, 1955.

The Special Committee on Broadcasting met at 11.00 o'clock a.m. this day. Dr. Pierre Gauthier, the Chairman, presided.

*Members present:* Messrs. Balcer, Beaudry, Boisvert, Carter, Cauchon, Decore, Fleming, Gauthier (*Nickel Belt*), Goode, Holowach, Knight, McCann, Reinke, Richardson, Robichaud, Studer and Weaver.

*In attendance:* From the Canadian Broadcasting Corporation: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, Donald Manson, Special Consultant, E. L. Bushnell, Assistant General Manager, H. Bramah, Treasurer, Geo. Young, Director of Station Relations, R. C. Fraser, Director of Press and Information, R. E. Keddy, Secretary of the Board of Governors and J. A. Halbert, Assistant Secretary.

The Chairman presented the First Report of the Sub-committee on Agenda and Procedure as follows:

"Your Sub-committee met at 2.00 o'clock p.m., Tuesday, March 22, with the following members present: Messrs. Boisvert, Decore, Kirk (*Shelburne-Yarmouth-Clare*), Holowach and Gauthier (*Portneuf*), and agreed to recommend as follows:

1. That a communication received by the Chairman from the Canadian Chamber of Commerce be laid before the Committee and that members of the Committee be provided with copies thereof.
2. That a decision on hearing national organizations who wish to make representations to the Committee be deferred until a later meeting of your Sub-committee.
3. That Mr. A. D. Dunton, Chairman of the Board of Governors of the Canadian Broadcasting Corporation, be the first witness to appear before the Committee.
4. That the Committee meet on Thursdays at 11.00 o'clock a.m. and 3.30 o'clock p.m. and on Fridays at 11.00 o'clock a.m.

All of which is respectfully submitted.

Dr. Pierre Gauthier,
*Chairman.*"

On motion of Mr. Richardson,—

*Resolved,*—That the First Report of the Sub-committee on Agenda and Procedure be adopted.

The Chairman informed the Committee that the Canadian Chamber of Commerce had forwarded to him a short statement of their approved policy on radio and television.

The said statement of policy was read into the record and copies distributed to members of the Committee.

The 1953-54 Annual Report of the Canadian Broadcasting Corporation was tabled and copies were distributed to members of the Committee.

Mr. Dunton was called and made a statement on the progress made in sound broadcasting and television since the 1953-54 Annual Report was issued.

The Committee then commenced a detailed consideration of the Annual Report, Mr. Dunton being examined thereon.

Mr. Bushnell answered questions specifically referred to him.

At 12.40 o'clock p.m., the Committee adjourned to meet again at 3.30 o'clock p.m. this day.

## AFTERNOON SITTING

House of Commons, Room Sixteen,
THURSDAY, March 24, 1955.

The Committee resumed at 3.30 o'clock p.m. Dr. Pierre Gauthier, the Chairman, presided.

*Members present:* Messrs. Balcer, Beaudry, Boisvert, Carter, Cauchon, Decore, Dinsdale, Fleming, Gauthier (*Nickel Belt*), Goode, Henry, Holowach, Kirk (*Shelburne-Yarmouth-Clare*), Knight, McCann, Reinke, Richardson, Robichaud, Studer and Weaver.

*In attendance:* From the Canadian Broadcasting Corporation: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, Donald Manson, Special Consultant, E. L. Bushnell, Assistant General Manager, H. Bramah, Treasurer, George Young, Director of Station Relations, H. G. Walker, Director of Network Coordination, R.C. Fraser, Director of Press and Information, R. E. Keddy, Secretary of the Board of Governors and J. A. Halbert, Assistant Secretary.

Mr. Dunton, in response to a request of Mr. Boisvert, tabled the Canadian Broadcasting Corporation Regulations for Sound Broadcasting Stations, copies of which were distributed to members of the Committee.

Mr. Dunton also answered a question by Mr. Balcer, asked at previous sitting, as to the cost of listener and commercial surveys.

The Committee then continued the examination of Mr. Dunton on the 1953-54 Annual Report.

Mr. Walker answered questions specifically referred to him.

At 5.30 o'clock p.m., the Committee adjourned to meet again at 11.00 o'clock a.m., Friday, March 25, 1955.

House of Commons, Room Sixteen,
FRIDAY, March 25, 1955.

The Special Committee on Broadcasting met at 11.00 o'clock a.m. this day. Dr. Pierre Gauthier, the Chairman, presided.

*Members present:* Messrs. Boisvert, Carter, Decore, Dinsdale, Fleming, Gauthier (*Nickel Belt*), Goode, Kirk (*Shelburne-Yarmouth-Clare*), Knight, Reinke, Richardson, Studer and Weaver.

*In attendance:* From the Canadian Broadcasting Corporation: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, Donald Manson, Special Consultant, E. L. Bushnell, Assistant General Manager, H. Bramah, Treasurer, George Young, Director of Station Relations, H. G. Walker, Director of Network Coordination, D. C. McArthur,

Director of Special Program Projects, R. C. Fraser, Director of Press and Information, R. E. Keddy, Secretary of the Board of Governors and J. A. Halbert, Assistant Secretary.

Mr. Walker corrected an answer given by him at the previous sitting as to the cost of work permits issued to amateur singers by the Singers' Union.

Mr. Dunton made a correction in his evidence of the previous sitting with respect to payments to unions for Canadian programs going out of Canada.

Mr. Dunton also answered a question, asked at previous sitting, with respect to the amounts paid by the Corporation to the Music Performing Societies for music performing rights.

The examination of Mr. Dunton on the 1953-54 Annual Report was continued.

During the course of the proceedings, Mr. Ouimet and Mr. Bushnell answered questions specifically referred to them.

At 12.45 o'clock p.m., the Committee adjourned to meet again at 11.00 o'clock a.m. Thursday, March 31, 1955.

R. J. Gratrix,
*Clerk of the Committee.*

# EVIDENCE

THURSDAY, March 24, 1955.
11.00 A.M.

The CHAIRMAN: Order, gentlemen, we have a quorum. I am going to read to the committee the first report of the subcommittee on agenda and procedure:

"Your subcommittee met at 2.00 o'clock p.m., Tuesday, March 22, with the following members present: Messrs. Boisvert, Decore, Kirk (*Shelburne-Yarmouth-Clare*), Holowach and Gauthier (*Portneuf*). Messrs. Fleming and Knight were given cognizance of the report of the meeting and agreed to recommend as follows:

1. That a communication received by the chairman from the Canadian Chamber of Commerce be laid before the committee and that members of the committee be provided with copies thereof.

2. That a decision on hearing national organizations who wish to make representations to the committee be deferred until a later meeting of your subcommittee.

3. That Mr. A. D. Dunton, chairman of the board of governors of the Canadian Broadcasting Corporation, be the first witness to appear before the committee.

4. That the committee meet on Thursdays at 11.00 o'clock a.m. and 3.30 o'clock p.m. and on Fridays at 11.00 o'clock a.m.

All of which is respectfully submitted.

Dr. Pierre Gauthier,
Chairman.

May I have a motion for adoption of the report?

Moved by Mr. Richardson.

Carried.

Now, I have a letter from Mr. McNally of the Canadian Chamber of Commerce:

Dear Mr. Gauthier:

In connection with the meeting of the broadcasting committee, I am enclosing a copy of the approved policy of the Canadian Chamber of Commerce with respect to radio and television.

I respectfully request you to distribute copies of this policy to the members of the broadcasting committee and I am enclosing for this purpose sufficient copies.

Yours sincerely,

W. J. McNally,
Manager,
Policy Department.

Mr. FLEMING: May I ask if the policy referred to in that letter is the unidentified document we have before us?

The CHAIRMAN: Yes. I think you have been provided with a copy which reads as follows:

> Radio and television offer two of the most influential channels of communication. The chamber believes in the principle that no person or organization in any field should be both competitor and regulator and urges the establishment of a separate regulatory body having minimum essential regulatory powers over radio and television broadcasting in Canada.

Mr. KNIGHT: Is this the complete brief, Mr. Chairman?

The CHAIRMAN: That is all I have.

Mr. GOODE: Does the chamber intend to make representations before the committee?

The CHAIRMAN: Mr. McNally did not mention that in his letter.

Mr. GOODE: I think, as a suggestion, that there are words in this proposition which I would like to understand and perhaps they should be invited to attend here at some future time.

The CHAIRMAN: If it is the wish of the committee I will bring it up before a meeting of the agenda committee and we will make a report on it.

Mr. GOODE: The reason I made that statement is I would like to understand what is meant by "minimum essential regulatory powers". I would like to know what that means. The only way we can find out what their idea is is to have them here and have them explain it.

The CHAIRMAN: I will submit your proposal to the agenda committee and give you their report at a sitting.

Now, we have this morning Mr. A. Davidson Dunton, the chairman of the board of directors of the C.B.C., who is willing to say a few words upon the report and especially on television. He has with him Mr. J. A. Ouimet, general manager; Mr. E. L. Bushnell, assistant general manager, Mr. H. Bramah, treasurer; Mr. R. C. Fraser, director, press and information; Mr. D. Manson, special consultant; Mr. R. E. Keddy, secretary, board of governors.

Mr. DUNTON.

**Mr. A. Davidson Dunton, Chairman, Board of Governors of the Canadian Broadcasting Corporation, called:**

The WITNESS: Mr. Chairman, your committee I think has the last annual report before it. I thought it might be useful if I tried to outline briefly the developments since then, and the general situation in sound and television broadcasting.

In sound broadcasting there are no major developments on which to report during the last year, since the year covered by the annual report. We have continued to try to improve our programs in sound broadcasting in a number of ways. Incidentally the C.B.C. was very successful in winning quite a number of awards again at Columbus, Ohio; I think more than any other network. However, there have been no major changes or additions to program service.

In the way of facilities one of the developments during the year was the opening of studios in Saskatchewan at Regina. These have been operating since early last fall. At Moncton the French language station has been operating for a full year. During the year we have installed and put into

operation a further 14 low power relay transmitters which I think, as the committee knows, are small unattended transmitters which are only watched usually by telegraph operators in outlying points. These represent a small capital investment on the one hand, but somewhat higher annual charge for wire lines. They just carry the service on the network. We have started work, which is approaching completion, on replacing old transmitters with modern transmitters of higher power at St. John's, Newfoundland; Sydney, Cape Breton; Quebec City and Ottawa. Work is going ahead towards a new transmitter which is badly needed at Corner Brook in Newfoundland.

During the year arrangements have been made to add three more private stations to our sound network. That is a very brief summary of physical developments.

The development of television has, of course, had its effect on sound broadcasting. It is having an effect all through the continent in general, I think, but the part of sound broadcasting which is being hardest hit everywhere on the continent is nighttime network broadcasting. The C.B.C. has lost quite a number of commercial network entertainment programs and shows in the evening. This of course does reduce our commercial revenues and we also lose some attractive and popular shows. At the same time we have the problem of filling those periods to keep a regular network service going. So far there has not been any great effect on daytime sound broadcasting because all indications are that a very big audience for daytime radio is being maintained and likely will continue to exist.

Mr. Chairman, on the television side I think the objectives for the Canadian system, as we understand them, can be summed up in general terms, and very simply as: one, to produce a substantial amount of Canadian programming done by Canadians for Canadians; secondly, to convey those programs, together with programs imported for the national service, to the greatest possible number of Canadians all across the country.

Those twin objectives can be stated very simply, but in this country they represent a very big job. I am not talking about just the C.B.C. but all Canadian television in general, and the general Canadian situation. As we all know television is a costly and complex thing in any country, but in Canada we have a very tough set of conditions which have to be faced by Canadian television. There are tough conditions to be met if television is to reach the objectives which we understand have been set for it.

In the first place there is the size of the country. We have a relatively small population living in an enormous area stretching about 4,000 miles from near St. John's, Newfoundland out to Vancouver Island. I do not know how many hundreds of millions of square miles are involved. We do know each television transmitter can cover a radius of only approximately some 50 to 70 miles. That means we need a great many transmitters relative to the size of our population. For example, one television transmitter in New York City or in London can cover a number of people at least equal to the population of Canada. In Canada with some 30 transmitters either built or being built we will still cover a good deal less than the number which can be covered by one transmitter in those places. The result is we need many more transmitters per million in this country than in most countries. Of course, television transmitters are expensive to build and to operate.

Then there is the problem of getting programs to the stations. That can be done in one or two ways; either by means of television recording of programs, recordings in film form which can be sent to stations, or by means of direct network connections. Both of those means again are expensive. The basic condition of the size of the country and the fairly small population makes for

a very high cost of distribution of television programming in this country if that programming is to go to people right across the country and to link the country together.

Again the size of our population affects the whole economics of programming and program production. As, I think, has been said often everything in television is expensive. Usually parallel things are 5 to 10 times more expensive than the corresponding things in sound broadcasting. In program production this applies very directly. Perhaps I could give some rough examples of that. In the United States a good part, or a part, of their network program down there—not the most exciting nor the best—costs from $25,000 to $35,000 a program, some place in that range, for talent and production. Of course in the States a number of the better known programs run higher than that; they may run as high as $40,000, $50,000, $70,000, or $100,000, and occasionally up to $200,000 or more. In Canada on much more modest standards we have to figure an average production cost for a studio production using talent about $5,000 for a half hour, or $10,000 for an hour. When you start to project those figures I think we can see the problem involved in the cost of television production. For instance, if you figure on an hour program a week, one for the English and one for the French network, you are involved in a cost of $1 million a year for that weekly program. If you think in terms of an hour of that type of program in both English and French 7 days a week there is a cost involved of $7 million.

Production costs in this country have to be spread one way or another. However, they are spread over a relatively smaller population. In the United Kingdom or in the United States one way or another the money comes from a much bigger public. Here you have not only a smaller population, but also people of two languages, so that in general terms you have two publics, each only a part of the whole, to support program production. In the United States for example, the cost of their pretty lavish productions can be spread over, and is recovered from, a very large public. In Canada to produce the counterpart of one of those shows would cost just about as much as in the United States, but that cost would have to be recovered one way or another from a much smaller public. To put it the other way, the cost of the pretty lavish productions in the States can be recovered usually in their own domestic market, then the use of those programs can be had in Canada at only a fraction of the original cost of the production. A live production here involves large amounts even though the production may be on a more modest scale than in the States. As can well be seen it is relatively easy to fill programming time in Canada with imported programs. It is on the other hand very expensive and hard economically to fill it with Canadian produced programs. The present result is a very heavy pressure from these economic forces for the use on the air in Canada of imported programs as against the production of programs here. Commercial or business arithmetic constantly works for importation, and not for production here.

In Canada we have people of two languages and that, of course, affects the economics of both program production and distribution of programs. The resources available in different ways for production and distribution have to be, of course, divided for English and French language services. I think we are the only country we know of that has started television from the beginning in two distinct language services.

Then, there is the social fact that Canadians have a great many interests in common with our friends and neighbours south of the border, apart from political interests, and we have a lot of those especially in regard to the personalities. There are a great many things which interest Americans and also interest Canadians, and Canadians have a natural liking to see great

entertainment and other material produced in the United States. As applied to television I think that Canadians, because of their closeness to the United States and the community of interest, have very quickly developed rather expensive tastes in television. The Canadian public on the whole seem to expect a pretty generous service from television.

I have been trying to put before the committee some of the things which a television system developing in Canada has had to face in working towards the objectives laid down for it, and which it will continue to have to face. The system that is trying to reach these objectives, as the committee knows, is one overall system with its public and private components, working as a whole toward these national objectives. As we understand it, the prime function of the C.B.C. element in the system is to ensure a substantial basic amount of Canadian program production and to ensure national distribution of national service consisting of both Canadian productions and suitable imported programs. To do this the C.B.C. has the essential revenues coming in from the television public plus all it can derive from commercial activities. Private stations in existence are also essential parts of the system. In their area they are a means by which the national system reaches the public which they serve. They operate with the national service they receive from the C.B.C. and through their own activities, and the revenues from them in programming other time apart from that filled by national service. So that in general the system as a whole, which operates very much as one system, is supported by funds from those two sources and those two sources only: those provided by parliament direct from the television public and money coming from advertising sources. Of course the extent to which the system can reach the objective set for it will depend upon the flow of those resources.

I would like to try to describe quickly the stage the system has reached as of now. As the committee knows, Mr. Chairman, at the moment there are seven C.B.C. stations operating at key points in the country and eighteen private stations. All of these stations carry national service and all are extending national service. The system in this way is covering slightly over 70 per cent of the population, that is, it is making service available in areas in which a little over 70 per cent of the Canadian population lives.

The stations between Windsor, Ontario, and Quebec City so far receive service by direct network connections. That means that ten stations receive service by direct network connection, the others receiving service by means of television recordings at the present time.

As I think the committee knows it is estimated that about one-third of all the Canadian population have television sets, about one-half of all those in the areas in which there is service available. The number, of course, as is known, has been growing very rapidly, especially during the last year and seems to be continuing to grow although, of course, as the number of sets increase the potential sales in the future are correspondingly reduced. The rate of growth in set ownership has been very rapid. In many cases it seems to have been at least as fast and sometimes faster than it has been in comparable areas in the United States at a comparable time in the development of television. This would seem to indicate that Canadians take a keen and demanding interest in television. Also I believe from the point of view of television broadcasters it does indicate the service provided has been good enough to induce a very large number of Canadians to spend a lot of money in acquiring the means of receiving the service.

In developing the programming of the service we have had to face all the factors I have mentioned—the very high demand of the public as we have sensed it for television service, the high costs I mentioned, the relative ease of importation and, of course, the question of funds available or funds and general support from advertisers which can be envisaged.

Under the circumstances we have pushed Canadian production to the limits of the resources available and the facilities and organization which can be provided with them. At the present time the English language national service as a whole is amounting to fifty hours a week—English language national service. Just a little over one-half of that on the average is composed of programs produced in Canada, that means, around twenty-five hours a week. Sometimes more, sometimes a little less of that basic national service is Canadian produced.

Individual stations will have a higher percentage of imported programs because the programming they do themselves tends to be to quite a large extent material imported on film.

The French service can be said to be around thirty-five to forty hours a week, but naturally a much higher percentage of that is canadian produced—around 80 per cent or more. I suppose in a way the proportion of Canadian production could seem not very high, and yet it represents a pretty big production effort. For instance, I think it often is not realized that in both Montreal and Toronto there is a bigger production effort in television going on than in any other centre in North America outside of New York and Hollywood. And while we are using this large amount of imported material, according to rough estimates over 7,000 different performers of one kind or another a year are being used at the present rate on television. That represents rather over 35,000 either individual appearances or weekly assignments. We are now spending for direct talent alone at the rate of about $3 million a year.

With the challenges we have had to meet and the resources that can be envisaged as available we have thought that it was absolutely essential to try to attract a good deal of advertising support for the national system, and I think we have been fairly successful in doing this, particularly during the last year. I think perhaps the most important part of this has been in attracting advertising support for Canadian produced shows—shows which the C.B.C. was producing or would have thought advisable to produce in any case.

I believe it is rather over twenty advertisers in both English and French a week who now support Canadian-produced shows. These advertisers, of course, pay full advertising card rates for the station and network time. In addition to that they make very substantial contributions to the cost of producing the programs with which their names are associated. The C.B.C. produces the programs but gets a very considerable revenue in connection with the production. At the same time the C.B.C. keeps the control and the responsibility for these Canadian productions and for the money from every source that is being used for them and keeps what has been found to be the essential control of the complicated production teams that are needed in television work.

I think the program policy we have tried to follow in general terms is known to the committee. We have tried to develop a service that had a sensible balance in it, that covered a variety of different interests and possibilities. We know that television is a great entertainment medium and that a great number of people want entertainment from television, and we have tried to see that there is plenty of entertainment and fare for amusement in the television service. We have also thought, and we have thought that parliament believed that television is a wonderful means of communicating a great many other things, and we have tried to the measure of our ability and resources available to see that the service does communicate a great many other things.

For example, a great amount of effort has been put into establishing a visual news service so that a great many Canadians can see what is going on in their own country and the rest of the world. We have tried to broadcast national events. A great deal of effort has been put into developing children's programs. Some of the children's programs you see on television are pure entertainment, but a good many are not only entertainment and interesting

but will add something to a child's mind as he watches it and at the end he will have had some stimulation from it. We have tried to see that all aspects of interest have their place in television—religion, the farm interests of the country and a great many others. In general we have tried to see that television programming developed in a way that provided lots of entertainment but also brought a great deal of information to people and brought stimulation, so that we hoped on balance something extra would stay in the minds of people watching it, and not simply leave the minds, after months of watching, with no more in them than was there before. We have tried to see that as well as producing something for relaxation it would bring some information, and things of real beauty or creative ability, and open new ideas in people's minds. Sometimes people do not like the attempts at creative work. We have tried to see that there have been real opportunities for abilities and talent in Canada in a number of different spheres, giving a number of people a chance to be seen by other Canadians and to develop. We hope that the television system as it develops will locate and draw on these various abilities as I think it is to a considerable extent now, and will contribute to the growth of a number of different aspects of life in Canada.

It is one thing, of course, to decide that a program will be a good idea; it is another thing to get it on the air. All the time the C.B.C. has had to face not only the desirability of things, but the means for doing them, of the facilities and organization necessary, which in turn are limited by the resources. They in turn set limits on the time and what can be done in the way of production.

To get to even the present amount of Canadian production we have had to extend the facilities a good deal beyond those seen by the last committee. In both Toronto and Montreal we have had to add fairly large sized studios, one in each, and in addition auxiliary studios in each place. We have had to add a mobile unit in each place. We are trying to develop production at regional points in addition.

As the committee can imagine, the corporation has had to develop a pretty complex organization. The staff working on television alone has grown to about 1,700 people. These people have to do all the many functions related to television production and distribution. It is not like sound broadcasting. Now a television program, as you know, involves not only script and talent and production but also the staging of the complicated technical things, the make-up, the properties, a much more complicated administrative and accounting organization and so on. I think probably many people do not stop to think of what is involved in the distribution alone. For example, the recording service to the non-interconnected stations is using up 16 millimeter raw stock film at the rate of 30 million feet a year now, and that is a big sum even in Hollywood terms. That amount is only to keep this service going to stations in different parts of the country.

The functioning of the network service has developed fairly well. Most of the private affiliates now are taking an average of thirty to forty hours a week on national service. I think the committee understands the basis of that operation. The C.B.C. provides a service to the private affiliates because that is our means of reaching the public in those areas. In addition the private stations get revenue in connection with all the programs in the service which are commercially sponsored. The service seems to have developed quite well.

I think it could be said that the relations between the private and public elements in the system have been good. I think that is probably because we all realize that in the system we are faced together with very big and heavy problems. There have been a great many discussions with the affiliates—one was just held last week—and those discussions are always worked towards means of solving difficulties and reaching the objectives of the system. I

think it has been working well because on the one hand the affiliates have very loyally recognized the function of the C.B.C. to carry out Canadian production and distribution as a national service, and, on the other hand, we have tried to understand their problems—and there are many, too, in establishing and keeping their stations operating on a sound basis, both technically and economically in a business way. I believe the main problems that all of us have in the system are more basically economic.

What I have been trying to describe, Mr. Chairman, as you can see is a system which is by no means stabilized—a system which is very much in the process of growth. The growth has been going on at a rapid rate and will, of course, have to continue to grow for some time just to fill out the structure as it has been outlined already.

For instance, last year two new C.B.C. stations came into operation, one at Halifax just at Christmas time, and one at Winnipeg earlier in the year.

*By Mr. Fleming:*

Q. Could I interrupt? When you are speaking of "the year" are you speaking of the calendar year or the fiscal year?—A. I am speaking of the fiscal year, since the last fiscal year.

Q. The fiscal year ended March 31, 1954?—A. Yes, it has been since then. In addition, the production facilities have been developing. Vancouver's studio went into full operation early last summer, facilities in Winnipeg, Ottawa and Halifax have had to operate so far with very temporary set-ups, but their facilities for more television production are all developing and will be going into operation during this coming year.

During this fiscal year fourteen new private affiliates have been added to the system and, of course, each one means a very substantial extra load in terms of either direct network operation or in the sending out of recorded services with all the complications involved in that.

There are either four or five more private stations under way at the present time that will be going on shortly, one next week, and they all will, of course, require service. As the committee can understand, the rate of operation now is naturally much higher than it was at the beginning of the year and will have to continue to grow simply to fill out the commitments of the system as it is presently and as it is developing.

A good deal remains to be done, as the committee can see, towards making the service really effective. One of the things is the provision of service by network connections to stations right across the country. We hope it will be possible to start that quite soon.

In a more general way and looking further ahead, questions of additional coverage will undoubtedly arise. They will likely be met to some extent at least by further private stations applying for licences, and all involving service from the national system. Possibly also in the future there will be a question of C.B.C. repeater stations required to fill in some of the gaps.

In program production we feel—and I think probably many people would agree—that there is room now for improvement in Canadian production in practically all the spheres of programming. I think we can perfectly well see we can be very proud of a lot of work that has been done so far by Canadians who have come into this new medium, but I think we can also say, looking at the service critically, that there is room for a good deal of improvement. And improvement somehow involves more facilities, more time for work, more organization.

We do feel too that the amount of Canadian production should, in the time ahead, be increased rather than diminished, that is, the amount of service in addition to improvements in the present volume of broadcasting.

And, of course, Mr. Chairman, in all our planning the system as a whole will only be able to accomplish its objectives within the limits of the resources that become available through the two different main channels.

The CHAIRMAN: I thank you very much, Mr. Dunton, for your very interesting remarks both on sound broadcasting and television. They were so interesting that not one question was put to you. The members of the committee let you go on with your remarks and after them I am sure they will be interested in putting questions to you.

Is it the wish of the committee to proceed first on sound broadcasting and afterwards on television or the reverse?

Mr. FLEMING: Mr. Chairman, I would suggest that perhaps we had better go a little further than that. Obviously we will need to spend a good deal of time with Mr. Dunton and we wish the questions put as coherently and consecutively as possible.

You will remember in the committee two years ago we took for the basis of questioning the last annual report with the list of headings that appeared in it, and the headings were called and questions directed to the particular headings in the report. In that way we covered the ground and there was not a mixture of questions relating to different topics.

I just suggest, if it meets with the approval of the committee, we might follow that same plan now in the interest of orderly procedure.

The CHAIRMAN: I remember that this was done in the 1953 committee.

Mr. FLEMING: That would mean we would take all the items on sound broadcasting first before coming to television and then after that there are two matters of international service and finance. That would be the better way, I imagine, if that is agreeable to Mr. Dunton.

*By the Chairman:*

Q. Is it agreeable to you, Mr. Dunton?—A. It would be, Mr. Chairman, and we would then have an idea of the order in which things would come up.

The CHAIRMAN: Let us proceed with the headings in the report, using the report for your questions. I wish that every member would speak loudly enough so as to be heard by everyone and especially by the members of the press, who are a little distant from the centre of the hall. You know that the acoustics of this room are not very good. You will have to make a little effort, so as to be understood by everyone in the hall.

*By Mr. Goode:*

Q. Perhaps we might question on the foreword, Mr. Dunton. I notice you have some remarks regarding the Canadian network and, of course, my interest in this matter although it must be national is particularly in regard to British Columbia. I noticed a press report the other day that you were considering putting in a network to include British Columbia. Is that correct or can you give any particulars about it?—A. I think the Minister of National Revenue announced in the House, Mr. Goode, that we had called for tenders and had tentative agreements ready with the associated telephone companies for English language service across the country and with the railway telegraph companies for the French network service, and I think it was announced that these are awaiting consideration for approval by order in council.

What advantage would there be to British Columbia at the moment if that network were put into operation?—A. It means they would get service simultaneously with eastern Canada instead of a number of days later and

that they would get service of considerably better quality. As I think is known kinescope recording is by no means perfect or completely reliable and direct network programming would provide good live service simultaneously.

Q. I am of the opinion that television in British Columbia from your station is on a much higher standard than you get on the Ottawa station. For instance, in regard to one program—

The CHAIRMAN: Mr. Goode, I think it was the wish of the committee to start on sound broadcasting first and then television.

Mr. GOODE: I thought we were going through this report and these were some general remarks in the foreword.

The CHAIRMAN: Yes, but we can cover all the report if we start on the foreword. It would be better to proceed in an orderly way.

Mr. GOODE: I was just going to tell Mr. Dunton that I am going to have something to say in criticism regarding his eastern television programs compared to what we have in British Columbia.

The CHAIRMAN: When we come to that part of the report you will be allowed to do so.

*By Mr. Beaudry:*

Q. Mr. Dunton, you mentioned a drop in revenue from loss of commercial time during the evening. That is not true only of the C.B.C., is it? —A. We gather that some private stations are suffering in the evenings to a considerable extent, but I don't think relatively as much as the networks have been suffering.

Q. That is from competition from television?—A. Yes, sir.

Mr. FLEMING: Could we turn to page 8, Mr. Chairman, where these headings begin?

The CHAIRMAN: Will you go ahead, Mr. Fleming, with music? Any questions on music?

Mr. FLEMING: Mr. Chairman, I take it as we turn these pages, since this report we have before us ends at March 31, 1954, we could ask Mr. Dunton in general that if there are any things that he would like to add to bring the committee up to date in the way of information if he would just offer those without question.

I realize, Mr. Chairman, that probably most of the things that are going to raise questions as to the period since March 31, 1954, probably relate to television and finances rather than these items in relation to sound broadcasting, but perhaps if there are any developments they should be relayed to the committee for information if Mr. Dunton will just do so as we turn the pages.

Mr. GOODE: May I be allowed to say a word arising out of this question, even though it is not under the heading of music?

The CHAIRMAN: Yes. It should provide harmony.

*By Mr. Goode:*

Q. I have no criticism to offer, but I would like to know the reason the C.B.C. considered it to be necessary to give permission for another radio station on the lower mainland of British Columbia? May I be allowed to ask that question?

The CHAIRMAN: Yes.

The WITNESS: That is a reference to the station for North Vancouver?

*By Mr. Goode:*

Q. Yes.—A. Well, the application came to us from the Department of Transport. All the details were considered very carefully by the board, and the applicant was heard. The board was convinced that a case had been made out for a station serving that area of north and west Vancouver.

Q. Even though there were other radio stations serving the same purpose? —A. Yes. The other stations were informed by public announcement. They were specifically invited to attend the meeting, and in this case to make representations. If my memory is correct, I believe that none of the other stations raised any opposition to this application.

In the past when there have been suggestions for an increase of power or for new stations in Vancouver, usually the existing stations have protested and argued very vigorously. But in this case, if my memory is correct, there was no opposition by any of the existing stations.

Q. I am not opposing it, but I wondered what the procedure was with regard to the C.B.C. How far is this thing going to go? On the one hand we are putting in regulations in regard to private television stations, yet we are allowing the lower mainland of British Columbia to become flooded with private radio stations in competition with the C.B.C. What is the policy? How far are we going to allow the air to be filled with small radio stations in any particular area?

Mr. FLEMING: No doubt this is an important question and one which should be followed up. Many of us here have questions in relation to this matter of the regulation of other stations, but I thought that those questions should come when we consider a different part of the report. The early pages of the report relate to the C.B.C.'s own programming operations.

The CHAIRMAN: If we will follow the first suggestion and take up the report article by article, it would be better. Then we would not be obliged to discuss these things a second time.

Mr. GOODE: Well, Mr. Chairman, I received your permission to follow this line of questioning. However if Mr. Fleming wants to follow that line of questioning, he should receive the same permission.

The CHAIRMAN: Yes.

Mr. KNIGHT: But that will upset our procedure, Mr. Chairman.

The CHAIRMAN: I think we should follow the report and if there are any questions we want to ask of Mr. Dunton, he will have the information to give with respect to them. I think we should follow the report article by article; and if you have anything to ask other than about music, you can save it until we come to the proper place.

*By Mr. Knight:*

Q. There are one or two questions about music I would like to ask Mr. Dunton. Has he found it easier now than he did let us say five or ten years ago, to obtain good musical programs, or good musical talent in Canada? My question is based upon my hope that there has been developed in Canada through the use of good musical programs a greater interest in music and a greater appreciation of it and greater ability in our people who find it so inspiring. That is the general idea of my question.—A. My impression gathered from the information which we receive is that what you say is very much the case. The general level of musical ability in Canada and the amount of talent available has grown greatly during the last few years. Perhaps I might put it in another way. Now, in order to get on a network, a performer has to be—or performers have to be of much higher quality than they had to be a number of years ago. I think the general standard has gone up very considerably.

Q. I would suggest too that the general standard has improved among performers, and I hope there has been corresponding improvement in appreciation among the general population.—A. I think that that is harder to measure. I think the general taste for good music has grown greatly in the last few years.

Q. People will protest occasionally when you turn on good music such as a symphony orchestra, and they will say: "Turn it off. Nobody wants to listen to that stuff."

The CHAIRMAN: Do you mean chamber music?

Mr. BEAUDRY: Might I ask Mr. Dunton if he would produce the survey figures in relation to this question?

The CHAIRMAN: Could you do that?

The WITNESS: This subject has come up from time to time over the years. We have expressed our lack of desire to produce figures from commercial surveys which are given to us for our confidential use. We have never felt it was our place to produce them here. They are a service which is given to us for our information.

The CHAIRMAN: I remember that question being asked of Mr. Dunton.

*By Mr. Beaudry:*

Q. Could we have the figures with respect to the main surveys to help us in our discussion of this phase of the question?—A. It would be up to the committee to decide. Personally I would not like to produce them.

Q. I do not think it is of vital importance, but it might help us in this discussion.—A. Perhaps I might summarize the point by saying that in a general way we know of degrees of interest in various types of programming. We naturally do a good deal of thinking about it.

*By Mr. Fleming:*

Q. May I ask if these surveys of which Mr. Dunton speaks are surveys which are made especially for the C.B.C.?—A. No.

Q. Then these are general surveys which are open to other subscribers too? —A. Yes.

Q. Therefore I cannot see that there is much to the point about their being confidential, if they are available to other subscribers.—A. I do not think it is because anything is secret. We simply buy them on the basis of our confidential use. I think they are widely known in the radio business. There is nothing in the way of secrecy or security about them; but it does not seem to me that it is our part or place to produce documents which somebody else has made and sold to us to look at.

Hon. Mr. MCCANN: Did the C.B.C. receive any awards for their musical programs?

The WITNESS: I cannot remember if the Columbus awards included musical programs or not. No, the awards this year were mostly for non-musical programs of different kinds.

*By Mr. Holowach:*

Q. In your table with regard to the number of hours of broadcasting, you mentioned the number of hours of broadcasting per week presently done by the broadcasting corporation. Could you give us an idea of the amount of time that is spent upon straight musical broadcasts? Is that contained in this report?—A. I think you will find an indication of that at page 28.

The CHAIRMAN: Are there any other questions on that subject?

*By Mr. Holowach:*

Q. In connection with that, could you give us some idea of the procedure that is adopted by the board with respect to application from aspiring artists wanting to perform on the C.B.C.? What procedure do you adopt?—A. I can outline it for you very generally, and then perhaps we can ask Mr. Bushnell, if there are more details required.

In general, if it is an application from someone not known before, an addition is arranged. We have auditions set up including people from outside the C.B.C. who make reports to us on their own.

As usual, the first step is when an outsider reports to us in connection with an audition. That will have great weight with our programming officers in deciding whether or not to use that person.

*By Mr. Knight:*

Q. You mean that these people are professional musicians, and that they act in a manner similar to scouts in connection with hockey, and arrange for local auditions? You could not give an audition to everybody who might ask for one. You would have to have a recommendation from local people?—A. It works in different ways. For one thing, at different times we have audition teams going across the country. It will be announced that they have provided for auditions. Besides that, a person can write in to us. If he looks to be a likely person, an audition can be arranged at a regional point so that he will not have to travel too far. And in addition to that, if our programming officials run across someone who would seem to possess outstanding talent, an audition will be given to him. But in relation to both questions, at the present time there is a far greater quantity of pretty good talent available than could possibly be used.

*By Mr. Dinsdale:*

Q. Can you say whether you find there is a greater interest today among local stations than there was formerly in encouraging talent? Do you find for example that the C.B.C. is faced with an increasing number of requests for airing talent on your network facilities, and that such talent has been limited to smaller units?—A. I do not know about the last part of your question, but I can say that in the last two or three years quite a few stations in Canada have developed some very interesting initiatives in the way of using talent both dramatic as well as musical. We think it is a very happy development. All stations are not doing it, but quite a number are doing very useful and very interesting work.

*By Mr. Studer:*

Q. Do you ever receive any complaints in regard to your using too much time in the transmission of music?—A. Yes. Some people think there is too much music, while others think there is not enough. Quite a few people think there is too much of the more classical or more serious type of music on the C.B.C. But we think that people who like good music should have a chance to hear it. We do not think that it takes up too much time. On the other hand, classical music occupies pretty good places in our schedules.

*By Mr. Fleming:*

Q. It is much more popular than many people would think.—A. Yes. We think that the more people have a chance to hear good music, the more their tastes for it will develop. The number of people who listen to classical music in a given night would probably be less than the number who would listen to a comedy program or to "Pop" music.

*By Mr. Goode:*

Q. In Vancouver we have an accomplishment which is most unique. What steps has the C.B.C. taken to broadcast to all Canada the Theatre under the Stars?—A. I am not familiar with the problem. It might be due to the question of rights and such things. Perhaps Mr. Bushnell would say a word on that.

Mr. E. L. BUSHNELL (*Assistant General Manager Canadian Broadcasting Corporation*): We have made attempts to broadcast portions of that particular show, but there are a great many union difficulties involved as well as questions of rights. So far we have not been too successful. There is always a problem when broadcasting from outside a station. The elements very often are disruptive.

Mr. GOODE: It is not the fault of the C.B.C. that it is not being broadcast?

Mr. BUSHNELL: Not particularly. We do show an interest in it.

*By Mr. Balcer:*

Q. Following Mr. Beaudry's question, does the C.B.C. follow the reports of those surveys to the letter. Do you plan your programs and so on with respect to those surveys to the letter? I remember reading an article in Colliers, or the Saturday Night which said that all such surveys were pretty foolish, and that they were not reliable.—A. The way we work is as follows: We have a small division whose job it is to consider the information which we do get, and try to analyze it further and evaluate it in order to see how useful it is or how much reliance can be placed upon it. The general feeling about commercial surveys is that they cannot be completely accurate. They do provide some indication or comparisons, but they are only one of the indications we have to go on. We have to consider other things as well.

But apart from that, in trying to carry out broadcasting in Canada we think it would be wrong should we find that one type of program got 20 per cent of the listeners and another type of program got 10 per cent, and therefore we ought to increase and have more of the 20 per cent variety and less of the 10 per cent. If you do that you would have no classical music, no good plays, and no information programs.

In general, such things as "pop" music provide an easy way to get a good rating—such things as new and popular songs which are "slickly" put out. We can get a good number of people listening to that. It is not a problem at all. But we think we should deliberately broadcast the better type of music, as well as plays and informative things, even though we know there will be a smaller proportion of people listening to them. At the same time, we try to keep up interest and we follow various means of getting evidence of what people want.

Q. These services are very useful in the way of assessing, as far as the listening population is concerned. You have confidence in the reliability of these services? I do not mean that all your programming is decided on the number of people listening. If that were the case, I suppose that sports and soap opera would take up most of the time.—A. No, it is still limited by our ability to determine how the survey is made and so on. But even then, as I think you have said, even if we had established thoroughly in our own mind the fact that popular music will get a much bigger audience, we still do not broadcast it all the time, or increase it very much. We have to use judgment. We think that even when a program may be listened to by less people, yet those people may get much more out of listening to that program than somebody would by listening to a lot of "pop" music.

*By Mr. Gauthier* (Nickel Belt):

Q. I notice classical music is listed as occupying 1,601 hours according to your schedule. Is that an increase over previous years?—A. I would have to check that. I would guess it was about the same.

*By Mr. Beaudry:*

Q. Do those figures include both the networks?—A. Yes. This is all the network programming; it does not relate to the programming of individual stations.

Q. They would comprise the entire transmission over the three networks?—A. Yes. It is down a bit; but the compilation was made on a slightly different basis this year, with regard to programs which will be repeats. In the previous year it was 2,148, but that figure included some programs which were delayed at Winnipeg for repeating later at Vancouver. So I think this year would work out just about the same, actually.

Q. What would be the explanation of the drop?—A. I think in respect to broadcasting that it does not represent a drop, because in last year's report, there was included the repeating of broadcasts for timing purposes. Therefore it was quite different. I think that most of the drop would be represented by that.

Q. I feel that in the last year or two, the younger people of this country are going in more for better programming and more classical music such as the "youth music", which is organized all across Canada. They have clubs organized in many centres which were not known before. I know that in my home town there are over 300 members of this club of "youth music"; and comparing that to the Canadian Concert Hall, and really classical music, they are extending out west. These clubs are extending a great deal out in western Canada and they are meeting with much encouragement. From the figures of the last report and those of this report I suggest that the C.B.C. give as much encouragement as possible to organizations such as these, in order to stimulate good classical and sound music across the country. I am not a connoisseur of music, but I do enjoy good music, and it makes me feel much better than when I get a fiddler for half an hour at a time.

Mr. BALCER: Could you tell us how much it cost the C.B.C. for the commercial surveys over the year, and during last year? How much has the C.B.C. paid for these surveys?

The WITNESS: I could get that for you and have it very quickly this afternoon.

*By Mr. Fleming:*

Q. On the matter of surveys, does the value of those reports of listener surveys lie in the fact that they are the most reliable element in establishing trends?—A. Yes; they have indication of trends or perhaps comparisons. I might say that the commercial surveys available deal only with the quantities of listeners. They are attempts to estimate the number or proportion of the people who listen or do not listen at a certain time. But we would like to have more information about why people do or not listen, or what they would like to hear or see that they are not now hearing or seeing. We plan to do more of that qualitative kind of analysis. This is purely quantitative.

Q. You are speaking more of the use you make of them. But coming back to the reliability of those reports, whatever may be their imperfections, I do not think anybody would contend that they are mathematically precise; nevertheless they are of considerable accuracy, and I think their great value lies in

establishing trends, whatever their imperfections may be. They have a great value in establishing trends of listener interest.—A. Well, in a general way, yes.

Mr. BEAUDRY: Following up Mr. Gauthier's question, if the rule of thumb were applied, would not classical music occupy about nine per cent of your entire time?

The WITNESS: Yes, it looks about like that, and a lot of that time is very good listening time in the evening.

*By Mr. Knight:*

Q. I would like to follow that up with another question which I hope will reveal my thinking in regard to my original question. I think this is a leading question, but I take it you would agree with me that one of the functions of a national broadcasting system is the raising of cultural standards. Would you agree to that?—A. Perhaps I would put it in slightly different terms.

Q. I said one of the functions?—A. I think the way we would put it is that one of our functions is to see that there is communicated on the air a wide variety of things, including in good measure things of more cultural value.

Q. You would also agree that the only way of acquiring or getting an acquired taste is by means of tasting?—A. Yes.

Q. In other words, you can only become appreciative of things that you hear, and if you do not hear them, then you cannot become appreciative of them.—A. That is part of our thinking. We think that people should have a chance of hearing or seeing some of the more cultural things, and that if they do the tastes for them will grow. History shows that, and we think it is part of our job.

The CHAIRMAN: It is a process of training.

Mr. KNIGHT: And in consequence, certainly some proportion of the time during the day should be devoted to drama or literature, and to giving people an opportunity to acquire a taste through actual experience, be it hearing experience or visual experience, as the case may be.—A. Yes.

*By Mr. Boisvert:*

Q. What methods are followed to arrive at these surveys of which we have been talking?—A. I can tell you about one or two. One is based on what is known as the telephone-coincidental survey. In that kind of system they telephone homes chosen at random and during different periods of the day, at fifteen minutes or half hour periods. They thereby get a sample of the proportion of people listening, not listening, or out and so on. There are other methods, one used in Canada under which people are asked to keep a diary of what they do and what they do not listen to. A number of experts think that gives a more accurate example. There are other methods used. In the States a number of experts think perhaps the best development is one in which you attach an electronic device to the set which records the time when a set is off or on and what station it is tuned to. That should be a pretty accurate record. But as you see there is lots of room for variation in all methods.

*By Mr. Holowach:*

Q. Mr. Dunton, I would like a further explanation of the manner of giving these auditions. I do not think that the committee has had sufficient information on that subject. It is very important because you admitted that one of the purposes of the Canadian Broadcasting Corporation is to induce

and encourage talent. Suppose you have a pianist or a violinist or instrumentalist performing before such an auditioning board, is that board composed of critics or officers of the C.B.C.?—A. As I said there is a C.B.C. person and usually several outsiders, or musical experts not connected with the C.B.C., who write their own report of their own views.

Q. Could you give us some idea of what the measuring rod of such an audition is? For example, let us say we have two pianists, one is very well known and the other is not, but they may be of equal talent. The natural preference, I suppose, would be given to the celebrity?—A. There are different things involved. A producer may want a well known musician, but whether a person is known or not makes no difference in judgment of an audition.

Mr. Bushnell has had a great deal of experience in this field.

Mr. E. L. BUSHNELL: The system which has been used for many years is simple. Anyone who applies for an audition, either personally or by letter or telephone, is asked to indicate his qualifications. In other words, it would be impossible for us to handle all the people who would like an audition. There might well be somebody who can sing one or two or three songs and that is the full extent of his repertoire. We are not interested in people with one or two songs unless they are particularly good. In the production centres we have those panels which are selected because of their expert knowledge in the field of literature, drama or music or what have you. These people are then invited to come at a certain date and they are put in a studio, given a certain number, and the adjudicators sit there and try to assess and evaluate the talent of that particular performer on a marking system. The marking system has been used for quite some time and it would not be very difficult for us to produce to the committee, if we struck out the names of the artists, a sample of the manner in which this auditioning is done.

The CHAIRMAN: That would be interesting.

Mr. BUSHNELL: I do not think there would be any difficulty in that. Then, those adjudications are passed on to our program directors and producers and a list of all the artists who have auditioned is kept and when the producer wants a particular type of artist or program he refers to this list and very often picks out someone who is quite unknown who might, let us say in the field of music as a pianist, have a mark of 90 per cent where possibly somebody better known has only a mark of 75 per cent. Invariably the producer will choose the person who has the highest mark. We are always trying to encourage newcomers particularly in the recital field. We keep periods every week for that purpose of bringing to the attention of the listeners people who are coming along. They are first class young Canadian artists and we give them a great deal of encouragement.

Mr. BEAUDRY: Am I right in saying there would be no competition audition-wise between the new talent and celebrities. You would take the qualities of the celebrities generally as being well known.

Mr. BUSHNELL: Not always.

Mr. BEAUDRY: You would still audition them?

Mr. BUSHNELL: Yes.

*By Mr. Dinsdale:*

Q. I notice on page 28 that 198 hours are devoted to band music. I believe much of this comes early in the morning and is quite stimulating and invigorating. I am interested in band music, but I do not hear too many Canadian bands featured in that program. I asked a question about this a short time

ago and the information given was that Canadian bands are featured. Would that include our three outstanding Canadian bands, the military, the R.C.M.P. and the R.C.A.F. bands?—A. There are very few recordings of Canadian bands and those Canadian recordings which are available are used, but as I say there are very few available.

Q. Is it possible to have live programs broadcast?—A. We have had live band music programs, but it is an expensive operation.

The CHAIRMAN: In the morning?

The WITNESS: That is the point. I doubt if we would spend all the money that would be required to put on a live band concert at 8.30 o'clock in the morning; that would be a very expensive program.

*By Mr. Dinsdale:*

Q. Or any other time?—A. We have had a band series on the air. It is a question of balancing the money available as to what it should be used for.

Q. Is it not possible to use tape recordings?—A. You would have to pay actually much more for a tape recording. As I think you know for the making of a recording of a piece by a band or orchestra you have to pay about three times the amount you would have to pay for a single live broadcast. We as a rule cannot afford the recording fees. That is why most of our music from Canadian orchestras is live. If it appears on commercial records then we can use it on the record.

Q. Does that apply to amateur bands as well? For instance, a band such as the Kitsalino band which tours periodically?—A. We in effect pretty well have to use the regular recognized professional musicians or pay very high standby fees.

Mr. BEAUDRY: Mr. Dunton, do you break down the costs of your performing rights between the various kinds of music?

The WITNESS: No.

Mr. BEAUDRY: What were the performing costs to you in the year covered by this report offhand?

The WITNESS: My memory is that the CAPAC rates are about $165,000.

Mr. FLEMING: If there is a table on this it might be just as well to put the whole thing on the record now.

The WITNESS: Would the committee want the performing rights to the main societies? Then in addition we have to pay special full rights for some big works. Perhaps we could divide it into those two categories.

Mr. BEAUDRY: You pay to the major performing companies?

The WITNESS: The CAPAC and in addition there are other special rights we have to pay.

The CHAIRMAN: I suppose you will not be able to produce that for this afternoon's meeting?

The WITNESS: I think we could have it for tomorrow morning.

Mr. BEAUDRY: At the same time could we have the figures of CAPAC and ASCAP?

The WITNESS: Yes.

*By Mr. Holowach:*

Q. I have one further question on this. Suppose that an artist has made application to perform on a network and is reviewed by this examining board are there any other qualifications he must have in order to be able to perform? Does he pay any fee?—A. No We pay them.

Q. Yes. But he also must be a member of a union before he is able to perform?—A. The way the various agreements are now, if he were not a member of the union he would probably have to become one very soon if he performed several times.

Mr. GOODE: In your answer to Mr. Dinsdale you said that amateur bands would not be allowed on the networks. In effect that has nothing to do with the C.B.C., but rather is a matter between the unions and the C.B.C.?

The WITNESS: I did not say allowed. I said there would be difficulties.

Mr. GOODE: It is the unions who disallow amateur bands on the air?

The WITNESS: The problem arises in connection with unions. I think we have put some amateur programs on at times but there are things which have to be worked out.

Mr. GOODE: Did it create criticism?

Mr. BUSHNELL: We are not completely prevented from putting amateur bands on the air, but we have an agreement with the musician's union that if and when we put amateur bands on the air we pay a standby fee to the musicians union.

Mr. GOODE: How much is the standby fee?

Mr. BUSHNELL: The equivalent of what it would have cost if we put a professional or union band on in the first place.

Mr. GOODE: How much would it cost to put a professional band on the air in round figures?

Mr. BUSHNELL: That would again depend on the number of people.

Mr. GOODE: Say a 40 piece band?

Mr. BUSHNELL: A 40 piece band for a half hour show with the rehearsal would probably cost $60 per man or $600. That is the minimum amount. It could go as high as $1,000 or $1,500. On top of that you have to pay the conductor and all told you would probably be spending $1,000 roughly. Then, we feel it would be unfair to ask the non-professional band to play for nothing and have to make a payment to them of some size.

Mr. FLEMING: What becomes of their amateur standing then?

The WITNESS: That is for them to decide.

Mr. GOODE: I think it should be understood then that if we are going to put on the air an amateur band of 40 pieces there is a sum of approximately $1,000 which has to be paid to the musician's union. Is that true?

The WITNESS: Yes.

Mr. DINSDALE: Does that apply to programs of local origin as well as to network programs?

Mr. BUSHNELL: It does as far as C.B.C. stations are concerned. I cannot speak for the private stations. I do not know what their agreement is.

Mr. FLEMING: The agreement referred to between the C.B.C. and the musician's union puts the individual stations of the C.B.C. on precisely the same basis as the network programs in regard to paying standby fees?

Mr. BUSHNELL: Yes.

Mr. FLEMING: That applies not only to orchestras but it would also apply to all other musical programs?

Mr. BUSHNELL: Yes.

Mr. FLEMING: I suppose it is obvious that that has beeen a factor in reducing the use by the C.B.C. of programs offered by amateurs?

Mr. BUSHNELL: Yes.

The WITNESS: My understanding is it would depend a good deal on whether there was a local of the union in the area or on the relations between any given local and a union.

Mr. GOODE: If we wanted to put the Kitsalino band which has been mentioned here on the C.B.C. station in Vancouver we would have to pay an amount based on the number of people in the band to the musician's union in Vancouver?

Mr. BUSHNELL: That is correct.

Mr. GOODE: Although they have no part in the program at all?

Mr. BUSHNELL: Yes.

Mr. GOODE: And there is not a professional musician on the program?

Mr. BUSHNELL: Yes.

The CHAIRMAN: I think that a few of our members have to go to another meeting and the committee will now adjourn until 3.30 this afternoon.

Please speak louder, if you can, when you ask questions.

Mr. KNIGHT: I suppose it is not possible to obtain another room?

The CHAIRMAN: This may be the only room available to us for this morning and tomorrow.

Mr. KNIGHT: This is the worst room of all.

Mr. BOISVERT: Could we have the broadcast regulations which are referred to on page 29 of the report?

The WITNESS: Yes.

Hon. Mr. MCCANN: I wonder if it might be possible to get something in the line of a public address system put in here. I think you should take it up with the Speaker. The broadcasting people should be able to do that for you.

## AFTERNOON SESSION

The CHAIRMAN: Order, gentlemen, we have a quorum.

A request has been made by Mr. Boisvert to have the C.B.C. regulations for sound broadcasting stations distributed to members of the committee. We have them here. Mr. Dunton was good enough to bring them this afternoon so you will each have a copy.

Mr. Dunton also has a few figures on the cost of listener and Commercial surveys which was asked for by Mr. Balcer this morning. He is ready to communicate them to the committee now.

The WITNESS: Cost of listener surveys, also commercial surveys, for all services in 1952-53, $31,371; 1953-54, $38,413.

Mr. FLEMING: I presume that covers listener surveys in both television and broadcasting fields?

The WITNESS: Yes. Some reports cover both.

Mr. FLEMING: I suppose the fact that listener surveys now have to cover television as well as sound broadcasting will have the effect of increasing the cost of the survey service to subscribers?

The WITNESS: Exactly. We are getting more surveys at more points to cover the television.

*By Mr. Goode:*

Q. I wish to continue for a moment on the questions and answers given regarding the amateur-professional fees paid by the C.B.C. I am not anti-union by any manner of means but I was astounded at the situation in which

the C.B.C. is placed. Mr. Dunton, how much money do you consider that the C.B.C. is paying for strictly amateur services to the musician's union? Have you any idea?—A. I have not, but it would not amount to a great deal simply because in view of all the circumstances we do not use amateurs too much.

Q. Do you think it is limiting the use which you would have of good amateurs or good amateur bands in the C.B.C. by the agreement which you have with the musicians' union? Would you use amateurs more if it were not for this contract?—A. I think we would use them more, yes.

The CHAIRMAN: Would you care, Mr. Dunton, to mention the special circumstances where you can use those amateur bands?

The WITNESS: I think, as Mr. Bushnell explained this morning, in general we can use them if we pay a standby fee to the union.

The CHAIRMAN: You have to pay that to the union every time?

The WITNESS: Yes.

Mr. GOODE: In respect to individual performers, does this apply to singers and instrumentalists? Say you have a good amateur saxaphone player, if you desire to put that extraordinary performer on the air you also have to pay the union for that individual's services?

Mr. H. G. WALKER, (*Director of Network Coordination, Canadian Broadcasting Corporation*): Would you mind repeating the question please?

Mr. GOODE: Mr. Dunton had replied in respect to amateur bands, and the answer I have is that the amateur bands or orchestras which you use you will pay to them a certain amount perhaps but there is no doubt on this that you have to pay the musicians' union their contracted amounts. Now, in respect to individual performers, as I said to Mr. Dunton, if you have an outstanding amateur saxaphone player in Vancouver, does that also apply in that respect?

Mr. WALKER: Yes.

Mr. GOODE: What about singers? Does that apply also?

Mr. WALKER: An amateur singer would have to take a work permit with the union involved.

The WITNESS: It is rather different with performers to a singer, for instance. They have to get what we call a work permit from the union which I understand the union almost always grants up to three occasions in which they can work without joining the union.

Mr. GOODE: What does this permit cost?

Mr. WALKER: $5.

Mr. GOODE: Even if they only come on the air once and you do not use them again?

Mr. WALKER: They can work free up to three occasions.

Mr. GOODE: Amateur participation in the C.B.C. or in any radio station for that matter is controlled entirely by those unions?

The WITNESS: In the C.B.C. it is very restricted under the agreements we are in. In individual stations it varies a great deal depending on local conditions, or whether there is a musicians' union local in the area.

Mr. GOODE: Is there one rule for the C.B.C. and another rule for the individual stations in this matter?

The WITNESS: We have to operate all across Canada to a large extent from major points where there are unions and therefore as a rule we enter into these arrangements.

Mr. GOODE: This applies to the whole C.B.C. network.

*By Mr. Reinke:*

Q. Mr. Dunton, would it apply in the case where the C.B.C. sponsored an amateur program of complete amateurs.—A. Instrumentalists?

Q. Regarless of what they were. Would it apply in that respect also? Say a half hour program of amateurs?—A. My impression is if it is singers and so on there would not be any difficulty, but I think they still have to get work permits. With musicians it is pretty difficult. I think we have to have some arrangement with the union.

Mr. BEAUDRY: I think there is some sort of an agreement whereby an amateur can perform three times under the title of a strictly amateur program.

The WITNESS: That is right, but not with the musicians.

Mr. GOODE: But at a cost of $15.

The WITNESS: No.

Mr. GOODE: That was the answer I received.

Mr. WALKER: I said I am not sure, but I think it is $5 per permit.

Mr. GOODE: So it would be $15.

Mr. BEAUDRY: In the case of musicians.

Mr. WALKER: No. This is singers.

Mr. BEAUDRY: Is not a singer a musician?

The WITNESS: Sometimes.

The CHAIRMAN: Are there any other questions on this item?

*By Mr. Holowach:*

Q. You mentioned that you have a breakdown of the amount the corporation pays to the unions as far as amateur performers are concerned? Is that right?—A. No. We could check back.

Q. Would you have the amount that the corporation has paid to the unions during the past fiscal year as standby dues?—A. We could obtain that.

Q. The amounts which the corporation has to pay to the union?—A. We will obtain that information.

Mr. HOLOWACH: I would appreciate that.

Mr. FLEMING: Of course that only tells what you have actually paid in the case of amateurs you have permitted to perform. It does not tell the story of what amateurs might have been permitted to participate over C.B.C. facilities otherwise?

The WITNESS: That is right.

*By Mr. Studer:*

Q. This regulation I understand applies to the C.B.C., if it is a regulation, in regard to the musicians union. Am I to understand it also applies to private stations?—A. As far as we know similar kinds of things apply in areas where there are musician's union locals. I do not think it applies in areas where there are no musician's union locals.

Q. Are there penalties attached to it for infractions of a union's right in that respect? Supposing the C.B.C. violates the agreement what is the penalty?—A. I think the suggestion which has been made to us pretty forcefully at various times is there would not be a strike but the professional musicians who are members of the American Federation of Musicians in Canada would not have their services available to us.

Q. Certainly that is something which could apply to the farmers who may be denied access to the higher things of life and the same thing could apply to other things. It would be pretty serious, would it not?—A. It is not an easy situation now for broadcasters.

*By Mr. Gauthier* (Nickel Belt):

Q. Do we pay much money to the fees of these musicians over a year?—A. I do not think we pay their entry fee.

Q. Do you pay much money out. Is it a large item?—A. A very large item, yes. For musicians and performers, both on sound and television, it amounts to $5 or $6 million a year. A good big slice of it would be musicians.

*By Mr. Reinke:*

Q. Is it not true it would be advantageous for a musician to belong to his union? I know for instance in Hamilton the musicians are paying membership fees annually of only $6 a year which is a very very economic way to belong to a union. I do not think there is probably a union in Canada to which you may belong as cheaply as $6 which entitles you to all the privileges. It is not as bad as it probably sounds on the surface. There is an advantage in belonging to the union and they certainly do a lot for the employees. I say it is a very cheap membership, and it is not as bad as it sounds. The people who have the privilege of performing on the radio also have the privilege of belonging to the union. I do not think this is something which is as bad as it seems right on the surface.

Mr. GOODE: I think it should be pointed out to the committee and to Mr. Reinke that I received the answer this morning that with respect to the great Kitsalino boy's band which has travelled throughout the world should the C.B.C. employ their services it would cost something like $1500 for a half hour program which would be paid to the musician's union. That was the statement made to me this morning.

Mr. REINKE: That may be, Mr. Chairman, but to my knowledge of the musician's union most of the military bands belong to the union.

Mr. DINSDALE: That was the question I was going to ask. Can members of the armed forces bands belong to the union?

Mr. REINKE: Yes, indeed. I am talking about reserve bands. I do not know about active force bands.

Mr. DINSDALE: Apparently in order to hire armed forces bands the members of those bands have to be members of the musician's union.

The WITNESS: I think so.

Mr. BEAUDRY: If we wish to explore that phase Mr. Dunton is not the most competent witness. If we ever want to explore the unions, we should ask the heads of the various unions to appear here.

Mr. HOLOWACH: It might be a very good idea.

Mr. BEAUDRY: Not that I suggest bringing them in, but if we wish to explore that phase we should call them here as witnesses. Mr. Dunton is only in a position, in my humble opinion, to explain the situation which exists between the C.B.C. and the union and not as it relates to private stations.

The CHAIRMAN: I think the committee has all the information it wishes to know about the fees to be paid to the unions. I do not think we should invite the unions to come before us.

Mr. BEAUDRY: I am not suggesting that we should.

Mr. FLEMING: We had the head of the unions before this committee once back about 1947. Mr. Walter Murdoch from Toronto appeared here.

The CHAIRMAN: I remember the occasion.

May we proceed to another phase?

Mr. RICHARDSON: As I understood from what you said this morning you were going to take each of these sections in turn. May I, if Mr. Dunton, remains as the witness, put what might be regarded as a standing question. I can appreciate that the corporation would quite naturally put forward their best foot in the report and I have no question about that. My question would be what in his opinion are the deficiencies in policy, economy and purposes, and how do he and his associates hope to cure them within the foreseeable future.

The CHAIRMAN: With respect to music?

Mr. RICHARDSON: Yes, he can regard it as a question which refers to music and then the same question will apply to everything else.

The WITNESS: With respect to each item as it comes along it would be a standing question?

Mr. RICHARDSON: Yes.

The CHAIRMAN: The witness would not be obliged to answer right away.

Mr. RICHARDSON: He may answer it at his own convenience.

The WITNESS: I would like to pass on music because I think on the whole the job was pretty good.

Mr. RICHARDSON: That is all right.

*By Mr. Knight:*

Q. I have a question as to language and it deals with plays. Down in central Canada we hear the two languages English and French. I was thinking of the other ethnic groups. For instance, the second language in Saskatchewan is certainly not French but Ukrainian so, in connection with the plays I was wondering if the C.B.C. caters at all to other ethnic groups or gives them opportunities to put on plays in their languages because those people like other ethnic groups have contributions to make. I wonder if there is any plan or program for any of that work being done. I am really looking for information and not advocating it particularly.—A. Mr. Chairman, it has always been the policy of the corporation through the years to in general do its programming in two main languages, English and French. Therefore, we have not as a rule, except for a few exceptions, done programs in languages other than in English or French. We have, however, through the years put on quite a few programs, dramatic, musical, and a combination of the two, drawn from particular ethnic groups which always have been extremely interesting. But, we feel especially in national broadcasting we cannot to any extent go into broadcasting in other languages.

Q. Your audience would be limited, of course?—A. Yes.

*By Mr. Beaudry:*

Q. I was going to call it a point of order but it is not a point of order; but isn't that exactly the reason we have private local broadcasting in Canada to service the local needs of the various regions?—A. I know there are some private stations who have or are doing programs in different languages, some in Montreal and some others in the west.

Mr. KNIGHT: Yes, I was aware of that, but my question was directed to the C.B.C.

The CHAIRMAN: Any other question on plays?

*By Mr. Goode:*

Q. May I ask Mr. Dunton—I hope this is in order—may we take the case of the Lux Radio Theatre—commercial radio is mentioned in here. The cost of that program shown in Canada, is it shown as the cost of the advertising itself?—A. I think that is a typical example of what I was trying to explain this morning. The advertiser pays a large sum of money for the production of that program in the United States. As far as we are concerned it is not only free to the network, we are paid for carrying it and so are affiliated stations; but of course it has cost us nothing. It has originally cost a lot of money in the United States. We make money carrying it.

Q. You make money carrying it?—A. Yes.

The CHAIRMAN: Any other question on plays?

The WITNESS: I have a deficiency remark for Mr. Richardson on plays. To commence with, perhaps the biggest problem in dramatic broadcasting is the question of good scripts. Our people are doing a lot of work on that, trying to get better scripts and encouraging Canadian writers to do more and better things, but it is a big problem we have. It is far more of a headache than performers which, I think in Canada, can match anything in the world. The scripts of Canadian writers do not match up to that.

*By Mr. Richardson:*

Q. May I ask another question apropos of what Mr. Dunton has said? Are you conducting any program in relation to our Canadian universities in relation to play writing?—A. No, but as I say a great deal of effort has been going into these scripts now and that is one suggestion we have been discussing with the university people, of organizing with them some sort of a seminar or stimulation or course on plays for broadcasting. We have done some courses with universities.

Q. Have the C.B.C. established anything like the workshop at Harvard?—A. I suppose some of our broadcasting work could be classed as workshops in that some work has been done, particularly summer theatre, which has more of a workshop approach, trying deliberately to encourage new writers and actors.

*By Mr. Dinsdale:*

Q. Does the corporation work with the Banff Schools of Fine Arts at all?—A. Not that I can specifically remember.

Q. Supplying lecturers?—A. I think some of our people have gone out there on occasion on invitation, but apart from that I cannot think of any direct collaboration.

*By Mr. Richardson:*

Q. How far have we gone in trying to develop a series of plays written by Canadians relating to our great history?—A. That is the kind of play that our program people have tried to get and I think quite a few successful ones have been done. That is one avenue we are trying to encourage writers along. It has been pointed out to me I might have left the impression that all Canadian writers are bad or deficient in their outlook. That is not so; there are some very fine Canadian writers and some stand out in broadcasting but there are not enough of them supplying material for the present demand.

*By Mr. Gauthier* (Nickel Belt):

Q. From your audience surveys what play is leading the country now?—A. Very likely I think some of the daytime dramatic serials are actually

leading in most of the country. The Lux Theatre has always been very popular. The Stage series on Sunday night on the transcontinental network gets a good big audience.

Q. There is the Plouffe Family.—A. There is the Plouffe Family and there is Un Homme et son Peche. That is a very popular one and probably gets the highest audience rating of anything on the North American continent.

*By the Chairman:*

Q. Do you not think the Plouffes are catching up on Un Homme et son Peche.—A. It is sound broadcasting. There is a very high popularity rating.

*By Mr. Reinke:*

Q. With respect to script writing do you direct a script writer to the type of play that you require or is it something they come in and present to you?—A. Mostly, in the past years. It depends on the response. Of course, quite a lot depends on our individual program officials and producers. The writers know the type of man to go to if they have a particular kind of idea. As I say, the response is not great enough and our people are considering ways of trying to stimulate it further, but, as you suggest, a particular writer might be open to an idea and discuss it and try to develop ideas.

Q. I was thinking in terms of the reasoning that Mr. Richardson was speaking of and that is along the lines of certain Canadian history or possibly even anti-communist plays. I think while they could be not entirely fictional something along the line like presenting the Igor Gouzenko case and similar points of interest that the people of Canada would like to listen to?—A. We have commissioned series in the past and, as I say, are trying to stimulate writers more in some particular direction, particularly to these historic plays, but on the whole I think most writers will generally do their best work if at least to a very large extent it is their own idea. You cannot go too far in ordering or commissioning people to do plays for you.

*By Mr. Goode:*

Q. In this program, I think you call it "On Camera" there is a group of authors' names appear after it whom I have never heard of before, but some of them do wonderful work. That is wholly a Canadian program, is it not? —A. Entirely Canadian produced, but some of the scripts are not Canadian.

Mr. WALKER: Some of the scripts are from the United States.

The WITNESS: That is an example of the kind of program where we would very much like more Canadian writers and cannot get them.

*By Mr. Beaudry:*

Q. That is television?—A. Yes.

*By Mr. Holowach:*

Q. Mr. Dunton, I understand from what you said that you have a pool of script writers, is that correct?—A. No.

Q. Are your script writers or the script that is accepted for presentation, is it submitted individually or is there an organization that sponsors these plays?—A. No, there are writers in the country producing, or potential writers, and in the normal course of events they come to us and say: "Here is a script. Will you buy it? Does it interest you?" That is the normal way things work. We have no writers on staff but, as I say, our program department are thinking of going a little further and thinking of actively holding discussions

with writers, trying to stimulate them into doing more, but there is no staff or sub-department with any group of writers.

Q. In other words, you have no script writers under contract with the corporation?—A. No, our program department might be getting around to that in some special cases, something like Mr. Reinke was thinking of in the line of working out some series and putting writers under contract for specific pieces of work.

*By Mr. Fleming:*

Q. Who passes on the scripts after they are submitted, before they are selected and go on the air?—A. Generally, several people. In the last year or two the script department has been organized, dealing mostly with dramatic scripts, but usually a script will go through several different hands. The script department, the drama department, a particular producer, perhaps several producers, perhaps the senior people above them. It will depend a great deal on the circumstances how many people will actually see a script.

Q. Who, for instance, passed on that program purporting to be based on the life of Sir John A. Macdonald in January, which was just a travesty on history?—A. I cannot tell you exactly who would pass on it. It would be the final responsibility, as I said before, of the whole organization.

Q. Well, I think we would be interested to know more definitely if you want to answer that question further. Is there any difference in the method of reviewing or oversight or selection in this regard as between programs for sound and programs for television?—A. Not specifically.

Q. Is it the same people who pass on them?—A. In general not, although especially when it gets into more senior people the more senior people may be dealing with the question of scripts in both. Is that the program or Sir John A. Macdonald in January?

Q. It was in January, I think, about the middle of January.—A. That is the program on which, as is so often the case, we have had a lot of good criticism.

Q. Well, I can be the spokesman for a lot of adverse criticism, because that broadcast was a travesty on history and a travesty on the facts. The case that I have in mind was a television program and if it is handled in a different way there is no point in my pursuing it now, but if it is handled in the same way and by the same people as sound broadcasts I would be interested in knowing who was responsible for the supervision and indeed the selection of that 10 o'clock program last Saturday night over CBLT.

The CHAIRMAN: Television?

Mr. FLEMING: Yes.

The CHAIRMAN: Do not go too far on television.

Mr. FLEMING: I just wondered if it was the same people who were doing the supervising.

The WITNESS: Well, it is the C.B.C. as a whole and we are here to take responsibility for everything that goes on the air and I do not think it would be fair to put the finger on individuals because individuals will vary and they have a responsibility above and below, and we are responsible.

*By Mr. Fleming:*

Q. Well, we will accept that conclusion that the C.B.C. accepts responsibility for what is done by its officers and employees, but I would like to know in detail what is the machinery and what are the steps. I am interested in particular cases like that by way of example if you can look up by whom the script is received, reviewed, selected, edited and produced. If this is not the time to do it I would ask that you do it sometime because I am interested in following that up in detail.

Mr. BEAUDRY: So that we may better appreciate the extent of that responsibility would Mr. Dunton care to give us at a later date an account of the amount of scripts which are produced over the C.B.C. in the course of a year. I am thinking of each individual program, whether it be quarter-hour, half-hour or hour both separately for radio and television. It might be interesting too if it is possible to give the number of script writers involved in all cases.

*By Mr. Dinsdale:*

Q. Concerning script writers you hear the names of certain individuals mentioned quite frequently on C.B.C. programs in connection with scripts. They operate on a script like Len Peterson, for example, who is associated with the "In Search of Ourselves" program.—A. For a series like that a writer might be commissioned, probably would be, for several scripts in advance or else would be asked to submit probably several scripts.

Q. But apparently the writer of established reputation is asked to submit scripts quite frequently?—A. He is naturally much more likely to be for a regular series like that than someone who is not known, simply because our people can be more sure of getting good work out of him, but I might also add they are desperately seeking for more people in whom they can have confidence from whom they can take scripts and ask to do special assignments.

*By Mr. Knight:*

Q. Is there any connection in your opinion, Mr. Dunton, between the scarcity of scripts you have mentioned and the financial reward? I have not the faintest idea what these people get. I was wondering if the financial reward was any inducement or if the financial inducement is not high?—A. Naturally, more financial inducement would probably bring out more work. The best advice we can get is that the greatest difficulty, particularly in writing a subject for television, is not so much the money but the fact that for some reason the writers are doing other things and are not producing the volume of work that is needed.

Q. Is there any drain-off to the United States in that regard?—A. I don't know if there is much drain-off in actual writers; there is lots of work done by writers in Canada that goes to the states because in general much higher prices are paid.

Q. What would be the remuneration to a writer per script? I don't know if you would estimate it per annum or per script or what, but have you some figures on that?—A. I can give you rough scales by plays. I think our plays in sound run around $350 to $600—television rather higher. That is for an hour's original work. Adaptations are a little less, something like $300 to $500—that sort of range—but mind you a lot of work has to go into an hour's play.

*By Mr. Gauthier:*

Q. When you buy a script from a writer has he got permission to export it to the United States after?—A. Usually when we buy a script it is usually for first rights in Canada only, simply for the reason of economy. It would cost us too much for permanent broadcast rights. We buy no right beyond putting it on the air once.

*By Mr. Beaudry:*

Q. Isn't there a Script Writers' Guild, Mr. Dunton?—A. I think a number of writers are in the ACTRA organization with performers and form a group.

Q. Among the French writers isn't there a Script Writers' Guild?—A. Yes, I think there is.

Q. They set their minimum fees in all cases?—A. I think they try to but we in the field of writing have found as a matter of principle we should not have firm agreements of any kind with any one group. We think in principle the field of writing should be wide open so there is no question of one particular group of people having easier access than other people.

Q. I do appreciate that, but I mean the minimum prices are in some cases set by a group of people who have organized themselves to some extent?—A. Well, if a man is a member of a group and comes and says, "My script is available at so much minimum," we either take it or don't.

*By Mr. Studer:*

Q. So they have unions where the amateurs are separate from the professionals?—A. No, that is what I was explaining. In writing we thought it advisable to see there were no barriers in the writing field so that we can take care of new people coming up.

Q. I imagine you must have some type of committee for selecting scripts. You must have a committee that determines people's musical ability or what is acceptable. I imagine it would be that much more difficult in connection with a script writer to determine which would not be acceptable to the public. Everyone has an ear for music to some extent but not that same ear for interpretation of a script.—A. Well, naturally that is a very important part of the work of our whole program department in deciding what scripts are good, what are not, what should go on the air and what should not, and I think we can see from the discussion in this room there are a great many opinions about that by all concerned. That is the responsibility of the program department. They are the people who have to accept the scripts. It is a very important part of setting up the whole program.

*By Mr. Holowach:*

Q. Another question with respect to script writers. I understand that the corporation acquired a script entitled "The Investigator"?—A. Yes.

Q. Who is the writer of that?—A. A man called Reuben Shipp.

Q. Can you tell us how much he received for that?—A. No, I cannot give you the figure offhand.

Q. Could you obtain that for me?—A. I could, but we have always for years in the committee explained that we would very much prefer not to give individual amounts paid to individuals simply because of our business dealings. We are in a competitive field, not particularly with private stations, where we are acquiring all sorts of services and it might handicap us in acquiring a certain individual's services. I would say he would be simply paid within the usual range for our plays for first, one time Canadian rights.

Mr. FLEMING: I would warn Mr. Dunton he is going to be faced with the same problem several pages over.

The CHAIRMAN: What problem?

Mr. FLEMING: This matter of whether the C.B.C. is going to be permitted to say it does not want to give on the record the amount paid to an individual for his services.

The CHAIRMAN: Well, I know this point of view expressed by Mr. Dunton has been accepted by one of the previous committees and I even remember the name mentioned and the committee accepted that the C.B.C. could not give the amount paid to the individual.

Mr. FLEMING: I am sure, I think, this committee will do better in that respect.

The CHAIRMAN: Of course, I am in the hands of the committee if the committee decides, but I think this course has been followed in the past.

Mr. FLEMING: I just wished to mention that for Mr. Holowach's benefit.

The CHAIRMAN: Any further questions on this item?

*By Mr. Dinsdale:*

Q. Are daytime serials, better known as soap operas, restricted to Dominion Network outlets only?—A. No, rather the reverse—entirely on the Trans-Canada network.

*By Mr. Balcer:*

Q. Mr. Dunton, does the C.B.C. plan to broadcast on television soap operas that they are showing at the present time—

The CHAIRMAN: Are you asking a question on television?

Mr. BALCER: Yes, but while we are on soap operas—

Mr. GAUTHIER (*Nickel Belt*): Very slippery.

The CHAIRMAN: If you will ask that question when we are on television.

*By Mr. Dinsdale:*

Q. Apparently there is quite a demand for these daytime serials. What happens if there is an area not covered by a Trans-Canada station and a request comes in for these programs?—A. We have tried very hard through the years to avoid criss-crossing networks, that is to say, having a program that is carried essentially on one network going to a few stations on another network, because you get into all kinds of complications. We would resist very strongly putting a Trans-Canada program onto the Dominion Network and vice versa.

Q. Which is the bigger of the two?—A. I think in general the Trans-Canada would be a bit broader in extent.

*By Mr. Studer:*

Q. Pardon my ignorance, but what is the difference between the two, Trans-Canada and Dominion?—A. The Trans-Canada arose from the first original C.B.C. network across the country and the Dominion is composed of one C.B.C. station and a number of private stations as the annual report shows.

Mr. GAUTHIER (*Nickel Belt*): Pages 26 and 27.

The WITNESS: The Dominion is an alternative English language service and it is composed of one C.B.C. station in the Toronto area and a number of private stations across the country. The Trans-Canada operates day and night and the Dominion mostly night-time.

*By Mr. Studer:*

Q. But I understood the soap operas were Dominion?—A. No, they are carried on the Trans-Canada.

Q. Thank the Lord they are not carried on all of them or we would have no choice of stations sometimes.

Mr. FLEMING: It is a very good thing to have a choice.

*By Mr. Richardson:*

Q. Mr. Chairman, apropos of that, I don't know whether it is a fair question or not. You have the two major networks, the Trans-Canada and the Dominion. At the moment is there any thought of amalgamating them?—A. We have no plans at the moment. We obviously face problems in the future.

*By Mr. Dinsdale:*

Q. One more question, Mr. Chairman. Are these serials available to isolated stations serving the northern territory? Is there any exception made? —A. Well, service in the northern territory is not too complete anyway. I don't think any of them are giving any service other than that which we supply by recordings to the small stations in the north. Of course, the daytime serials are carried by the private affiliates of the Trans-Canada and they are available to them. Of course, there are a lot of soap operas carried by private stations on a recorded basis, not on a network basis.

*By Mr. Gauthier* (Nickel Belt):

Q. Aren't these mostly commercial programs?—A. Yes.

Q. Therefore the selection would be left in the main to the advertisers? —A. The advertisers are paying for them.

Q. But it would be left to the choice of the advertiser as to what stations he cares to use or not?—A. He has a great deal to say although on a program if they go on the network we try to see that they are carried on all the network and usually most stations very much want them.

Q. It is optional for private stations to take them or not?—A. Yes, although we expect our full affiliates to take commercial programs and they expect us to provide them.

*By Mr. Beaudry:*

Q. Mr. Dunton, have you ever explained to the committee in earlier years —and perhaps this is irrelevant if it has been explained in earlier years—the function of your commercial department as to private affiliates?—A. I think it has been explained. Would you like me to outline it a little more?

Q. Yes.—A. I think the committee understands that C.B.C. sound broadcasting primarily is based on network operation. We make arrangements for commercial shows going on the network right across Canada, Trans-Canada, Dominion and French. The advertiser, through an agency, of course, pays us for the time that is used on the network. The charge of the network is made up of the time of all the stations on the network and a charge for communication between the stations. The affiliates get a large part of the revenue associated with their being included in the network for their program. The C.B.C. gets the revenue associated with its stations included in the network and some extra, a rather smaller extra amount as a sort of commission. That in general is the situation.

*By Mr. Holowach:*

Q. One more question with respect to the script writers. When a script is submitted to you, Mr. Dunton, and accepted, does that become the property of the corporation or is the script writer entitled to use it again on some other occasion?—A. No, as I said before, all we buy is the right to broadcast it once in Canada. It is not our property and we have no rights for broadcast outside Canada or even a second time in Canada.

Mr. GOODE: Mr. Chairman, I have to go and make a broadcast over one of the most prominent stations in British Columbia and I will be back later.

*By Mr. Reinke:*

Q. Before we go off the question of soap operas, can we assume that they all go on at the same time during the day in Toronto, Montreal, Hamilton and so on? Are they carried at the same time or at different times?—A. The network ones are all at the same time except they might be delayed in the west

for time reasons. The ones carried by stations on a recorded basis, of course, could be broadcast at any time.

Q. In that case they could be at different times in some circumstances, the same program?—A. Yes, but if it is a network program it would be at the same time. The possible delay is in the west.

Q. Where you find two broadcasting stations in the same town do you have any prohibition against both stations using the same program at different times or at the same time?—A. So far as we are concerned we have tried to avoid any duplication by carrying the same program on two stations in the same area.

Q. In other words, you do regulate them?—A. To the greatest extent we can, yes.

Q. If one station is carrying "John's Other Wife" and the other station is not, don't you take steps to see that they do not use it?—A. Yes, and if it is on a network basis the way our networks are set up they won't get it in any case.

Q. Why wouldn't they be entitled to get it if their listeners wanted to listen to it?—A. The network is an entity and it has member stations and if a program goes in an area it goes to the members of the network and only its members get the program. We do not have two members of the network system in the same town or same area.

The CHAIRMAN: C.B.C. Wednesday Night. It is subdivided into four separate parts. We will take them together, I believe. Any questions on that?

*By Mr. Weaver:*

Q. Mr. Chairman, in the second paragraph here it says:

> An increasing number of letters from the United States is, perhaps, an indication that listeners in that country go out of their way to applaud programming unavailable on their own networks but which Canadians take for granted.

I would like to ask Mr. Dunton if he has ever had any inquiries as to the possibility of exporting such C.B.C. programming?—A. Yes, the C.B.C. has had a number of inquiries and some have been carried out. Some programs have been carried in the United States, some of the Wednesday Night kind of program, but there is the essential difficulty in that Canadian unions again have so far asked for very large extra amounts if the programs go out of Canada, and we, or the other people concerned on the other side of the border have not thought we could meet those terms yet. This is a very unfortunate thing in our view because taking the present state of sound broadcasting a lot of Canadian talent is not having the chance which it could have to be heard outside of Canada on account of these restrictions imposed.

Q. That being the case, it is actually a liability to export them?—A. Yes, if they were exported either we or the receiving or broadcasting station or network down there—between us we would have to pay a very large amount.

Q. Do you see any possibility in the future of it being a source of revenue or those circumstances changing and of your programs being admired enough that they would be a source of revenue even paying those extra amounts?—A. Yes, it is quite possible. I think what we are discussing here—Wednesday Night—is not likely the sort that would attract a commercial sponsor in the states. We have had programs sponsored in the states but naturally the sponsor is looking at costs too. It seems particularly bad when American programs come into Canada and there is no extra amount paid to performers for rights, but when there is a case of a Canadian program going into the states the Canadian artists want a very much larger amount than the American artists want for their programming to cover all of North America.

*By Mr. Knight:*

Q. Mr. Dunton, you said in reply to Mr. Weaver that certain Canadian programs are not of such type that would attract commercial sponsorship. Would you explain that and say why?—A. I think it is obvious in a very general way that advertising sponsors wish to have programs that will attract a large audience at a relatively low cost.

Q. And if you follow that argument to its logical conclusion then it might mean that if we did have programs of that particular type and class we could not hope for them to be sponsored by private commercial interests and that for that reason we need a body such as the C.B.C. responsible to the whole nation of Canada in order that we may be able to enjoy those programs at all, is there any truth in that?—A. I would say obviously from the way commercial arithmetic works there is not much chance of sponsors supporting certainly the Wednesday Night type of program—very little chance indeed.

Q. You are too modest to answer the last part of my question?—A. As I tried to explain this morning, it is not a question of even the type of programming but any reasonable kind of Canadian production has a very hard time because of the pressures for importing material rather than producing it, even the lighter kind let alone the cultural type.

*By Mr. Fleming:*

Q. It is in order that you may produce programs of that kind that parliament does give you the money?—A. I have understood there was a vote of public funds to carry on a national broadcasting service and that we carry on all sorts of service, not just the Wednesday Night type.

Q. True, but I am dealing with the point Mr. Knight raised, this Wednesday Night production which is appreciated by all—A. That is one element that certainly should be included in the service.

Q. That is one reason parliament votes money to the C.B.C.?—A. I think so, yes.

*By Mr. Dinsdale:*

Q. On this question of Wednesday Night, I think it is one of the best efforts of the C.B.C., the Wednesday Night program. I am wondering if you have any idea of the listener rating for this program?—A. I can sum it up by saying that on the evidence we have it is naturally a good deal lower than for the usual run of light entertainment. On the other hand, it stands up quite remarkably well against a good deal of lighter entertainment, especially now that a number of the bigger and more lavish shows are off nighttime radio. We find Wednesday Night is standing up well with a good deal of other important entertainment shows. While the audience is not tremendous like the Lux Radio Theatre it is apparent that a lot of people are listening to Wednesday Night, to the solid play or classical music.

Q. Is there any breakdown of listeners?—A. Most of them come from rural areas and it is interesting to note that things like the Wednesday Night program that have some content seem not to attract relatively high audiences in the bigger centres. It is relatively small in Toronto—relatively big in a number of smaller Canadian cities and bigger again in villages and the countryside.

Mr. GAUTHIER *(Nickel Belt)*: Is it the policy of the C.B.C. to continue it with more classical programs?

The WITNESS: Yes, sir.

*By Mr. Studer:*

Q. Why was it applied to Wednesday night alone? Why was it not spread over some of the other nights such as Monday and Tuesday and Thursday?—

A. It was a program which was devised several years ago. We wanted to try an experiment and we thought we had better confine it to one night, so that it would be concentrated and could be made known to people who were interested in that sort of thing and who would give attention to it. It seems to have had that effect.

Q. Dou you think that it appeals more to city listeners than to rural listeners?—A. It seems to appeal more to rural listeners.

*By Mr. Carter:*

Q. Is it possible yet to measure the effect of television on the listening audience of radio?—A. We have received quite a few indications and we think it is having quite an effect on the night-time radio audiences in areas where television is available; it has but small effect on daytime audiences. That seems to apply even in places where there is much more extensive daytime television available. But here we expect that very large daytime audiences on the radio are left.

The CHAIRMAN: The next item on page 11 is "News".

*By Mr. Holowach:*

Q. On page 10 you say:

> Talks broadcast by C.B.C. Wednesday night during the year included The Lively Arts by H. M. McLuhan of the University of Toronto, a series of programs dealing with games, comic strips, newspapers, advertising, fashions and other aspects of what is known as North America's popular culture.

I would like to know if you consider that comic strips and fashions are the popular culture of this continent?—A. I think that the difficulty arises from the fact that we use the word "culture" in a different way in different contexts. It is used here this afternoon I think to indicate the more serious types of programs which have larger content of creative thought in them. A more accurate way in which to use the word "culture" might be to mean the whole way in which a group of people live.

Mr. KNIGHT: A way of life, so to speak.

The WITNESS: I think that is another way of putting it. But in this passage it is being used as referring to popular culture or the way of life in North America. Professor McLuhan thinks that you can discover a great deal about people by looking at the comics.

*By the Chairman:*

Q. Have you received many comments on the lectures of Arnold Toynbee, "The World and the West"?—A. Yes, quite a lot.

Q. Were most of them favourable?—A. As I remember them, yes.

*By Mr. Dinsdale:*

Q. I was interested in Mr. Dunton's observation that the small town and the rural parts of the country are the most receptive of the Wednesday programs?—A. I do not want to put it too strongly, but there seems to be more interest shown there. We have received a higher proportion of particularly thoughtful letters about that kind of program from rural areas.

Q. That would justify a theory that rural areas are the real source of culture.

The CHAIRMAN: Why not?

The WITNESS: In Canada we have had a lot of thinking come from rural areas.

The CHAIRMAN: They have the time to think.

*By Mr. Knight:*

Q. It might be due to the absence of other types of entertainment in those centres?—A. I think so, in part. As I said, what keeps astonishing me, are the low ratings this sort of thing seems to get in the Toronto area.

The CHAIRMAN: The next item is "News", on page 11.

*By Mr. Fleming:*

Q. Has there been any change in the method by which news is gathered and processed in the two years which have elapsed since we were last on the subject?—A. No.

Q. You are still using the news services? There were three which you were using previously, the CP, BUP, and Reuters.—A. Yes. There was a change made this year, as I am sure the members have noticed, in the National news at 1 o'clock and in having news round-up and a short talk immediately after the news. It seems to be working well, and people seem to like it. But there has been no change in the method of acquiring and handling the news.

Q. Or the writing?—A. Nor of the writing.

*By Mr. Reinke:*

Q. Do you find that the reports which you receive from the various capitals throughout the world from your reporters there tend to conflict with those which come in by the other services, or are they pretty well the same? Are we overlapping the services there?—A. I do not think so. They may at times refer to the same things; but from the agencies we get, on the whole, coverage of spot things. We expect the people whom we have under contract in those various places, or whom we hire on occasion, to do more interpretation, or give more background material. There may be a little overlapping, but they are doing essentially different jobs.

Q. Are they essentially C.B.C. men who are sent from here, or are they hired over there?—A. We use both. We have found it necessary in places like London, Paris, the United Nations and Washington to have men who are under contract with us. They are not full time employees, but they are under contract and available to us and we have first call on their broadcasting work, to be sure of the service. And in addition we use other people who are commissioned per occasion, very irregularly.

Q. But they are not full time employees of the C.B.C.?—A. No, in neither case.

*By Mr. Studer:*

Q. I wonder if Mr. Dunton would be good enough to give us a short summary of how the C.B.C. news at 10:00 o'clock is coordinated, and how it is decided what things are and what things are not news? I ask him to do this because there are some new members on the committee who may not have heard about it.—A. The C.B.C. has contact with the big main news agencies operating in Canada, the Canadian Press, and the British United Press for the supply of their daily news, and for their full file as it goes to the daily newspapers in Canada.

This service goes into our newsrooms across the country such as at St. John's, Halifax, Montreal, Toronto, Winnipeg, and Vancouver. That is so far as the full service is concerned.

Then in each of those points we have our news editing staff who, from the mass of material which they receive, prepare bulletins during the day.

The Toronto news room is the biggest. It does the Ontario regional bulletins, and it does the big main national news bulletin at 10 o'clock.

As will be well understood, a great deal of rewriting is required in order to get our short broadcasting bulletins out of the big mass of material coming from the agencies every day.

Q. These men are trained in interpreting what is news and what is not news?—A. Very much so. We think that our people have developed a pretty good standard of handling news throughout the year. They are trained to put things into bulletins purely on a news basis and on an entirely impartial basis. There are very strict rules about it. They have to do a great deal of compressing, in which they try to keep complete objectivity and to give a sense of news value with impartiality.

*By Mr. Fleming:*

Q. Does the C.B.C. take full responsibility for the accuracy of everything which is broadcast?—A. We have to.

Q. Material which comes from the news services is frequently rewritten in order to meet the exigencies of broadcasting?—A. Yes sir.

The CHAIRMAN: Now, Mr. Carter.

*By Mr. Carter:*

Q. I would like to ask about the popular reaction to "Capital Report"? Is it very favourable?—A. It seems to be, in general, very popular across the country among the Sunday afternoon programs.

Q. There are commentators who appear regularly in the series "Capital Reports". Do they keep pretty well to the same people, or are they hired on a contractual basis for that service? On what basis do you select those people?—A. They are commissioned for a period of time. Our programing department usually tries to have a panel of three or four running over a period of months so that they may get used to the work and also, we hope, so that we may have variety. In the analysis of what has been happening in Ottawa we use newspaper men of different backgrounds and approach to what is going on around them. Therefore in succeeding weeks you will have different men, although over a certain period of time the same men will reappear.

Q. Does someone censor their talks? Does someone decide whether or not they should go on the air?—A. We do not censor any opinions on the C.B.C. We pick people to go on a commentary program or panel discussion program from among those with various opinions on viewpoints; but we do not interfere with the opinions which they may express.

Q. There seems to be a sufficient number of commentators. There does not appear to be any dearth of them. If they were expressing their opinions on a private station, then an individual who might object to those opinions, or not agree with them, might contact the private station in that regard and advise them of his objection. But I feel in connection with commentators on the C.B.C., if an individual should object to what the commentator is saying, then he will contact his member of parliament rather than contact

the radio station. I have found myself in the position where I have had to try to answer this question: "Why do you allow that type of individual on the air?"

Have you had anything along that line? Sometimes we have no answer for them. At least I have no answer for them, because it is an expression of opinion. If I say that it is the man's own opinion, they will say that such an opinion should not be permitted to be aired. Then I, as a member of parliament, should say that it is not our opinion, but theirs. We sometimes are confronted with a situation about which we are not too happy in that respect.—A. So we know! We have to take the responsibility for putting them on the air and allowing them to express their opinions.

*By Mr. Knight:*

Q. Is that the answer: that all opinions should be on the air?

The CHAIRMAN: Good or bad ones?

Mr. KNIGHT: Exactly.

Mr. STUDOR: But those individuals may not hear opinions on the opposite side.

Mr. KNIGHT: I would like to ask the chairman for his definition of what is good and what is bad.

*By Mr. Fleming:*

Q. While the chairman is thinking that one over, may I ask if the news commentator programs come under the heading of news, or under talks, strictly?—A. The true commentator program comes under talks. Things like news roundup are part of the news or actuality department, also things like Capital Reports, and so on, are under Talks and Public Affairs.

Q. Yes, Capital Report obviously does. But I wondered about straight news commentaries. Do you take them in under news rather than under talks?—A. As a rule, although some of the things you refer to as news commentators are under talks.

*By Mr. Studor:*

Q. If the opinions given by a news commentator are strictly his own, and they are of a certain type of opinion, who decides when, where, and if possible what viewpoint is expressed?—A. That is the job of the C.B.C., on which we have people working, and doing a lot of work all the time, trying to see that there are fair opportunities for different men to express different viewpoints, and that they are given a chance on the air.

Q. I suppose that is applicable when you have a panel discussion or a press conference; but where an individual may speak, let us say for half an hour, on a radio program, and perhaps a week later someone else comes on the air with a different viewpoint, I wondered how you could correlate those things so that they have a good balance, or that a balance could be maintained?—A. I do not think in that sort of program you can keep an absolute and complete balance. We try to do that in successive weeks by having people with a different approach to what is going on; and I think it is true that on the whole, over a run, we do get a fair balance in the different approaches of different people speaking from different viewpoints.

As you say, you do not get a direct clash of opinion such as you do with a panel program. But anyone listening in on succeeding weeks can get a variety of interpretations which should balance out pretty well.

Q. There is bound to be some difficulty in keeping one opinion balanced with another opinion with which it is in contrast?—A. I do not think it can

be done with complete accuracy. But I think our people have done a pretty good job on the whole in seeing that there is general fairness, and a chance given for different viewpoints to be expressed on a monthly basis.

Mr. REINKE: Is Mr. Studer finished with commentators?

Mr. STUDER: Yes.

*By Mr. Reinke:*

Q. I think you may be confusing Mr. Dunton. You are probably referring to somebody with different political ideas. I think Mr. Studer is referring to the objective of the C.B.C. commentators in putting their opinions on the radio?

*By Mr. Studer:*

Q. If it is a paid commentator, that is one thing.—A. These commentators are paid to broadcast for five or ten minutes, and they are free to express their own opinions. They are commissioned by our people, who try to commission different people who have at least somewhat different viewpoints. So you are getting a variety of viewpoints on a fair balance, we hope, over a period of time.

*By Mr. Fleming:*

Q. You are speaking simply of news commentators, I take it? Is Mr. Dunton's answer confined to that subject strictly?—A. I was thinking of that particularly as I answered the question on the series of single commentators. As you know, our general approach to the whole matter of opinion broadcasting is along the same line.

With commentators we do not expect that they will try to use their broadcast very much as a platform for hammering down one particular crusade. We try to get experienced people and newspaper observers in Ottawa who are responsible men and responsible observers of what goes on. We try to get men who we think will do an honest and fair job in respect to what is happening. But I think it is only natural that some of them may express their own background and opinions in their analysis. That is why we try to vary them.

Q. Is it possible for you to provide us with a list of the commentators you have used in the last couple of years, or are they all simply retained for an individual broadcast or a series of news commentaries?—A. In Canada none are on salary. We have, as I said before, correspondents in London, Paris, Washington, and the United Nations. We use them mostly with the idea of getting a general descriptive kind of work; but they are also asked to do some commentaries with a certain amount of interpretation of the news, or with comments on the news in them. They are "staff" to the extent that we have contracts with them for the first call on their broadcasting services.

Q. You are including in that group, and in your reply, commentaries from the point of view of source, those which originate in the old country, as well as some in Washington, and some in Canada.—A. I think I have already answered that question.

Q. You made a distinction with regard to certain people in those countries. I would like your answer to embrace your news commentators regardless of where they originate.—A. We attempt to get a balance.

Q. Yes. Now can you assist the committee—not now of course—with a list of the commentators whom you have retained during the years—let us say the last two years, 1953 and 1954 separately, indicating the number of programs each has had? I take it there is no difficulty about that. And I shall be asking for similar information about other talks later on. So we might as well consider this question indicated earlier about the payments for those

services. I think we are concerned about the cost and the balance. I want to be perfectly fair about this because I think we all appreciate that it is a very difficult problem to preserve a balance. I have never made any attempt to deny the difficulty involved.

When you come to the regulation of talks and opinions, you immediately are confronted with a difficulty in carrying out the policy of the C.B.C. of preserving a balance. No doubt the different people sitting around these tables today would draw different conclusions; but I think it is fair to base our conclusions on the persons and the number of times that they have been retained for the purpose of making news commentaries.

My question has to do with the amount that is paid. I am going to ask the same thing in regard to other talks because there you are directly in the realm of opinion, perhaps in a more direct sense than you are in regard to news commentaries. There is undoubtedly the element of opinion, and in the matter of opinions in news commentaries we do not look for them as we do in talks or forums.

I wish to state the problem as fairly as I can and indicate what I think the committee should have by way of information in order to arrive at its own conclusions on this matter of balance. I appreciate the point which Mr. Dunton made, in times past, about not wishing to disclose information which might be of assistance to competitors—not just competitors in Canadian broadcasting, which would be the private stations, but competitors in other fields as well, for such services. But I think, Mr. Chairman, that the matter is important enough—and it is difficult enough—that we who will be called upon to make some judgment on behalf of parliament in this committee, should have all this information, or such information as is required to enable us to reach some conclusions. I dare say that the views which are held around these tables are quite different, on the way in which the policy of balance is being carried out. No one would question that the policy should preserve a balance. But we are entering the realm of principles and opinions there as to what is the proper carrying out of the policy to preserve balance. So I just renew my request for all this information in order to enable us to reach our own conclusions and have it before us with respect to this matter of balance. I would like to have—and I hope it is available without too much trouble on the part of the C.B.C.—the names of all those who have taken part.

I am asking first of all in regard to the news commentaries, and I shall be asking it also in regard to talks; and I would like to know the number of times each person has been on the air in each of those two years, as well as the amount which was paid to him. I would like to say that there cannot be any question of balance of viewpoints, or selecting or picking out some particular group of news commentators, or some particular group such as the Capital Report series. I want to make my request completely general. I hope it won't involve too much work. But I think the matter is of sufficient importance that we should have all this information before us.

The CHAIRMAN: You are asking Mr. Dunton or the C.B.C. to produce the amount paid to every commentator?

Mr. FLEMING: Yes, and on the talks as well.

The CHAIRMAN: You are asking what has been refused in another category?

Mr. FLEMING: It has not been refused yet. Mr. Dunton indicated reasons which I have attempted to deal with myself in relation to what is admittedly a very broad problem.

The CHAIRMAN: But, do you remember Mr. Dunton said a moment ago, he had been asked before on previous occasions to give the amounts of money

paid to a writer for a script or a soap opera or something like that and the committee had accepted to his wish that he should not give the amount paid to the writer. You are asking that the amount paid to the commentators be brought together.

Mr. FLEMING: Yes. Not only that, I made it perfectly clear that I do not wish that there be any suggestion of concentrating on any part of the problem or picking out any particular group I want the information on or whose services were obtained in the broad field of talks we are coming to on the next page. Mr. Dunton did not say that the information could not be obtained. He asked that the request for it be not pressed because it might raise some difficulties in dealing with competition in this field and perhaps between different individuals whose services might be required.

The CHAIRMAN: I would like to have the opinion of the committee on that.

The WITNESS: Could I make a comment?

The CHAIRMAN: Yes.

The WITNESS: First, having to do with the times and amounts, within reason we can certainly produce the names of people who have spoken or on how many occasions. We can go further and say the length of time or indicate what sort of commentary and how long it was. We also can give the range which is a fairly narrow range of what we pay for talks—it is pretty well known—of different lengths and different categories. Further than that I wonder if Mr. Fleming could not to some extent limit his question. I do know he is trying to be fair. For instance, in the last year we had 6,173 talks in public affairs programs. The number of people would run to approximately over 8,000. I would ask that the question be confined.

Mr. FLEMING: Obviously it has to be confined. I suppose a great many people were only on once or twice. Perhaps I could have a talk with Mr. Dunton. You will appreciate that I do not wish to put him to a lot of unnecessary trouble. I will be glad, if you approve, Mr. Chairman, to have a talk with him and see if we can narrow down the request for information. It may be that there are flat rates and there would be no trouble about giving that rate if it is a flat rate. I will be glad to try to confine this to reasonable proportions as to anything we ask Mr. Dunton to obtain out of the files.

Mr. HOLOWACH: With respect to the question I originally asked as to how much Mr. Ruben Shipp received for his script, in view of the remarks of Mr. Fleming I was wondering if I could repeat my request that those figures be available to the committee of the amount Mr. Shipp received for his script.

The WITNESS: I thought Mr. Fleming's question was a request to look at the ranges for their scripts. As I understand it it has not been decided yet that we would provide the actual amount to the dollars payable for talks. We could provide how many times they have appeared and what their range of rates are for those various types of talks.

Mr. HOLOWACH: Am I to understand that those figures are not available?

Mr. RICHARDSON: Could we first of all deal with Mr. Fleming's request.

The CHAIRMAN: Yes. Have you anything to add, Mr. Dunton?

The WITNESS: No.

Mr. WEAVER: Mr. Chairman, it appeared to me that Mr. Dunton has offered to go as far with Mr. Fleming as he had already offered to go with Mr. Holowach and Mr. Fleming feels it might help if we had a talk with

Mr. Dunton and I think we should leave it with Mr. Fleming to have a talk with Mr. Dunton first. I think both questions are on the same ground and I do not see any reason for carrying it on.

The CHAIRMAN: That is what I thought. I thought that the answer to Mr. Holowach's question could not be refused if Mr. Fleming's question is accepted.

Mr. HOLOWACH: I do not think it was refused. It was just Mr. Dunton's opinion that perhaps it might jeopardize the relationship between one script writer and another. I do not understand why we cannot have that information. It is no state secret and I think it is pertinent to our having a thorough examination of all facets of the corporation's activities.

Mr. FLEMING: Mr. Chairman, may I suggest that for the present we leave this. I will be glad to have a talk with Mr. Dunton about this. I think we obviously do not need, even for the purpose of drawing conclusions about balance, to go into the whole range of people who have been on once or twice. I certainly have no thought of asking the corporation to dig out figures running into thousands of items. I will talk to Mr. Dunton and we can take it up in committee again.

The CHAIRMAN: We will let Mr. Holowach's question stand for the moment.

Mr. STUDER: Do you encounter much comment or criticism in regard to these programs; have you had any larger percentage in connection with these commentators than in any other aspects of your programming, or do you have much demand for series of commentator programs?

The WITNESS: There seems to be a lot of interest in the commentator type of programs such as "Capital Report". Especially in the last year or two. I would not say that they had drawn more than other types of programs. That is a very hard question to answer. We do get some comments about them both ways, but not the type of thing which attracts your attention.

Mr. STUDER: I am not referring to broadcasts such as news as much as individual programs which are on the air.

The WITNESS: The volume of comment about the commentators has not been very high.

Mr. FLEMING: I suppose anytime you make a reference to the popularity of a program the time it is on the air has much to do with listener interest. It may be the old story of whether the hen comes before the egg or vice versa. Some are popular because they are on a good hour and on the other hand may be the hour is given to them because they are popular.

The WITNESS: Yes.

Mr. FLEMING: It is hard to be dogmatic about this.

The WITNESS: Yes.

The CHAIRMAN: "Public Affairs Features".

Mr. RICHARDSON: Perhaps Mr. Dunton feels he has already in his observations answered the standing question. Has he?

The WITNESS: I think we feel we can be pretty proud of our illustrated news service.

Mr. RICHARDSON: I think you have a right to be proud.

*By Mr. Knight:*

Q. On this "Public Affairs Features" I suppose I can ask a question under this heading although it does cover others to a certain extent. I am thinking of the region of Newfoundland, our newest province. My question is: is there as much in the way of talks and programs, controversial broadcasts or press conferences, if you like, in that province as there is in the rest

of the provinces?—A. I would think so. We would have to check back to see if the figures add up. In the first place the stations there would carry any national programs just as in any part of the country. I think they have as much of their own regional talk material as other regions. I have some figures here showing regional origins of talks. Public affairs programs, for example, in Newfoundland are 189 as against the Maritimes as a whole of 230, Quebec in English 125, Ontario 202 and the Prairies 341—that covers all the prairies.

Q. The fact that they have come into Confederation recently has not affected this. They have jumped the gap.—A. I think it has been our experience that on the whole Newfoundlanders express themselves very well, very ably and very reasonably.

Q. Yes, we found that out when they came into the house.

The CHAIRMAN: Any comment, Mr. Carter?

Mr. CARTER: I would like to thank Mr. Dunton for his kind remarks.

Mr. KNIGHT: You might also thank your hon. friend.

*By Mr. Knight:*

Q. Have they a provincial political series as we have in other parts of the country?—A. They have had. There are not any running in the province at the moment but they have had them down there.

Q. And their idea of broadcasting in Newfoundland was that it was sort of a child of the provincial government, was it not?—A. Whatever it was it is very much a part of the C.B.C. now and we think a pretty effective part.

Q. That is all for the moment on that question.

*By Mr. Carter:*

Q. I would like to ask Mr. Dunton a question about Citizens' Forum.—A. Would you pardon me for a moment, I wish to add to that last remark. I have just been reminded that the political program series is just going to start in Newfoundland.

*By Mr. Knight:*

Q. They have not one now?—A. No, it is just about to start.

*By Mr. Carter:*

Q. I wonder if Mr. Dunton could tell us a word about the Citizens' Forum, how that is being accepted throughout the country. Is it growing in popularity or not?—A. I think I can sum it up by saying that the indications of listener interest in it are standing up very well. It has never been one of what you might call the most popular programs in the evening, but it is far from being the least listened to in the evening. It is pretty popular across Canada. The survey also shows that the listener interest goes up to some extent from week to week depending on the subject and who is on the panel. As you are aware, a different subject is treated each week.

*By Mr. Reinke:*

Q. In the first paragraph you say:

> Whatever the form, public affairs programs have the over-all aim of encouraging free expression of opinion by factual presentation of material in clear and accurate terms.

Someone on a panel might express views that could be almost considered subversive? What procedure would the C.B.C. take in a matter of that type,

for instance, if the commentator was asking questions of some one along the line of Dr. Endicott who might be expressing his political opinions?—A. I think one of the difficulties is that there are so many different opinions on what is subversive and what is not. I can put it this way: quite often things said on the C.B.C. by someone have been called subversive by somebody else. Whether they are or not I think would depend on one's opinion.

Q. Is there any limit to the expression "the free expression of opinion"?—A. There is not formally except the laws of sedition and treason...

Mr. FLEMING: And defamation and blasphemy.

*By Mr. Reinke:*

Q. For instance, if a person was in the middle of a sentence or a broadcast would he be cut off from the broadcast if it was felt that he was saying something that was not in the interests of the country?—A. I don't think that would happen. So often what is in the interest of the country is a matter of opinion.

Q. In other words in so far as the free expression of opinion is concerned there are no bounds. If a person was on the panel and wanted to express any opinion at all about Canada or Red China or Russia he could do so?—A. Once he was on the panel I think that would come out. We would have to accept the responsibility of putting him on the panel.

*By Mr. Gauthier* (Nickel Belt):

Q. It might come out but he would not be re-employed again? —A. That is true.

*By Mr. Fleming:*

Q. As Mr. Dunton says he does not think it could happen. I must remind him as was done in previous years that it has happened. I recall the occasion and I hope you will forgive me for putting this on the record again, Mr. Chairman. During the war I found myself presiding at a meeting of the Canadian Club in Toronto at which a very eminent man who is a university president now and who has had a great deal to do with exposing the efforts of communists particularly among Canadians who have immigrated into this country was to speak and I was handed a telegram about one minute before the gentleman in question was to go on the air from the Canadian Club telling him that his talk would not be permitted to be broadcasted because of the contents. Now, the contents consisted of attacks on communists in Canada. To complete the record we will say again that it was not censored by the C.B.C. That was done during the war and it was the government's responsibility as part of their censorship policy. But the thing has happened. It happened in those conditions.

Now, Mr. Dunton asks "What is subversive?" I think you and I could answer that question very properly, at least to say that communism is subversive. Where do we stand on this matter?

The CHAIRMAN: I know it is.

The WITNESS: I don't think I asked what was subversive. I said there were many different opinions about what was subversive.

The CHAIRMAN: Suppose a man goes on the radio and in the midst of his speech he advocates the fall of the Canadian government.

Mr. FLEMING: Excuse me, Mr. Chairman, before you get any further...

The CHAIRMAN: You understand what I mean. Either Liberal, Conservative, C.C.F. or Social Credit. Do you stop them?

The WITNESS: I think it would depend on what he were doing. If he was violating a law of Canada certainly he should be stopped right away.

Mr. REINKE: Would he be?

The CHAIRMAN: That would be subversive.

*By Mr. Reinke:*

Q. I think he should be anyway. That is my personal opinion.—A. If it happened he were violating a law I would hope he would be caught very quickly. If he is within the law then it becomes more difficult.

Q. In other words who would be controlling the situation at that time? Have you any instructions to that effect?—A. They have instructions to see that the regulations and laws of Canada are observed and we try to follow those out.

Mr. FLEMING: You can be very sure that a communist who was put on the air actually and given free time at the expense of the taxpayers is not going to be so stupid as to advocate things that are subversive or that involved a breach of the law. He would get his ideas over much more subtly than that.

The CHAIRMAN: It depends on the intelligence of the man who is talking. Some would do it, others would not.

*By Mr. Reinke:*

Q. I think that is something that at least should be considered?—A. Mr. Reinke, I can assure you that we have thought about this a great deal.

*By Mr. Richardson:*

Q. Do I assume that the C.B.C. has laid down a manual of instructions on this?—A. Not specifically on this point. Our people in charge only try to see that regulations and laws are observed.

Q. There is no guide?—A. No.

*By Mr. Gauthier* (Nickel Belt):

Q. Isn't it the rule of the C.B.C. that if you are speaking you must always submit your script?—A. No, there is no such rule. People keep saying there is but it is not the rule. If the talk is going on the air then the official in charge must satisfy himself that no rules or laws are going to be violated. If he has confidence in the person he won't ask for the script and if he does not he will ask for the script.

*By Mr. Beaudry:*

D. Do you not have a standing rule to file a script within a certain number of hours?—A. No, we do not. We do not ask Mr. Drew or Mr. St. Laurent to file scripts. If there is some question we ask for it. It is the man on the spot who would get into trouble if something goes on that should not go on.

*By the Chairman:*

Q. But you keep one copy of the script?—A. Oh yes, we keep one copy.

*By Mr. Reinke:*

Q. There is no provision for the cutting off of the broadcast of a panel or a citizens' forum where one of the panel gets out of line—there is no provision to stop them if they are speaking against the country or against our way of life?—A. There is no provision apart from what I said, that our people should see that the laws and regulations are complied with. I would think

Mr. Reinke, you are worrying about something that would not be very dangerous. If somebody does say something on a national network that is not going to intimidate the sensible people in Canada. If someone makes "subversive" remarks on the air it is not going to upset our democracy.

Q. Maybe not, but it is something that should not happen on a government-owned station?—A. We would hope it would not, but there have been things on the air that people have taken very violent objection to.

Mr. KNIGHT: There are people who even object to soap operas.

*By Mr. Holowach:*

Q. You have a national advisory board, representing twelve national organizations, advising the program committee which is responsible for the Citizens' Forum. Could we have the names of those twelve national organizations, Mr. Dunton?—A. Yes, but I have not got them at the moment. We can get that for you.

Q. Whenever it is convenient for you.

*By Mr. Dinsdale:*

Q. I have a question on the Citizens' Forum, Mr. Chairman. I think it is the sort of program where radio can be effective as an educational medium and I notice the C.B.C. works very closely with the Canadian Association for Adult Education. Is there any tie-up with university extension departments across Canada?—A. I don't think there is directly although at all points our people work usually very closely with the extension departments and I think in turn the extension departments are very active in the programs on the adult education side of the forum—educational groups, gathering material, so to that extent there is participation by extension departments.

Q. That would mean that the Association for Adult Education is responsible for tying in the university departments?—A. In a direct way wherever it is possible it is general procedure in all areas and there is a lot of cooperation between our people and the people of the extension universities.

Q. Does C.B.C. work at all directly with the larger Canadian universities? Do you use them as sources of program material?—A. Very much so, yes. Sources of material, speakers, advice, all sorts of things—yes, a great deal.

Q. You select individuals from the staffs of these universities but do you work with the universities as such?—A. Yes, but generally I think universities consist of a number of individuals and the job is to find out the individual or department that can be helpful and, of course, one thing we know very well unfortunately in universities as elsewhere there are a great many people who know all about things but are not very good at expressing themselves on the air.

*By Mr. Studer:*

Q. We skipped over this political broadcast item here and it relates to the nation's business and I think that has been kept on a very high plane. It has been referred to as political broadcasts. There are some other non-political broadcasts featured by the private stations over which the C.B.C. has no control. I think they are called Parliament Hill Broadcasts and they are of a non-political nature, as I understand it. There is a general scheme in connection therewith?

The CHAIRMAN: We are in the next article, Mr. Studer, on talks.

Mr. STUDER: No, on page 14 at the top.

The CHAIRMAN: Well, that is talks. We are through with the article public affairs.

Mr. STUDER: No, we skipped over that one.

The CHAIRMAN: I understand we are through with the paragraph public affairs features.

Mr. DINSDALE: One more question—

Mr. STUDER: There are two public affairs—one little wee one and one big one.

The CHAIRMAN: It is the big one we were on. Now, Mr. Dinsdale, you have another question.

*By Mr. Dinsdale*:

Q. The Cross Section program on page 11 which features economic programs, etc., if the C.B.C. is going to feature some aspect or some group in the Canadian society does it confer with that group as to what goes into the program?—A. Oh, yes.

Q. Recently there was an attempt to provide information on the Life Underwriters' Association. Were they consulted before that program went on the air?—A. Some of the firms might not have been. I know our people consulted a very eminent authority in the field of insurance. As you know, the program has been criticized heavily by senior members of some companies although it got a lot of praise from the lower echelons. It was not a perfect program by any means. That is the program where our people should have got a wider field of advice than they did although they went to a very good authority.

Q. The people taking part in these programs are chosen as closely as possible to be truly representative of their particular group?—A. Yes, that particular one was done in a different way. It was done in a dramatic way from a written script so they were not actual representatives, which makes it all the more tricky. They were trying to make an exposition of some of the factors in insurance, but from a written script which actors did.

Q. In speaking of public affairs generally, if there was some part of the country that thought it had a public affair that would be of national interest how would that section of the country go to you and make representations?—A. The only way would be for the people interested to get in touch with the closest C.B.C. regional office and if it is an interesting one they will be only too glad to have it and if it is a candidate for a national program they will get in touch with the national headquarters. That happens quite a lot.

Q. You don't know whether any approaches have been made on behalf of the International Students' Conference that takes place at the International Peace Gardens annually?—A. I have not heard of it. It may have happened. When does it take place?

Q. Each fall at the International Peace Gardens.—A. In Alberta?

Q. In Manitoba.

The CHAIRMAN: Now, Mr. Studer, if you want to put your question unless you want to wait until tomorrow. If it is a long series of questions we can wait until tomorrow. We will start on talks tomorrow morning at 11 in this same room.

I must thank Mr. Gratrix for having provided us with this very comfortable room 16. He is the man responsible.

Now, tomorrow morning at 11 o'clock in the same room.

# EVIDENCE

MARCH 25, 1955
11.00

The CHAIRMAN: Order, gentlemen, we have a quorum. Before commencing this sitting, I should like to ask every member present to be as steady as possible in the committee this morning because assistance is very thin.

Mr. GOODE: Why are you looking at me?

Mr. GAUTHIER (*Nickel Belt*): You are always broadcasting.

The CHAIRMAN: I am looking at everybody. Mr. Walker would like to make a correction in yesterday's evidence.

Mr. H. G. WALKER (*Director of Network Coordination, C.B.C.*): A question was asked yesterday about the cost of a work permit for the singer's union. I said that the cost was $5. It is $2.

Mr. GOODE: It does not change your answer to my question?

Mr. WALKER: That is right.

**Mr. A. Davidson Dunton, Chairman, Board of Directors of the Canadian Broadcasting Corporation, called:**

The WITNESS: I made a statement yesterday about step-ups required by the Canadian Artists' Union for programs that might be distributed in the States, and I suggested that if those requests were met Canadian artists, say, in Toronto would be paid more than the New York actors whose performances are being carried all over the United States and Canada. I find that is not correct under present circumstances and that if the requests of the Artists' Union at the present time were met, the payments going to them for North American performances would still be less to them than the New York actors for North American performance, actually still about 50 per cent of the New York rate.

Mr. FLEMING: Would it be convenient to put on the record at some time what those rates are, so that we will have some concrete evidence before us? You speak about 50 per cent. That might or might not be significant; we do not know unless we know the rates in dollars. Could you give us some conception of what it really means? Is it significant difference in terms of the cost of operating or sending out programs of that kind?

The WITNESS: Yes, the talent cost is a very big amount. Perhaps I could obtain that for the next meeting.

The CHAIRMAN: Is that agreed?

Agreed.

The WITNESS: I have some figures which were asked for yesterday. You asked for the payments for music performing rights last year. They worked out at $164,258 to CAPAC; $26,702 to Broadcast Music Incorporated, another performing rights association; and $55,384 for miscellaneous music rights. Thus for sound broadcasting the total is $246,344.

Mr. GOODE: I wonder if Mr. Dunton could give us the proper words of CAPAC, so that we will have them on the record?

Mr. E. L. BUSHNELL (*Assistant General Manager, C.B.C.*): Composers, Authors and Publishers Association of Canada.

Mr. FLEMING: Will Mr. Bushnell please step to the head of the class.

Mr. BUSHNELL: B. M. I. is Broadcast Music Incorporated.

*By Mr. Fleming:*

Q. Might I ask a question or two about those payments? Those are for sound broadcasting only, Mr. Dunton?—A. Yes. Last year the television amounts were insignificant because actually the rates for performing rights societies had not been set. There was a moratorium, so that nothing was paid that year to CAPAC or B.M.I. There was $3,285 for miscellaneous music rights for performances.

Q. You are speaking of the fiscal year ending March 31st, 1954?—A. Yes.

Q. Can you give an indication of how that is going to compare with payments in the present fiscal year that will end next week?—A. Yes, it will be very little different. I think the committee is aware that CAPAC payments are based on a formula, and I think the formula will work close to the same amount, perhaps two or three thousand dollars more. B.M.I. will be about the same and I think the miscellaneous will be about the same.

Q. How are these amounts affected by questions of extending programs into the United States or importing programs from the United States?—A. They are not affected.

Q. Not at all?—A. No, I suppose that some of the miscellaneous ones might possibly. That is when we have to buy grand rights for special performances. We might be only buying Canadian rights, and if by chance that particular performance went to the United States we might have to pay more, but in general the performing rights society would not be affected.

Q. When you purchase rights or pay fees for performances, you acquire all rights in respect to that performance regardless of how far it goes, or is it rather the case of your confining your performance to Canada?—A. You mean, on special arrangements from miscellaneous?

Q. Yes.—A. It would be a question of negotiation in each case, and normally we would buy only Canadian rights.

Q. For the miscellaneous ones you operate under an over-all agreement?—A. The main thing is that the rights for CAPAC, which, as the committee knows, comes under the jurisdiction of the Copyright Appeal Board, are subject to appeal to that body.

Q. They are all advertised in the *Canada Gazette*.—A. They are advertised, subject to appeal and hearing. In return for those tariffs, as I said, we have the right to use the full CAPAC repertoire, which includes a great mass of music which is still under copyright.

Q. And to use it outside Canada if you choose?—A. I think so.

Mr. BUSHNELL: Yes, for the reason that CAPAC is associated with ASCAP in the United States. Do not ask me what ASCAP is. B.M.I. is also associated with Music Incorporated in the United States. They have interlocking agreements. When we come into the area of special rights, when we require a right for an author, they are called grand rights, and the rights are applied only for Canadian distribution. If we use the rights of an author in the United States, we would have to pay the copyright holder for use in the United States.

*By Mr. Fleming:*

Q. There is a question about this matter in relation to representations that were made on behalf of the corporation before the Royal Commission on copyright. I do not wish to go into something that is in effect under review

at the present time by the Royal Commission, but a question has been raised as to why the corporation made the representations which it did some weeks ago through counsel. Were those representations approved by the corporation?—A. In general, yes. In what respect were you thinking?

Q. I was thinking about the representations that were made by counsel on behalf of the corporation to the Royal Commission. There were representations in regard to the amount involved, the rates involved. I have not the transcript of the proceedings before the Royal Commission.—A. I do not think that we mentioned amounts.

Mr. FLEMING: Mr. Chairman, I do not wish to take time out now, perhaps I could look up the record and make my question precise.

The CHAIRMAN: Yes, at the next sitting. I would like that too. Now we will proceed with "Talks" on page 13. That is the problem under discussion.

Mr. FLEMING: May I just make a remark? Last night at the conclusion of the meeting I had a talk with Mr. Dunton, Mr. Chairman, about the extent of the information that I was asking for, and I think it is going to be possible for Mr. Dunton without undue trouble, and without any departure from corporation policy, to give substantially the information that I sought. Perhaps we could leave that matter in abeyance until Mr. Dunton has had time to gather the information. It looks as though we may arrive at an outcome that will be satisfactory to all concerned.

The WITNESS: We will try to produce the information if we can.

Mr. FLEMING: We could leave that for the moment.

Mr. KNIGHT: I wanted to bring up one question with regard to religious broadcasting under the heading of "Talks". What I am concerned with is the propriety of allowing commercial firms to enter the field of religious broadcasting. I would like to say, in case I might be misunderstood, that I personally have no religious prejudices, that I have not heard any program of the sort that I suggest that might be allowed.

The CHAIRMAN: Mr. Knight, I think that you have anticipated a little the articles under discussion. Religious programs are dealt with on page 20.

Mr. KNIGHT: I did not know that there was a special item. I apologize.

The CHAIRMAN: But I think you are talking of religious talks sponsored by commercial organizations.

Mr. KNIGHT: I do not know that there are any. I was going to ask a question about it. In the meantime I thought that this was a legitimate subject under "Talks". Just as you say. I could take it now and get it over with.

Mr. FLEMING: It would be better if we kept to the general order.

The CHAIRMAN: If the committee wishes to deal with "Talks" first.

Mr. GAUTHIER: (*Nickel Belt*): Let us follow the order.

The CHAIRMAN: Agreed. Let us get on with "Talks" on page 13. Are there any questions? There are some sub-divisions: "Women's Interests", "Literature and Criticism", "The Canadian Scene", "Political Broadcasts", "Public Affairs".

*By Mr. Fleming*:

Q. What is the basis, and who makes the selection of those who are to participate in the talks, Mr. Dunton?—A. Talks in general?

Q. Take any particular type of talk in the programmes which you have.—A. They come down to the program department, and particularly a good many

of them under the Public Affairs Department of the Program Division. But it is a process in which a great many people and a great many considerations are involved.

Q. How many participate in the selection? I was wondering how you arrive at the selections that are made. Where does the decision rest? Where is the ultimate selecting authority?—A. It is the kind of process which I have had difficuly before in describing to the committee. The organization as a whole is working on it and it does happen that a particular section will come right up to the top, to the general manager, and sometimes to myself for consideration. At other times it is just a question of responsibility as to how far or how wide it goes. But there is no rule or set way of taking people.

Q. I can sympathize with your comment that you find it difficult to describe, Mr. Dunton. I hope that you will not take offence if I say that you have not told us very much as to how it is done.—A. It is difficult to describe because that is how it is done.

*By Mr. Gauthier* (Nickel Belt):

Q. Is there a special committee from the corporation?—A. No, there is no special committee. There are a number of different people who work more in the field of talks, but there is a series of responsible people who may or may not be consulted.

Q. Supposing it is a political broadcast, on these network broadcasts, who selects them? Do you contact the national political parties as to who they want to have on that?—A. That is easy. The parties select them.

Q. I should like to know, because I have never been asked. I want to see whose responsibility it is.—A. That is an easier one. That is the political party.

Q. It is recommended by the national political party.—A. Yes.

Mr. FLEMING: Not only recommended, but actually chosen. The C.B.C. has no responsibility for those chosen at all.

The WITNESS: The time is given to the leader of the party and he may nominate whom he wishes.

Mr. FLEMING: You will have to ask Mr. St. Laurent, Mr. Gauthier.

Mr. GAUTHIER (*Nickel Belt*): I will have whiskers down to here before I get on.

The WITNESS: I am not trying to veil anything, Mr. Fleming. I think that it is a very proper kind of organization. The responsibility runs right up and down on any given occasion and it might go quite widely, or it may be a routine matter dealt with in a routine way.

Mr. FLEMING: Your selections are being made in a variety of fields, some of them political, some of them economic, some of them business, commercial, labour, academic, and a selection is often a matter of very high importance. I was wondering how the selections are made, who makes them, the grounds on which they are made, and the instructions laid down for the guidance of those who are charged with the responsibility for making the selections. Does the Board of Governors not take any interest in supervising this? Is it within the field of the general manager or within the field of the Chairman of the Board or the assistant general manager? Is the assistant general manager in charge of programmes?

The WITNESS: No, there is a program division, and the assistant general manager deals on behalf of the management more with the broadcasting side under the general manager. As an example, take the Citizens' Forum broadcast. Our people working on that would have previously done a good deal of consulting with people or organizations connected with or interested in the subject, depending upon what it is, and the location, so as to get people fairly

near to where the Forum is to be held. From that they would get some idea probably about suitable spokesmen for different points of view. Then, almost invariably, if there is a tricky subject, there would be further consultation in the talks department and program division about those things. It might perfectly easily, and does at times, come up through the head of the division to the assistant general manager and general manager, and at times I may give an opinion on it, too, because as you say, the matter of selection can be very important. It begins with trying to find the best people for the different points of view. Those are the standing instructions to our people in all these matters and it is laid down that we attempt to get good and authoritative spokesmen for different points of view. As everybody knows, this is a tricky field in our broadcasting and naturally one in which the senior officers of the corporation, right up to the board itself may easily get involved and do at times. So that is why I say that the question is a tricky one for the whole organization.

*By Mr. Gauthier* (Nickel Belt):

Q. Are the topics for these broadcasts suggested by the corporation?—A. Again that is a process which varies with the program and varies with the circumstances. In the Citizens' Forum, for instance, a number of topics are suggested by the forum organization itself. At the end of each year the association officials are asked for comments as to how the forum has gone this year and for ideas for topics for next year. The advisory committee has a great deal to do with topics of C.B.C. talks, and has the final responsibility for the topics. That is a typical example of the topics in which many people are involved. The views of many people are obtained, and finally a matter like that may be considered right at the top of the corporation.

*By Mr. Fleming:*

Q. The Citizens' Forum may be a particular type of example, because there you have the advisory committee, and they consult on the topics as well as on the selection of speakers. The topic to some extent dictates the type of speakers or at least the field in which there are specialists. Take the broadcasts that come more closely into the field of opinion on political subjects arising from day to day, the news commentaries and other kinds of direct political comment from Ottawa, Capital Report, and others. What determines the selection in those cases?—A. In the first place the policy is of trying to get good observers, observers who are good broadcasters, and then trying to get a sensible balance. There again the process would be a continuing one. There would be people dealing more particularly with those programs, but they would be in constant consultation and in receipt of advice from the program people. Again, in cases like that, the evaluation of particular speakers or the series as a whole may come up quite high in the corporation. The responsibility is running up and down all the time.

Q. Where, under those circumstances, is the decision made in regard to the selection? Is it made locally here in Ottawa?—A. It will vary; it really will vary! For instance, some of the things come from Ottawa. I imagine probably the people here would make some suggestion which would be reviewed and considered by a number of people in Toronto. Then again, if things have not been going too well, there may be a suggestion from the senior parts of the corporation in Ottawa. That happens all the time.

Q. When you talk about balance, what kind of balance are you seeking? —A. Trying to get it.

Mr. GAUTHIER (*Nickel Belt*): Differences of opinion?

The WITNESS: In commentary programs we are not looking for strong clashes of opinion. We use almost entirely professional observers in Ottawa.

*By Mr. Fleming:*

Q. They are not like the forums.—A. No. We do not think of them as a place where you put on a person expecting him to take a very strong stand or promote a crusade. We usually make use of professional observers to provide interpretation, and we expect them to do the best job of interpreting that they can. We realize that anyone who tries to analyze what has been happening is bound to be influenced by his own views and background. Therefore, we try to use people of different backgrounds and different connections.

In this respect we differ from a number of other broadcasting organizations. The easier way would be to find a man who would be a good commentator and then put him on every day or every week as the case may be. But we think that is a wrong principle to follow, because he will have the tendency of dominating opinions.

Q. It is a wrong policy for a corporation like the C.B.C. to follow which has a network monopoly.—A. I think it is a wrong principle for any broadcasting organization to follow, because any broadcasting organization has a monopoly to a certain extent. Of course there may be differences of opinion about that.

Q. Yes; you can get quite a variety of opinions over a multiplicity of stations.—A. You might.

Q. I think that is about as far as I can go at this time, Mr. Chairman.

The CHAIRMAN: Very well. Now, Mr. Carter.

*By Mr. Carter:*

Q. I think I heard Mr. Dunton say that he did not think that balance was an important matter with respect to these commentators. I do not think I agree with him there.—A. I was trying to say just the reverse. We are trying to give a balanced presentation because we think it is very important indeed.

Q. On the program Capital Reports, you have three commentators every Sunday. I am thinking of the commentator who gives the digest of the week's news from London, concerning the British government. I have listened to a good many of those broadcasts, but I hardly hear anybody but Matthew Halton. I hear him Sunday after Sunday after Sunday. I do not see any balance in that. If we are going to have balance we should have people who have other points of view and who can give us a different picture.—A. We would agree with that, Mr. Carter; and I think you will find that Matthew Halton by no means has been on every Sunday. We are preparing a compilation on that matter at the request of Mr. Fleming. According to my records Matthew Halton was on on March the 6th; and the next week it was Kenneth Harris, and he was followed the succeeding week by Robert Mackenzie.

Q. Matthew Halton would have had 50 per cent of the time?—A. No, thirty-three and one-third per cent of the time.

Q. Now, what about your Washington correspondents? It seems to me they have been giving us the Democratic point of view more than the government point of view.—A. May I just say that starting March 6th the men who have broadcast have been James Minifie, Alexander Uhl, James McConaughy, and Max Freedman.

I think James McConaughy would be pretty annoyed if he should hear you say that you thought he was giving the Democratic point of view. There you have a panel of four running, and I suggest that on the whole they are men who would have slightly different views of what was going on in Washington.

Mr. CARTER: I had forgotten McConaughy. But I do not see too great a difference in viewpoint from the others.

*By Mr. Studer:*

Q. Does the C.B.C. have an official list of these individuals? Do you form an opinion as to their value on what they are saying, or do you wait for developments from the listener point of view?—A. The method followed includes both. Things like this are watched very much inside the corporation, and constant evaluations are being made of the people and of the series as a whole. Of course we also pay attention to comments from the public. That evaluation process is going on all the time.

Q. In connection with the various items here, "Talks", "Quiz", "Farm, Fisheries and Gardening" and "school Broadcasts", is there a committee which is set up within the corporation to determine these programs under the various items, or would there just be a general committee like your group of persons who would determine the broadcasts.—A. I was trying to explain that there is no one group of people or one individual who determines the programs in any of these spheres. There are a number of different people working on them, and on the whole series, and there is a chain of responsibility in dealing with them. In other words, all these things may be criticized or evaluated, and if it is decided to change them, a decision may come at any place in that chain of responsibility in the corporation, or even right from the board of governors.

Q. Would it not make it easier to have a situation rectified if there was one person who was responsible for every one of these different departments? —A. There is a very direct chain of responsibility. If I think something is wrong, I speak about it to the general manager; and if he agrees, there is a direct chain of responsibility to where the thing went wrong. If something has gone wrong, he sees that the responsible people get kicked for its going wrong.

Q. As you say, there is an interlocking or coordination. I thought it was difficult to accomplish what you have mentioned.—A. No, it is not. The chain of responsibility is very clear. You can never know, with respect to any particular broadcast, how far up or down in the chain of responsibility the mistakes have been made. But the chain of responsibility is there, and if there is something wrong, the director of programs gets into trouble, and he in turn takes it out on the people under him who have been supervising something which has slipped.

*By Mr. Fleming:*

Q. You say, "when something goes wrong"; in relation to these broadcasts of the talk type, what would that constitute?—A. Mistakes having been made in the view of the C.B.C.

Q. What type of mistake?—A. Imbalance, for instance, if we think that a series has got out of balance.

Q. You mean getting away from a balance of opinion?—A. Yes.

Q. That is, getting too far off to one side?—A. Yes.

Q. A more radical type of thing?—A. More radical or more conservative.

Q. I mean radical in the sense of wide departure from your sense of balance the other way?—A. Yes, for the general run of programs.

The CHAIRMAN: Now, Mr. Carter.

*By Mr. Carter:*

Q. I am not sure whether I understood Mr. Dunton correctly when I asked him about the English commentator on Capital Reports. He mentioned three names. Did he mean that each of them followed in rotation, and that you would hear any one of them only once every three Sundays?—A. Yes; that is the way it has been running this winter.

Q. I was not sure of that. I thought that one speaker might be on twice as much as the others.—A. There were three of them on succeeding Sundays.

*By Mr. Goode:*

Q. I find myself under some difficulty in questioning Mr. Dunton on this matter. You have a heading "Political Broadcasts", and I think I can justify the questions which I shall ask. Mr. Dunton will remember that on other occasions I asked questions about the broadcasts which were made by Premier Manning in Alberta. I am going to suggest to you that this matter has been prepared for me ahead of time. The chairman may stop me if he does not think I am on the right subject.

In the Edmonton Journal for November 27, 1952, Mr. Solon E. Low has this to say—and you can judge if I am on the right subject. He said:

> . . . Premier Manning made a triumphant tour of Eastern Canada —not for political purposes but to do a job in religion. He added: It has its political implications. It will hold implications for us (the party), I am sure.

I think this is the proper place for me to ask a question concerning that broadcasting. I am asking my question on political grounds, not at all on religious grounds.

The CHAIRMAN: I wonder if that was what Mr. Knight had in mind?

Mr. GOODE: No. Mr. Knight's questions were on an entirely different matter. You will remember that in regard to these broadcasts I said that I thought religion had its place in politics as well as politics having its place in religion. I asked Mr. Dunton on former occasions what the C.B.C. was doing in regard to collections on those broadcasts, and whether the C.B.C., through their stations in Alberta, were making any examination of the collections which were made by those broadcasts. I forget what Mr. Dunton's answer was but I would like to have it again.

The WITNESS: We know nothing about any collections of money that maybe related to those broadcasts.

*By Mr. Goode:*

Q. If I have the right to comment on these broadcasts, according to Mr. Solon Low's conversation with the press at that time—if there were political implications in those broadcasts—he said it, not I—if that is the case, do you not think it is about time we started to exercise some care in the way that donations are paid in regard to supposed strictly religious broadcasts?—A. I can say that we have a regulation regarding the religious type of programs and appeals for funds. The regulations allow appeals for funds by churches or religious bodies on stations which are in the area in which they serve. But the regulations do not allow for appeals for funds over broadcasts outside the area in question which the organization serves.

In the case of this particular broadcast—I have forgotten the name of it—permission to appeal for funds has not been granted because they are made in different parts of the country outside that one particular area that the organization may be serving.

Q. In the case of Premier Manning's broadcasts, they did not have to ask for your permission to make appeals for donations?—A. Yes, they do.

Q. I shall read your regulations at page 2 where it says:

> Except with the consent in writing of a representative of the Corporation, any appeal for donations or subscriptions in money or kind on behalf of any person or organization other than

(i) churches or religious bodies permanently established in Canada and serving the area covered by the station

A. Yes.

Q. This evidently cannot be taken as an appeal for funds in a particular area, because it is not only the local station which carries these broadcasts on Sunday morning; and I am quite sure that you will agree that an appeal for funds is made on that program—not every Sunday but on some Sundays—and that the regulations of the C.B.C. do not permit such appeals for funds.—A. According to the provisions of these regulations there should not be any appeal for funds, because permission has not been granted under these regulations.

Q. I say that there has been an appeal for funds, but not every Sunday. I have heard them, and I would suppose that other members of this committee have also heard them. What would the C.B.C. do under those circumstances? —A. We would investigate the thing right away.

Q. Well then, may I ask for an investigation by the C.B.C. in regard to Premier Manning's broadcast on a local station. I think it is your dominion network station CKOY, on Sunday morning at 8:00 or 9:00 o'clock. I hear it every Sunday. It is a very good broadcast and I have no criticism of it except with respect to its political implications as stated by Mr. Solon Low in this newspaper clipping.

The CHAIRMAN: Mr. Dunton, were you asked some questions at previous committees about Mr. Manning's broadcasts?

The WITNESS: There were questions asked.

Mr. GOODE: I asked Mr. Dunton the same type of question before, but I could not prove at that time that there were political implications. However, I am not proving this, because Mr. Solon Low has proven it for me.

Mr. DECORE: May I ask over how many stations in Canada Premier Manning's broadcasts are carried? What would the total be?

The CHAIRMAN: By Mr. Manning?

*By Mr. Decore:*

Q. By Premier Manning of Alberta.—A. I am not sure. I think the last time I looked into it, there were about fourteen stations.

Q. How much time is taken over each station?—A. Half an hour, I think.

Q. Half an hour, every Sunday?—A. I understood so.

Q. That would amount to about seven hours a week altogether.—A. That is not the way we figure it.

Q. Over what stations are those broadcasts being carried?—A. I have not got that information.

Q. Would you be good enough to get that information for us? Are they all in Alberta?—A. I think there are a number of different ones.

The CHAIRMAN: Could you give us the names of the stations?

*Br. Mr. Decore:*

Q. In what parts of Canada are those broadcasts made?—A. Yes. We can get that information for you.

Mr. DECORE: I have one more question.

The CHAIRMAN: Before you ask your question, Mr. Decore, will you please allow me to say to the committee that there is no Social Credit member attending the committee this morning. Therefore, the committee may be faced with a request from one of those two members to be allowed to make a rebuttal about this question. If so, will the committee allow me to give them permission to do so?

Mr. BOISVERT: Yes, but they should be here today.

Mr. DECORE: This committee would be very much interested in knowing just what is going on. I think we would like to have that information from Mr. Hansell or from somebody else.

The CHAIRMAN: I take it that the committee is agreed. So let us pass the article.

Mr. BOISVERT: Yes.

Mr. GOODE: Did the Social Credit members receive the same notice of this meeting today that we received?

The CHAIRMAN: Yes.

Mr. DECORE: What would be the cost of those broadcasts, approximately? I know you would not have the exact figure, but could you give us an approximate figure?

The WITNESS: I do not think we could. It would depend on what the stations charged them, and we would not know that.

Mr. GOODE: Is it possible to obtain that figure?

The WITNESS: Not very.

Mr. GOODE: Would a request from the C.B.C. to the individual stations be answered in regard to the cost of the program?

The WITNESS: I would rather doubt it. We have no power to ask the stations to give it to us.

The CHAIRMAN: Can you not make a request yourself?

Mr. DECORE: Would it be possible to say that it is between $600 and $700 a week?

The WITNESS: I could not say. It would depend on what the stations charged. It might be. It depends on what stations are carrying it, what rates they are charging, and what time it is being carried.

*By Mr. Gauthier* (Nickel Belt):

Q. Are the broadcasts being made on C.B.C. stations only, or only on private stations?—A. Only on private stations.

*By Mr. Fleming:*

Q. Where do they originate?—A. I am not sure. We understand they come by recordings, and I presume the recordings are made in Edmonton.

Q. I thought it was said a moment ago that they originated on the C.B.C. station on the Dominion network in Edmonton?—A. I think Mr. Goode referred to the C.B.C. Dominion network in Ottawa, but it would carry it as a non-network program.

Mr. GOODE: For Mr. Fleming's information, these broadcasts originate from a church in Edmonton.

*By Mr. Fleming:*

Q. I am aware of that. It is a matter of establishing the originating station.—A. There would not have to be a station. It is very likely that it would be recorded by any recording machine. It may be by a machine in the station.

Q. I understand that you are saying, Mr. Dunton, that these particular broadcasts are not going out over any C.B.C. facilities.—A. No.

Q. That is a matter, I suppose, for regulations rather than the type of matter we are discussing now, Mr. Chairman, which is C.B.C. program activities. It is rather a matter in relation to C.B.C.'s general regulating activities.

The CHAIRMAN: I thought that Mr. Richardson had a question.

Mr. RICHARDSON: Perhaps Mr. Dunton could be asked to prepare a brief statement and bring it before the committee.

The WITNESS: About the only other information we can supply is the information that we have about the stations which have been carrying it.

Mr. GOODE: There has been some doubt expressed in this committee this morning that these programs are semi-political. In your regulations, on the first page under (*g*) you say:

> Requiring licensees of private stations to furnish to the corporation such information in regard to their program activities as the corporation considers necessary for the proper administration of this Act.

With that in mind, I think that you would have the right to ask the station the cost of the program.—A. No, I specifically interpreted that before as not asking for any financial questions from the station at the time that regulation went into effect.

The CHAIRMAN: From the private stations?

The WITNESS: Yes.

The CHAIRMAN: Are there any other questions?

Mr. CARTER: I think that we should take Mr. Richardson's standing question on these things.

Mr. FLEMING: Or mine, on any comment to bring us up to date.

Mr. STUDER: Are we now still on "Political Broadcasts"?

The CHAIRMAN: There is "Public Affairs", and "the C.B.C. at United Nations". They are all sub-divisions.

Mr. STUDER: On the political broadcast, there is a reference to "The Nation's Business". I was mentioning yesterday prematurely that I found that the "Nation's Business" broadcasts, which are referred to as political broadcasts, were important and quite acceptable. We have a non-political broadcast which, I believe, the private stations are operating and which I do not think the C.B.C. has anything to do with, but they come under the C.B.C.'s regulations. That is the "Parliament Hill" broadcast.

Mr. CARTER: "Report from Parliament Hill".

Mr. STUDER: It is not conducted on the same basis as the "Nation's Business" broadcast, because each individual member is invited to participate in these broadcasts. It is not on a regulatory system such as "The Nation's Business" is, whereby each political party has, I believe, a percentage of the time on the air allotted to it. However, in this non-political broadcast, my understanding is that there is a gentleman's agreement that it shall remain non-political. What I am interested in is this: who shall determine whether these broadcasts are political or non-political? If there is no one to determine that, what is the interpretation of a gentleman? As you know, the general rule for a gentleman is someone who gives no offence to any one, but I should like to have a definition of a political gentleman. If we can determine what that is, I believe we could get it on a better basis for non-political broadcasts, which I think have reached the extreme in these presentations of "Parliament Hill", and we would have a better informed public than we now have. I am somewhat skeptical of this "Parliament Hill" broadcast, if there is no determination of what is political and what is non-political. I do not know whether that would come within the jurisdiction of the C.B.C. It could perhaps come under clause (c) of the regulations: "to control the character of any and all programs broadcast by corporation or private stations".

The CHAIRMAN: When it goes over private stations, the C.B.C. has nothing to do with it.

Mr. FLEMING: That comes up, Mr. Chairman, on page 24, under relations between the C.B.C. and private stations. We are now dealing with C.B.C. program activities.

Mr. STUDER: If it does not come under that, I will be completely out of order.

The CHAIRMAN: You could hold your question until this item comes up.

Mr. STUDER: I thought that item (c) of the regulations would perhaps cover that, but there may be other ones that qualify for that question. If that is the proper procedure, we will leave it until then.

Mr. CARTER: I think that we should have some sort of definition as to what is and what is not a political broadcast.

Mr. FLEMING: It is a question of whether it is in order at this point. We are dealing with the program activities of the C.B.C., not the operation of private stations.

Mr. CARTER: That is entirely separate from the operations of private stations. We have a heading here "Political Broadcasts".

Mr. FLEMING: C.B.C.'s program activities only.

The CHAIRMAN: They have nothing to do with political broadcasts by private stations.

Mr. BOISVERT: I have just one question. What is the allocation of time between the various parties in Canada?

The WITNESS: It varies. Between elections the allocations are worked out on a basis under which the government side gets 40 per cent of the time. The opposition parties divide the other time. The way in which it was worked out by the corporation for the last federal election campaign, it was different from that.

The CHAIRMAN: Are there any questions on "The C.B.C. at United Nations"?

Carried.

"Regional Interests", "Radio College", "School Broadcasts".

Mr. FLEMING: With regard to the school broadcasts, we all recognize that the C.B.C. is doing an excellent piece of work in connection with those school broadcasts.

The CHAIRMAN: I agree with you,Mr. Fleming.

"Quiz", "Farm, Fisheries and Gardening", "Variety and Comedy", "Canadian Forces Broadcast Service".

*By Mr. Fleming:*

Q. This is one point where Mr. Dunton might bring us up to date from March 31st, 1954. Could he tell us something about the cost of operations under this heading within the fiscal year that is closing next week?—A. There is not a great deal which I can add. The service to Korea has, of course, been cut down, and we are likely, from what we read, to be dropping it quite soon.

Q. You mean that you will be dropping it entirely soon?—A. I am saying that from what I read in the newspapers. The service was joined with that of the other commonwealth countries and the Canadian part was reduced; from what I read in the newspapers it may be dropped.

Mr. KNIGHT: It is still operating?

The WITNESS: It is still going.

*By Mr. Fleming:*

Q. You contemplate that if the remaining Canadian forces should be withdrawn, you will eliminate these broadcasts entirely?—A. Yes. The transmissions overseas to Europe are still going ahead. The transcription service has developed a good deal in the past year. Stations in the Canadian north which were developed by the defence department have been a good deal strengthened during the last year.

Q. I am interested in the matter of the development in the north. I brought up this point a few years ago. I think that what gave rise to this was a trip which a number of members made to Fort Churchill. They were disturbed to find that there was at that time practically no broadcasting of Canadian programs being received but there were daily broadcasts from Russia available all through that area. Since that time, I think that you have taken steps to try to increase the broadcasts available up there. You have left the actual broadcasting in other hands, I believe, out there.

Mr. WEAVER: On a point of order, should that not properly come under either "International Radio Relations" or "Technical Developments". I had a number of questions on that point which I myself wished to put, and I have been waiting until we came to the proper place.

The CHAIRMAN: Would you agree to do that, Mr. Fleming?

The WITNESS: From our point of view, I think it is largely a question of technical development in engineering.

The CHAIRMAN: Would you agree to wait until that item comes up. What page is that on, Mr. Weaver?

Mr. WEAVER: On pages 22 and 23.

The CHAIRMAN: Under "International Radio Relations" and "Technical Development".

Mr. FLEMING: Well, this is not a matter of international relations, it is a matter of providing Canadian programs in that area. I do not greatly care whether we bring it up now or later. I know that Mr. Weaver is interested in it.

Mr. WEAVER: The question of providing the programs really comes under "Technical Development", and that is why I was leaving it until that was reached.

Mr. FLEMING: I do not care, as long as we will cover it.

The CHAIRMAN: We shall leave it until later.

Mr. GOODE: In regard to the services broadcast to Germany, I have had some fine comments on that service. What do you do in regard to army families stationed there at the moment? Is there any service which the C.B.C. gives to the children, for instance?

The WITNESS: Just a part of the general service, which is designed for the families as well as the men.

Mr. GOODE: A man who recently returned from Germany had very complimentary things to say about what the C.B.C. is doing over the stations which are being set up by the forces. I think that the C.B.C. has done highly satisfactory work.

The CHAIRMAN: "Children's Programs".

*By Mr. Knight:*

Q. The compliments are coming thick and fast. I should like to say that I am glad that the times for children's programs have been increased. Although I do not hear too many of them myself, I am trusting to the good judgment

of the C.B.C. that they are programs suitable for children. I say I am glad that the time has been increased, particularly in view of the fact that there is a tremendous dearth in Canada of literature suitable for children and remembering that there are certain other influences coming in, such as the comic strips and the 25-cent books, and other influences from across the line which I do not think are very good. I am very pleased to see that the C.B.C. has seen fit to increase the time for children's programs. That is merely a comment in passing.—A. As I mentioned in my opening remarks, quite a lot of effort in sound broadcasting during the past year has gone into improving the children's broadcasts. The departments dealing particularly with them have been strengthened, and a little more money has been provided, and I think that the result has been very good. I think that the people who can listen around 5.30 and 6.00 o'clock on the English side will find a very nice type of program there. I am looking at a list of some of the things introduced during the past year, and some of them are popular with adults as well as with children. They include "Northward for Adventure", "Alice in Wonderland", and "The Water Babies", which were done by transcription from the B.B.C.

Q. We have been far behind the B.B.C. up to the present. I do not know whether we are catching up, with regard to that particular matter. They run a series of Sunday afternoons broadcasts, I believe, on shortwave. They are little plays like "Alice in Wonderland", and they are done beautifully, without sponsorship, of course.—A. Through the years their children's programs have been excellent, and that is why we are taking the transcriptions from them. "Alice in Wonderland" is one.

Mr. KNIGHT: I am glad.

The CHAIRMAN: "Religious Programs".

Mr. KNIGHT: The question I wanted to raise in this connection was concerned with the propriety of allowing commercial firms to enter the field of religious broadcasting. Firstly, I think that surely that is one field which might be free from commercial advertising. I should like to make it clear at the outset that I have no religious prejudices, and when I say that I mean it. I am not going to ask Mr. Dunton for the names of any denomination or any churches or anything of that sort. It is completely on a matter of principle that I want to ask my question. First of all, I should like to know whether any station or stations have asked permission of the B.B.C. to broadcast a religious program or religious programs with the advertising of a sponsor included.

The CHAIRMAN: You said "B.B.C."

*By Mr. Knight:*

Q. The C.B.C. I do not suggest that you can assume that larger responsibility, at least not yet.—A. There is no need for any private station to ask our permission to sponsor a religious program on the air. There is no regulation against it.

Q. Can the C.B.C. do anything in that way itself?—A. No, we have had a policy for some years in consultation with our National Advisory Council on Religious Broadcasting, against the commercial sponsorship of religious programs.

Q. Are there any stations, C.B.C. or otherwise, where religious broadcasting is given and where the name of the sponsor, not necessarily advertising any particular product, beer or soap or whatever it is, but where the name of the sponsor is given?—A. Not on the C.B.C. networks. There probably are on some private stations.

Q. In other words, that is a matter completely for the private stations, and is not in any way under the jurisdiction of the C.B.C.?—A. That is right.

Q. Has the C.B.C. ever been approached by organizations of any sort as to the correctness or propriety of doing this particular sort of thing?—A. Yes, we have had several approaches. I am not being specific, but there has been a great deal of misunderstanding, and some misleading information has come from several quarters in the country about our policy in that matter. The policy has been that for some time, and it is still being maintained.

Q. I do not know the name of the organization, but there is a national something or other conference of churches?—A. National?

Q. Which expresses opinions on that particular matter.—A. You mean the National Religious Advisory Council, which is the body we deal with, and which is actually set up at our request. It it called the National Religious Advisory Council on broadcasting.

Q. Can you tell us what their opinion was as expressed in their representations?—A. Through the years their opinion has been against commercial sponsorship of religious programs.

Q. I am certainly against it too. I can see not only a danger there but impropriety as well because surely the sponsor of any broadcast must have some regulation or control over the material which is broadcast under his sponsorship; and I think it would be an unfortunate matter if any commercial firm or institution was allowed in any way to influence the content of any religious program.

I have nothing whatever to say against religious programs, not at all; but I do think it would be a dangerous practice to allow sponsorship in any way. I think that such programs should be strictly sustaining programs—if that is the expression—on the part of the station concerned.

Mr. FLEMING: Would Mr. Knight say whether or not he draws a distinction between the broadcasting of a religious service on the one hand, and a program of a religious nature on the other hand, which is not actually a broadcast of a service?

Mr. KNIGHT: I was thinking more of the latter, Mr. Fleming, since I am in the witness box. I was thinking of religious services being broadcast under the sponsorship or the auspices of someone other than the religious body or the local religious organization concerned.

Mr. FLEMING: That is the former, not the latter.

Mr. KNIGHT: I am not sure which you asked first. I am thinking about religious services or religious ceremonies, if you like, conducted by some authority in the various churches. I am not concerned with what church it would be; I think any church.

Mr. GOODE: I must disagree with Mr. Knight because you have to take into consideration the wideness of the location of our population in Canada. Mr. Knight is saying—quite sincerely I am sure—that large centers which have large radio stations which can afford to have sustaining programs of this type should broadcast such programs; yet a small station located perhaps in a small town on the prairie could not afford to carry some of these things. But I believe those people are equally entitled to listen to some of these commentators. I have one such program in mind which I might mention. It is Bishop Sheen. I enjoy it although I do not belong to his church. I understand that in some places it is broadcast with a sponsor.

I would regret very much if a small town could not hear that program if they wished, on film, or sound track, or whichever way it goes. I do not think that these programs should just be available at large cities, while people in the small towns cannot have them.

Mr. KNIGHT: I do not know the program in question. It may be a very fine one; no doubt it is; but I am totally opposed to the idea of commercialism in any way, shape or form being mixed up with religious broadcasts or with the ability to give that opportunity to the listener of religious broadcasts, and that it should depend on advertising by some commercial company of its product, whatever it may be. We have already on Sunday invaded the field perhaps much further than we should have with commercial advertising in other fields than that of religion. I would like to see that one field, the religious field, closed completely to commercial advertising. Now, Mr. Dunton, you stated that as far as you are concerned you think that the policy of the C.B.C. has been opposed to that particular thing?

The WITNESS: Yes.

*By Mr. Knight:*

Q. Has there been any recent change of decision, or any recent slackening of the regulations in any way in that respect?—A. No.

Q. Which I was not aware of this program which Mr. Goode mentioned. What private stations would be concerned with it?—A. You mean the Bishop Sheen program; that is carried as part of the national television service on a sustaining, free basis, and it goes to the television stations right across the country.

Q. You say it is a television program?—A. Yes.

Q. Is it carried by private stations?—A. Yes, it is carried by the C.B.C. as part of the television network.

Mr. GAUTHIER (*Nickel Belt*): Private stations also carry it.

Mr. REINKE: It does not depend on advertising?

The WITNESS: No, it is free.

Mr. KNIGHT: Is the name of the sponsor given on the program?

The WITNESS: It is not.

Mr. REINKE: I wrote in about this particular program last fall because a number of people in Hamilton wanted to hear it and to see it on television. I hope that I am not out of order in speaking of television at this point. It was pointed out to me that one of the reasons the program was not allowed to come into Canada at that time, was that they could not get the cooperation of the sponsor of the program in the United States to allow it to come here without our making use of his name, or the name of the person who was sponsoring the program. But finally the C.B.C. did achieve it, and we now have it in Canada. It is a very fine program.

Mr. KNIGHT: There is no sponsorship or commercial firm connected with that program?

Mr. REINKE: That is quite correct with respect to the program in Canada.

*By Mr. Goode:*

Q. I mentioned the Bishop Sheen program because I think it is important that people should hear that type of commentator even if it means sponsorship by a commercial firm. I mentioned it because, if my memory serves me rightly, that program is sponsored in the United States.—A. Yes, certainly.

Q. I would rather have some of the programs from the denominations heard in Canada under sponsorship than not to have our people hear them at all. That was the issue which I was taking, in a very friendly way, with Mr. Knight.

Mr. GAUTHIER (*Nickel Belt*): Mr. Knight established his question by saying that you were contributing the time which was given to all religious broadcasts. But do you not think that if the C.B.C. followed your way of

thinking on this matter you would be curtailing many religious broadcasts by not having a sponsor for them?

Mr. KNIGHT: We have been told that they are not sponsored.

Mr. GAUTHIER (*Nickel Belt*): There are some which are sponsored.

Mr. BOISVERT: Mr. Chairman, I thought that Mr. Dunton was the witness here today, not Mr. Knight.

The CHAIRMAN: We allow a few questions between members. We try to give a certain latitude.

Mr. FLEMING: For clarification.

Mr. BOISVERT: I can see no end to this committee if we go too for.

The CHAIRMAN: In previous committees, the chairman allowed a number of questions between the members.

*By Mr. Gauthier (Nickel Belt):*

Q. Do you not think that if Mr. Knight's reasoning were to be followed by the C.B.C. you would be curtailing, especially on private stations, the sponsorship of religious programs?—A. Naturally, while there is a regulation against it, they would be curtailed.

Q. You cannot have your cake and eat it too.

Mr. REINKE: I think we are out of order again. Were we not referring to "Station Relations"?

The CHAIRMAN: No. We are still on "Religious Programs".

Mr. REINKE: Mr. Dunton said that so far as C.B.C. policy is concerned they did not allow sponsorship. But we are not referring to the C.B.C. We are referring to private stations.

Mr. GAUTHIER (*Nickel Belt*): It is the same principle whether it is on the C.B.C. or on private stations; the principle remains the same.

The CHAIRMAN: You were discussing the principle.

Mr. GAUTHIER (*Nickel Belt*): Yes.

The CHAIRMAN: Now that that has been cleared up, let us go on to "Sports".

*By Mr. Goode:*

Q. The coverage of the British Empire Games which were held in that great city of British Columbia, Vancouver, by your corporation was a very fine job, Mr. Dunton. There have been criticisms here and there, but you will always find that. I think the corporation did a wonderful job and I want to thank them for it on behalf of all British Columbia.

The CHAIRMAN: At that time I was travelling in Africa, along with Mr. Fleming and Mr. Knight. We used to try to get the news on the Empire service.

The WITNESS: That was the big sports coverage of the year. I wonder if you realize how enormous it was? It was carried in I do not know how many countries. Hours of broadcasting were provided by our people and were sent over the international service. I think it was a remarkably successful broadcasting effort.

Q. And it advertised British Columbia at the same time.—A. I think it was very good.

Mr. GAUTHIER (*Nickel Belt*): I think your carrying of the Saturday night hockey broadcasts across the nation is very good programing. It has been very well received all across the country. I think the C.B.C. should be commended for it and asked to continue those broadcasts, because many people listen to them.

The WITNESS: We will be glad to. But I think it is only proper that we should pay tribute to the sponsor.

Mr. FLEMING: They are privately sponsored.

*By Mr. Weaver:*

Q. How far does the C.B.C. go in broadcasting the National Hockey League play-off games? Do you do any of them, or are they entirely done by sponsorship?—A. It depends on both the sponsor and the C.B.C. The general rule which we try to follow is that the semi-finals and the deciding games are carried.

Q. Do they go out on both your neworks?—A. Just on the Trans-Canada.

Q. Would it be possible in cases of outstanding events like that, for them to go to both your networks? I have a number of complaints about inability to get the play-off games on Saturday nights.—A. There would be the matter of duplication right across the country, with the sponsor, having to pay for two neworks in place of one. I do not think there are many places in Canada which cannot get them. They have pretty wide coverage.

*By the Chairman:*

Q. Is there any agreement between the C.B.C. and radio station CKAC in Montreal to broadcast the Thursday night games during the season?—A. It would not be a question of agreement. It is up to them, if they want to do it.

Q. The CBC station does it on Saturday, and station CKAC in Montreal, on Wednesday.

*By Mr. Weaver:*

Q. Has there been any change in the coverage during the last three years?—A. In the last few years there have been stations which have been added to our networks and which have increased their power. Is there any particular area you are thinking of?

Q. I was thinking of northern Manitoba.

Mr. GAUTHIER (*Nickel Belt*): Are there any booster stations there?

The WITNESS: CBW has gone up to 50 kilowatts; that is among those listed here; and CBK in Watrous; but we will be discussing that later under "Coverage in the North".

*By Mr. Decore:*

Q. What about the Grey Cup final game? Is that sponsored by somebody?—A. Yes.

Q. In other words, the sports commentator is not a CBC man?—A. On sound broadcasting? I do not remember who he was. We would be producing the broadcast, yes.

Mr. BUSHNELL: He is the choice of the sponsor.

*By Mr. Decore:*

Q. You say it is the choice of the sponsor. When we listened to the game out west between the Allouettes and the Eskimos last fall, we were not quite clear what was happening towards the end of the game.

Mr. GOODE: Maybe it was Montreal!

Mr. DECORE: We thought perhaps that the commentator had a big bet on, and could not find any words.

The WITNESS: I am afraid that I was watching it on television and not listening to the commentator.

Mr. FLEMING: Speaking as one who saw that game in its last exciting moments, I think it was wonderful that anybody could be coherent in all the excitement. It was terrific!

The CHAIRMAN: Wasn't that a lucky punch? We would call that a lucky punch in boxing.

Mr. GOODE: There was nothing of luck about it. It was western calculation.

The CHAIRMAN: That is what I expected from you, Mr. Goode.

*By Mr. Dinsdale:*

Q. I would like to ask if the CBC is equipped to handle on-the-spot sporting events which suddenly emerge as spectacular occasions? The reason I ask the question is that I am going to direct it later on to the Marilyn Bell swim last summer, when there was some criticism offered that the CBC was slow.—A. Yes; but most of the criticism was with respect to the television side.

The CHAIRMAN: Would you mind holding your question until we come to television.

Mr. DINSDALE: Very well. I shall save it until then.

*By Mr. Weaver:*

Q. I believe the situation is that the one station which does have a reasonable coverage in the north is a private station. I think it gets its programs from the dominion network. Apparently that program was not carried by the dominion network, consequently they could not get these play-off games.—A. What station would that be?

Q. CFAR.—A. In Flin Flon?

Q. Yes.—A. Flin Flon? I suspect they would be getting it.

Q. They get it Saturday nights, but this was some two years ago, and they were not able to get it.

A. It was in connection with the network. They were picking it up off the air and there might have been bad transmission that night. Normally they would have got it. It is on the Trans Canada Network.

The CHAIRMAN: Are there any other questions on this item? No.

"Special Programs". Are there any questions? No.

"Special Events"? No questions.

"Use of Talent"? No questions.

"International Radio Regulations".

*By Mr. Weaver:*

Q. Mr. Fleming opened the subject in connection with the Russian programs which were beamed into northern Canada. I wonder if Mr. Dunton would make any comment on that and tell us if they have considered the problem and how it might be matched by Canadian Interpretation?—A. I imagine that what I shall have to say will apply to the next item as well.

The CHAIRMAN: Let us take the two articles together at the same time: "International Radio Relations" and "Technical Development".

The WITNESS: We have had no exchange of programs with Russia, and we are not getting reports on any broadcasting they may do. The whole question of coverage in northern Canada has been a matter of a great deal of concern with us for some years and with the big developments up there particularly.

Last winter our management began a close study of the problem, working with the Department of Northern Affairs. To sum it up, in general, I think it is the usual question of money that is involved.

There would be two ways in which to have coverage. One would be to establish in the north itself a band of stations as in the rest of Canada. Presumably they would be 50 kilowatt stations. That would be the normal thing. A 50 kilowatt station covers approximately 1,000 square miles. It would require quite a few of them to cover the north country. That problem is being studied to see what would be involved.

I think a very big share of capital cost involved in operating such a station would be represented in the power. The other way is the possibility of establishing one—and probably two—shortwave stations which we think would be needed in order to have really good shortwave service in the northern areas. So again the corporation has not the funds in sight at present to do that sort of thing. It can be done in one way or another. Whether it can be done, and the extent to which it can be done will depend on the money and technical facilities.

*By Mr. Weaver:*

Q. Would you care to go into such things as booster stations? What I had in mind—and I do not know how far technical developments might have reached—was something like automatic stations which would pick up and re-broadcast?—A. You have to get a sure transmission to that station, and one of the ideas behind establishing high power shortwave stations would be to serve smaller stations in the north which might be established so that they could pick up those transmissions and relay them on standard bands for their areas. That would be one of the purposes of the shortwave. In a way they would be repeaters for the shortwave stations.

Q. You mentioned that with the increase in television there is a decrease in listening to radio broadcasting. This would not apply in the north, because it will be years before you can get television up there. Would it be fair to assume that at this particular time you are giving the north special attention in order, shall we say, to compensate for the fact that they will not be able to receive television broadcasts?—A. Yes. We do not think in quite that way. We see the continuing need for sound broadcasting services in Canada, for as far as we can foresee ahead. Of course, one of the main reasons for that is that large areas will not have television; and one of those regions is in the north. Because of increasing population in these outlying areas we think that service should be provided if possible.

*By Mr. Goode:*

Q. What is the real effect in the north? We had some discussion in the House—someone made a speech on it a little while ago—about the effect of these Russian broadcasts on the Eskimo and Indian in the north. You have investigated this matter. What is the actual effect? Is it doing any harm to our Canadian citizens up there, or is it a matter of counterbalance of harm that might be done over the years?—A. We have not investigated the effect on the population in the north. It has been simply beyond our capabilities. I know that the Department of Northern Affairs is very much interested in this matter and think it is important. We share their view on the importance of it, and would like very much to move into development up there in the north, if it can be done.

Q. Does every family in the north own a radio and tune in to the Russian stations? Do you know the situation?—A. I do not know it very well. People who are expert on the north may have more information as to how much shortwave listening the people do up there, how many have shortwave sets and how many people in communities where there are no stations would be satisfied with shortwave services.

Mr. FLEMING: You have no listening surveys among the Eskimos.

*By Mr. Carter:*

Q. I have a problem like Mr. Weaver's, but not in the north; it is in the south. I raised it two years ago in the committee. It is about the lack of service to the western half of my riding. I think that Mr. Ouimet said at the time that they were making extensive repairs to the station at St. John's and were hoping that would extend the coverage, and that if that did not happen supplementary stations would be built. That was two years ago and the station in St. John's is still in the same state and it does not reach out anyway. I should like to know what the situation is at the moment and what plans are under consideration.—A. Perhaps I could say that it is not only in the Northwest Territories where the coverage is still deficient. There are quite a few areas in Canada, some in the Maritimes, some in Northern Quebec, some in Northern Ontario, some in Northern Saskatchewan and in the interior of British Columbia, which still do not have coverage and which want it. We still have a relatively big coverage problem in many parts of the country. We have been studying these problems in different parts of the country for the last year or two, and it comes down to the question of the means to do it. The area which you mentioned around Port aux Basques, that area around the south coast, has been carefully studied with the object of finding an economic solution. So far our management has not found any way to solve that problem of serving a population along a very narrow strip along the coast, except at a very high cost. The situation at the moment is that we have not the funds in sight to build a number of the facilities needed for these various coverages.

Q. What would a station cost in Port aux Basques?—A. You can do a small one for—

Mr. OUIMET (*General Manager, C.B.C.*): It all depends. If you mean a small one to cover the village of Port aux Basques—

Mr. CARTER: No. I mean one that would cover, say, a 100-mile radius.

Mr. OUIMET: That is a matter of over $100,000, maybe $200,000. That is the kind of thing which is very costly.

Mr. CARTER: Two years ago you told me that you were practically rebuilding the old station at St. John's which was antiquated and falling down. What has been done in the two years?

Mr. OUIMET: The new station in St. John's will be on the air any day now. It may be on the air now. The last time I checked it was a matter of a few weeks.

Mr. CARTER: If that station does not reach out far enough there are no further plans to extend it?

Mr. OUIMET: That is correct.

Mr. CARTER: You have fishermen's programs, and there is no way of getting them out to the fishermen. A station in Newfoundland is located at St. John's. If there is a central station in St. John's, maybe it is in the wrong place, but a central station certainly should reach out. It is one of the few means we have of counteracting the isolation in those areas. That should be the main objective of the C.B.C.

Mr. OUIMET: There is no technical way of fixing this station in St. John's so that it will serve the whole island. That is impossible. It is to far away, and the conductivity of the ground is not good enough. It would require another station in the west.

Mr. CARTER: What have you done about the fact that very often the station at St. John's is blanketed out and jammed by stations from South America and stations from Prince Edward Island?

Mr. OUIMET: That is true of all stations when people listen to them at the limit of their coverage. All stations get blanketed if you go far enough away from the station, but the station is not blanketed in its primary service area. I realize that it is a big problem, but it is not really a technical problem; it is a problem of economics. You can do anything technically if you spend millions to make it feasible technically.

Mr. CARTER: How much did the station in Corner Brook cost?

Mr. OUIMET: The station at Corner Brook cost around $200,000.

The WITNESS: That is the estimate of a new one.

Mr. CARTER: The first one?

Mr. OUIMET: The one that is there at the moment.

Mr. CARTER: The supplementary station?

Mr. OUIMET: It was a much smaller station. It was about $50,000.

Mr. CARTER: If you had a $50,000 station in Port aux Basques, do you not think it would be an improvement?

Mr. OUIMET: It would cover very few people. That is the problem. You could serve the village and the immediate surroundings, but if you try to get twenty or thirty miles away, it takes a big station, and you have to program it from the network. It is a very difficult country to serve, because the population is so scattered. In other areas similar to this we have used low power relay transmitters when there were networks available in the area, but there is no network available in that area. It just comes into Port aux Basques and goes into Corner Brook, Grand Falls, Gander and St. John's.

Mr. CARTER: Yes, but that it not the point. You are saying that it is impossible to service. Yet they can get reception from stations at Sydney and Antigonish.

Mr. OUIMET: We could, for example, install a high power station. The stations you speak of are medium power stations at least. Then we would get into the area of cost of about $150,000 to $200,000.

Mr. CARTER: I do not think that that is an exorbitant sum to break the isolation which people have to undergo there. It is a matter of life and death for many of these people. They do not know market prices or the weather or anything of that kind. Everything comes from the St. John's station, and wo do not get that.

Mr. OUIMET: I am very sympathetic to your problem, and the corporation is. At the moment all these areas that are not yet served—there are a number of them not yet getting adequate coverage and in certain places you can say that there is no coverage at all from Canadian sources—are all places where it is beyond our means at the moment in terms of the money which we have. We would have to cut down something somewhere else to serve them.

Mr. CARTER: You are getting much more money now. Since we changed the system of financing the C.B.C., you are getting much more money than ever before. I ask for $200,000 worth of sympathy.

Mr. DECORE: It is almost twenty to one.

Mr. KNIGHT: I have one question, Mr. Decore.

The CHAIRMAN: We may stand those two items for the next sitting.

*By Mr. Knight:*

Q. This will take just one minute. Mr. Dunton, I take it there has been some improvement, in some of these places, at least, across Canada where the reception is poor. Last year I asked a question on behalf of my colleague, Mr. Herridge, in regard to that district of East Kootenay and across from the

Arrow Lakes. What is the situation there? Has there been any improvement?—A. Several repeaters have gone into that area.

Q. Have any more of those low power transmitters been put in?—A. Yes. There are several communities which still need service, where there is no network connection at the moment. They will have to be built at a considerable cost, which we will have to capitalize. All these problems are purely questions of funds.

Q. What would be the remedy in that particular district? Would it mean more transmitters?—A. The only practical way in the district would be more of these low power transmitters.

Mr. BOISVERT: I have just one question. Mr. Dunton, do you not think that the R.C.M.P. would be the appropriate party to inform this committee with regard to the Soviet broadcasts to the north of Canada?

The WITNESS: I think that the R.C.M.P. should know, and probably the Department of Northern Affairs also.

Mr. KIRK (*Shelbourne-Yarmouth-Clare*): It is understood that "Technical Development" stands until next time.

Mr. FLEMING: May I ask if Mr. Dunton would be prepared at the next meeting to say something about research work and the expenditures on research in sound broadcasting which the C.B.C. is carrying on?

*By Mr. Goode:*

Q. May I ask whether Mr. Dunton at the next meeting would give us the cost of the program which I mentioned in regard to one individual station. I think that it would only mean a telephone call to a station in Ottawa. I should like to have some sort of an average cost. Will you do what you can?—A. We have no power to get it.

Q. If he refuses, you can tell the committee that it has been refused.—A. I shall be glad to ask.

Mr. REINKE: Under "Technical Development", I should like to have some information about FM broadcasting.

The CHAIRMAN: We will adjourn, gentlemen, until Thursday next at 11.00 o'clock a.m.

HOUSE OF COMMONS

Second Session—Twenty-second Parliament
1955

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SPECIAL COMMITTEE

ON

# BROADCASTING

*Chairman:* Dr. PIERRE GAUTHIER

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MINUTES OF PROCEEDINGS AND EVIDENCE
No. 2

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THURSDAY, MARCH 31, 1955
FRIDAY, APRIL 1, 1955

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WITNESS:

A. Davidson Dunton, Chairman of the Board of Governors of the Canadian Broadcasting Corporation.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955.

SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Dr. Pierre Gauthier

*Vice-Chairman:* Mr. G. D. Weaver

and

Messrs.

| | | |
|---|---|---|
| Balcer | Dinsdale | Knight |
| Beaudry | Fleming | McCann |
| Boisvert | Gauthier (*Nickel Belt*) | Monteith |
| Bryson | Goode | Reinke |
| Carter | Hansell | Richard (*Ottawa East*) |
| Cauchon | Henry | Richardson |
| Decore | Holowach | Robichaud |
| Diefenbaker | Kirk (*Shelburne-Yarmouth-Clare*) | Studer |

R. J. Gratrix,
*Clerk of the Committee.*

# MINUTES OF PROCEEDINGS

Room Sixteen,
THURSDAY, March 31, 1955.

The Special Committee on Broadcasting met at 11.00 o'clock a.m. this day. Dr. Pierre Gauthier, the Chairman, presided.

*Members present:* Messrs. Balcer, Beaudry, Carter, Cauchon, Decore, Fleming, Hansell, Henry, Holowach, Kirk (*Shelburne-Yarmouth-Clare*), Knight, McCann, Monteith, Reinke, Richard (*Ottawa East*), Robichaud and Studer.

*In attendance:* From the Canadian Broadcasting Corporation: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, Donald Manson, Special Consultant, E. L. Bushnell, Assistant General Manager, H. Bramah, Treasurer, Charles Jennings, Director of Programmes, George Young, Director of Station Relations, R. C. Fraser, Director of Press and Information, W. G. Richardson, Director of Engineering, R. E. Keddy, Secretary of the Board of Governors and J. A. Halbert, Assistant Secretary; and G. Gordon Winter, B.B.C. Representative in Canada.

The Committee resumed consideration of the 1953-54 Annual Report of the Canadian Broadcasting Corporation.

Mr. Holowach, rising on a question of privilege, asked a ruling from the Chair as to the proper time to reply to certain allegations made by Mr. Goode at the previous sitting, he being unavoidably absent this day, with respect to a programme entitled "Back to the Bible Hour".

The Chairman informed the Committee that the subject matter of the question of privilege had been discussed by the Sub-Committee on Agenda and Procedure and recommended that discussion on the point raised be postponed until after the Easter adjournment.

It being so agreed, the Committee resumed the examination of Mr. Dunton.

The witness, in response to a request by Mr. Fleming, tabled lists of speakers for the years 1953 and 1954 on the following radio programmes, copies of which were distributed to the members of the Committee.

1. Capital Report
2. Midweek Review
3. Our Special Speaker
4. International Commentary
5. Press Conference
6. Weekend Review

(*See Appendix "A"*)

The witness also tabled the following documents:

1. Audition Application Report
2. CBC Auditions—Standard of Marking

The witness then replied to the following questions asked at the previous sitting:

1. The amount of stand by fees paid by the Corporation to the American Federation of Musicians in the current fiscal year (*Mr. Holowach*)



55835—1½

2. Sample rates of fees paid to performers (*Mr. Fleming*)

3. The names of the organizations represented on the Citizen Forum Advisory Committee (*Mr. Holowach*)

4. The number of individual scripts used by the Canadian Broadcasting Corporation in the last year (*Mr. Beaudry*)

The witness was examined on the documents tabled by him indicating the speakers on various radio programmes.

During the course of the proceedings Mr. Jennings answered a question specifically referred to him.

At 12.50 o'clock p.m., the Committee adjourned to meet again at 11.00 o'clock a.m. Friday, April 1st.

Room Sixteen,
Friday, April 1, 1955.

The Special Committee on Broadcasting met at 11.00 o'clock a.m. this day. Dr. Pierre Gauthier, the Chairman, presided.

*Members present:* Messrs. Beaudry, Boisvert, Carter, Decore, Dinsdale, Fleming, Hansell, Holowach, Kirk (*Shelburne-Yarmouth-Clare*), Knight, McCann, Monteith, Richard (*Ottawa East*), Richardson, Robichaud and Weaver.

*In attendance:* From the Canadian Broadcasting Corporation: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, Donald Manson, Special Consultant, E. L. Bushnell, Assistant General Manager, H. Bramah, Treasurer, Charles Jennings, Director of Programmes, George Young, Director of Station Relations, H. G. Walker, Director of Network Coordination, Frank Peers, Supervisor of Talks and Public Affairs, R. C. Fraser, Director of Press and Information, W. G. Richardson, Director of Engineering, R. E. Keddy, Secretary of the Board of Governors and J. A. Halbert, Assistant Secretary; and G. Gordon Winter, B.B.C. Representative in Canada.

The Committee resumed consideration of the 1953-54 Annual Report of the Canadian Broadcasting Corporation.

On motion of Mr. Boisvert,

*Ordered,*—That the lists of speakers for the years 1953 and 1954, tabled at the previous meeting by Mr. Dunton, on the following radio programmes be printed as an appendix to the Minutes of Proceedings and Evidence of Thursday, March 31, 1955:

1. Capital Report
2. Midweek Review
3. Our Special Speaker
4. International Commentary
5. Press Conference
6. Weekend Review

(*See Appendix "A"*)

The examination of Mr. Dunton on the said lists of speakers was continued.

During the course of his examination, Mr. Dunton tabled lists of participants on the following television programmes:

1. This Week
2. Press Conference

The Committee resumed its detailed consideration of the CBC Annual Report, the examination of Mr. Dunton being continued thereon.

During the course of the examination of Mr. Dunton, Mr. Ouimet answered questions specifically referred to him.

At 12.45 o'clock p.m., the Committee adjourned to meet again at 11.00 o'clock a.m. Thursday, April 21, 1955.

R. J. Gratrix,
*Clerk of the Committee.*

# EVIDENCE

March 31, 1955
11.00 a.m.

The CHAIRMAN: Order, gentlemen, we have a quorum.

Mr. HOLOWACH: On a point of privilege: last Friday, Mr. Goode, the member for Burnaby-Richmond, at a time when the Social Credit representative was not present, brought up the matter of Mr. Manning's "Back to the Bible Hour" radio programs. I was ill and was unable to attend the meeting. Had I been here, I would have refuted the charges that were made at that time by Mr. Goode. In fairness to Mr. Goode, whom I see is not present at this meeting, I was wondering whether you would make a ruling whether I might have an opportunity of replying to him at this time or whether it might not be better to wait until such time as he is in attendance, in order to be fair to him.

The CHAIRMAN: I have talked to the members of the agenda committee on that question, and it has been agreed by everyone, including Mr. Hansell, that this matter could stand until after the Easter recess. Then, on a question of privilege, you can answer Mr. Goode, and I think that the committee will agree that a debate will take place on this very question. Is it agreeable to the committee?

Mr. HOLOWACH: That is satisfactory to me.

Mr. DECORE: I understand that the item did not pass because we wished to wait for Mr. Hansell. I would like to see both Mr. Goode and Mr. Hansell here at the time the question is discussed.

Mr. HOLOWACH: Mr. Hansell is present.

Mr. KNIGHT: It was already understood by the whole committee, not only by the steering committee, that this should be done.

The CHAIRMAN: But, as Mr. Goode has been called out of town—

Mr. KNIGHT: I think that in fairness to both sides representatives of both parties should be here.

The CHAIRMAN: Then the matter will stand until after recess?

Agreed.

Mr. HOLOWACH: I would be satisfied with that ruling. I would just like to say that we vehemently deny those charges.

The CHAIRMAN: When Mr. Goode is present, you will have an opportunity.

**Mr. A. Davidson Dunton, Chairman, Board of Directors of the Canadian Broadcasting Corporation, called:**

The CHAIRMAN: Six documents have been distributed to the members. I understand that they were produced after questions put by Mr. Fleming. Mr. Dunton has something to say about a few documents. If they are desired by members of the committee, they can be produced either today or later on.

The WITNESS: Mr. Chairman, there was a question about audition forms used for requesting auditions. We have some here if you wish to have them tabled.

The CHAIRMAN: Is it agreeable to the committee that those forms be tabled?

Agreed.

The WITNESS: I table a copy of the Audition Application Report and also a copy of the forms which the adjudicators make out themselves, showing how they mark and so on.

The CHAIRMAN: Is that agreed?

Agreed.

The WITNESS: There was a question about the amount of stand-by fees paid to members of the American Federation of Musicians. After going over the records, we discovered that in the current fiscal year the total seems to be about $4,334, but that includes stand-by fees in places where they may have visiting musicians from outside the area. We are unable from our records to sort out when it was a question of amateurs and when it was a question of visiting musicians.

The CHAIRMAN: Is this to be tabled or to be put into the record? It will be tabled.

The WITNESS: I think that Mr. Fleming asked for some samples indicating rates paid to performers. I can give a few samples. These are for actors. For sound broadcasting, for a half-hour show, the guaranteed minimum amount is $25. That includes three and a half hours' rehearsal. For a one hour show, $35 minimum, including four and three quarter hours' rehearsal. Rehearsals above that, of course, are paid extra. That is the minimum amount under the agreement. In television, corresponding amounts would be, for a thirty minute show a guaranteed minimum of $50 with required rehearsals of eight hours; for a sixty minute show the minimum guaranteed is $70, with required rehearsals of eight hours.

The CHAIRMAN: Is that satisfactory?

Mr. FLEMING: Quite frankly, Mr. Chairman, I do not recall asking that question.

The CHAIRMAN: It is under your name here.

The WITNESS: We were discussing performers and actors, you asked for an indication of how much would be involved in fees to actors.

The CHAIRMAN: "Citizens Forum".

The WITNESS: I have a list of names of organizations represented on the "Citizens Forum" advisory committee. Shall I read them?

The CHAIRMAN: Yes.

The WITNESS: Canadian Home and School Federation, Canadian Congress of Labour, Canadian Chamber of Commerce, Canadian Council of Churches, National Council of Women, Canadian Manufacturers Association, Trades and Labour Congress, United Nations Association, Canadian Association of Consumers, Canadian Institute of International Affairs, Canadian Citizenship Council and the Canadian Association for Adult Education.

The CHAIRMAN: Agreed.

*By Mr. Hansell:*

Q. In respect to Dr. Dunton's reply, are the particular individuals who represent these organizations changed from time to time? You gave us the names of the organizations, but not the individuals who might represent them.—A. As I understand it, they are named by the organizations who, of course, may change their nominees.

Q. Is that done periodically? How often is it done?—A. I am not certain. I think it depends on the organization. The organization can change a member at any time it wishes.

The CHAIRMAN: Are there any other questions?

Mr. BEAUDRY: Have you any more documents to be produced?

The CHAIRMAN: No, that covers the whole thing.

*By Mr. Beaudry:*

Q. Mr. Dunton agreed that he would supply us with the amount of the individual scripts used by the C.B.C. in the course of one year.—A. Yes, I am sorry. We have that information. In sound broadcasting about 5,700. That is apart from straight talks or straight music programs and that sort of thing. That is for drama or feature programs requiring actual script writing. In television last year, just about 500. Of course the rate of that has risen quite sharply in the last winter.

Q. That includes commercial scripts also?—A. In the case of sound, it is entirely sustaining because it is apart from commercial programs.

Q. I would like to have the entire amount of scripts.—A. In sound, as you know, commercial programs are handled directly by the agency or sponsors. They do not go through us.

Q. I appreciate that, but the C.B.C. still has the right to oversee them and must do so.—A. About another 5,000 on the commercial side.

Q. In other words, the C.B.C. has to look at or check or censor, if you would call it that, some 10,000 scripts a year for sound?—A. Yes, at least, apart from talks. I think that brings us up to date.

Mr. FLEMING: I presume that this will be the point at which to take up the material which Mr. Dunton filed at the opening of the meeting with the lists of persons participating in the various broadcasts which would be classified broadly under the heading of "opinion broadcasts" or "comment".

The CHAIRMAN: If it is agreeable to the committee that those documents be taken up in order, I think we can ask questions, although these talks cover more than one article in the report.

Mr. FLEMING: They arose out of a question I asked.

The CHAIRMAN: If the committee is agreeable to let questions be asked on those different reports, it is up to the committee to do so.

*By Mr. Fleming:*

Q. Then, Mr. Chairman, just to make sure that all members have everything complete, I have six of them here now, and they are: "Midweek Review", "Our Special Speaker", "International Commentary", "Week-End Review", "Capital Report" and "Press Conference". Is that the complete group?—A. Yes, in sound.

Q. These cover the years 1953 and 1954. Before asking some questions in detail about these, I understood Mr. Dunton was going to give us the range of payments made to participants in these various types of programs?—A. I can do that now, Mr. Chairman.

Q. Could we take them in the same order, if we have the papers in that order?—A. Perhaps I could give the range and then answer questions about individual programs—the range by length of time.

Q. Does the same thing apply to all these programs?—A. They are within the range. Perhaps I can help you more on individual programs. Shall I give the range?

The CHAIRMAN: Yes.

The WITNESS: Half-hour talks, of which there are very few, $75 to $125; quarter-hour, $35 to $60; ten minutes, $25 to $50; five minutes, $15 to $30; two or three minutes, $15 to $25. Those are the usual ranges.

*By Mr. Fleming:*

Q. That applies to all six of these programs?—A. Yes.

Q. Are most of these which appear in the list that you furnished in the fifteen minute group?—A. No. Unfortunately mine are in a different order from yours.

Q. Which order do you find most convenient?—A. Perhaps the order in which I have them here.

Q. Let us arrange ours in the same order and we will not be confused. Would you read your order?—A. I have: Capital Report, Mid-week Review, Our Special Speaker, International Commentary, Press Conference and Week End Review.

Q. I take it, Mr. Dunton, that the figures you have quoted as to rates are payable regardless of any rehearsal or anything of that kind?—A. Yes, there are no extra payments.

Q. Coming to the first one, Capital Report, you have five gentlemen whom you use for broadcasts from Washington. Kenneth Harris has been used only twice in the past year; the others approximately the same number of times as in the previous year, Mr. Freedman, Mr. McConaughy, Mr. Minifie and Mr. Uhl. In London and Europe, according to my reckoning, you had fifty broadcasts in 1953 and fifty in 1954, and of those one hundred, forty-seven were made by one man, Mr. Matthew Halton, and twenty-four by Mr. Douglas LaChance. A total of seventy-one out of one hundred were done by two men and the balance distributed over about ten other men. Is that the C.B.C.'s conception of balance in these important broadcasts from London and Europe? —A. As I think I have explained before, Mr. Fleming, both Mr. Halton and Mr. LaChance are on retainers, and both do a number of broadcasts which contain little or no opinions. Quite often they are much more of straight descriptive or reporting type. Also in some periods of the summer they are more easily available and do more straight feature work if there is not much to comment on. We think that the balance has been fairly good. As you noticed in the figure I gave the other day, during the winter in London Mr. Halton has been on only once in three times.

Q. Mr. Halton does all his broadcasts from the B.B.C. in London?— A. Pretty well. He may go off to some place and do a descriptive report.

Q. Does the same apply to Mr. LaChance?—A. Again, he is based in Paris and does it actually from there or some place in Europe.

Q. I think you will agree that in previous years in this same committee attention has been drawn to the fact that Mr. Halton does all these broadcasts from London and Europe, or a number out of all proportion to the others participating in this program. We will all agree that Mr. Halton is a very able broadcaster, but here we are after all in the realm of reporting where opinion does have, I think, an admittedly strong influence on the type of report that is given. I raise again the question which, with respect, has never been answered to my satisfaction, as to whether this is a fulfillment of the professed policy of maintaining balance in programs of talks or comments which necessarily bring us into the realm of opinion on matters of economics and politics?—A. As I said, it is our feeling that in the last year or two it has been pretty good.

Mr. BALCER: Are these two gentlemen members of your staff or are they independent?

The WITNESS: As we have explained, these two gentlemen are both on a retainer under a contract with the C.B.C. under which we have first call on their broadcasting services. We find it necessary in both these places overseas to have people like that who can be immediately available to us and who are paid a yearly fee so that we can be sure of their services. That is naturally

one reason why we tend to use them more. Much of their work is straight reporting rather than comment, though they do comment at times. Watching the flow of comment from Europe, we think that the balance is fairly good.

*By Mr. Knight:*

Q. The retainers involved in the case of these two men mean that they are paid a certain amount of money to be at your disposal whether or not they broadcast?—A. We have to do that. We pay them a yearly amount.

Q. In other words, the fact that you have to pay them a certain amount of money, irrespective of the number of broadcasts, would mean that you employ their services more?—A. It is more economical to do so, but in spite of that our people have deliberately employed others in order to get a good balance.

*By Mr. Richard* (Ottawa East):

Q. Have you had complaints that perhaps Mr. Halton or Mr. La Chance broadcast more often than others?—A. No, we have not.

Q. Is it very easy to have somebody else on call, who would be suitable, without a retainer?—A. It is quite difficult in both London and Paris. If possible, we want to have Canadians, or people who know the Canadian scene well, and it is not easy to find people on whom we can count to be readily available to deliver a comment on affairs over there which would be of interest and use to Canadians.

Q. Maybe this does not apply so well, but take the case of the B.B.C. or some other network. Do they not do the same thing? Do they not have some particular men in certain cities who broadcast more than others?—A. All other networks that I can think of do. The big American networks and the B.B.C. have full-time staff people and use them in important points abroad, and use them much more regularly than we use these particular men.

Q. I would imagine that it would not be very satisfactory to have every Tom, Dick and Harry broadcasting from time to time unless you had one or two men on whom you could rely who had a good picture of the place.—A. That is just why it has been found necessary to have men who are reliable and good broadcasters; and at the same time we have other people in addition to them. In this way we are sure of the services, and we are sure that there is a variety of interpretations.

*By Mr. Fleming:*

Q. There were eleven others who were called on in the last two years. Nine of these in 1953, and eleven in 1954. You are hardly in a position of just having to pick up Tom, Dick and Harry, to use Mr. Richard's expression. There are others who are available and who are thought worthy of having a place on this program?—A. Except, I think, it is right that quite a number of these people would be available for some particular reason. They happened to be over there or happened to have been working on a particular subject on which they could speak. Quite a few are not professional journalists. I think that most of them are writers of different kinds, but not the sort of people you can be sure of calling up on a Friday and asking for a commentary on such and such a thing for Sunday and getting it.

Q. Of the total of thirteen names on this list, I gather that eleven are simply on a basis where they are paid according to the individual program, whereas in the case of Mr. Halton and Mr. La Chance they are on retainers?—A. That is right.

Mr. FLEMING: And they are the only ones on retainers?

Mr. MONTEITH: Do these two gentlemen get a broadcasting fee as well as the retainer?

The WITNESS: No.

Mr. BALCER: What is the amount of the retainer which they receive for broadcasting?

The WITNESS: The committee has usually accepted in the past that we are not forced to give amounts paid to individuals.

The CHAIRMAN: That is right.

The WITNESS: I put it this way, that it is less than what it would be expected that a full-time salary would be for the full-time services of those people, but it is enough to insure them a basic income so that they will be available to us on call.

Mr. BALCER: Are all these gentlemen listed here Canadian citizens living in Europe?

The WITNESS: No, I think that several of these are residents of England.

Mr. C. JENNINGS (*Director of Programs*): I do not know whether I can identify them as Canadians.

The CHAIRMAN: Do you want the identification of every one of them?

The WITNESS: Robert McKenzie is a Canadian who has lived in London for some time.

Mr. BALCER: What about Mr. Halton and Mr. La Chance?

The WITNESS: They are both Canadians.

Mr. BEAUDRY: I should like to point out that of those Mr. Fleming referred to, four are obviously not stationed in London. Two are stationed in Rome, one in Geneva, and one in Bonn, which still restricts the field in London and Paris.

*By Mr. Fleming:*

Q. I do not think it is suggested that these two gentlemen, however eminent they are and however good their qualifications as broadcasters, are the only persons who are available. Can we drop down to the last group on the page, Ottawa, on the "Capital Report"? There are eleven names on the list here. I am not certain, but is it a fact that all except Miss Anne Francis and Mr. Charles Woodsworth are members of the press gallery?—A. Looking down the list, I would think so.

Q. Mr. Charles Woodsworth is, or was until recently, the editor of the Ottawa Citizen?—A. Yes.

Mr. FLEMING: Some of these gentlemen were broadcasting in 1953 who have not been on in 1954. There is not a very uniform distribution of these broadcasts over those who are on the list. The first name was on the list in 1953 six times, but not in 1954. The fourth name has been on seven times in 1954, but was not on in 1953. The fifth name was on four times in 1953, but not in 1954. Two others were on once in 1954, and the second name from the end was not on in 1954. I am wondering who makes these selections and how they are arrived at, because there is no uniform pattern. In the case of the third name, the person was on that "Capital Report" series nineteen times in the two years. The lady in question was on twenty-three times in the two years. The last name on the list, the editor, was on twenty-one times in the two years, but nobody else comes anywhere near that number of appearances. While admitting, as everyone would, the competence of all of these persons, I am coming back to my question of balance. We are thinking, I suppose, of

over-all balance. We are also thinking of balance within any particular group. It strikes me that list does not indicate any attempt to hew to any particular policy of balance.

The WITNESS: I suggest that it looks like a pretty fair balance.

Mr. RICHARD (*Ottawa East*): In what way does it not balance?

Mr. FLEMING: The number of appearances of three people on the list is out of all proportion to the others.

Mr. KNIGHT: There could be a balance among the three.

Mr. BEAUDRY: Do you take into consideration physical assets such as voice and delivery?

The WITNESS: When our organization is working on this, they are not thinking of coming up at the end of a three year period with a completely mathematical pattern. They are thinking of getting a good series generally. At one time one man may go out of town or may not want to go on the panel for a while. They may think it is a good thing to shift and try somebody else for a time, for various reasons. They are not working towards a complete arithmetical symmetry betweeen several names. They are working for an over-all balanced series and I suggest to you that, as you look through the year at the way the names come out, it is a pretty fair balance.

Mr. FLEMING: I have made a rough addition of the 1954 list. There were fifty-four broadcasts, and out of the list of eleven people, thirty-four of the fifty-four broadcasts were done by three people. It is not a question of competence. Everyone looking at that list would recognize the competence of every one of those individuals. But I am wondering if you are not concentrating too much and if that sort of concentration, where it is practically done by three people, is the sort of thing that is going to achieve that balance in the presentation of news and opinion, because opinion does enter into this, which is the professed policy of the C.B.C. operating these networks, which certainly have an influence on public thoughts.

The WITNESS: I think you mentioned three people who happened to be used more than others during these years. I cannot see that that shows that there was not a good balance.

Mr. KNIGHT: In my opinion, balance is not a matter of the number of people used. It is not a matter of arithmetical calculation. It is perfectly possible to have balance among three people if you only have three people on the list. Balance is a matter of more than the number of people who get an opportunity to broadcast. I can imagine among political parties, for instance, you could get four men only from the House of Commons, and still you would have a balance in regard to the material of political opinion expressed. I presume that it is the same in other spheres as well as political. Would that not be true?

Mr. BEAUDRY: I was wondering whether Mr. Fleming was questioning the ten broadcasts by Mr. Blakely?

The CHAIRMAN: Order.

Hon. Mr. McCANN: Is it not a fact that you take into account the competency of the broadcaster to do a certain amount of work? A week from Sunday somebody will be making public comments, probably, on the budget. Not every member on that roll is competent to do that kind of work. Barkway does a good deal of broadcasting on trade relations. Somebody else is more competent to make a comment on the budget, so that in my judgment, that has to be taken into account in choosing the person for the particular type of broadcast. Most of these people make broadcasts relative to what is going on in parliament and I submit that they are not all of the same competency to make a good broadcast with reference to all subjects, so that, as far as balance goes, I think that perhaps that is the most important thing to take into account.

Mr. FLEMING: On that point, I am just making another calculation of the 1953 list. The same three people did twenty-nine of the fifty-two broadcasts, so that we have three people slated to do twenty-nine of the fifty-two broadcasts in 1953 and thirty-four of the fifty-four broadcasts in 1954.

The WITNESS: I cannot see that that destroys the balance. Those are good people, and you could still get good balance.

Mr. REINKE: Is Mr. Fleming suggesting that some of these commentators might be more politically inclined one way or another? What did he have in the back of his mind?

Mr. FLEMING: Whatever I have in the back of my mind is on the record for everyone to read and understand, Mr. Chairman. I have expressed my comment or drawn attention to something in relation to a professed policy of balance.

The WITNESS: I wonder if it would help the committee if I were to read quickly those who have been put on in Ottawa since this compilation was made, to show you the pattern: Arthur Blakely, Norman Campbell, Charles Woodsworth, Anne Francis, Norman Campbell, George Bain, Charles Woodsworth, Anne Francis, Arthur Blakely, Norman Campbell. That is up to March 6th. That is the kind of pattern we have, and I suggest it is a pretty competent array of comment from Ottawa.

Hon. Mr. MCCANN: Do you lay out a timetable for a certain period or is it done on a weekly or monthly basis?

The WITNESS: It is partly, having some people available, our people may shift, or if some particular subject comes up and they have been working on a particular subject that person will be put on.

*By Mr. Fleming:*

Q. Who makes the selections?—A. As I explained, it is done by out talks department, subject to the responsible department here. Naturally, Ottawa people are in touch with journalists in Ottawa, and it will be discussed between Ottawa and Toronto and then perhaps back here again.

Q. I think you could be more definite about that. If you come to the selection on any particular program, whether it is Capital Report from Ottawa, or Capital Report from elsewhere, and there are several groups involved, who is the person in charge of making the selection?—A. As I have tried to explain, you cannot say "one person" because there are a series of discussions. The local staff in Ottawa will likely send some suggestions to Toronto, or Toronto may inquire whether it is a good idea to change somebody and may suggest trying somebody else. It will be discussed by various people in Toronto. There may be an inquiry back to head office in Ottawa, or there may be suggestion from here that something seems to be getting out of balance.

Q. Have you had suggestions that things were getting out of balance?—A. From where?

Q. You just said, "If there were suggestions that these were getting out of balance".—A. Yes, we have had suggestions about the Liberal balance, the Conservative balance and the C.C.F. balance.

Q. In what particular series?—A. In this series, for one.

Q. What was the source of those objections, internal or external?—A. I am speaking of external.

Q. In other words, complaints were made to the C.B.C. that somebody was on too much?—A. Yes, somebody was on too much or one point of view was getting too much play.

Q. Is it fair to ask you when those complaints were made, what they were directed to and what action was taken on those complaints?—A. I am afraid that I cannot remember, and they have been mostly verbal. We have had some strong complaints on the Conservative side.

Mr. RICHARD (*Ottawa East*): There is only one from the Liberals now?

The WITNESS: Strong ones from the Conservative side, verbal representations from the Liberal side that there was unfair balance against the government and some comment from the C.C.F. people that they were not getting a fair basis.

Mr. HANSELL: Would that indicate that we Social Crediters were more satisfied than the others?

An HON. MEMBER: It would indicate that you are getting a good share.

*By Mr. Beaudry:*

Q. Do we take it for granted that the commentators from Ottawa on Capital Report are normally taken from members of the press gallery?—A. As a rule, simply because there are many competent men in the press gallery.

Q. Do we know how many members there are in the press gallery in the English language?—A. I am not up to date on that.

Q. Some of them, I suppose, would not have the physical attainments or the natural ability for being competent radio broadcasters?—A. Some seem to be much better than others. Some are worse than others.

The CHAIRMAN: According to their voices.

*By Mr. Beaudry:*

Q. That would eliminate a certain group. There would be another group who would not be willing to become broadcasters?—A. Some have been asked and would not be interested.

Q. There would be a third group who might have the ability and not have the time?—A. That has happened.

Q. So, from that original group of eighty, we would by a process of elimination come to a relatively restricted number of members of the press gallery who would have the natural ability, the competence and the time and the willingness.—A. I would not like to suggest that we are saying that this particular list includes everybody who is a competent broadcaster in the press gallery.

Mr. BEAUDRY: I appreciate that, but if we want to establish balance, we had better establish the norm of balance.

*By Mr. Fleming:*

Q. In our search for that balance, is there a fourth group who might have the competence, who might have the willingness, but have not yet been asked? —A. I think that there are some who have not been on particular programs. Perhaps some others would like to do some broadcasting and it has not developed that they have done any yet.

Q. So far as 1954 is concerned, eight people took part in that series. Two of them took part in only one program each, so that there were really six people who did fifty-two of the 1954 broadcasts in this important series. Of those six, three did thirty-four out of fifty-two. With a press gallery of some eighty members, highly competent men and leaders in the journalistic art, to me it is incomprehensible if you are thinking about getting a balance, that the line should be drawn at this small number and the large number who are not on the list are apparently not offered the opportunity.—A. Perhaps we are talking about two different things. I suggest that it is possible to get a fair

balance of comment with a relatively small number of people. We think it has been done. I think it can be argued that perhaps more people should be used on a given series, but I do not think that it affects the question of whether the series itself has been well balanced. There are various considerations such as getting people into the swing of doing this sort of thing and so on, and people being away and moving from Ottawa.

Q. I do not think that there is any point in continuing with this. We have the statements on the record. There are about seventy members of the press gallery who were not on the series. I think you will agree, Mr. Dunton, that if you are trying to achieve balance—and here you are dealing with reports from Parliament Hill and these Capital Reports are based largely on the kind of news that comes to the top at the capital of this country—I think you will agree it is harder to maintain balance in a small group than in a larger group. —A. It may be easier in a small group.

Hon. Mr. McCANN: Do you consider that being a member of the press gallery is in itself a sufficient qualification to be invited to make broadcasts. I would not.

Mr. RICHARD (*Ottawa East*): I am going to suggest in any event that the idea of these broadcasts is not to give an opportunity to every member of the press gallery. The idea is to find a few people who are available and who, as Mr. Dunton has said, have learned how to perform and are useful not for one performance but for many performances until they become professionals. I do not think that the C.B.C. is a trial balloon where you put on a man once to see how he performs. You want to be sure how he performs when he gets up.

*By Mr. Hansell:*

Q. When any of these gentlemen are asked to take part on this program, Capital Report, is the subject matter designated or are they left to use their own judgment in respect of subject matter?—A. They are left to use their own judgment. I think our people may casually say, "There is big issue to speak on; are you going to deal with it?", perhaps thinking whether they should get someone in another program to do it. These people are completely free to express their interpretation of what has been happening and what the important things are.

Q. I notice that there are about eleven people from Ottawa in that Capital Report. I do not want to be passing criticism in respect to the choice of these people, but supposing one of these speakers should regard the work of this radio committee as highlighting the subject matter of the week, and supposing that individual should be very highly critical of the Canadian Broadcasting Corporation, would that have any influence on your choice of that gentleman for any future appearance on this program?—A. No, it would not. There have been commentators who have been extremely critical of the C.B.C., and they have continued to be on the C.B.C.

The CHAIRMAN: I believe that any good body welcomes constructive criticism.

The WITNESS: Some of the criticism we had was not constructive, but we still let them go on the air.

Mr. FLEMING: Mr. Chairman, I did not get the impression you described from newspaper reports of the speech made in Ottawa on Monday by Mr. Duncan McTavish. You say that everybody welcomes criticism?

The CHAIRMAN: I said "good body".

Mr. BEAUDRY: Are we likely to find the names of other members of the press gallery in the list of figures on "Our Special Speaker", "Press Conference", "International Commentary", etc.

The WITNESS: Yes, and of course in other programs which are not covered in these lists.

Mr. BEAUDRY: I suggest that when we become analytical as to figures we do not stop at any one of these sheets, but take them all in. It may give a different picture.

*By Mr. Fleming:*

Q. Before we leave this first sheet, are all who participate in the Report from Capital Hill on the same basis as to remuneration, Mr. Dunton?—A. Yes. Washington sometimes is paid higher.

Q. I was thinking about the Ottawa group. Are all these Washington ones on the same rate?—A. Yes.

Q. And all the London and Europe on the same rate, except Mr. Halton and Mr. LaChance?—A. Yes.

Q. Are those in the group under "Others" on the same rate?—A. Yes, generally. There might possibly have to be a small extra payment for a special assignment. In general they would be the same rate.

Q. The Ottawa group are on the same rate?—A. Yes.

Q. And those are fifteen minute broadcasts?—A. They are actually under ten minutes but they come under the ten minute group.

The CHAIRMAN: I have a special request from the Chief Whip stating that many committees are sitting today and especially this afternoon, and we have not many reporters available. As this one has been going on since the beginning of the sitting, do you think we could have a recess of five or ten minutes so that he could take a rest? Mr. Weir asked me at the same time, if it were agreeable to the committee, not to sit this afternoon owing to the large number of committees sitting.

Some Hon. MEMBERS: Agreed.

Mr. KNIGHT: Mr. Chairman, if you are going to take a recess now, I do not know whether Mr. Beaudry wants to follow up this question.

The CHAIRMAN: We can follow it up after the recess.

Mr. KNIGHT: This is in line with the previous questions. I would draw your attention to the names of the contributors under "Our Special Speaker" program. I think it is fair to point out that on that particular list there is not one man who has spoken more than once.

Mr. BEAUDRY: There is one exception in 1953.

Mr. KNIGHT: One in 1953 and one in 1954. Then one has spoken twice in 1953 and only one has spoken twice in 1954. All the others on the long list have spoken only once each. On Mr. Fleming's definition of balance, there is a pretty good balance there.

Mr. FLEMING: I am impressed by the fact that in that series, "Our Special Speaker" has gone a long way to hold the appearances of speakers down to one each per annum.

Mr. KNIGHT: I am not admitting that that is the way that balance can be obtained, but even on the mathematical proposition which you put before, balance has been maintained.

The CHAIRMAN: We shall recess for five minutes.

—*Recess.*

—*Upon resuming:*

The CHAIRMAN: Gentlemen, shall we resume?

*By Mr. Fleming:*

Q. I made some comment earlier about the matter of preserving balance in these reports. Mr. Dunton, has the C.B.C. not had any complaints about lack of balance in these reports from London and Europe, where, as I commented earlier, Mr. Halton over the last two years has made forty-seven out of the one hundred reports and Mr. LaChance has made twenty-four out of the same one hundred.—A. I cannot recall any recently.

Q. I made the comment in earlier meetings, and I will make it again here, for your comment in turn, Mr. Dunton, that while Mr. Halton is a very capable broadcaster, I thought that if you are going to narrow down reports largely to one voice, I think you are running great risks. I do not see how you can maintain balance, and I do not think you will say that one man—Mr. Halton or anyone else—is on dead centre so that he alone represents balance.—A. That is why we use other people.

Q. But that is the point. How can you say that you use other people when in the case of Mr. Halton he is making forty-seven broadcasts out of one hundred and Mr. LaChance twenty-four out of one hundred, so that between the two of them they have 71 per cent of the broadcasts?—A. I tried to explain it earlier. There are several different situations. In the case of both those gentlemen, much of their work is straight reporting, description or summary, without comment. They do some comment, and that produces the effect of the opinion they work in. We think especially in 1954 and the way the series is running now that we are getting a fair balance.

Q. I hope nobody is going to suggest that I am saying that these gentlemen should not be on the air. It is a question of whether they should be on so often out of a limited total. The C.B.C. runs fifty broadcasts a year in this particular series. Balance is the professed policy of the C.B.C. and I think that in a broadcast of this type it is the policy that all would subscribe to. How are you going to achieve that policy by having one man do half the broadcasts? Now I put it to you, you would not suggest either that Douglas LaChance who has done 24 per cent of these broadcasts, more than anyone else next to Mr. Halton, is so completely on centre in the matter of balance that he should be given this very high proportion while a few others who have been admitted to the series are given one or two appearances. That is not going to achieve balance, surely?—A. I keep saying that we think it is right. That both those gentlemen do a good deal of broadcasting without opinion and there has been between them and the others pretty fair balance, especially in the last year, 1954, and especially the way the series is running now. I think it is not fair just to look at the arithmetic of the thing, we should consider the contents of the series as it has been running over the year.

Q. But in dealing with the content of the series you cannot get away from the number of appearances of individuals. If there were that ideal person who was so completely in balance himself that he could be the embodiment of the ideal of balance in opinion, then this discussion would be all to no purpose, but that individual I think you will agree has not been born yet. Surely the only way to meet the problems that arise from human nature in the realm of opinion is to seek to achieve that aim of balance by hearing more voices and wider distribution. For instance, here is one of Mr. LaChance's statements in one of his 1953 broadcasts:

> For five years, ever since American money started to flow in and pay the deficits of a moribund economic system, France has been ruled by increasingly reactionary governments. For two years, since the socialist ministers left the cabinet, the country's working class has not even been represented in the ranks of government.

During the latter period, every kind of trick was employed to conceal the steady rise in the cost of living, and thereby circumvent the wage rises to which workers were entitled under the escalator principle, put into law in 1950.

Some of the devices used to this end would stagger an outside observer accustomed to the idea that a government rules for all the people.

That broadcast proceeds in that strain, and ends with these words:

This is fairly typical of the treatment which French organized workers have received from the government in the last two years.

I think you will agree, Mr. Dunton, that there is a good deal of opinion in a statement of that kind. It does not simply confine itself to observation.—A. I have already said that quite often Mr. LaChance and Mr. Halton have opinions in their broadcasts and that is why we have other commentators over there too.

Q. Is it not a fact that you have a great deal of opinion from those people and that is another reason why in order to achieve balance you should not have one or two individuals largely monopolizing these programs?—A. I do not see that they are monopolizing them.

Mr. FLEMING: Just 71 per cent of the programs in the last two years. That is pretty close to a monopoly by two speakers.

Mr. BEAUDRY: Do you consider the report you have just given as an opinion or a fact?

Mr. FLEMING: I am not passing on the principle but I am passing on the question of whether it is opinion or fact. It strikes me that any body who writes in that vein is drawing his own conclusions from what he professes to have seen. I do not think we are going to sit here this morning in judgment on the facts in political developments in France, but if we are going to have broadcasts that are devoted largely to expressions of opinion, when we see opinion of that kind is obviously a little off centre, to put it midly, the way to meet a suggestion of that kind is not having two people doing 71 per cent of the broadcasting on that series, but to spread it around so that you get a variety of points of view because it is in variety that you get balance and not in a 71 per cent monopoly by two people.

Mr. BEAUDRY: From your qualification, I was wondering what you were leading to. To you it is an expression of opinion; to me it is a statement of fact. Mr. Dunton, following Mr. Fleming's original question: Mr. Fleming asked you if you had recent complaints about this particular series? May I ask you another question? Is there any subject within your sphere of activities or the sphere of activities of the C.B.C. on which you have not received both complaints and favourable comment?

The WITNESS: I cannot think of any, no.

*By Hon. Mr. McCann:*

Q. I should like to ask Mr. Dunton this. When you make an arrangement with a man like Mr. LaChance on a retainer basis, do you stipulate that he shall make a certain number of appearances within a year?—A. I do not think it is laid down. There is no set maximum.

Q. Is it not because of the fact that you give him a retainer that you use his services as much as possible?—A. I would not say, "as much as possible".

Q. To a greater extent?—A. It is cheaper than to use somebody else, but we deliberately use extra money in order to try to achieve a balance.

Mr. BEAUDRY: How are these broadcasts arranged? Are they arranged from Canada, or do you have a permanent bureau in London or Paris?

The WITNESS: There is an office in London and there is correspondence and cabling between us.

*By Mr. Henry:*

Q. With reference to Mr. Halton and Mr. LaChance, I understood you to say that you had had some complaints. Is that true?—A. No, I think that was with reference to the series of commentaries in this program from Ottawa. I cannot recall any recently about commentaries from across the Atlantic.

Q. You are saying in effect that the public would appear to be satisfied on the question of balance in this matter?—A. All I can say is that I cannot recall any recent criticism in this matter.

*By Mr. Studer:*

Q. In connection with what Mr. Fleming has read here in regard to an expression of opinion or a statement of fact, as Mr. Beaudry mentioned, in regard to the French situation and the relationship of the people with the government, if that is an opinion would Mr. Dunton care to say that opposite opinion or opposite fact,—if there is such a thing as opposite facts—will be expressed at some future time? Or who determines that it is a fact, Mr. LaChance? If we are going to have two sides to a question, how do you determine that there will be a statement from any individual later on, refuting what the commentator is suggesting is the situation in France.—A. Our people try to get that general balance by having different people.

Q. I would find it very difficult for anyone else to follow Mr. LaChance in a statement of that kind and say that his expression of opinion does not coincide with what the actual situation is in France?—A. It has happened in our commentaries.

Q. I think those are dangerous expressions of opinion coming from any person. I think we are overdoing this commentator psychology throughout our whole system. Perhaps it should not be called commentator psychology, but a development. I think we are getting away from the common people in that direction, and when you get away from the common people you get away from commonsense, and I am not satisfied that there is any demand throughout the country for this development in connection with this type of broadcast. If there is any doubt about it, I think we should hire the musicians union and pay them to put on a musical program and get away from the commentaries.

Mr. RICHARD: In answer to Mr. Studer and his suggestion, would it not be the same as a sustained musical program where you have the same symphony twenty-five times a year and the same opinions would be expressed about the music. People do not agree about music any more than about opinions.

Mr. STUDER: This opinion is very difficult to refute. Mr. Fleming is saying that that is an expression of opinion. I am doubtful and skeptical as to whether that contrary expression of opinion will be in evidence.

*By Mr. Balcer:*

Q. I understand that you have a French broadcast similar to Capital Report which comes on at regular times?—A. There is no regular broadcast from Ottawa.

Q. You have a French broadcast?—A. Not a regular one. There are French commentaries of different kinds which come from Ottawa.

Q. Do you have any other commentator than Mr. Georges Langlois on this program?—A. Different ones are used. Could we get that information for you later?

Mr. BALCER: Yes.

Mr. FLEMING: You will cover all the information in regard to French language broadcasts similar to the information you have compiled here? I may have misunderstood Mr. Dunton, I did not realize that you understood my request was being confined to English language broadcasting. I think we should have the same information with regard to the French broadcasts.

The WITNESS: The same type of opinion broadcasts? Yes.

The CHAIRMAN: On the Capital Report program?

Mr. FLEMING: In all these opinion programs. Mr. Dunton knows the ones we have in mind. He has been very good in compiling this information for us and in exhibiting it in this very useful form. It has facilitated our consideration of it.

The WITNESS: Yes, we will have it put together.

*By Mr. Knight:*

Q. In regard to Mr. Studer's comment wouldn't you find it almost an impossibility? When you consider an extreme opinion expressed on the radio, would it not be very difficult to get someone immediately to refute it? Isn't that our guarantee that such things be repeated, and that you would put on men who held different opinions? Is that what you try to do in order to preserve a basis?—A. That is what we try to do.

Q. I love to listen to broadcasts which give opinions with which I violently disagree. I think we should thank the C.B.C., or any other broadcasting stations for what Hilda Neatby calls "Something for the Mind". I would not be in favour of simply playing popular music as a substitute for mental food, although I do like music too.

The CHAIRMAN: He did not specify popular music.

Mr. KNIGHT: Well, any music.

*By Mr. Studer:*

Q. I think it should be kept in mind that if a commentator, or anyone, should go on the air and make a statement of a situation, such as as the examples which have been given here by Mr. Fleming, that statement may take only 30 seconds to make, but it might take two hours in order to refute it. I think we have examples of that throughout all our operations, politically as well as in everyday life. That is the objection which I have. It is the easiest thing in the world to express an opinion, but when you come to express a counter opinion and to explain it, you may have to take a great deal more time than was required when the original statement was made. That is what worries me.

Mr. KNIGHT: If we followed that thought to its logical conclusion, you would put yourself in the position where you would not have any opinions expressed at all, and you would have to play music all the time.

Mr. STUDER: I do not think we should go to that extreme.

*By Mr. Beaudry:*

Q. I submit that it would be preferable that before we started examining, if we have to, each one of these types of programs seperately, if we took an overall view. I noticed that in their series called The Press Conference Mr. Jacques Soustelle, a Gaullist member of the French National Assembly spoke early in 1953, I think. I do not know whether the transcript is available of that particular broadcast; perhaps it is not, but if it were I would like to

see it and see whether precisely an opposite opinion was expressed, or a statement of fact to the contrary—if that is possible—to the one expressed by Mr. La Chance.

The CHAIRMAN: Mr. Jacques Soustelle.

Mr. BEAUDRY: Yes. If we deal with each series in detail before we look at the whole picture, we may be misled, or lose some time. We may come to the conclusion that what Mr. La Chance said today was refuted in another series tomorrow.

The CHAIRMAN: Mr. Dunton is not sure if he can get it.

The WITNESS: It would not be a script.

The CHAIRMAN: It was a press conference.

Mr. BEAUDRY: I said the transcript.

The CHAIRMAN: We will see if it is available.

Mr. BEAUDRY: I appreciate the fact that it may not be, but it would be interesting, if it were available.

*By Mr. Fleming:*

Q. Perhaps Mr. Beaudry would like to know one or two of the things which Mr. La Chance said on that program in 1953. "Douglas La Chance, CBC correspondent in Paris, declared that France would like to include left-wing elements in her governments, but is afraid to do so lest the United States be offended. Were it possible to bring specialists and others into the government, he implied, there might be a chance to solve France's problems. He spoke in the series 'Capital Report' heard Sunday morning, June 28th, over C.B.C.'s Trans-Canada Network."

Mr. BEAUDRY: Shall I quote you Voltaire?

Mr. FLEMING: Voltaire is not broadcasting on the C.B.C. so far as I know.

Mr. BEAUDRY: I know, but I can still quote him.

*By Mr. Fleming:*

Q. Mr. La Chance said in another one, speaking of the strikes that occurred in France, which he described as a peaceful rising of the working classes: "The strike situation in France was described as a 'peaceful rising of a working class tired of waiting for reform, by CBC commentator Douglas La Chance, staff correspondent in Paris. He spoke in the regular series 'Capital Report', heard Sunday afternoon, August 30th, over C.B.C.'s Trans-Canada network.

'The strikes', he said, 'spell out clearly something observers have long feared would happen—that the French working class now feels that its interests are separate from the rest of the country, and is not willing to make any sacrifice to improve the common lot while the state is under present management."

And it goes on in that vein. I would like to ask, while this is before the committee, if it can be said that there is complete balance in the matter of opinion, or in the matter of a fair report from Paris, that the man who is making those reports could, like Mr. Halton, occupy what seems to me to be a virtual monopoly of 71 per cent of the time of that broadcast.—A. He was on twelve times last year.

Q. That is twenty-four per cent.—A. That is on the total.

Q. You reminded me that this was the report from Paris. How many other reports from Paris are on that list, and how many times were they on, and if they were put on on a basis of factual or opinion broadcasting from

France, and on conditions in France?—A. That will take a little time to work out. I shall see if we can do it for you.

Q. Would it take very much longer to indicate whether Mr. Halton was on from London, or leaving him out of it, Mr. Cairncross from Rome; that takes out seven; that does not leave us very many. Robert McKenzie; did he have any broadcasts from Paris? We usually have Mr. Scott broadcasting from London and Geneva, and Mr. Wighton who broadcasts from Bonn; that does not leave very much. In view of the fact that Mr. Dunton raised the point, we had better find out how many other broadcasts there were from Paris besides those twelve which had been made by Mr. Douglas La Chance in this series.

Mr. BEAUDRY: In your opinion, Mr. Fleming, would his judgment be infirmed by the fact that a certain commentator were the only one writing political comments in the Montreal Gazette for some three or four years?

Mr. FLEMING: What has that to do with these broadcasts from France, which appear to be very nearly a monopoly.

Mr. BEAUDRY: Is it not likely that a man who spends most of his time studying a particular question would be the best informed? I would consider that a newspaperman who has been handling the reports for his newspaper in Ottawa for some years would acquire more knowledge and eventually become a better reporter and a distributor of news, and that the same factors would apply to radio broadcasters.

Mr. FLEMING: Is he the only one in that category? Certainly a commentator should improve with experience, that is to be expected. That is expected of us all, even of members of parliament.

Mr. RICHARD (*Ottawa East*): It is not always true, though.

*By Mr. Fleming:*

Q. But that doesn't mean there is only one person in the field who could be selected. Let us get the facts. We can argue this out later. I have asked for the number of broadcasts and the details of the series which came from Paris.—A. Only Mr. La Chance is from Paris.

Q. That is what I suspected, that he did one-hundred per cent of the broadcasting from Paris. That is the type of information which I think should be given to the committee. His was the only voice from Paris over the C.B.C. networks, and I consider that was a complete monoply.—A. For this one program.

Q. I think the program is a very important one indeed.

*By Mr. Beaudry:*

Q. Have there ever been complaints from the French authorities as to the contents of Mr. La Chance's programs, or as to his expressions of opinion?—A. Not that I know of.

*By Mr. Fleming:*

Q. I do hope that the French government will not undertake a censorship of opinions, but I think that the Canadian people should expect something in the way of a balance in the broadcasts from Paris whether they be of facts from Paris, or matters of opinion; and if it is going to be opinion, surely they are entitled to have a balance.—A. In the case of Paris itself, a lot of those commentators deal with general European affairs: and in Paris it is extremely difficult to get any Canadian who can speak with relation to France.

Q. I want to pursue that further. If this is an expression of the policy of balance in opinion, I think some further and stronger effort is going to be required.

*By Mr. Knight:*

Q. I have one question: does the geographical position of the broadcast, or does the city or town in which he lives preclude him from discussing French politics, because he happens to be living in Paris?—A. I think the affairs of France would be mentioned or discussed, and would come into a lot of commentaries.

Mr. FLEMING: According to Mr. Knight's question he must have misinterpreted what I was driving at. I did not say he should be kept off. I say that is the kind of subject to be given a balance. Without any stretch of the imagination, if we are going to have an expression of opinions of the kind we have just read, then certainly there ought to be expression of the other kind of opinions.

The CHAIRMAN: Suppose that the C.B.C. cannot find anyone in Paris who is a Canadian, to do this work?

The WITNESS: Our people would be very glad to have the names of other competent broadcasters from Paris who know the Canadian scene.

*By Mr. Fleming:*

Q. I cannot accept as a fact the statement which you put forward that they cannot get other people.—A. I said that our people have found it to be extremely difficult, but they are trying to do something to overcome the difficulties, and to see if there cannot be a more apparent balance in these broadcasts.

Mr. RICHARD (*Ottawa East*): Suppose next year we find that the C.B.C. hired three men over in Paris who expressed the same opinion as did Mr. La Chance?

Mr. FLEMING: That would not be a balanced expression of opinion.

Mr. BEAUDRY: Then let us hire them on the basis of pro and con.

*By Mr. Hansell:*

Q. Isn't the broad argument simply this: there are two ways of life being expressed throughout the world. Canada and the Canadian people accept one way of life. Now, in any opinion, or news, or talks broadcasts, those broadcasts must have an influence upon the thinking of the Canadian people. We will assume that the authorities of the C.B.C. are doing their very best to retain a balance of opinion. But nevertheless there are some of us who see a danger of these broadcasts conditioning the minds of the people—not perhaps intentionally, but in order to soften them up and condition them to accepting what we believe to be a false way of life. That is the whole thing put in a nutshell.

Now, to me personally, the one way of life that is opposed to Canada and the Canadian people is regarded by us as being wrong, and if there should be any balance at all, it should be all on the side which strengthens our particular way of life.

Mr. Studer hit the nail on the head, I think, in what he expressed. He expressed the same thing in other words. I am not going to be critical of the C.B.C. officials in attempting to obtain a balance. I am not complaining. They have an exceedingly difficult job to do, because no matter who you put on the air, as Mr. Beaudry has said, one man may be better informed than another, one man may rise in the newspaper business to be a very prominent

newspaperman; but I do not care how prominent he is. He cannot forego his own feelings and opinions respecting a particular subject; therefore, his thoughts and opinions must influence his broadcasting.

That is the position we are in. Some of us feel we have a responsibility and we are going to do our best to retain and strengthen our particular way of life against opposing forces in the world which have encroached upon us by all sorts of methods in order to influence our people.

The CHAIRMAN: I am afraid I have been a little too lenient in giving such latitude to this discussion. I think we are getting away from our order of reference. We are here to discuss first of all the balance between the principles of different commentators. Now we are discussing different opinions and trying to balance those different opinions between them, so I think we are getting a little too far from our reference.

Mr. HANSELL: I do not want to continue the discussion, but, Mr. Chairman, I do take issue with what you have just said, because here is the thing: radio in Canada, whether it is the C.B.C. or any independent station, apart from television, as far as I can see, is the most powerful medium for moulding public opinion, and we have a very serious responsibility in that respect.

The CHAIRMAN: I know that.

Mr. KNIGHT: I think we should preserve some balance in this committee too.

The CHAIRMAN: Absolutely.

Mr. KNIGHT: I would like to take issue with what Mr. Hansell has said. Suppose, for example, that Great Britain came under the control of a labour government. Under the B.B.C. set up, where you have the B.B.C. under government control, would Mr. Hansell then assert that such a labour government should only allow to go over the B.B.C. such opinions as were in favour of and slanted for whatever things the labour government would favour? That would be a reasonable question, I think. It is horribly dangerous to have the C.B.C. or the B.B.C. or particularly any government-controlled radio expressing opinions which could be in any way suggesting and slanting. In other words, so far as I am concerned, speech must be free for Canadians, and for Britishers, as well as for anybody else. It is a poor cause which cannot stand on its own feet. The people of this country or of Great Britain or any other country have the right to hear all opinions and to use their own good sense, when there is an impact of such opinions upon their own way of life, as to which they consider is most suitable to themselves.

I could develop that thought further. I hate the communist regime for the very reason that Mr. Hansell has stated. If you go behind the iron curtain you are going to have no freedom of speech. You will find there that all the stuff is slanted in one particular direction. Make no mistake about it, you would have no opportunity to hear anything. And I suggest that Mr. Hansell is doing the very thing for which he would blame the communist regime, namely, that he is not allowing free discussion of opinions in this country. To me that is the essence of democracy and freedom, and when you restrict freedom of speech, then freedom itself has begun to die.

Mr. FLEMING: I welcome the speech made by Mr. Knight, it just bears out the point that I have been trying to make this morning, that we want to have a variety of opinion which is the safeguard of democracy. You do not get that where all the broadcasting which the Canadian people can hear from Paris comes from one individual who obviously has his own views and opinions. That is the one point of view that we hear.

Mr. RICHARD (*Ottawa East*): In our way of life in this country, if the people find that Mr. LaChance or Mr. Halton are not giving proper opinions, they will get rid of them and get somebody else. Surely if we did what Mr.

Fleming and others have suggested, and if every time there was an opinion we have to have a contrary opinion, then we are controlling opinions.

Mr. FLEMING: No, we are not. If we give people no opportunity to hear other points of view we are just developing a monopoly.

Mr. HANSELL: Mr. Chairman, since Mr. Knight commented on my remarks and directed his comments to me, I feel that I should reply. The answer to Mr. Knight is that there are countries which have fallen under communism which never would have fallen, or never would have come within the orbit of Russian imperialism if the conditioning of the minds of the people in those countries had not taken place before the "coup" had happened. That is the thing. We do not want that to happen in Canada. Perhaps the officials of the C.B.C. are more or less the victims of the present day trend. It may be so, I do not know; but some of us are out to see that that what has happened to some countries is not going to happen to Canada.

Mr. CARTER: I apologize for coming in late, but when I came in we were discussing Capital Report, London and Europe, and there was some criticism in respect to Mr. Halton and Mr. LaChance having a monopoly of that program. My question is this: has the same criticism been directed against the broadcasts from Washington, because there we do have a more evenly spaced and better variety of opinions. Are we singling out France? Is the committee, or any member of the committee, taking the position that the balance of opinion from London or Europe is different from the balance of opinion from Washington?

The CHAIRMAN: Would repeating?

Mr. CARTER: I want an answer to my question. We are criticizing the broadcasts from London and Europe.

The CHAIRMAN: Yes.

Mr. CARTER: Have we met any criticism with respect to Washington, because there we have the time or less divided among three different speakers.

The CHAIRMAN: No criticism has been made this morning.

Mr. FLEMING: I was the only one who commented on the Washington group. I said that the broadcasts have been very evenly divided among four broadcasters who have been treated fairly equally—they were in striking contrast to what we have been hearing with respect to the broadcasts originating in London and Europe.

Mr. CARTER: I take it that Mr. Fleming would be satisfied, and that others would be satisfied, if the same condition should obtain under the London and Europe broadcasts? Is that right?

Mr. FLEMING: It all depends. We are not committing ourselves to a general statement. We have been talking about the preservation of balance and variety.

The CHAIRMAN: Yes.

Mr. RICHARD (*Ottawa East*): But in the case of Washington, it is easier to obtain a balance because physically it is easier to get commentators there immediately.

The CHAIRMAN: Yes, it would be.

*By Mr. Beaudry:*

Q. Was Mr. LaChance the only one who expressed his views on the French stations among your various European commentators?—A. No, there were others. I cannot produce the details at the moment for the French stations. They would have employed various commentators.

Q. Therefore, we have a wider range of expression of opinion than apparently we have by merely looking at Mr. La Chance's record?—A. Yes.

The CHAIRMAN: It is now ten minutes to one and I think we have worked very well this morning. Perhaps we can adjourn now until tomorrow morning at 11:00 o'clock when we will continue with questioning Mr. Dunton on this report.

Mr. KIRK (*Shelburne-Yarmouth-Clare*): When we broke up at the last meeting it was understood that we could ask certain specific questions with respect to certain areas under "technical facilities". Can we still do so?

The CHAIRMAN: No. We will finish with that tomorrow if we can and then we will start in on the report.

# EVIDENCE

APRIL 1, 1955.
11.00 a.m.

The CHAIRMAN: Order, gentlemen we have a quorum. I should like to ask the members of the steering committee to stay here after the sitting, if possible. I have something to discuss with them.

Mr. BEAUDRY: Mr. Chairman, may I suggest to the committee that at some future date we call in as witnesses, not necessarily in this order, Mr. Watson Sellars, the Auditor General, and the president of the Musicians Union. I am referring to page 31 of the first report. I believe that since some of the information was secured in the matter of musicians' fees, etc., perhaps it would bear a little further explanation and it would be useful to have the president of the Musicians' Union as a witness. I defer to the decision of the agenda committee, but I should like my request considered.

The CHAIRMAN: We will discuss that in the agenda committee. That is Mr. Sellars?

Mr. BEAUDRY: Mr. Watson Sellars, and Mr. Murdock, I believe it is, the president of the Musicians' Union.

The CHAIRMAN: We will discuss that with the agenda committee.

**Mr. A. Davidson Dunton, Chairman, Board of Directors of the Canadian Broadcasting Corporation, called:**

The CHAIRMAN: We shall continue discussions on the documents produced by Mr. Dunton.

Mr. FLEMING: May I ask whether these six documents will make part of our record of yesterday's meeting?

The CHAIRMAN: No, sir.

Mr. FLEMING: They should have been. I would ask that that be done. Much of the questioning yesterday would be meaningless without having the documents themselves made part of the record of the meeting.

The CHAIRMAN: Is it agreeable to the committee that those documents be printed in the report of yesterday's proceedings?

Mr. BOISVERT: I shall so move.

The CHAIRMAN: Agreed.

Mr. FLEMING: Most of our discussion yesterday was around the first statement on "Capital Report". If no one has any further question on that, I should like to go on to the others in turn. I would ask if any other members of the committee want to ask any more questions on that.

The CHAIRMAN: Are there any other questions on number one document, on Capital Report? None. Which one are you taking next?

Mr. FLEMING: I am taking them in the order in which Mr. Dunton gave them. Number 2 is "Mid-week Review", and No. 3 is "Our Guest Speaker". I have very little on these two, Mr. Chairman, except to point out, in case Mr. Dunton has any comment to make on it, that in the case of Mid-week Review we have here a very wide distribution of speakers. I have just made

a calculation, for instance, of the 1954 participants. There were ninety of these broadcasts and sixty-eight persons participated in the ninety, indicating the kind of distribution that I was urging yesterday was the sort of safeguard in balance of programs, which I think could be usefully applied with regard to those broadcasts in the Capital Report series. Nearly all the speakers made one appearance each, and there is an odd one with two. The man with the most appearances was again Mr. Douglas LaChance, who had seven. There are two fours and a three and a few twos, but mostly there is just one appearance.

If we turn to the third statement, on the series "Our Special Speaker", we will see that in 1953 and 1954 there was only one person who participated more than once. In every other case it was just one appearance per person, and the participation was distributed over a large number of participants in that way. I do not know whether there is any further comment which Mr. Dunton wished to make?

The WITNESS: As I was trying to explain yesterday, there is a difference in the types of programs. In a program like "Capital Report" our people have found it useful and good broadcasting to get some sense of continuity in it. They are mostly professional speakers, who have some identity. On the whole it is more effective, to some extent at least, if the same people are used while trying to maintain an over-all reasonable balance. "Our Special Speaker" is a different type of program, as its name applies, where people are chosen to make a one-time speech as a rule, as the pattern shows.

*By Mr. Knight*:

Q. I think that probably the answer to this question is abvious, but would you not agree with me that the people who listen to Mid-Week Review are, by and large, the same people who listen to Capital Report, and that the fact that you have satisfied Mr. Fleming in the matter of the wide diversification in Mid-Week Review might carry over to the idea of preserving balance on the air generally in regard to broadcasts of this type?—A. Many people, I think, would listen to both of them. We try to get as good a balance as possible in individual programs, but also in the over-all broadcasting of opinion and comment.

Q. My point was that a good many of these people will probably be expressing opinion that would certainly not be the same, even if not directly opposite to the expressions of opinion given in Capital Report.—A. There would be quite a variety in this list.

*By Mr. Fleming*:

Q. Can we go on to the next one, if there are no further comments? The fourth one was "International Commentary". I notice that participating, Mr. Chairman, on this series, Mr. Peter Stursberg in 1953 did about half the broadcasts of this series, and in 1954 about 40 per cent. He did ninety-five in 1953, and eighty-two in 1954. Nobody comes anywhere near him in number. The nearest person to him in the number of broadcasts in 1954 was Ada Siegel, who did fifteen. What is the reason for channelling so many of these through the one individual?—A. This program is used to a very large extent to bring information from the United Nations in New York. As I think I explained before, Peter Stursberg is the man on retainer at the United Nations. I think he has been the only Canadian correspondent there and a very large part of his contributions would be daily summaries of what has gone on at the United Nations. Incidentally, we thought that a very useful service, and we have had many compliments about that kind of information service bringing news from the United Nations.

Q. Would you expect him in these reports to be strictly factual?—A. A good part of it would. He may get some interpretation in at times, and again that is why we have some other people, but a very high percentage of his material would be a straight summary of what has happened at the U.N.

Mr. FLEMING: Can I go on to the fifth one?

The CHAIRMAN: Are there any other questions on this? No.

Mr. FLEMING: The fifth document was on "Press Conference" on the Dominion network. Here, Mr. Dunton, you have a table broken down into two groups, guests and participants. The participants in turn are broken down into two groups, those who were chairmen and those who were not chairmen. In looking among the guests in pursuit of information about this matter of balance, I find there are a number of persons who participated as guests who, of course, are not Canadians and who have been drawn from a number of other countries, but I was looking at the Canadians who are members of parliament who have participated. In 1953 you had six members of parliament. In order, they were Mr. Stanley Knowles, the Hon. Brooke Claxton, Mr. David Croll, the Hon. Walter Harris, Mr. John Diefenbaker and Mr. John Blackmore.

Mr. KNIGHT: And Mr. Pearkes, number five.

Mr. FLEMING: Yes, and General Pearkes. There were seven there. When you come to 1954, I find that you have increased that number to ten: Hon. L. B. Pearson, Hon. Mr. Sinclair—Mr. Pearson was on three times by the way, and Hon. Mr. Sinclair once—Senator Wishart Robertson once, Mr. Solon Low once, Hon. Mr. Abbott once, Hon. George Drew once, Mr. Coldwell once, Rt. Hon. Mr. Howe once, Hon. Mr. Martin once, and Hon. Mr. Pickersgill once. According to my tabulation—

Hon. Mr. McCANN: Hon. George Drew too.

Mr. FLEMING: I mentioned him. According to my tabulation, ten participants of the guests were drawn from parliament. Seven of them were Liberals, one Conservative, one C.C.F. and one Social Credit. Then, if you take into account that one of the government ministers, Mr. Pearson, was on three times, you actually had twelve broadcasts in this series in which members of parliament participated, and of those twelve nine were by Liberals, one Conservative, one C.C.F. and one Social Credit. I ask if that is the C.B.C.'s idea of balance?

The CHAIRMAN: Is that in 1954?

Mr. FLEMING: Yes, Mr. Chairman, on page 3.

Mr. BEAUDRY: I would say, Mr. Chairman—

Mr. FLEMING: May I ask Mr. Dunton, Mr. Chairman? I did not ask any member of the committee.

The WITNESS: I think the record is there. As you know, we do among political parties try to have a fair balance, and it has been suggested sometimes that it is not a great privilege going on Press Conference.

*By Mr. Fleming:*

Q. But did anybody turn down a request? Did a member of parliament or a political party turn down a request?—A. Yes.

Q. When was that, and who was it?—A. Usually they have not been able to accept a particular date.

Q. But that is a matter of dates. You do not have anybody rejecting an invitation to appear on a series like this, I am sure?—A. Just occasionally when people have not wished to accept for quite a long time, not necessarily saying that they would not want to go on at any time.

Q. I come back and ask the question, is that record for 1954 the C.B.C.'s idea of balance, with nine Liberals, one Conservative, one C.C.F. and one Social Credit member of Parliament in these broadcasts?—A. I would agree that from the straight point of view of figures it does not look like a very good balance. These programs are put on partly depending on what subjects are in the air and would be likely to interest the public and newspaper people. It is largely done on that basis. We try to keep a reasonably fair balance and I would agree that on the straight matter of numbers it does not look a good balance.

The CHAIRMAN: Could you tell me offhand whether, since the first of January 1955 and up to now, the balance has not been kept better?

The WITNESS: The Minister of Public Works has been on, Mr. Balcer has been on.

Mr. FLEMING: Is it the same series of broadcasts?

The CHAIRMAN: Press Conference, yes.

The WITNESS: They are the only political people since then.

Mr. FLEMING: Just two?

The WITNESS: Yes. Of course, we do not think of them as political broadcasts. I do not know to what extent they are opinion broadcasts. It has been found interesting to many people to have people connected with important developments under grilling by newspaper people. That is to a large extent the way the people have been picked from time to time.

Mr. KNIGHT: One or two that I have seen, I think could not be considered as any political advantage to the participant.

*By Mr. Fleming:*

Q. I suppose that depends on the way the participant handles himself? But I think your list will be added to by last night's program. There was another Minister of the Crown on last night.

A. Yes, because of the great recent interest in Canadian international affairs.

Q. But you are not suggesting that government ministers are the only ones who are competent to deal with issues which may be pressing issues at any particular time in the minds of the Canadian public? I do not think you would defend a continuation of a disproportion such as we see in the 1954 series.

A. No, the basis of the straight figures shown in the document is not very good for this last year.

*By Mr. Beaudry:*

Q. This is not a period of entertainment as we would consider entertainment normally?—A. At times I think it is quite entertaining.

Q. I appreciate that, but it is a different type of entertainment, let us say. You would be guided in your selection of speakers week to week and as much in advance as you can by other local circumstances, by the presence of some outstanding personage from other countries who would be willing to appear on this program, or you would be guided, I assume, by either the necessity or the usefulness of giving the public some information on a very topical subject. For instance, in 1954 I would assume Mr. Pearson might have been asked three times or perhaps four on matters likely dealing with the foreign situation, perhaps at that time in Korea.—A. I do not remember the occasions.

Q. I would suggest that Mr. Pearson, in spite of Mr. Fleming's contention, is perhaps the best informed man in Canada on that particular subject.

A. That is why he would be—

Q. That is why he would be asked more frequently than Mr. Fleming or myself to discuss that particular subject—A. He would be asked at times when there is a great deal of public discussion.

Q. So that in terms of another balance, you balance your program according to the ability of a speaker to discuss a given topic rather than balance it by numbers?—A. Yes, we try to get an interesting and useful program of people being interviewed who presumably can stand questioning on a subject that is very much in the public mind.

Mr. FLEMING: It is evident that Mr. Beaudry finds Liberals more interesting than others.

Mr. BEAUDRY: On most subjects, yes.

*By Mr. Knight:*

Q. Did you say that there have been only two on this year?—A. No, I was just mentioning people who had Canadian political connections.

Q. Were there only two?—A. Mr. Fulton has also been on this year.

The CHAIRMAN: And Mrs. Fairclough.

Mr. FLEMING: That is the other program. Mr. Balcer was on TV, Mr. Fulton was on TV, and Mrs. Fairclough.

*By Mr. Knight:*

Q. Could we have again the list of those who have appeared who might be considered as politicians, since the first of January to date, on the TV Press Conference.—A. This is for sound only. I can give you the radio appearances. In some weeks they are carried on both television and sound. We are giving the ones on sound.

Q. If TV is not included, there would be no point in my questions.—A. Almost all these have been on television. These are the people: the Mayor of Montreal—

Q. I asked only for the so-called politicians.—A. I was leaving it to others' judgment.

*By Mr. Fleming:*

Q. I think, in view of the form of the question, that it might be more prudent for you to give the whole list and let the members draw their own conclusions as to who are politicians and who are not.—A. That is what I was thinking. The Minister of Public Works, the Prime Minister of Pakistan, Mr. Balcer, Senator Ralph Flanders, the Chinese Ambassador, the editor of the Weekly Digest Soviet Press, Mr. David Fulton, Mr. Mason Wade, Mr. A. R. Mosher, Sir Robert Boothby—I think it as wise that I read them all—Mr. Marshall McDuffy, a Wall Street business man. I have it down to the second of March. I think that perhaps the balance has been somewhat redressed.

Q. The year is young. Was not Mr. Pearson also on sound as well as TV?—A. Yes, several of those. I can mention the ones on that list who were on TV too. Hon. Mr. Winters, Mr. Balcer, the Chinese Ambassador, Mr. Fulton and Mr. Mosher.

Mr. CARTER: I presume that only the photogenic ones get on TV?

Mr. FLEMING: When we come to TV, I presume we will be given a similar report.

The CHAIRMAN: Perhaps he should give a full list of people on TV and sound broadcasts, as the committee is much interested in so-called politicians, as Mr. Knight said. That would give the full picture at the same time.

Mr. FLEMING: Then we would have to have it for other TV programs as well. I was going to ask for similar information when we come to deal with TV as to the participants.

The CHAIRMAN: Would the committee not agree that, to get the full picture at the same time on the same record, we should hear the full list given by Mr. Dunton on TV?

Mr. KNIGHT: In point of this only.

The CHAIRMAN: Yes.

Mr. KNIGHT: From the 1st of January up to date on this program.

The WITNESS: Do you wish some of the television ones too?

The CHAIRMAN: Yes, please.

The WITNESS: I have the list.

Mr. FLEMING: What program?

The WITNESS: Television Press Conference.

Mr. KNIGHT: Is this from the first of January to date?

The WITNESS: This is August 6 to December 30, 1954. Mr. George Hees; Mayor Charlotte Whitton; Hon. Lionel Chevrier; Major General F. F. Worthington; H. H. Hannam; Hon. L. B. Pearson; Hon. Jean Lesage; R. G. Cavell; Premier T. C. Douglas; Mohamed Ali, Minister of Finance, Pakistan; Rt. Hon. Herbert Morrison, British Labour Party; Dr. H. C. Rauf, High Commissioner for India; George Burt, United Auto Workers; J. Douglas Ferguson, Past President, Canadian Manufacturers Association; Hugh Burnett; M. J. Coldwell; Graham Towers; Donald Fleming.

Mr. FLEMING: I hope that Mr. Beaudry listened to that one.

The WITNESS: Solon Low; Claude Jodoin, President Trades and Labour Congress; Brock Chisholm; A. D. Dunton.

The CHAIRMAN: Brock Chisholm is the one you complained of, Mr. Fleming, the Santa Claus one.

Mr. FLEMING: I was reserving comment on that until we reach the television part of our enquiry. The program was very ill-timed.

The WITNESS: Quite a few of these would be both sound and television.

Mr. KNIGHT: Is that list complete?

The WITNESS: That is only up until December 30. Then, I gave you several of the ones in this year which were also on television.

Mr. KNIGHT: If we had the television from January I that would make the comparison complete.

The WITNESS: It is pretty nearly complete with what I mentioned before.

Mr. KNIGHT: I know this spring that I saw Mr. Balcer and Mr. Knowles on "Press Conference".

The WITNESS: I mentioned Mr. Balcer.

Mr. FLEMING: I think we should leave it to Mr. Dunton is he wishes to put this in shape as to completeness.

The WITNESS: We can do that with both sound and television right up to date.

Mr. FLEMING: I was going to ask a similar question when it came to T.V. to the question I asked with respect to sound with relation to these six statements.

The WITNESS: We have in anticipation of that and following a discussion with Mr. Fleming, a list of television "Press Conference" and "This Week",

the panel discussion on Sundays. I understood Mr. Fleming thought that would be sufficient. Those are the chief programs of this kind in television. Will that be sufficient?

Mr. FLEMING: I did not realize that we were talking about television. We can take that up when we come to television.

The CHAIRMAN: May we distribute these documents now?

Mr. FLEMING: You will become mixed up if you do.

Mr. BEAUDRY: If we are going to make a comparison I think we should have them.

The CHAIRMAN: We could distribute them.

Mr. FLEMING: Yes they could be distributed but not discussed now until we come to television.

*By Mr. Hansell:*

Q. Mr. Chairman, on "Press Conference" might I ask how the interviewers, that is, the press men themselves, are chosen?—A. Usually the procedure is for the chairman to be chosen and then in consultation with the chairman our people try to get a good panel. Very often we try to get people who come from different parts of the country.

Q. You mean the press men come from different parts of the country?—A. Very often if that seems to be a useful thing to have.

Q. I notice on the "Press Conference" sheet for 1954 that there appears on the last page, page 4, to be only 3 chairmen. Is that right?

The CHAIRMAN: Would you speak louder, Mr. Hansell please.

*By Mr. Hansell:*

Q. On this document I have here headed "Press Conference"—Radio Dominion Network, pages 3 and 4, it gives the list for 1954.—A. Could I explain that you will find a sort of a summary starting on the first page which covers participants for 1953-54, so that in order to find who the chairmen were you would have to start on the first page, the second page and then go on to the third and fourth pages and you will get the complete list covering 1953-54.

Mr. BEAUDRY: Mr. Chairman, may I point out that on the list of guests on "Press Conference"—television, second from the last in the list of guests is Mr. Claude Joudin, president, Trades and Labour Congress, and it should be Claude Jodoin.

The WITNESS: We will try to correct that.

*By Mr. Fleming:*

Q. Mr. Chairman, I would like to ask a further question on another aspect of this statement No. 5, "Press Conference"—Radio, Dominion Network, in regard to participation. I see that among the participants Mr. Robert McKeown and Mr. Blair Fraser exceeded all others by a wide margin in the number of occasions they have appeared. Mr. McKeown, I gather from the statement, appeared as a participant ten times in 1953 and ten times in 1954 and was also chairman on seven more broadcasts?—A. The appearance as chairman is included.

Q. So that of the 20 occasions when he appeared in that two years he was chairman 7 times and a participant 13 times?—A. Yes.

Q. And Mr. Blair Fraser participated 21 times in the two years and of those 18 as chairman and 3 times as a speaking participant. They seem to exceed all others by a large margin in the number of times they have been called upon.

Mr. RICHARD: (*Ottawa East*): What about Arthur Blakely?

Mr. FLEMING: He has not been a chairman.

Mr. RICHARD (*Ottawa East*): But he has been a participant.

The WITNESS: There must be some mistake here because I know that Mr. Blakely has been chairman at least once and possibly on another occasion.

*By Mr. Fleming:*

Q. Anne Francis has been on 18 times but not as chairman. I was wondering about the selection. You have quite a number of people participating. Evidently there is a wide number of people who are considered suitable to participate in these broadcasts and I am wondering why several seem to have been selected often? Then I have a further question.—A. Selected for chairman?

Q. Or for participation.—A. In the first place I think there is not quite as much disparity as you suggest. There are some other quite large numbers there. In the second place some people have been selected quite often because they seem to make pretty good chairmen.

Q. Is the selection of the other participants in these panels left in any degree to the chairman?—A. The chairman is consulted about it by our people and they have the final responsibility for choosing the participants.

Q. You first select a subject and then select the chairman to preside at the discussion of that subject?—A. Yes.

Q. And in the third stage you ask the chairman for recommendations as to the participants?—A. Yes. We consult with him on it.

Q. Are there any occasions to your knowledge where the recommendations of the chairman have not been accepted?—A. I think these things are not worked out formally by a treaty or anything; they are discussions; there are talks between our people and the chairman and they reach a conclusion. I do not think there is a question of formal recommendation being accepted or turned down, but the responsibility is the responsibility of the C.B.C.

Q. Yes, but yours is a pretty big organization and I think it would be fair and proper to have some detail about the mechanics of the selection because I think the selection is a matter of very great importance. I was wondering if it is possible for any people to get a sort of inside track here because they are regarded as being suitable by the chairman who is selected or by those with whom he consults within the personnel of the C.B.C. I think you will agree that it would be most unfortunate if any people did seem to develop an inside track to the chairmanship or to panel participation.—A. There are several different people who have been chairmen a good deal, and in the second place all our people should and I think would catch any tendency such as that. I suppose there could be some tendency of it, but on the other hand it is also important, our people think, to have a good competent chairman and a man who can be helpful in suggestions about the panel. It seems, I think, to have worked reasonably well.

Mr. BEAUDRY: May I put a question, through you, to Mr. Fleming. Does Mr. Fleming object to any of the participants in these various series?

Mr. FLEMING: I did not realize I was a witness before the committee. If you wish to have a general discussion I will be happy to have it.

Mr. BEAUDRY: I asked the question through the chair.

The CHAIRMAN: Mr. Beaudry asked the question through the chair and if you do not wish to answer you do not have to.

Mr. FLEMING: What was the question?

Mr. BEAUDRY: The question is, Mr. Chairman, if you wish to ask Mr. Fleming, does Mr. Fleming object to any of the participants on the series?

Mr. FLEMING: I think that is a perfectly absurd question. We are dealing with a question of balance here. This is just a sample of the sort of thing we encounter here when anybody asks a question and somebody doesn't want it to be answered. I asked a plain question on balance and somebody comes up with a silly question. I do not want to keep anybody off the air. In answer to Mr. Beaudry I will say what I said yesterday about people like Mr. LaChance. I said that I did not want to keep them off the air but I wanted to keep the balance.

Mr. BEAUDRY: I will quote from Mr. Fleming in 1953:

> I think we agree that we do not wish now to review those old talks on balance, but rather to be given some idea of what you have done to achieve balance in the presentation of these talks programs.

We have a repetition of what he said in 1953 now in 1955. I think we should preserve our own balance as we have other things to do or otherwise we will be sitting here in August.

Mr. FLEMING: What on earth is Mr. Beaudry talking about? Do I understand that he does not want us to review the operations of the C.B.C. for the years 1953-54? That is as good a way as any to waste time in this committee as I know it.

Mr. RICHARD (*Ottawa East*): I do not mind these discussions but I think it should be made clear on the record that there have been a number of chairmen. The only one of whom you can complain is Blair Fraser with 18 and of the other the top one is 7 and 2 and 1. There have been a number of chairmen. Count them.

Mr. FLEMING: Mr. Richard brings out the fact that one person has been chairman for more than one third of the broadcasts. That is more of Mr. Richard's idea of balance.

The CHAIRMAN: This gentleman must have certain special qualifications.

Mr. KNIGHT: We have the record and anything that anybody wants to prove can be proved by the figures. My suggestion is, with all due respect to Mr. Fleming, that we have spent two days on this matter of balance and there is a tremendous amount of work to be done and I wish we could get along with something else.

The CHAIRMAN: I think Mr. Fleming has asked most of the questions he wishes to ask.

Mr. FLEMING: I have on No. 5, but I now have questions on No. 6.

The CHAIRMAN: I think you will agree that you have taken up a certain portion of this meeting. I do not complain, but—

Mr. FLEMING: I hope that you do not complain. A lot of other questions have been asked here which are silly.

The CHAIRMAN: I wish you would not comment as to whether or not questions are silly.

*By Mr. Hansell:*

Q. I have a question on participants of "Press Conference" which may be a simple question from a simple questioner. Are the participants in "Press Conference" paid?—A. Yes.

Q. Is the chairman paid any more than the others?—A. Yes.

Hon. Mr. McCANN: Are the people being interviewed paid?

Mr. HANSELL: That is my next question. Are those who are interviewed paid?

The WITNESS: The people being interviewed are not usually paid.

Mr. FLEMING: They are not paid. Is that the answer?

The WITNESS: Yes.

*By Mr. Hansell:*

Q. Who are we talking about?—A. The guests. They are not paid.

Q. But those who participate as questioners, mostly press men, are paid?—A. Yes.

Q. And the chairman is paid more?—A. Yes.

Q. Now I suppose there is no use asking the other question. I will put it this way. I suppose it is against your policy to reveal how much they are paid.—A. I think it is the old story of avoiding giving exact amounts. In answer to Mr. Fleming yesterday I gave some ranges and I think from the ranges you can get an idea what they are paid. "Press Conference" is a half hour program and we hope that anyone participating in it does not talk for half an hour. They would fall more in the ten minute range for the participants.

Q. I have no objection to these men being paid. Anyone that is employed to do a job should be paid. There is one other question. When a certain group are chosen as participants in a certain particular program like "Press Conference" do they themselves hold a conference previously to decide the line they are going to take.—A. That is my understanding, yes.

Q. Would that not indicate that instead of a press conference it is a press inquisition?—A. We call it "Press Conference".

Q. I have listened to a number of them and I think that those who have been interviewed have sometimes been victims of thumb screws; that is not a conference it is purely an inquisition.

The CHAIRMAN: Have you any other questions?

Mr. HANSELL: No.

Mr. HOLLOWACH: I was just wondering whether we could have the information as to the total amount of money that was paid for this particular program during the past fiscal year since you do not want to disclose what the individual amounts are. Could you give us the total amount of money for this particular program.

The WITNESS: For "Press Conference" on radio?

Mr. HOLLOWACH: Yes.

The WITNESS: We could have that given together.

Mr. MONTEITH: I take it that the last questioner meant paid to participants?

The WITNESS: Yes. That is the only figure we could get. The amount paid participants; all fees paid.

*By Mr. Fleming:*

Q. May I pass on to the sixth statement "Weekend Review". I notice in "Weekend Review" that in the year 1954 8 persons participated in a total of 51 broadcasts but that 3 persons did 39 of the 51 broadcasts.—A. This again is another of the kind of programs where it has been found effective to have a sense of continuity in it and to have for fairly long periods of time one general panel. We still try to keep a balance in the program.

Q. I notice Mr. Laurendeau here. This is simply the English speaking network?—A. Yes.

Q. This does not include Mr. Laurendeau's participation in the French network?—A. No.

Q. Speaking of balance, having regard to the pro-republican views often expressed by Mr. Laurendeau and the fact that Professor Underhill is well known for socialistic inclinations, do you think that you are throwing quite

a burden on Mr. McGeachy to preserve balance with those two gentlemen? —A. I would find it difficult to comment on the views of those gentlemen, but it has been found that there is pretty fair balance in the program by the people who have listened to it.

Mr. RICHARD (*Ottawa East*): I think Mr. McGeachy takes his part and carries the program very well. He talks long enough that you do not have to worry about the other two. They cannot get in a word with him on the program.

The CHAIRMAN: Mr. Richardson?

Mr. RICHARDSON: Mr. Chairman, I spy a stranger here.

The CHAIRMAN: A stranger?

The WITNESS: McGeachy is sitting in the corner.

Mr. FLEMING: On this list I see the name of Dr. Marcus Long. So there will not be any question about this man, let me say that Dr. Long has been out making speeches and asserting, quite untruthfully, that the Progressive Conservative party would like to restrict freeedom of expression on the air. I admit the right of Dr. Marcus Long to be on the air but I do hope that the C.B.C. will, in the interests of balance, provide opportunities for people to correct that kind of untruthful assertion.

The CHAIRMAN: Could you not get in touch with Mr. Long and talk the matter over with him?

Mr. FLEMING: I do not know if I will have an opportunity to discuss the matter with him, but I hope that somehow there will be some means of convincing this man of the truth of this matter. Perhaps if he reads the record of these proceedings, he will make an effort to understand the Progressive Conservative party's efforts to preserve balance and freedom of opinion. Maybe he will then be convinced that he has been asserting a very untrue proposition.

The CHAIRMAN: As far as freedom of speech is concerned, all the political parties in the House of Commons are supporting it, don't you think?

Mr. FLEMING: Well, you see this particular professor—and I blush to think that he is a professor in my own alma mater—

Mr. BEAUDRY: Is that a question or a statement, Mr. Chairman.

Mr. FLEMING: I was answering a question which the chairman put to me this time.

Mr. BEAUDRY: I beg your pardon.

Mr. RICHARDSON: I thought Mr. Fleming said a little while ago that he did not wish to be a witness.

Mr. FLEMING: I always answer the chairman's questions to me. I presume that is the duty of any member of the committee.

*By Mr. Dinsdale:*

Q. With respect to the Weekend Review programs, the matter of balance is largely concerned with the content of the remarks of the speakers.—A. Not in a precise way. Our people have tried to see in this past year, that there was a regular panel of three people, together with a few others, and the result has been to have a fairly reasonable balance.

Q. Most of those programs originate in your Toronto and Montreal studios? —A. This particular one does. It just happens that several of these speakers are in Toronto, of the three who have been used most. Some of the others come from other parts of the country. We have a great many talks from time to time of different kinds originating all over Canada.

Q. I do not know the geographical location of each of the men concerned, but I noticed this particular one.—A. I am sorry, excuse me. I am forgetting

that Mr. Laurendeau is not in Toronto. Mr. McGeachy and Professor Underhill I think both live in Toronto.

Q. On this Weekend Review series, is Mr. Allison the only speaker from the western studios?—A. It looks like that on this record. Jamieson was from further west, Vancouver; and of course Robert McKenzie is from Vancouver.

The CHAIRMAN: Does that not pretty well cover the question of the documents?

*By Mr. Fleming:*

Q. A request was made yesterday by Mr. Balcer and myself for a similar statement in regard to the French network.—A. They are being worked up.

Q. You say they are being prepared?—A. Yes.

*By Mr. Hansell:*

Q. I want to ask a question on the overall general documents, not on any one particular one. I hope it comes in here, I think it does, but if it does not, I will be glad if you will inform me.

Not long ago I asked for a return in parliament showing the relationship between the Canadian Broadcasting Corporation and their negotiations with Reuben Ship, for work to be done. I would like to read a part of the return and then to ask a question or two.

The part of the return which concerns the Canadian Broadcasting Corporation was this: Question 4: "Did he—" that is, Reuben Ship— "ever work for the Canadian Broadcasting Corporation, and if so, in what capacity?"

The answer to the question is:

> "No. He has submitted a few scripts on a free lance basis for which he was paid per script for those accepted."

Might I ask how many of those scripts were accepted?

A. I think just the two which are mentioned in the return.

Q. Could you make sure of that?—A. I will have it double-checked, but I am pretty sure that is right; just the two accepted. He may have submitted some others.

Q. Perhaps you can confirm that at the next meeting. Are these scripts available to us?—A. They are in our files, yes.

Q. Could you file them with us?—A. Yes.

Q. Now that brings up another question. I will go into it in a little while. When were these manuscripts accepted?—A. I do not know the exact date, but I imagine it would be fairly soon before they were broadcast.

Q. I do not want to take advantage of Mr. Dunton's presence, but I would say in all fairness that there were one or two questions I asked which were answered by the Department of Citizenship and Immigration. The questions are these: "Is one, Reuben Ship, a citizen of Canada?" And the answer was "yes". The second question: "Was this person born here, and if not, when did he enter Canada?" And the answeer was "yes". The third question: "Was he ever deported from the United States to Canada, and if so, when?" And the answer was "Yes; he was deported to Canada on July 23, 1953".

So that I will not take any advantage, were these manuscripts accepted previous to his deportation to Canada from the United States, or afterwards? —A. No. I think it would be afterwards.

Q. We are to conclude then that you did accept manuscripts from a person who had been deported from the United States because he was undesirable there?—A. You are saying that, I am not!

Q. I mean, no man is deported if he is a respectable citizen.

The CHAIRMAN: Well, no, Mr. Hansell, please. I think you are going a little too far with that question. You are elaborating a little too much on that. I do not think it is interesting for the committee to know the reason why he has been deported. You can take it up in the House.

*By Mr. Hansell:*

Q. I am not asking that. All right. He was deported from the United States and after he was deported from the United States the Canadian Broadcasting Corporation did negotiate with him and received and bought scripts from him?—A. That is apparent from the dates you are giving now.

Q. Yes.—A. And those dates we must accept.

Q. Were the officials of the Canadian Broadcasting Corporation aware at the time they bought these scripts, or negotiated with him for them, that he had been deported from the United States?—A. I do not know, I cannot say, but I would doubt it, because they certainly would not have official information. Whether they had heard or seen the report, or not, I do not know.

Q. If you had known, would it have made any difference?—A. I do not know. As we have said before, these scripts were both accepted on the basis of our judgment of the scripts themselves. That is the way we accept scripts. We do not and cannot take responsibility of any actions of the writer, or of anything that might have happened to the writer in the past.

Q. I realize that you cannot take responsibility for what a man has done in years gone by, or in months gone by, but do you regard yourselves as having no responsibility whatsoever for the background, or for the immediate background of the people with whom you are dealing when buying scripts?—A. If the C.B.C. tried to worry about the background of everybody, it would be in a very difficult position. We simply cannot accept any responsibility for the private lives of performers, writers, or musicians whom we pay, but we do take full responsibility for broadcasting these scripts.

Q. Then it would be possible, if you do not look into that angle, that an agent of Moscow might submit scripts which you would buy?—A. It would be possible, but I would think highly improbable.

The CHAIRMAN: Mr. Beaudry.

The WITNESS: Again, I am afraid that the responsibility for what had happened would depend on the script itself, that is all we can go by.

*By Mr. Hansell:*

Q. It is not all you have to go by, if the person is well known. I do not want to comment, but I submit that Mr. Reuben Ship was pretty well known. I am not going to labour the question, but I bring this forward because I think it ties in with the previous discussion we have had with respect to questions which have been asked, with which some of us are very much concerned, about the type of talks and of plays, if you like, which go over the airways of Canada, and for which, in reality, the Canadian people are paying.

Mr. BEAUDRY: Would the C.B.C. ban the plays of Oscar Wilde?

The WITNESS: No. We would carry them.

Mr. KNIGHT: I do not know who Mr. Ship is. I have never heard him on the air and I do not know what particular propaganda he was peddling. But I wonder if a man were deported that would necessarily bar him from the air in Canada?

I do not know how we can ask questions of each other on this committee, except it be done through the chairman, but I would ask if deportation from another country, in Mr. Hansell's opinion, would necessarily bar a man from the air here ?

The CHAIRMAN: I would not give any opinion on that. Personally I do not think Mr. Dunton should be obliged to answer that question.

Mr. HANSELL: I will answer Mr. Knight. I do not think he should necessarily be barred, but I would certainly watch very, very carefully the type of stuff I was buying from him to put over the air.

Mr. KNIGHT: It would not depend on the country from which he was deported.

Mr. HANSELL: It might. Suppose a person was deported from Russia. Let us say one of our Canadian people was deported from Russia because he was considered to be a subversive there because he tried to put over to the Russian people our way of life.

The CHAIRMAN: Do you think they would deport him?

Mr. HANSELL: I know that is an imaginary case. I consider that he might be a very good person to have on the air.

Mr. KNIGHT: You would put him on?

Mr. HANSELL: I certainly would. I would make no bone about it. I want to do everything possible to promote our free Canadian way of life.

Mr. KNIGHT: Hear! Hear!

Mr. MONTEITH: Could we have a return listing the participants in the News Roundup programs in the year 1953-54?

The CHAIRMAN: That would require an enormous amount of work.

The WITNESS: Yes, it would require an enormous amount of work, but it could be done.

*By Mr. Monteith:*

Q. There is no hurry about it.—A. About 2400 or 2500 names would have to be gone through, but it could be done.

The CHAIRMAN: Could you not limit the length of the answer?

*By Mr. Monteith:*

Q. It would be reasonable to group them, just listing the number who have been on five or less programs, or something of that nature, and then listing those who have been on more than that many times.—A. We would still have to go through the whole thing in order to get a compilation, but it could be done if anybody wishes.

Mr. RICHARDSON: What is the purpose of getting that information if it will take such a lot of time? I would be in favour of getting it for a member of the committee, but what is Mr. Monteith's purpose? Is it balance?

Mr. MONTEITH: Yes, balance. We have given consideration to balance. I know you would have to go through the list, but I think you could possibly compile a much shorter list for presentation, and a much shorter return if you kept it to a smaller number of appearances.

The WITNESS: It could be done in a shorter return, but there is an awful lot of work involved in making a shorter return. However, it could be done.

Mr. JAMES: Perhaps a period of a month would help.

Mr. MONTEITH: We will be having a recess for Easter soon, but I imagine that the C.B.C. employees will be working this week.

Mr. RICHARDSON: If it is balance that Mr. Monteith is watching for, would it not be a lot easier if Mr. Dunton could come here at the next meeting, or at a later meeting, and state categorically what policy he pursues in trying, as I understand it, to effect a policy of balance.

Mr. MONTEITH: I think we are entitled to look at these figures ourselves.

Mr. RICHARDSON: Surely, but why have all the employees spending a lot of time if Mr. Dunton could make a statement?

Mr. MONTEITH: I do not think it would take such a lot of time. It might take an employee a couple of days, but twenty five hundred names is not such a terrific number.

Mr. RICHARD (*Ottawa East*): Let us not quibble!

The CHAIRMAN: He will look into the matter and let us know if he can do it.

The WITNESS: I shall try very hard and report at the next meeting.

The CHAIRMAN: You may give what you can.

Mr. MONTEITH: Whenever it is available.

Mr. CARTER: Is this question of balance going to be held over until the next meeting?

The CHAIRMAN: We are pretty nearly through with it now.

*By Mr. Holowach:*

Q. Naturally we are all interested in seeing that balance is maintained with respect to these radio broadcasts. Since Mr. Hansell brought up one particular broadcast, I would like to ask this question: have we ever allowed some of the people who were formerly Communists, or who were associated with some Communist activity and have since departed from those ranks, have we ever given them an opportunity to broadcast over the C.B.C. to our people? I think such a broadcast would be very interesting in view of the fact that they were intimately associated with a particular way of life which is opposed to ours. I have in mind Mr. Gousenko. Have we ever allowed him to make a broadcast to the Canadian people, or has he ever participated in a Canadian program?—A. I do not think that the matter has ever come up.

Mr. BEAUDRY: Has it not been a matter of personal security for Mr. Gousenko?

The CHAIRMAN: I think that has been involved.

Mr. HOLOWACH: I realize that there is a question of security in his case, but there are many others who could be used. I think such a program would prove to be very effective here.

Mr. BEAUDRY: If my memory is correct there was a series entitled "I was a Communist" which ran in a would be soap-opera form for two or three years, as I recall it, and which was brought in here from the United States.

The WITNESS: That was a spot program for local stations. We have had quite a few broadcasts of that kind, dealing with people who not only themselves, but through their families, have had some connection with and who were making a study of or specializing in what is going on in Communist countries.

Mr. HANSELL: I should have asked this question before when I was on my feet: it is along the same line. We were talking about manuscripts and I think Mr. Dunton will recall that in a previous committee I raised the question, as well as in the House, of the possibility of being able to examine all manuscripts. I recall that I suggested it would not be too difficult a task to have duplicate copies made, and I even suggested that perhaps they could be put in the parliamentary library in a book so that research men could go in, if they desired, and look through them.

The purpose of my question and of my request at the time is this: newspapers and magazines are in the public liabrary; they are in file; and if we want to recall reading a certain article several years ago, we can ask the

liabrarian to look it up for us, and there we have it. Now, this matter of radio talks is just as important in moulding the thinking of the country as magazines or newspapers, but the difference is that when the talk goes out over the air it has its influence and then you cannot recall it. You have no record to show just what the man did say. You may say: I recall he said this, or that he left me with this impression, but perhaps I am wrong. I had better look it up. But it is impossible to look it up, because it has gone. It has gone with the wind. Perhaps Mr. Dunton or his officials might give the matter some further thought since it has been raised.

The CHAIRMAN: I think that is a matter of government policy. Had you not better take it up with the speaker?

Mr. HANSELL: No, no.

The CHAIRMAN: I mean if you want to have those manuscripts placed in the library here?

Mr. HANSELL: I do not care whether it is the library or some other place. That is not the crucial point. The principal point is: are these manuscripts to be kept and made available for the public to see them if they want to. And have the officials given any further consideration to the possibility of doing it?—A. All our manuscripts are kept on file of any talks or plays. They are open to any responsible person who wants to look at a script. Making them available at any other place would simply be an enormous clerical job.

Q. That is my point.—A. Any responsible person who wants to see a script can see it.

Q. Would it be such an enormous clerical job to slip a carbon paper in?—A. It is more than that. For instance, many of the broadcasts are done by people who come to the studio with a copy or perhaps two copies. They want to keep one, and one has to go into our files. If our scripts are changed around, it would mean a very big clerical job. There are in the neighhourhood of eight thousand or ten thousand talk scripts a year. It is just the mechanics of making extra copies and then filing them in some other system. We keep archives of all the scripts now.

Q. I do not suppose that I can say anything further on that, but I do believe that it would be desirable where people such as newspapers, research men, and men from different organizations know they can go and search the records, as you can go and search the Congressional records or Hansard or these newspapers. I would say that, if possible, something of that kind should be done. Mr. Beaudry has asked whether I would restrict it to talks. I think we would have to be reasonable in the matter and restrict it to talks. Where there is a manuscript, there would be no harm in having enough copies of the manuscript.

The CHAIRMAN: I think we have covered a great deal of discussion on those talks, so that we can carry on with questions on the report. We were on "International Radio Relations" and "Technical Developments".

Mr. KIRK (*Shelburne-Yarmouth-Clare*): On technical development, as I recall the discussion last week before we got a little off the track, we decided that that was the time when we would have an opportunity to take specific questions about certain areas, and I am quite certain that that was the understanding. If I am right, I should like to speak for a moment about the coverage of the French-speaking network in the Maritime provinces. Not too long ago a new radio station, CBAF, was established in Moncton, New Brunswick, and it was expected—I think I can say it was hoped—by the French-speaking people in my area that they would be able to hear it. Now, we are not able to hear it. I am referring to my area in western Nova Scotia where there are 23,000

French-speaking Acadians. They can occasionally get Chicoutimi and can occasionally get Montreal, but they cannot get Moncton. I believe that there is a small French-speaking station in New Brunswick, and we cannot get that either. A delegation representing these 23,000 French speaking Canadians went to the Board of Governors of the C.B.C. on the 17th of February and asked for the establishment of a French-speaking station in Nova Scotia. The discussion was quite informal; costs were suggested, and someone came forth with the idea that, if it would cost too much to establish a French-speaking station in western Nova Scotia, it might be possible to have a transmitter or a relay station—I am not sure of the technical terms on that. As I recall it, the Governors, through their general manager, agreed to look into the suggestion and see what surveys would have to be made, and so on. The reason I am giving that brief to you is so that the committee will know what I have in the back of my mind. It is coverage for this group of people. Can Mr. Dunton or Mr. Ouimet give me any further information as to what they propose to do to investigate this request.

The WITNESS: Could I say something on that? Then Mr. Ouimet will explain it further. This is partly the same sort of case as was brought up the other day in regard to the south shore of Newfoundland. It is similar to a number of problems of coverage which we have in quite a few areas of Canada in one way or another. The big obstacle to solving the problem is that of finance. That is, they cost money to build and they cost money to operate and maintain. The Board is very sympathetic toward getting good coverage to all Canadians if it can possibly be done, in respect to languages, but we have to move within the limits of the resources available. The Board asked that this matter be studied. The study has commenced, and Mr. Ouimet may explain further.

Mr. OUIMET: In all these cases we have made studies, not only in the case of the French-speaking population of Nova Scotia but also in Newfoundland and many other parts of Canada. The main problem is the question of cost generally, although at times the costs are made higher by other technical considerations. We are dealing here with the order of costs of $200,000 for one station, a station of medium power, and simply in relation to the population to be served it results in high cost per capita. Obviously we have to spend the money we have wherever it will do the most good to the most people. To date all the projects that have been decided upon have been on the basis of that policy. If you can serve one hundred thousand people with X dollars and you can only serve five hundred people somewhere else with those X dollars, you begin with those projects which serve the most people per unit cost. We are left now with a number of difficult problems—all the costly ones. They are all places of dispersed population in areas difficult to serve and it has become purely a question of financing. As Mr. Dunton has said, we are sympathetic to all these cases, but there is a limit to what our finances can do, and we cannot spend money which we do not have without reducing expenditures somewhere else.

Mr. KIRK *(Shelbourne-Yarmouth-Clare)*: I understand that you mentioned round figures of $200,000 as the cost of establishing a small power-radio station.

Mr. OUIMET: It takes a fairly good power to cover the area of which you are speaking. We have gone into it much further than that. There is the possibility of one station of medium power; there is a possibility of two stations of slightly less power; or a number of stations of fairly low power. No matter how you figure the costs, they generally run into figures which you cannot fit in with our present budget. There is another thing. There is not

only the cost of constructions, there is the cost of operation. It means the extension of the networks from Moncton down to southern Nova Scotia, and then, especially if we use a number of stations rather than a big one, the linking of all these stations will be more costly per year than if we use one large one. On the other hand the capital cost may be less. All this is being looked into and I cannot express any opinion one way or the other as to whether it can or cannot go through, All I can say at the moment is that I know our budget position, as I see it, in the coming years is not such that anything can be added without cutting somewhere else.

Mr. KIRK *(Shelbourne-Yarmouth-Clare)*: I have just one further question. You spoke of having one station or several stations linked up. Not having the technical knowledge, I may use the wrong term but, since you have the technical knowledge, you will know what I am trying to get at. What would be the comparative cost to establish a transmitter somewhere in Nova Scotia connected with Moncton?

Mr. OUIMET: That is what I am speaking of. When I spoke of a station, perhaps I was using the wrong technical term. I meant a transmitter, with no studio facilities other than necessary to meet the requirements of the Department of Transport regulations. You have to give call letters, but I did not ment studies. If you bring in studios, it is much more costly.

Mr. KIRK *(Shelbourne-Yarmouth-Clare)*: In round figures, to serve 23,000 people it would look like an expenditure of $200,000?

Mr. OUIMET: I should mention to you that it would not serve all the people well. I just received the figures very recently. In the daytime you would be able to do a fair job with one station, but at night time it would not be a fair job. Many people would not get the service which they expected, because they would have interference from other stations by night. So you would not cover the 23,000 people at night with one station.

Mr. KIRK *(Shelbourne-Yarmouth-Clare)*: In other words, it would have to be an exceptionally powerful station to cover the 23,000 people?

Mr. OUIMET: And further, one of exceptionally good frequencies, of which there are none left—they have been used up during the years. It is unfortunate that both Newfoundland and the Maritimes suffer from a natural handicap in view of the fact that the ground conductivity is generally very poor as compared with other parts.

Hon. Mr. MCCANN: Did the establishment of the Moncton station accomplish in the main what we had in mind when it was put there?

Mr. OUIMET: I think it went a long way to serve the people speaking the French language in the Maritimes, but it does not go quite as far as to cover the Digby Yarmouth population.

Mr. KIRK *(Shelbourne-Yarmouth-Clare)*: In the area there are approximately 23,000 French-speaking Acadians.

Hon. Mr. MCCANN: How many people would you say were served well in the Moncton area?

Mr. OUIMET: I am afraid I do not have any statements about this.

Hon. Mr. MCCANN: My recollection is that it is something like 47 per cent of the people there.

Mr. OUIMET: I would say that is right.

Hon. Mr. MCCANN: There is that percentage of the population in that area who are French-speaking.

Mr. KIRK: *(Shelburne-Yarmouth-Clare)*: Thank you very much. I just wanted to get a clear picture of it.

Mr. CARTER: I should like to follow that up with a few questions. Mr. Ouimet said that they had conducted some experiments to find out what possibility there would be to establish a subsidiary station at Port aux Basques. Would he tell me what experiments were done?

Mr. OUIMET: I do not think I said "experiments". We conducted a study and investigation.

Mr. CARTER: You described the problem as one of coverage and not being able to carry the coverage because of the conductivity of the ground. I was wondering whether you had done any experiments anywhere to see if you could cover it at some other point. The conductivity may be better at one point than it is at another point.

Mr. OUIMET: That is correct, but this is fairly easy to calculate, simply knowing the factors. You do not need to experiment in these things. You have measured the ground conductivity before, and you have complete records of that. You know the geography, you know the frequency, you know the other stations involved, and you can calculate the range of interference. Consulting engineers specializing in that kind of work will calculate something which will generally be accurate within a very small percentage.

Mr. CARTER: But you know that, in the area which I am trying to get covered, the tiny station in St. Pierre is heard very little in all that area.

Mr. OUIMET: If we establish a station at St. Pierre and Miquelon, of course, there will be other considerations involved. In the first place it would have to be linked by network. That would be quite a task in itself, but that would still be expensive.

Mr. CARTER: I am not advocating that, but I am using that as an illustration. Would there not possibly be a point on the coastline near St. Pierre from which you could reach out and cover that just as easily as from St. Pierre itself? You would have to conduct some experiment to find out about that.

Mr. OUIMET: I think that what you are suggesting is that it may be possible to cover the coast line from a point which is on the peninsula or on an island facing that coastline. That is correct. If that could be done that would be a solution from the point of view of conductivity, because water is a very good conductor, but it would still involve the linking of that point with the network and still involve the cost of constructing the station.

Mr. CARTER: We know you cannot build a station without expending money. But coming back to experiments, the Canadian National Telegraphs have tried to link up that area with little wireless telephones. These wireless telephones reach out and the people speak to each other over tremendous distances, sometimes eighty or one hunderd miles, with some little walkie-talkie sets. That is another experiment about which I thought you might have made inquiries through the resources of the C.N.T. in covering this territory.

Mr. OUIMET: Are you suggesting that we make it? I do not think we could make it because we know very well the kind of transmission they are getting. It is very well known. This is for telephone purposes, for the transmission of intelligence by voice, which is not the same problem as the transmission of entertainment by a radio station. We need a wider band, the noise is higher, and it does not go as far, because it involves different frequencies.

Mr. CARTER: What do you consider the minimum population entitled to coverage?

Mr. OUIMET: I think that they are all entitled to coverage. We are covering in Canada something in the order of 95 per cent or 98 per cent, and the last 2 per cent will cost ten times more than the first 98 per cent.

Mr. CARTER: How many people does the station at Grand Falls cover? What is the listening audience of that station.

Mr. OUIMET: I really do not know from memory what it is. On the other hand these stations were built before. They are operating, and we do not think we should cut them off in order to save money to serve somewhere else.

Mr. CARTER: How much money did the reconstruction of CBN at St. Johns cost?

Mr. OUIMET: I think it was somewhere of the order of $150,000.

Mr. CARTER: That is a fairly powerful station.

Mr. OUIMET: That is a ten or fifteen.

Mr. CARTER: Why should it cost $250,000 to put a station into Port aux Basques, as you said the other day?

Mr. OUIMET: This is an unattended transmitter, because there is a studio nearby which costs a good deal of money and it is operated from the studio, but in Port aux Basques, if we built a studio in order to make the transmitter unattended the cost would be even higher.

Mr. CARTER: That would mean that the stations at Grand Falls and Corner Brook would be more expensive than the one at St. Johns.

Mr. OUIMET: We took it over; I do not know how much was paid for it at the time. If these stations are five kilowatt; they will cost in the order of $150,000, if unattended, and will cost more if you have to provide attendance. So it is anywhere between $150,000 and $200,000, and in certain cases more than $200,000, depending on conditions.

Mr. CARTER: But you should be able to give some idea of the actual cost of a station like the one at Corner Brook.

Mr. OUIMET: We can look it up and tell you what the Corner Brook station actually cost. It was built years ago. We are building one now in Corner Brook because we had to replace the old one. I do not know the cost of the old one. The one we are building is of the order of $125,000.

Mr. CARTER: That is quite a bit down from the $200,000 and the $250,000 you quoted the other day.

Mr. OUIMET: Our stations are not all at the same cost. You asked me what it might cost for a station in Port aux Basques and I believe I said anywhere between $100,000 and $200,000 depending on what we decide to build when the plans are finally made. We cannot estimate that accurately.

Mr. CARTER: Is it fair to say that your general policy is to improve the service to people who already have good service and make no effort at all to cover people who have not service?

Mr. OUIMET: No.

The CHAIRMAN: That is not fair, Mr. Carter.

Mr. OUIMET: Not at all. I suppose you are referring to the St. John's station and the fact that they got a new transmitter.

Mr. CARTER: And Corner Brook.

Mr. OUIMET: We have to give them new transmitters because we are ordered to do so by the Department of Transport because the old ones had become hazards to comunications generally. In other words, they were old and were not dependable in terms of frequency and stability and if we had them at all they had to be fixed. These places were served and the stations had to be fixed if we wanted to continue to serve them. Otherwise, they would have to be taken off the air.

Mr. CARTER: If Corner Brook did not happen to have some two bit station before Confederation they would not have one now. Is that the proper deduction?

Mr. OUIMET: This would have to be studied in terms again of the cost per capita of these areas which may be quite different from the cost per capita of a station which might be built in Port aux Basques.

Mr. CARTER: I would like to put this point again. There are 50,000 in my riding and of these 50,000, 40,000 have no radio coverage and 40,000 people are quite a number of people. I would plead with Mr. Dunton and the board to take another look at it and see if they cannot find some means of giving some coverage.

Mr. OUIMET: It is my understanding that the people you are referring to are getting coverage already from Sydney but are not getting the local programs of Newfoundland which might interest them. They are getting some Canadian coverage now. As a matter of fact someone had suggested that we use the Sydney station to give them programs.

Mr. CARTER: That is true, you can give them coverage but you are not giving them the kind of broadcasts that are actually necessary to fishermen of this area. They need the market prices given out from Saint John's and all these quotations. They need a link to link them with the rest of the island and you cannot do that from Sydney.

Mr. OUIMET: We agree that they need it but we have not the money.

Hon. Mr. McCANN: Is it not a fact that almost all these things are technically possible but we have not the means of doing them at the present time?

Mr. OUIMET: That is what my budget figures tell me.

The WITNESS: This question has been very current within the corporation for the last year or two. Particularly in recent months. It is one of the jobs on the top of the list of desirable things to do and the board is very anxious to give good service to all Canadians. It is not a question of what we want to do. We are just as anxious to give that service as the people are anxious to get it. It is simply a question of the board having the money not only to build it but to operate it within the means we see in sight. This has been very much in the forefront.

Mr. CARTER: Do I understand that in the financing of the C.B.C. there is one compartment for the revenue from radio tax and another compartment for the tax on television sets?

Mr. OUIMET: We have been told to keep our accounts that way.

Mr. CARTER: That is a matter of policy I think which might well be reconsidered.

The CHAIRMAN: Well, gentlemen, as I have a meeting of the agenda committee after this sitting I would like you to give me the permission to adjourn the sitting now.

## APPENDIX "A"

*Lists of speakers who appeared on the following radio programmes during the years 1953 and 1954*

1. Capital Report
2. Midweek Review
3. Our Special Speaker
4. International Commentary
5. Press Conference
6. Weekend Review

### No. 1

### CAPITAL REPORT

Trans-Canada Network

Sundays 2:03-2:30 P.M., E.S.T.

Approx. 8 minutes per speaker

| | *1953 Contributions* | *1954 Contributions* |
|---|---|---|
| *Washington* | | |
| Freedman, Max | 12 | 14 |
| Harris, Kenneth | 6 | 2 |
| McConaughy, James | 9 | 13 |
| Minifie, James | 13 | 12 |
| Uhl, Alexander | 15 | 14 |
| *London & Europe* | | |
| Ames, Kenneth | | 1 |
| Cairncross, John (Rome) | | 7 |
| DePoe, Norman (Rome) | 1 | |
| Ellison, Edward | 1 | |
| Halton, Matthew | 27 | 20 |
| Hutchinson, Harold | | 1 |
| LaChance, Douglas | 12 | 12 |
| McKenzie, Robert | 4 | 7 |
| Scott, Richard (London & Geneva) | 1 | 2 |
| Shulman, Milton | 1 | 2 |
| Stenton, Eric | 2 | 2 |
| Wighton, Charles (Bonn) | 1 | 3 |
| Williams, J. E. | | 1 |
| *Others* | | |
| Brayley, Jack (Seoul) | | 1 |
| Caplan, Bernard (Tokyo) | 1 | |
| Frye, Wm. R. (New York) | | 1 |
| Hoyroyde, Derek (New Delhi) | | 1 |
| Pierpoint, Robert (Tokyo) | | 1 |
| Scott, Jack (Johannesburg) | 1 | |
| Stursberg, Peter (U.N.) | 1 | |

| | 1953 Contributions | 1954 Contributions |
|---|---|---|
| *Ottawa* | | |
| Baldwin, Warren | 6 | |
| Barkway, Michael | 4 | 6 |
| Blakely, Arthur | 9 | 10 |
| Campbell, Norman | | 7 |
| Eggleston, Wilfred | 4 | |
| Francis, Anne | 10 | 13 |
| Hickey, Harvey | 6 | 1 |
| McKeown, Robert | 2 | 1 |
| McLintock, Peter | | 5 |
| O'Leary, Dillon | 1 | |
| Woodsworth, Charles | 10 | 11 |

**No. 2**

MIDWEEK REVIEW

Thursdays 10:15 — 10:30 P.M. E.S.T.

Usually Two Speakers to a Program

| | 1953 Contributions | 1954 Contributions |
|---|---|---|
| Dean, Vora Micheles | 1 | |
| Ferguson, George | 2 | |
| Boyd, Hugh | 4 | 1 |
| Harkness, Richard | 1 | |
| Rovere, Richard | 1 | 1 |
| Fraser, Blair | 6 | 2 |
| Malley, Simone | 1 | |
| McKenzie, Robert | 2 | 1 |
| Francis, Anne | 2 | |
| Clark, William | 1 | |
| Lees, Gene | 1 | |
| Keate, Stuart | 2 | 1 |
| Baldwin, Warren | 2 | 1 |
| Henderson, Larry | 1 | |
| Hamilton, Grey | 1 | |
| Siegel, Ada | 1 | 1 |
| Laurendeau, Andre | 1 | |
| Irvine, Ewen | 1 | |
| Blume, Helmut | 1 | |
| Stenton, Eric | 1 | 1 |
| Turnbull, Colin | 1 | |
| Friedmann, W. G. | 3 | 2 |
| O'Hearn, Walter | 1 | |
| Keirstead, Burton | 2 | |
| Wills, Colin | 1 | |
| English, H. E. | 1 | |
| LaChance, Douglas | 3 | 7 |
| McLintock, Peter | 5 | 3 |

| | 1953 Contributions | 1954 Contributions |
|---|---|---|
| Freedman, Max | 2 | |
| Scott, Richard | 3 | |
| Woodside, Willson | 1 | |
| Richardson, B. T. | 1 | |
| Doyle, Frank | 1 | |
| Allison, Carlyle | 2 | |
| Barkway, Michael | 1 | |
| Halton, Matthew | 1 | |
| Cohen, Nathan | 1 | |
| Pelletier, Gerard | 5 | |
| McInnes, Edgar | 1 | 1 |
| Minifie, James | 3 | 4 |
| Fox, Leslie | 1 | |
| Dean, Basil | 2 | 1 |
| Woodsworth, Charles | 1 | |
| Rosenthal, A. M. | 1 | 1 |
| Corbett, David | 1 | |
| Allen, Graham | 1 | |
| Stursberg, Peter | 3 | |
| Jamieson, Stuart | 1 | 4 |
| Daly, Robert | 1 | |
| Frye, William | 2 | 2 |
| Roberts, Leslie | 1 | |
| Balaraman, K. | 1 | |
| Anderson, Allan | 1 | |
| McKeown, Robert | 1 | 1 |
| Shearer, Robert | 2 | |
| Day, Brigham | 1 | 1 |
| Wasserman, Charles | 1 | |
| Ritchie, Ron | 1 | |
| Hawarth, Don | 1 | |
| Marven, Ralph | 1 | |
| Conant, James | | 1 |
| Servan-Schreiber, Jean Jacques | | 1 |
| Bilibin, Ivan | | 1 |
| Ballantyne, Murray G. | | 2 |
| Huot, Maurice | | 1 |
| Epton, Nina | | 1 |
| Harbron, John | | 1 |
| Fowke, Vernon | | 1 |
| Redford, Robert | | 1 |
| Schwartz, Harry | | 1 |
| Lisegar, Peter | | 1 |
| Hillman, Serrell | | 1 |
| Smith, W. Y. | | 1 |
| Higginbotham, Chris | | 1 |
| Whitmore, B. G. | | 1 |
| Lapp, Ralph E. | | 1 |
| Hiscocks, Dr. C. R. | | 1 |
| Luddington, Tracy | | 1 |

| | 1953 Contributions | 1954 Contributions |
|---|---|---|
| Dewhurst, Brigadier Claud | | 1 |
| Knebel, Fletcher | | 1 |
| Mayo, Bert | | 1 |
| Chatelain, M. | | 1 |
| Lord van Sittart | | 1 |
| Brogan, Denis | | 1 |
| de Segonziac, Adelbert | | 1 |
| Edmonds, Jean | | 1 |
| Earl, Leonard | | 2 |
| Krehm, William | | 1 |
| Eggleston, Wilfrid | | 2 |
| McGeachy, J. B. | | 1 |
| Walmsley, Prof. O. | | 1 |
| Pullen, Roland | | 1 |
| Stevenson, William | | 2 |
| Keatley, Patrick | | 1 |
| MacFarlane, Douglas | | 1 |
| Duhamel, Roger | | 1 |
| Davey, Clark | | 1 |
| Eady, Frances | | 2 |
| Phillips, Percy | | 1 |
| Blatz, W. E. | | 1 |
| Bell, Marilyn | | 1 |
| Duffey, Robert | | 1 |
| DePoe, Norm | | 1 |
| Cote, Langevin | | 1 |
| Woolard, Keith | | 1 |
| Wynn, Len | | 1 |
| Ross, Mary Lowry | | 1 |
| Ward, Norman | | 1 |
| Blackmore, Ralph | | 1 |

**No. 3**

OUR SPECIAL SPEAKER

Trans-Canada Network

Sundays 10:20—10:30 PM E.S.T.

| | 1953 Contributions | 1954 Contributions |
|---|---|---|
| Chase, Stuart | 1 | |
| Smith, I. Norman | 1 | |
| Solandt, Dr. O. M. | 1 | |
| Wilson, Harold | 1 | |
| MacVicar, Dr. Archibald | 1 | |
| Furbay, John | 1 | |
| Hiscocks, Dr. C. R. | 2 | |
| Wittkower, Dr. Eric D. | 1 | |
| Turnbull, Colin | 1 | |
| Butler, Rt. Hon. R. A. | 1 | 1 |

| | 1953 Contributions | 1954 Contributions |
|---|---|---|
| Hoffman, Paul | 1 | |
| Tyrwhitt, Jacqueline | 1 | |
| Canham, Erwin | 1 | |
| Laycock, Dr. S. R. | 1 | |
| Anstensen, Prof. A. | 1 | |
| Meany, George | 1 | |
| Tory, J. S. D. | 1 | |
| McKenzie, Robert | 1 | |
| Baxter, Beverley | 1 | |
| Casgrain, Mme. Therese | 1 | |
| Brockington, L. W. | 1 | |
| Phillips, Percy | 1 | |
| Fraser, John Munro | 1 | |
| Ottaway, Dr. A. K. C. | 1 | |
| Smith, Marjorie | 1 | |
| Van Heuben Goedhart, Dr. G. J. | 1 | |
| McLeod, Dr. Allistair | 1 | |
| Fay, Gerard | 1 | |
| Black, Robson | 1 | 1 |
| Patterson, Sheila | 1 | |
| Underhill, Prof. F. H. | 1 | |
| Deakin, Arthur | 1 | |
| Freuchen, Peter | 1 | |
| McKay, R. W. G. | 1 | |
| Fienburg, Wilfred | 1 | |
| Jones, C. Meredith | 1 | |
| Clarke, Arthur G. | 1 | |
| Wright, R. H. | 1 | |
| Wright, Frank Lloyd | 1 | |
| Adebo, S. O. | 1 | |
| Knowling, Phillip | 1 | |
| Hoard, Prof. W. S. | 1 | |
| Phillips, Dr. C. E. | 1 | |
| Fyfe, Sir William Hamilton | 1 | |
| Hutchins, Dr. Robert | 1 | |
| Baird, P. D. | 1 | |
| Eddy, J. P. | 1 | |
| Templar, Sir Gerald | 1 | |
| Cogswell, Dr. Fred | 1 | 1 |
| Keenleyside, Dr. H. L. | 1 | |
| Edman, Irwin | | 1 |
| Alcutt, Prof. E. A. | | 1 |
| Baldwin, Roger | | 1 |
| Clark, Gerald | | 1 |
| Mazzolini, Dr. Ettore | | 1 |
| Jacques, Lyman | | 1 |
| Israel, Verna | | 1 |
| Webster, Margaret | | 1 |
| Hillary, Sir Edmund | | 1 |
| Bowles, Chester | | 1 |

| | 1953 Contributions | 1954 Contributions |
|---|---|---|
| Keppel-Jones, Arthur M. | | 1 |
| Selye, Dr. Hans | | 1 |
| Russell, George A. | | 1 |
| Adaskin, John | | 2 |
| Crankshaw, Edward | | 1 |
| Peers, Frank | | 1 |
| Penfield, Dr. Wilder | | 1 |
| Mead, Dr. Margaret | | 1 |
| Thomson, Dr. David | | 1 |
| Calder, Ritchie | | 1 |
| Bingham, Jonathan | | 1 |
| Rowan, Prof. William | | 1 |
| Anderson, Allan | | 1 |
| MacPherson, Helen Gordon | | 1 |
| Keys, Dr. David A. | | 1 |
| Kennedy, Warnett | | 1 |
| Pauling, Dr. Linus | | 1 |
| Wade, Mason | | 1 |
| Jackes, L. B. | | 1 |
| MacKay, Donald | | 1 |
| Kemp, Dr. Wilfred | | 1 |
| Margeson, J. M. R. | | 1 |
| Johnson, Derek, Lukin | | 1 |
| Fyfe, Rt. Hon. Sir David Maxwell | | 1 |
| Coomaraswawy, Rajendra | | 1 |
| Fisher, Most Rev. Geoffrey F. | | 1 |
| Radhakrishnan, Dr. Servipalli | | - |
| Stacey, C. P. | | 1 |
| Sanders, Byrne Hope | | 1 |
| Reid, Bill | | 1 |
| Raynor, Wilma | | 1 |
| Russell, Bertrand | | 1 |
| Furst, Joseph | | 1 |
| Gordon, King | | 1 |
| Wooding, H. O. B., Q.C. | | 1 |
| Popkin, Zelda | | 1 |
| Dunton, A. D. | | 1 |

**No. 4**

INTERNATIONAL COMMENTARY

Trans-Canada Network

Monday to Friday 6:30—6:35 P.M. E.S.T.

| | 1953 Contributions | 1954 Contributions |
|---|---|---|
| Stursberg, Peter | 95 | 82 |
| O'Hearn, Walter | 7 | |
| Edel, Leon | 2 | |
| Taplin, Walter | 32 | 9 |
| Siegel, Ada | 9 | 15 |

| | 1953 Contributions | 1954 Contributions |
|---|---|---|
| Taylor, A. J. P. | 33 | 6 |
| Harris, Kenneth | 2 | |
| Woodside, Willson | 2 | 3 |
| Woodsworth, Charles | 2 | |
| Rosenthal, A. M. | 11 | 7 |
| Boss, Wm. | 1 | 1 |
| Mezerik, A. G. | 1 | |
| McKenzie, Robert | 2 | 7 |
| Van Steensel, Maja | 1 | |
| Rogers, John | 2 | |
| Bennett, Donald | 1 | |
| McLaughlin, Kathleen | 1 | |
| Huss, Pierre J. | 4 | |
| Telsch, Kathleen | 2 | |
| Fraser, Blair | 4 | |
| McKeown, Robert | 1 | |
| Laming H. E. | 1 | |
| Carpenter, Francis | 2 | 1 |
| Boyd, Hugh | 1 | |
| Richardson, B. T. | 1 | |
| Quilliam, Brig. C. D. | 2 | 1 |
| Hamilton, T. J. | 1 | |
| Sheldon, Michael | 6 | |
| Friedman, W. G. | 2 | |
| Monsarrat, Nicholas | 1 | |
| Cooper, Alvin | 1 | |
| Golden, L. L. L. | 1 | |
| Frye, Wm. R. | 2 | 9 |
| Witkin, Richard | 1 | 1 |
| Walker, John | 1 | |
| Balaraman, K. | 1 | |
| Minifie, James | 1 | 4 |
| Chapin, Miriam | 1 | |
| Phelps, Arthur L. | 1 | |
| Gibson, Douglas | 1 | |
| Greer, Harold | | 2 |
| Menkin, Jules | | 1 |
| Keatley, Patrick | | 7 |
| Steinhouse, Herbert | | 1 |
| Goldberg, Anatole | | 1 |
| Tougas, Gerard | | 1 |
| Harbon, John | | 1 |
| Beloff, Max | | 1 |
| Knebel, Fletcher | | 1 |
| Ray, Cyril | | 1 |

| | 1953 Contributions | 1954 Contributions |
|---|---|---|
| Courtney, Anthony | | 1 |
| Ritchie, Ronald | | 1 |
| Batchelor, Denzil | | 1 |
| LaChance, Douglas | | 2 |
| Downton, Eric | | 2 |
| Floyd, David | | 2 |
| Barkway, Michael | | 1 |
| Ball, Douglas | | 2 |
| Schwartz, Harry | | 8 |
| Sutherland, Donald | | 1 |
| Halton, Matthew | | 6 |
| Stevenson, Wm. | | 2 |
| Waring, Gerald | | 1 |
| Krehm, Wm. | | 3 |
| Boyd, Francis | | 1 |
| McBeth, Jack | | 1 |
| Watson, Francis | | 9 |
| Gruliow, Leo | | 11 |
| Brunton, Donald | | 1 |
| Clark, Wm. | | 2 |
| Day, Brigham | | 1 |
| Hutchinson, H. | | 2 |
| Mackie, Victor | | 1 |
| Dewhurst, Brigadier Claud | | 3 |
| Moseley, Philip | | 2 |
| Nicholl, Rear Adm. Angus | | 2 |
| Crankshaw, Edward | | 2 |
| Watkins, Ernest | | 1 |
| Schonfield, Anthony | | 2 |
| Eastman, Mack | | 1 |
| Bilibin, Ivan | | 1 |
| Wrong, Dennis | | 2 |
| Kierstead, Burton | | 1 |
| Kroon, Robert | | 1 |
| Forrest, William | | 1 |
| Patterson, Bruce | | 1 |
| Ewer, Trilby | | 1 |
| Eayres, Jas. | | 1 |
| Samson, Gerald | | 1 |
| Humphrey, John P. | | 1 |
| Bain, Geo. | | 1 |
| Burton, Elaine | | 1 |
| Stewart, F. K. | | 1 |

**No. 5**

PRESS CONFERENCE—RADIO

Dominion Network

*Mondays 8:00-8:30 p.m. EST*

*1953*

January 5-May 11 November 2-December 28

*Guests*

M. Horace Boivin, Mayor of Granby, P.Q. (1)
Gerard Picard, President, CCCL (1)
S. Knowles, M.P. (1)
M. Jacques Soustelle, Gaullist Deputy, French National Assembly (1)
Major General G. R. Pearkes, V.C., M.P. (1)
William Boss, C.P. Correspondent (1)
Hon. Brooke Claxton, Minister of National Defence (1)
Dr. Tingfu Tsiang, National China Delegate to U.N. (1)
Prof. Ahmed S. Bokhari, Pakistan Delegate to U.N. (1)
Lord Ismay, Secretary-General of NATO (2)
Rt. Hon. Selwyn Lloyd, British Minister of State (2)
Sir Gladwyn Jebb, British Delegate to U.N. (1)
Mrs. Goldie Myerson, Israeli Delegate to U.N. (1)
David Croll, M.P. (1)
S. A. Steward, South African Information Officer (1)
Krishna Menon, India (1)
Ezra Benson, U.S. Secretary of Agriculture (1)
Premier Joseph Smallwood, Premier of Newfoundland (1)
Hon. Walter Harris, Minister of Citizenship and Immigration (1)
Pandit Nehru, Prime Minister of India (1)
Awni Khalidy, Iraq Delegate to U.N. (1)
Senator Knowland, U.S. Senator for California (1)
John Diefenbaker, Q.C., M.P. (1)
John Blackmore, M.P. (1)
Herbert Hannan, President, Canadian Federation of Agriculture (1)
Charles Hill, Parliamentary Secretary to British Minister of Food (1)
Frank W. Bowcott, Agricultural Counsellor at Australia House London (1)
Morse, True, U.S. Under-Secretary of Agriculture (1)

| *Participants* | *Occasions* | | *Chairman* |
|---|---|---|---|
| | *1953* | *1954* | *1953-1954* |
| Trotter, Bernard | 1 | 1 | 2 |
| Garneau, Constance | 1 | | |
| McKeown, Robert | 10 | 10 | 7 |
| Luddington, Tracy | 1 | | |
| Cheney, Vincent | 1 | | |
| Donnelly, Fred | 1 | | |
| Fraser, Blair | 11 | 10 | 18 |
| Keirstead, Burton | 1 | | |
| Collier, Frank | 1 | | |
| Mathieu, Roger | 1 | | |
| Lees, Gene | 1 | | |
| Ferguson, Maud | 2 | 1 | |
| Blakely, Arthur | 6 | 9 | |

| *Participants* | *Occasions* 1953 | 1954 | *Chairman* 1953-1954 |
|---|---|---|---|
| Lambert, Jacques | 7 | 4 | |
| Swanson, Frank | 2 | 1 | |
| O'Leary, Dillon | 2 | | |
| Driscoll, Vick | 1 | | 1 |
| LaChance, Douglas | 3 | 1 | 2 |
| Steinhouse, Herbert | 1 | | |
| Stoneman, William | 2 | 1 | |
| Schoenbrun, David | 1 | | |
| King, Harold | 1 | | |
| Hoare, Geoffrey | 1 | | |
| Francis, Anne | 8 | 10 | |
| Jackson, Richard | 4 | 1 | |
| Beloff, Nora | 1 | | |
| Dempson, Peter | 3 | | |
| Hillman, Serrell | 3 | 2 | |
| Woodsworth, Charles | 2 | | |
| Nicholson, Pat | 3 | | |
| Riggan, Byron | 1 | | |
| O'Hearn, Walter | 7 | 1 | 8 |
| Stursberg, Peter | 7 | 3 | 2 |
| Harris, Kenneth | 1 | | |
| Rogers, John | 1 | 1 | |
| Balaraman, Krishnamachari | 3 | 5 | |
| Hitschmann, Marcelle | 2 | 2 | |
| Hefferman, John | 2 | | |
| Huss, Pierre J. | 2 | 2 | |
| Wagle, Dattatari | 2 | | |
| Langlois, George | 1 | 6 | |
| Ray, Cyril | 1 | | 1 |
| Halton, Matthew | 1 | 1 | |
| Niven, Paul | 1 | | |
| Armstrong, Jane | 1 | | |
| Ewer, Trilby | 1 | | 1 |
| Forrest, William | 1 | | |
| Huinzinger, J. | 1 | | |
| Rosenthal, A. M. | 2 | 3 | |
| Fontaine, Andre | 1 | | |
| Ward, Paul | 1 | 1 | |
| Whiting, Audrey | 1 | | |
| Katal, Jacques | 1 | | |
| Bouhafa, Abed | 1 | | |
| Bloom, Chester | 1 | | |
| Granthan, Ronald | 1 | | |
| Weill, Anne | 2 | 2 | |
| Carpenter, Frank | 1 | 2 | |
| Call, Henrik | 1 | | |
| Minifie, J. M. | 3 | 4 | 7 |
| Blair, William | 1 | | |

| *Participants* | *Occasions* 1953 | 1954 | *Chairman* 1953-1954 |
|---|---|---|---|
| Harsh, Joseph | 1 | | |
| Dale, Edwin | 2 | 1 | |
| Freedman, Max | 4 | 2 | |
| Campbell, Ruth | 1 | | |
| Dennis, Eric | 1 | 7 | |
| Mackie, Victor | 1 | | |
| Neuman, Klaus | 1 | | |
| Nicholson, Eric | 1 | | |
| Clark, William | 1 | | 1 |
| Tas, Sal | 1 | | |
| McLachlan, Donald | 1 | | |
| Hodson, H. V. | 1 | | |
| Martin, Kingsley | 1 | | |
| Frye, Wm. R. | 1 | 1 | |
| Lash, Joseph E. | 1 | 3 | |
| Vas Dias, Arnold | 1 | 1 | |
| Witkin, Richard | 1 | | |
| Keshishian, Levon | 1 | | |
| Miller, Helen Hill | 1 | | |
| Drummond, Roscoe | 1 | 1 | |
| White, William S. | 1 | | |
| Walker, John | 1 | | |
| Smith, Denys | 1 | | |
| Steele, Jack | 2 | | |
| McLintock, Peter | 2 | 10 | |
| Finney, N.S. | 1 | | |
| Burke, Stanley | 1 | 5 | |
| Nicholson, Jennie | 1 | | |
| Anderson, John | 1 | | |
| Thompson, Dr. William | 1 | | |
| Parani, Dr. Felix | 1 | | |
| McKenzie, Robert | 1 | 1 | 1 |
| Rasmussen, Sven | 1 | | |

*1954*

January 4 - May 17 September 8 - December 29

*Guests*

Stirling Cole, Chairman, Congressional Committee on Atomic Energy (1)
Hon. L. B. Pearson, Minister of External Affairs (3)
Chester Bowles, Former U.S. Ambassador to India (1)
Hon. James Sinclair, Minister of Fisheries (1)
Senator Wishart Robertson, The Senate (1)
Neil Jacoby, Vice-President, Council of Economic Advisors to U.S. President (1)
Percy Bengough, President, TLC (1)
Walter Reuther, President, C.I.O (1)
Leslie K. Munro, New Zealand Ambassador to U.S. (1)
William Vogt, (1)
General Alfred Gruenther, Commander NATO Forces in Europe (1)
Solon Low, M.P. (1)

Hon. Douglas Abbott, Minister of Finance (1)
Robert Murphy, Deputy Minister of State for U.S. (1)
Hon. George Drew, Leader of the Opposition (1)
Jennie Lee, British Labour M.P. (1)
Coldwell, M. J., M.P. (1)
Hon. C. D. Howe, Minister of Defence Production, Trade & Commerce (1)
Z. A. Bokhari, Director, Radio Pakistan (1)
C. D. Deshumkh, Minister of Finance, India (1)
Trygvie Lie, Former Secretary-General U.N. (1)
Rt. Hon. Malcolm MacDonald, High Commissioner to Malaya (1)
Mark Trice, Secertary of U.S. Senate (1)
Hon. Paul Martin, Minister of National Health & Welfare (1)
Jules Moch, French Delegate to U.N. (1)
Pierre Mendes-Frances, Prime Minister of France (1)
Hon. J. Pickersgill, Minister of Citizenship & Immigration (1)
Julius Katz-Suchy, Polish Delegate to U.N. (1)
G. S. Thorvaldson, President, Canadian Chamber of Commerce (1)
Enoch Parl, British Conservative M.P. (1)
Dennis Healey, British Labour M.P. (1)
Gilbert Harding, BBC (1)
Jacob Schultz, Chairman, Inter-Provincial Farm Union Council (1)

| *Participant* | *1954* |
|---|---|
| Buchan, Alistair | 1 |
| Friendly, Alfred | 1 |
| Danielle Raymond | 2 |
| Barrett, Ruth | 1 |
| MacKenna, A. | 2 |
| Slevin, Joseph | 1 |
| Hallman, Eugene | 1 |
| Boss, William | 1 |

| *Participant* | *1954* | *Chairman* |
|---|---|---|
| Grant, Allison | 1 | |
| O'Delle, Terende | 1 | |
| Nicholson, Norman | 1 | |
| Crellin, Jack | 1 | |
| Munro, Angus | 1 | |
| Eggleston, Wilfred | 1 | |
| Wronkow, George W. | 2 | |
| Nolde, Mrs. Ellen-Jarden | 1 | |
| Boyd, Hugh | 1 | |
| McKenzie, Ruth | 1 | |
| Campbell, Norman | 2 | |
| Russell, E. | 1 | |
| Waggoner, Walter | 1 | |
| Lisagar, Peter | 1 | |
| McKay, Shane | 1 | |
| McGeachy, J.B. | 1 | |
| Stevenson, William | 1 | |
| Aitken, Margaret | 1 | |
| Woodside, Willson | 1 | |
| Barkway, Michael | 2 | |
| Peers, Frank | 1 | 1 |

| *Participant* | *1954* | *Chairman* |
|---|---|---|
| DePoe, Norman | 1 | |
| Dewhurst, Claude | 1 | |
| Rogers, George | 1 | |
| Guthrie, N. Gregor | 2 | |
| Bird, John | 1 | |
| Malley, Simon | 1 | |
| Waring, Gerald | 1 | |
| Craig, May | 1 | |
| Hollingsworth, Claire | 1 | |
| Knebel, Fletcher | 1 | |
| Harcourt, William | 3 | |
| Needham, R. | 1 | |
| Britter, Eric | 1 | |
| Edmonds, Jean | 1 | |
| Cram, Jack | 1 | |
| Wells, Eric | 1 | |
| Earl, Leonard | 2 | |
| Kent, Tom | 1 | 1 |
| Muggeridge, Malcom | 1 | |
| Vanocur, Sandor | 1 | |
| Higginbotham, Chris | 1 | 1 |
| Hollowell, Harry | 1 | |
| Hedlin, Ralph | 1 | |
| Duroches, Louis | 1 | |
| Ballantyne, Murray G. | 1 | |
| Perrault, Jacques | 1 | |
| McLean, Eric | 1 | |
| Keyserlingk, R.W. | 1 | |
| Deviccio, Leon | 1 | |
| de Tarenne, Henri | 1 | |

**No. 6**

WEEKEND REVIEW

Trans-Canada Network

Sundays 10:10—10:20 PM E.S.T.

| | *1953 Contributions* | *1954 Contributions* |
|---|---|---|
| Allison, Carlyle | 1 | |
| Ballantyne, Murray | | 1 |
| Cohen, Maxwell | | 2 |
| Ferguson, George | 6 | 3 |
| Freedman, Max | 3 | |
| Jamieson, Stuart | 5 | |
| Keirstead, Burton | 7 | 2 |
| Laurendeau, Andre | 4 | 12 |
| Long, Dr. Marcus | 4 | |
| McGeachy, J. B. | 16 | 12 |
| McKenzie, Robert | | 4 |
| Richardson, B. T. | 1 | |
| Underhill, F. H. | 3 | 15 |

HOUSE OF COMMONS

Second Session—Twenty-second Parliament

1955

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# SPECIAL COMMITTEE

ON

# BROADCASTING

*Chairman:* Dr. PIERRE GAUTHIER

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## MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

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THURSDAY, APRIL 21, 1955

FRIDAY, APRIL 22, 1955

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WITNESS:

A. Davidson Dunton, Chairman of the Board of Governors of the Canadian Broadcasting Corporation.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955.

56286—1

**SPECIAL COMMITTEE**

**ON**

**BROADCASTING**

*Chairman:* Dr. Pierre Gauthier

*Vice-Chairman:* Mr. G. D. Weaver

and

Messrs.

Balcer
Beaudry
Boisvert
Bryson
Carter
Cauchon
Decore
Diefenbaker
Dinsdale
Fleming
Gauthier (*Nickel Belt*)
Goode
Hansell
Henry
Holowach
Kirk (*Shelburne-Yarmouth-Clare*)
Knight
McCann
Monteith
Reinke
Richard (*Ottawa East*)
Richardson
Robichaud
Studer

R. J. GRATRIX,
*Clerk of the Committee.*

# MINUTES OF PROCEEDINGS

Room 118,
THURSDAY, April 21, 1955.

The Special Committee on Broadcasting met at 3.30 o'clock p.m. this day. Dr. Pierre Gauthier, the Chairman, presided.

*Members present:* Messrs. Balcer, Boisvert, Bryson, Carter, Cauchon, Decore, Dinsdale, Fleming, Goode, Hansell, Holowach, Kirk (*Shelburne-Yarmouth-Claire*), Knight, McCann, Monteith, Reinke, Richard (*Ottawa East*) and Richardson.

*In attendance:* From the Canadian Broadcasting Corporation: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, E. L. Bushnell, Assistant General Manager, H. Bramah, Treasurer, M. Ouimet, Assistant Director of Programmes, Frank Peers, Supervisor of Talks and Public Affairs, R. C. Fraser, Director of Press and Information, W. H. Hogg, Chief News Editor, W. E. Powell, Commercial Manager, R. E. Keddy, Secretary of the Board of Governors and J. A. Halbert, Assistant Secretary.

The Chairman presented the Second Report of the Sub-Committee on Agenda and Procedure as follows:

"Your Sub-Committee met at 11.00 o'clock a.m. Thursday, April 21st, with the following members present: Messrs. Boisvert, Decore, Hansell, Knight, Fleming and the Chairman.

Your Sub-Committee wishes to report that communications have been received from the Canadian Chamber of Commerce and the Canadian Radio and Television League stating that they do not wish to have representatives appear before the Committee nor is it their intention to file written briefs.

Your Sub-Committee is also in receipt of a communication from the Canadian Association of Broadcasters requesting that representatives of their association be afforded an opportunity of appearing before the Committee, and your Sub-Committee recommends that the said association be heard at the conclusion of the Committee's examination of the Annual Report 1953-1954 of the Canadian Broadcasting Corporation.

Your Sub-Committee is also in receipt of a communication from the Labour Progressive Party of Canada requesting an opportunity to be heard and your Sub-Committee recommends that the request be rejected.

All of which is respectfully submitted.

DR. PIERRE GAUTHIER,
*Chairman.*"

On motion of Mr. Cauchon,

*Resolved,*—That the Second Report of the Sub-Committee on Agenda and Procedure be adopted.

Mr. McCann tabled the following documents:

1. Copy of a letter from the Canadian Federation of Agriculture, addressed to the Prime Minister, in support of the present system of radio control; and



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2. A letter addressed to Mr. McCann, as Minister of National Revenue, from the Bell Telephone Company of Canada, stating that the Company would be glad to provide an expert witness to explain the technical aspects and to give a demonstration of microwave transmission.

*Ordered*,—That the said documents be made part of this day's record. (*See Evidence*)

Consequent upon a decision of the Committee at the morning sitting of March 31st, the Committee heard Messrs. Holowach and Hansell, on a question of privilege, in reply to certain statements made by Mr. Goode at the meeting on March 25th, with regard to the radio programme entitled "Back to the Bible Hour".

In connection therewith Mr. Hansell tabled a booklet entitled "The Prophetic Voice" dated May 1954.

Thereupon the Committee resumed consideration of the Annual Report 1953-1954 of the Canadian Broadcasting Corporation.

Mr. Dunton tabled the following documents:

1. List of participants on the radio programme *La Revue de l'Actualité* 1953-1954.
2. List of participants on the radio programme *Confrontation* from 12th of March 1954 to the 1st of October 1954.
3. List of participants on the radio programme *Conférence de Presse* for the year 1953.
4. List of participants on the radio programme *Conférence de Presse* for the year 1954.
5. List of participants on the radio programme Press Conference January 5 to April 6, 1955.
6. List of participants on the television programme Press Conference January 6 to April 7, 1955.
7. A breakdown of those participating on the programme CBC News Roundup during the last three months of each of the years 1953 and 1954.

*Ordered*,—That the said documents be printed as an appendix to this day's evidence. (*See Appendix A*).

The witness was examined on the said documents.

At 5.35 o'clock p.m. the Committee adjourned to meet again at 11.00 o'clock a.m. Friday, April 22, 1955.

Room 118,
FRIDAY, April 22, 1955.

The Special Committee on Broadcasting met at 11.00 o'clock a.m. this day. Dr. Pierre Gauthier, the Chairman, presided.

*Members present:* Messrs. Boisvert, Bryson, Carter, Cauchon, Decore, Dinsdale, Fleming, Goode, Hansell, Holowach, Kirk (*Shelburne-Yarmouth-Clare*), Knight, Reinke, Richard (*Ottawa East*), Richardson and Weaver.

*In attendance:* From the Canadian Broadcasting Corporation: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, E. L. Bushnell, Assistant General Manager, W. G. Richardson, Director of Engineering, H. Bramah, Treasurer, M. Ouimet, Assistant Director of Programmes, W. H. Hogg, Chief News Editor, R. C. Fraser, Director of Press and Information, Frank Peers, Supervisor of Talks and Public Affairs, Benoit Lafleur, Supervisor Talks (French), R. E. Keddy, Secretary of the Board of Governors and J. A. Halbert, Assistant Secretary.

The Chairman brought to the attention of the Committee that four of the documents ordered printed as an appendix to the Minutes of Proceedings and Evidence of the meeting held on April 21st were in the French language and suggested that the said documents be translated and printed together with the original French text.

After discussion and on a motion of Mr. Goode:

*Ordered,*—That the said documents be translated and printed together with the original French text as an appendix to the Minutes of Proceedings and Evidence of April 21st.

On motion of Mr. Fleming,

*Ordered,*—That the following document tabled at the meeting on April 1st be printed as an appendix to this day's evidence:

*List of Participants on the Programme This Week—Television, 1953-1954*
*(See Appendix B)*

The Committee resumed the examination of Mr. Dunton on the documents tabled at the previous meeting.

The Committee resumed its detailed examination of the Annual Report 1953-1954 of the Canadian Broadcasting Corporation.

Mr. Ouimet, General Manager, and Mr. Richardson, Director of Engineering, answered questions specifically referred to them.

At 12.55 o'clock p.m., the Committee adjourned to meet again at 11.00 o'clock a.m. on Thursday, April 28, 1955.

R. J. Gratrix,
*Clerk of the Committee.*

# EVIDENCE

APRIL 21, 1955.
3:30 p.m.

The CHAIRMAN: Order please, gentlemen, we have a quorum. I hope everybody will be grateful to Mr. Gratrix for having found us a special room for the sittings of this committee. Mr. Gratrix is our clerk. I hope everyone will be happy with this room.

Now, I have a report from the agenda committee. We had a meeting this morning and their report reads as follows:

Your sub-committee met at 11.00 o'clock a.m. Thursday, April 21st, with the following members present: Messrs. Boisvert, Decore, Fleming, Hansell, Knight and the Chairman.

Your sub-committee wishes to report that communications have been received from the Canadian Chamber of Commerce and the Canadian Radio and Television League stating that they do not wish to have representatives appear before the committee nor is it their intention to file written briefs.

This is in answer to the letters written by your Chairman to the different organizations which had already sent letters to the committee.

Your sub-committee is also in receipt of a communication from the Canadian Association of Broadcasters requesting that representatives of their association be afforded an opportunity of appearing before the committee and your sub-committee recommends that the said association be heard at the conclusion of the committee's examination of the Annual Report 1953-1954 of the Canadian Broadcasting Corporation.

Your sub-committee is also in receipt of a communication from the Labour Progressive Party of Canada requesting an opportunity to be heard and your sub-committee recommends that the request be rejected.

All of which is respectfully submitted.

DR. PIERRE GAUTHIER,
*Chairman.*

Is the report acceptable to the committee?

Mr. REINKE: Have there been any communications received from the American Federation of Musicians?

The CHAIRMAN: Not that I know of.

Mr. REINKE: Would requests go out from the committee to them, or should they do the requesting?

The CHAIRMAN: It usually comes to the chairman of the committee.

Mr. REINKE: From the association or from whatever group is involved?

The CHAIRMAN: Yes. Is the report of the agenda committee acceptable? May I have a motion for adoption.

Mr. CAUCHON: Mr. Chairman, I move the adoption of the report of the agenda committee.

Mr. REINKE: I second the motion.

The CHAIRMAN: It is moved by Mr. Cauchon and seconded by Mr. Reinke that the report of the agenda committee be adopted. What is the wish of the committee?

Carried.

The CHAIRMAN: Gentlemen, at the last meeting of the committee Mr. Holowach and Mr. Hansell raised a question of privilege in relation to certain remarks made by Mr. Goode in connection with the radio programme "Back to the Bible Hour". As you will recall Mr. Goode was unavoidably absent when the question of privilege was raised and it was the recommendation of your subcommittee, with which the committee agreed, that the question be again raised after the Easter recess. As these three members of the committee are now present, is it the wish of the committee that we now hear Mr. Holowach and Mr. Hansell on their question of privilege?

Agreed.

The CHAIRMAN: Is it understood, of course, that Mr. Goode will have an opportunity of rebuttal?

Mr. GOODE: I think that Mr. Hansell and Mr. Holowach should have the privilege of answering.

Agreed.

Hon. Mr. MCCANN: Before you proceed with that, Mr. Chairman, I would like to table a couple of documents which might be incorporated into the minutes.

This is a communication from the Canadian Federation of Agriculture addressed to the Rt. Hon. Louis St. Laurent. He handed it to me, and if you care to read it, I would be glad if you would do so, and have it put in the minutes.

The CHAIRMAN: Is it agreeable to the committee that I read the communication from the Canadian Federation of Agriculture?

Mr. FLEMING: What is the date?

The CHAIRMAN: It is dated April 1, 1955, and it reads as follows:

C O P Y

THE CANADIAN FEDERATION OF AGRICULTURE

111 Sparks Street,
Ottawa, Canada.
APRIL 1, 1955.

Rt. Hon. Louis St. Laurent,
Prime Minister of Canada,
Ottawa, Canada.

Dear Mr. St. Laurent:

I wish at this time to offer to you and your Government my commendation on behalf of the Canadian Federation of Agriculture for your strong stand in opposition to the move to establish an independent board for national control of radio and television.

The Canadian Federation of Agriculture is on record through the years, before parliamentary committees and the Massey Commission, in support of the present system of radio control. With all due regard for the excellent services being provided by many private radio and television stations in various communities in Canada, the Federation believes that the public interest is being extremely well served by the present system, in which private stations are playing their part. Nobody seems to be suffering under the present system. Indeed, it is difficult to contemplate a set-up that would suit the peculiar needs of such a country as Canada so successfully as the present system, in which the national board of the C.B.C. brings into partnership with the public radio

system, many of the private stations thus contributing very substantially to the revenues of these stations, at the same time guarding the public interest.

We can assure yourself and your Government of the solid support of the Canadian Federation of Agriculture in the continuance of the present policy in this field.

Yours sincerely,
(sgd) "H. H. Hannam"
H. H. Hannam,
*President and Managing Director.*

Hon. Mr. McCANN: Mr. Chairman, I have another communication which was sent to me privately by the Assistant to the President of the Bell Telephone Company,
Mr. J. A. Dochstader, and his letter reads as follows:

The Bell Telephone Company of Canada
Telephone 2—7227

J. A. Dochstader
Assistant to the President

OTTAWA, March 18th, 1955.

The Honourable Doctor J. J. McCann,
Minister of National Revenue,
Department of National Revenue,
Government of Canada,
Connaught Building,
Ottawa, Ontario.

Dear Dr. McCann,—

During our interview on March 9th you asked whether we could provide an expert witness to appear before the parliamentary committee on radio and explain the technical aspects of microwave transmission.

We would be very pleased to meet this request if the committee so desires. Since we contemplate using certain demonstration equipment, we would appreciate some ten days notice assuming this is possible.

It is planned that the demonstration would be presented by Mr. H. G. Young who is General Manager of our Toll Area located in Montreal. Mr. Young would, of course, appear on behalf of the Trans-Canada Telephone System whose seven member companies will own and operate that portion of the radio-relay chain existing in their respective territories.

If the requirement is directed to my office here in Ottawa, I will be glad to make final arrangements.

Yours truly,
J. A. Dochstader
*Assistant to the President.*

During a very interesting conversation I had with Mr. Thomas W. Eadie, the president, of the Bell Telephone Company, and Mr. Dochstader, the assistant to the president, I learned personally a good deal about microwave operation

because of the fact that we were dealing with the Bell Telephone and the other telephone companies at that time with reference to rentals.

I read an article in a magazine on microwave transmission which I found very enlightening and very interesting, and it was that article which brought up the conversation I had with Mr. Dochstader. I am sure that this committee, when it gets to the discussion of television, would be very much enlightened by a demonstration by the Bell Telephone Company relative to microwave transmission. The reason I bring it forward at this time is the reason given by Mr. Dochstader when he says that he would like to have about two weeks notice. So if the committee is agreeable to that, I think you will find the demonstration very interesting and very educational and it will give you a better concept of the way in which microwave works than the average person has at the present time. So I want to table this letter and let the committee decide whether or not they want to see this demonstration, and to give notice to the company when they would be willing to receive it.

The CHAIRMAN: What is the date?

Hon. Mr. McCANN: It is March 18th. I told them we would be sitting after our Easter recess.

The CHAIRMAN: The demonstration would be given here in Ottawa?

Hon. Mr. McCANN: Yes, right here in Ottawa and probably in this very room.

The CHAIRMAN: I will put it before the agenda committee the next time we meet.

Mr. REINKE: Along the same line, it may be that I misunderstood you, but did you not say that the witness who would appear before this committee requested to appear? It would seem in this case that the Bell Telephone Company had been asked to send a representative. Is that correct? Is it correct that the minister himself asked for it?

Hon. Mr. McCANN: I did not ask him; but in the conversation I asked whether, if the committee decided they would like to see a demonstration, would they be willing? And they indicated that they would.

Mr. REINKE: So there was no formal request sent out to them?

Hon. Mr. McCANN: I had no authority to extend any invitation at all and I did not presume that I had.

The CHAIRMAN: Shall we proceed with the point of privilege of Mr. Hansell?

Mr. HOLOWACH: Mr. Chairman and gentlemen: I would like to express my appreciation at the very beginning to you and to the members of this committee for making it possible for me to make a few corrections in respect to the charges which were made by Mr. Goode at a previous meeting. My remarks will be brief and to the point.

You will recall that on Friday, March 25, the member for Burnaby-Richmond, Mr. Goode, in the absence of Social Credit representation on this committee at that particular time, brought up the subject of Mr. Manning's radio broadcasts. I indicated at a subsequent meeting that I was unavoidably absent, otherwise I would have refuted at that time the pitiful charges which were made as to the purpose of those radio broadcasts, as well as the completely false interpretation which Mr. Goode gave to the statements reported to have been made by Mr. Low away back in 1952. Mr. Chairman, it is quite obvious that the case for Mr. Goode was prepared by someone else, and it would be interesting—

Mr. GOODE: Mr. Chairman, on a point of order. I must not allow that. No one prepares my cases; I prepare them myself.

Mr. HOLOWACH: That is fine. I should like to say that I stated that this case was prepared for Mr. Goode by someone else on the basis of his own statement, and I should like to quote from the record of the proceedings the following:

Mr. DECORE: Page, please?

Mr. HOLOWACH: Page 62.

The CHAIRMAN: One moment please, Mr. Holowach. Mr. Goode declared as a member of the committee that nobody prepared his statement so you have to accept the word of the hon. member.

Mr. GOODE: Let him go ahead.

Mr. HOLOWACH: I am prepared to accept his word.

Mr. GOODE: I do not ask him to accept my word; let him present his case.

Mr. HOLOWACH: I should like to read from page 62 of the evidence of the special committee on broadcasting for March 25, 1955. Mr. Goode stated as follows, and I quote: "I am going to suggest to you that this matter has been prepared for me ahead of time."

The CHAIRMAN: What page is this?

Mr. HOLOWACH: Page 62, sir. Now, I certainly would not suggest that Mr. Goode is the tool or the mouthpiece of someone else's thinking beyond this committee, but I am saying that he bears the responsibility for having brought this matter up, and that those who prepared his case for him strove desperately to harass and interfere with one of the sacred rights of a Canadian citizen, namely the right to express himself, and in this case to conduct a completely religious broadcast over privately owned radio stations.

Mr. Goode went on to quote an article which appeared in the Edmonton *Journal* of November 22, 1952, a statement made by Mr. Low:

> . . . Premier Manning made a triumphant tour of Eastern Canada not for political purposes but to do a job in religion. He added: It has its political implications. It will hold implications for us, I am sure.

Mr. BOISVERT: There is something else; "for us (the party)."

Mr. HOLOWACH: Yes, that is in parenthesis and was inserted, I suppose, by the reporter or the editor.

I spoke to Mr. Low about this statement, and he remembers quite definitely that at that time he did speak to a gathering in the city of Edmonton. At this gathering Mr. Low commented on a tour which was at that time being completed in eastern Canada by Mr. Manning, and his program ensemble. He stated quite definitely that this tour was not for political purposes as it was being interpreted by the opponents of the Social Credit movement. He stated further that it was a triumphant tour in that it had attracted large crowds and was drawing people's minds back to the message to be found in the Good Book. He stated definitely that this tour would continue to be interpreted by political opponents as having political implications, I suppose by reason of the fact that Mr. Manning is the premier of the province of Alberta.

Now, I know Mr. Manning, and I have listened to his radio broadcasts, and as one who is not a member of his church, I can truthfully say that Mr. Manning has only one purpose in having conducted that tour, or in presenting his radio broadcasts, and that is the very commendable purpose of strengthening the Christian faith of our Canadian people. As I have indicated before, when Mr. Low spoke he did not refer to any broadcast or radio programs but was in fact referring to the tour which Mr. Manning and his program ensemble were completing at that time. Therefore, how any mature person in this committee can interpret Mr. Low's statement made in 1952 as implying that there

is a political motive in Mr. Manning's "Back to the Bible Hour" programs, is certainly beyond my understanding. I am sure that the gentlemen in this committee are all believers in freedom of expression—

Hon. MEMBERS: Hear, hear.

Mr. HOLOWACH: —freedom of the press and freedom to worship as one's conscience dictates. Therefore, how a member of this committee can make that pitiful charge and endeavour to cut off Mr. Manning from his radio broadcasts is something that I certainly cannot understand. Mr. Goode's entire submission carried the inference and the insinuation that some of the voluntary donations which were made to that program were being used for political purposes. That charge is absolutely ridiculous . . .

Mr. GOODE: May I ask you to tell the committee where I said that?

Mr. HOLOWACH: —and we of course vehemently deny the charge that any of the voluntary donations which might have been sent in by the listeners have ever been used for political purposes. I should like to say in conclusion that I do not expect that my brief remarks will find the same prominence in the press that Mr. Goode's remarks found, but I have the satisfaction of knowing that while my remarks may not be sensational, they are much more truthful, and it seems to me the people of Canada will now have an opportunity of knowing who stands identified with freedom of expression and who does not. We have Mr. Hansell with us today and I am sure he will be prepared to answer any questions that might be asked in respect to these programs by reason of the fact that he has on several occasions substituted for Mr. Manning. I thank the committee for this opportunity of replying.

Mr. HANSELL: I do not think I need to amplify what Mr. Holowach has said in replying to Mr. Goode, but there were some other questions asked in the last radio committee— or at least in one of the radio committees—upon which I could perhaps throw some light.

The CHAIRMAN: What page will you refer to?

Mr. HANSELL: Page 63. Mr. Decore asked the following question: "May I ask over how many stations in Canada Premier Manning's broadcasts are carried? What would the total be?" I might say that the total number of stations in Canada that carry the broadcasts is 13; it was 14, I believe.

The CHAIRMAN: The answer that was given was: "I think the last time I looked into it, there were about 14 stations."

Mr. HANSELL: Yes. I believe they had to retrench and cut out one station so there are 13 stations at the present time that carry the broadcasts. In addition to that there is one shortwave station in Ecuador that carries it around the world. Perhaps I might interject here respecting the charge that the broadcast has political implications, I am quite certain that Mr. Manning does not expect to convert the world politically.

The other question that was asked by Mr. Decore appears on the same page: "How much time is taken over each station?" The answer was: "Half an hour, I think." That is not the correct answer. The broadcasts last for an hour.

Another question was asked by Mr. Decore: "Over what stations are those broadcasts being carried?" The answer was: "I have not got that information."

I can now put that information on the record, if you wish. Starting with British Columbia; Vancouver, CKWX; Vernon, CJIB. Alberta; Grande Prairie, CFGP; Calgary, CFCN; Edmonton, CFRN; Saskatchewan; Regina, CKCK; Saskatoon, CKOM. Manitoba; Winnipeg, CKY. Ontario; Hamilton, CHML; Sarnia, CKOK; Barrie, CKBB; and Ottawa, CKOY. Nova Scotia; Halifax, CJCH. I might add that this is not a network in the sense that they all come

over at the same time; they are delayed broadcasts and come over at various hours of the day. Those are the 13 I mentioned. The shortwave comes over from Equador, HCJB.

Mr. DECORE: Any in New Brunswick?

Mr. HANSELL: No.

Mr. BOISVERT: In Quebec?

Mr. HANSELL: No.

Mr. DECORE: Are any arrangements being made to have these broadcasts heard in New Brunswick as well?

Mr. HANSELL: I do not know, but I think I could reasonably answer this way, that according to my knowledge of the history of this radio program they expand as they are financially able to, and they retrench when they do not have sufficient funds to carry on. I believe that there was a station in Victoria that used to broadcast a year or two ago, and they had to cut that one out. Another matter I might suggest, since Mr. Decore asks if they contemplated broadcasting in New Brunswick, is that they do take into consideration the requests that come from various parts of the world for the broadcast, and if the requests show a particular interest in certain parts of the country, then they might reasonably consider a station in that area.

Now, on page 64, Mr. Decore asks: "What would be the cost of those broadcasts, approximately? I know that you would not have the exact figure, but could you give us an approximate figure?" I cannot answer that. I might say that I have not spoken with Mr. Manning for some considerable time, and I could not answer that question, but there was some reference made to appeals for funds—I think Mr. Goode brought that matter up—I am trusting to my memory.

Mr. GOODE: That is right.

Mr. DECORE: If there are any appeals for funds, it is not only for this program "Canada's National Back to the Bible Hour." Mr. Manning is the president of what is known as the Calgary Prophetic Bible Institute, and they have various departments in that institute. I will name a number of them. One is considered to be "Canada's National Back to the Bible Hour." Another is the "Family Altar Bible Class Broadcast" which goes over one station. Another is the "Radio Sunday School Mission" which has between six and seven thousand boys and girls who study the Bible in their homes. And then there is the "Resident Bible School Classes" which is conducted in winter. There is also the publication of a monthly magazine.

I could not answer the question as to how much the actual broadcasts costs, but I am sure you could strike a guess at it if you indicated that one station might charge $40 for an hour's religious broadcast, and if you multiply that by 13 you would have it. I do not know if that would be an accurate way of calculating it, but it would be a guess.

Then Mr. Fleming asked: "Where do they originate?" Mr. Goode indicated at that time that these broadcasts originate from a church in Edmonton. Perhaps it is not worth bothering about, but in order to keep the record correct, I might say that during the summer Mr. Manning travels to Calgary, and it originates at Calgary. In the winter time when travel is a little more difficult, Mr. Manning broadcasts from Edmonton, but his broadcasts continue to come over originally from Calgary station by telephone connections.

As they are coming over the Calgary station they are taped and recorded, and after that they follow a circuit throughout Canada so that the message he might give on one Sunday would go over the one station in Calgary; but it might go over half the stations the second Sunday and the other half the third Sunday—something after that pattern.

And now, Mr. Chairman, if there are any other questions which members of the committee would like to ask I am quite prepared to try and answer them. I don't know everything about it, but I have been closely associated with the work of the Calgary Prophetic Bible Institute for a good many years and I may be able to answer any other questions which might be in the minds of members. May I say, Mr. Chairman, that with respect to the regulations governing appeals for funds—to me that is rather a crude expression, but it has been used and Mr. Dunton will perhaps correct me if I am not right in this—I have been on radio committees for a good many years and now am trusting to my memory—it occurs to me that the basic reason for the regulation itself has been explained on previous occasions and is this; that very often there are charitable institutions such as Community Chests the Red Cross and so on, and funds are called for at times of disaster, and because those appeals are very often made there is a possibility that someone might come along and create some sort of ficticious charitable appeal, and therefore it was thought advisable to bring in some regulation governing appeals.

Now I think that probably no one on the committee would object to the C.B.C., in its wisdom, imposing such a regulation. It might even be conceivable that a highly emotional religious appeal could result in some clever operator making it a bit of a racket. I cannot think that such a thing would happen but it is within the realm of possibility, and I do not think anyone would take any serious objection to a regulation designed for the purpose of stopping that sort of thing. May I also say this, I am sure that Mr. Manning himself would be one of the first men to oppose such a thing as any racketeering in this respect. I believe that what Mr. Goode is doing—he may not intend to do it—is to take the regulation and insist that it be applied to something which perhaps it was never intended to apply to. I will say this: no one who is on that radio program gets a nickel for anything that he does. The singers, the musicians, and Mr. and Mrs. Manning themselves give all their time and talents.

If enough support comes in from the listening audience to enable the broadcast to be extended to other areas, it is extended. If less support comes, there has to be retrenchment, but fortunately for the national Back to the Bible Hour broadcast it has gained in popularity over the years and has expanded, although, as I say, they did take the Victoria station off the air. I may add, Mr. Chairman, that this is not a new broadcast program. I was with Mr. Aberhart thirty years ago and was one with him, and I think we can perhaps boast a little bit that we were the first people in Canada to carry on a religious broadcast. For a good many years it went over just from the one station—that was during Mr. Aberhart's lifetime—but eventually it was put on two stations, Edmonton and Calgary. That was in Alberta. Then it was put on a station in Saskatchewan and during the past number of years it has expanded to its present proportions.

One other thing in respect to the broadcast having any political flavor at all. I have said on previous occasions during sittings of committees that Mr. Manning purposely stays away from anything which would lend itself to a political interpretation. He does try in some of his prophetic messages to correlate passing international events in the light of Bible teaching, but I do say this—though I do not put it out as a challenge to Mr. Goode or any of his friends—that if Mr. Goode insists that the broadcasts have a political flavor, if he cares to choose any broadcasts which he has heard on that Back to the Bible Hour program—any one—it could be last Sunday's, it could be—I was going to say "next Sunday's" but I won't say that because members of the committee may hear my voice next Sunday . . . I do happen to substitute for Mr. Manning when he is unable to be present. The only reason I substitute for him is that I have been closely connected with the Prophetic Bible Institute, though in recent years I have been perhaps more remotely connected with it. But I was connected with

it in the early days and perhaps my theological thinking is in tune with Mr. Manning's, and I believe that is the main reason why he asks me to substitute for him—but, as I say, if Mr. Goode cares to choose any broadcast—I do not care what it is, he can go back a year if he wishes if he has got dates or anything,—I have not asked Mr. Manning and I have not spoken to him for maybe two or three months, but if Mr. Goode can put his finger on any broadcast which he thinks has any political implications I think I can guarantee to get a tape for him, and if this committee would like to hear it I would play it before the committee. If the committee were not interested I would be glad to play it over for Mr. Goode's benefit. If he thinks these broadcasts are political, we will play back any one he wishes to select.

Now I will conclude. I do not want to be mean in anything I say, but neither Mr. Goode nor anyone else is going to get the Back to the Bible Hour off the air. If they think so they have got another "think" coming. The broadcasts are here to stay and Mr. Manning's voice will be heard over the air long after Mr. Goode's voice is silent.

Mr. DECORE: There is just one question I want to ask. You mentioned this Calgary Prophetic Bible Society. Is that the same institute which carried the late Mr. Aberhart's broadcasts, established in 1935?

Mr. HANSELL: Yes.

The CHAIRMAN: Are you through, Mr. Decore?

Mr. DECORE: Yes.

The CHAIRMAN: Mr. Goode.

Mr. GOODE: Mr. Goode's voice does not intend to be silent at this time. I want to thank Mr. Hansell through you, Mr. Chairman, for being very fair. It is the difference between experience in the House of Commons and inexperience. Mr. Holowach was most definite in his attack. I think with regard to that attack, if he reads the minutes of the meeting we had before the Easter recess he would find that his interpretation—and I want to be kind too—is mistaken.

May I assure Mr. Hansell through you, Mr. Chairman, that there is no intention upon my part to try to stop the Back to the Bible Hour broadcasts. If you will read the remarks which I made in the minutes of the committee before the Easter recess you will find I took issue with the Canadian Broadcasting Corporation on their exercise of their regulations. Nothing more and nothing less. I said at that time, in inference, that I was much concerned with the collection of money on the air and I think I had some reason to be concerned. May I read a few words from Mr. Manning's broadcasts over the years. The first relates to November 22, 1953—these items are not in sequence. Mr. Manning's words on that occasion were:

> Our purpose is to send out the warning of Holy Writ right across Canada, the United States and now the world. We want to thank our correspondents. We are wholly dependent on the free-will offerings of our radio friends. Two dollars makes you an individual member; five dollars makes you a family member, and ten dollars gives you a sustaining membership. Our present costs are $80,000 a year.

On January 22, 1952—and this, Mr. Chairman, is, I understand, an answer to some statement made by me in a former radio committee—he said:

> There is much hostility being expressed because the C.B.C. is preventing us from asking you for your financial assistance. We are in a fight today against principalities and powers and corruption in high places.

That is the first time I had been called a "power in high places."

I tell you those of us responsible for this broadcast will challenge this trend toward Godlessness.

Then on the 15th of March, 1953:

Thank you for prayers and financial help. It appears there is a growing number of prayers. I told you last Sunday we were going behind. This week you gave us a lift but not quite enough. It takes $1,500 a week.

On the 21st March, 1954:

We send our warmest greetings to all of you whether you are in Canada or the United States or in the British Isles or wherever you are as you listen to this broadcast over the station "The Voice of the Andes" with worldwide coverage. We have no source of income except the goodwill offerings of our listeners. Let us hear from you wherever you are.

On the 23rd of January, 1955:

Thanks for splendid and encouraging letters. We had an excellent mail. We want 10,000 at $10.

February 13, 1955:

By the end of 1955 we need 10,000 radio supporters at $10 each. We had 754 by the end of January and 143 more last week. We still have over 9,000 to go.

This is just illustrating a point in regard to these regulations. Mr. Manning, if he is reported correctly, said this cost $80,000 a year. He said in his broadcast of February 13, 1955, that they had 897 at $10 a piece which is $8,970. I was concerned about the income of that difference between the moneys which I may suggest to you is considerable. I considered the regulations of the C.B.C. and my interpretation of them is that it is the duty of the C.B.C. to find out where moneys come from to finance these programs. If Mr. Holowach or Mr. Hansell take, in that criticism, that somebody on this committee is trying to stop that "Back to the Bible Hour", may they take it, through you sir, that I listen to that broadcast every Sunday I have available. I have great respect for Mr. Manning, but may I make this point that at the last radio committee it was suggested that he should not be designated as the premier of Alberta. He is still introduced on that program as the premier of Alberta.

I do not want Mr. Holowach, in his inexperience perhaps, to put words in my mouth. No one prepares my criticisms in this committee or in any other. I am quite capable of doing my own. I have no particular friends in this matter. In fact, my mail has been rather heavy much to my surprise and the mail has been about 50-50 in criticism of my remarks. However, I wish to assure my two hon. friends on this committee that Premier Manning is entitled to respect as the premier of Alberta, but I do not think that I am wrong in stating that there have been political aspects in respect to the broadcast, not by Premier Manning, but by inference and it is reflected across the country. I said that I have some letters of criticism and I have one letter here from a gentleman in Vancouver which is typical of the letters which I have received. This is the reply I wrote to his letter on March 28. I will tell you the name if you insist but I do not think there is anything which will be gained by it:

I appreciate the trouble that you took in writing me on March 26, and I think you have the wrong interpretation regarding the question I asked in the radio committee, regarding Premier Manning of Alberta.

We are investigating the operations of the C.B.C. in regard to finances and in regard to their control of radio in Canada. In checking

on their regulations, the committee came to the point where those regulations called for an investigation by the corporation on appeals for donations in regard to any program on the air, and it was on this regulation that I questioned the spending of money in regard to Mr. Manning's broadcast. If you look at the same paper that published my remarks, you will see that I also said that it is far better to have religious services on the air even if they are sponsored, than not to have them at all, and I made the further remark that religion had its part in politics. You see, newspapers publish remarks that they think will be of interest to their readers and sometimes leave out far more important things.

I have the greatest respect for Mr. Manning, but it is my job as a member of parliament to investigate the receipt of all funds, whether they be in regard to Mr. Manning's broadcast or any other broadcast, religious or not. I have no argument with Mr. Manning's interpretation of his religious broadcasts, and in fact I listen to some of them myself, but a collection of funds is a different thing entirely. I feel that the broadcast going out to the people of Canada over 14 stations costs a lot of money, and when I have this idea, plus the statement of the Social Credit leader in the federal House, when he said that there were political implications to those broadcasts, then I think it is quite right for me to question the funds that are received. I have made no statement, and do not intend to make one, expressing an idea that the funds are not spent properly, and I am sorry that you would take this interpretation from my remarks. However, that's the way I see my job, and that's the way it's going to be done.

Thank you, Mr. Chairman.

Mr. HANSELL: Mr. Chairman, I do not want to pursue the matter from an argumentative point of view; it is just in order to make the picture more clear. I rather thought that Mr. Goode was inferring, at least, that some of the money that might be collected might not be used for broadcasting but used for political purposes. Now, I do not know if that is the impression which he intended to leave, but I can assure him that not one dollar is used for anything but the carrying on of the Calgary Prophetic Bible Institute and this "Back to the Bible Hour" broadcast. The amount of the money which he said that Mr. Manning indicated was required, $75,000 for the year, was for all these different departments which I have indicated. Since Mr. Goode has brought up the matter of money in donations made I will put this on the record for anyone who wishes to see it. This is a little magazine here called "Prophetic Voice". It is the magazine published by the Prophetic Bible Institute. Whenever any donations are given by reason of this broadcast or the institute an official receipt is given and signed. To show that the Calgary Prophetic Bible Institute and their directors and Mr. Manning are open and above board and have nothing to hide those receipts are published in this little magazine. I will be glad to leave it with the committee. It is an earlier edition dated May, 1954. I understand that they are not publishing those receipts now because it takes up space and so forth. But those receipts are issued. And they are listed in this publication. It gives the number of the receipt; it does not give the name of the person but the location from which these donations have come. In order to save you any trouble in calculation I counted them and there were 543 separate receipts issued that month. I might add that it may be interesting to Mr. Goode to know that 50 of them were from Vancouver. I think that Vancouver is falling behind in their support of this and I think they should be jacked up a little bit.

Mr. Goode has read one or two announcements that have been quoted from Mr. Manning's radio broadcast indicating that there has been an appeal for funds. I will not deny that. In fact I have heard Mr. Manning give them. But, I would say this—and Mr. Dunton can correct me if I am wrong—it is the responsibility I believe of the individual radio station to either permit it or not allow it. Now, I am not throwing the responsibility upon the radio stations but evidently since Mr. Goode raised the matter here a week or two ago —some weeks ago—and some of the radio stations must have got in touch with Mr. Manning because when I substituted for him last Sunday in Edmonton Mrs. Manning said not to say anything about contributions. I listened to Mr. Manning the Sunday before and he did not say anything about it. Evidently somebody has been getting after him.

There is one further thing and I will sit down. Here is the situation: what Mr. Goode has claimed I think can be summed up in this way, that the political implication, if there be one, only exists by reason that the premier of Alberta is giving a religious broadcast and that because of the fact it is the premier it carries with it a certain implication. I do not know if we can conclude that that is Mr. Goode's analysis, but if it is where does it leave us. Surely we are not going to say that a man in public life must not be allowed to give a religious broadcast with some scriptural exposition. If we have gone that far down in our appreciation of religious broadcasts and free speech in Canada then we have sunk pretty low. It simply means that I cannot go on the air and put over my church service, if that is what is meant by it. Surely we are not going to conclude that because a man is in public life he cannot teach the Bible over the air because it carries a political implication. Surely we cannot conclude that, but that is what we would have to conclude. I say again that Mr. Manning does not bring politics into his broadcasts. What Mr. Goode said about him being designated the premier of Alberta was not brought up by Mr. Goode originally either; it was I myself who brought it up when I indicated at the last radio committee a couple of years ago that Mr. Manning had come to me and said, "I wish you would not call me Premier Manning over the air. He came to me and requested that so I did not do it. Then when Mr. Goode pursued the matter further and showed an advertisement from a newspaper which indicated that the broadcast was conducted by Premier Manning, well, what did I say? I said since Mr. Goode has brought it up I do not feel under any obligation in the future to refrain from using that designation.

The CHAIRMAN: Are there any other questions?

Mr. GOODE: There is one thing I would like to clear up. My argument has not been on the amount of the funds collected on these broadcasts going to some other service. It could not be because according to Mr. Manning's figures he is now $71,000 short on the operation of this radio station for the year. The point is I would like to know—if this is not unfair—is where the rest of the money is coming from to conduct the broadcasts. According to your figures he is $71,000 short this year.

Mr. HANSELL: I think that is not so, Mr. Goode. I do not believe that that indicates the service is short $71,000 this year; the indication is that the year's budget of the Calgary Prophetic Bible Institute is $71,000. I think that is what it means.

Mr. GOODE: No. He said $80,000 a year, and according to that it runs into $71,000 not obtainable. It was not the point that the money was going from these donations to any other purpose. It could not possibly be so from those figures. I just wondered who was financing the program.

Mr. HANSELL: At the end of the year, if they are in the hole, they will retrench; and if they are not, they might extend; and that by the end of the year there will be donations come in from various parts of Canada. The people who listen to the broadcasts are the ones who finance it.

The CHAIRMAN: No, Mr. Decore.

Mr. DECORE: Mr. Chairman, there was some suggestion that Mr. Low, when he made certain statements in Edmonton, was wrongly interpreted, and that is the suggestion made by Mr. Holowach.

For the purpose of the record I will endeavour to read this statement again in more detail or more fully than it was given by Mr. Goode. I have the original clipping from the Edmonton *Journal* dated the 27th of November, 1952, and the heading is "Solon Low sees possibility of federal control by S.C.'s."

This is the first paragraph:

> Solon E. Low, National leader of the Social Credit party, said Wednesday he would not be surprised if his party controls the Commons at Ottawa after the next federal election.

Then he goes on, and he gives three reasons, and I quote from the Journal: "He gave three reasons for believing the Social Credit party would make a strong showing in the next federal election. These were the results of the British Columbia and Alberta provincial elections last summer, and the tour of eastern Canada by Premier Manning early this month."

Dealing with Mr. Manning's tour, I quote again, and I quote directly as Mr. Low is supposed to have quoted in the clippng:

> 'On top of that, Premier Manning made a triumphant tour of eastern Canada—not for political purposes but to do a job in religion.' He added: 'It has its political implications. It will hold implications for us (the party), I am sure.'

That is the end of the quotation. And then he goes on further:

> He said political writers read into the premier's trip political significance, which was not designed.

Then he goes on to say:

> 'It will have that effect, but that is not what he went east for,' he reiterated. 'But if a man does a good thing, and it rebounds to the good of the political movement he leads, I am not going to deny it.'

Now this is a statement made not by some mere member of this committee, but a statement made by a national leader of a political party in Canada, and if, according to this national leader of a political party, premier Manning's triumphant tour in Quebec and Ontario to do a job in religion has political implications, would it be unreasonable for Mr. Goode or anybody else in this committee to assume that those religious broadcasts, which apparently take up thirteen hours a week over most of the regions of Canada, are not intended to have political implications? That is the question which arises in the minds of most of us; and if that is an unreasonable assumption, we would like to hear from Mr. Hansell.

Mr. HANSELL: The unreasonable part of what you have said, Mr. Decore, is that you used the word "intended". That is not the purpose of Mr. Manning's broadcast. It was not the purpose of his tour. His tour was to meet people who were interested in the broadcast. Thousands came to hear him; and he gave religious talks. If any of you were at the Coliseum or wherever it was held here in Ottawa, then you heard him.

What are we going to conclude? He does not bring politics into his tours or into his radio broadcasts. What are you going to say? Are you going to say: "Mr. Manning, you had better stay home. Do not tour this country!" You had better say that. Where does it lead?

Mr. DECORE: Here is a statement made by a national leader and he gives three important reasons why there is going to be a march to Ottawa by the Social Credit party. One reason is the British Columbia elections; another reason is the Alberta elections; and the third reason is the triumphant tour in eastern Canada to do a job of religion.

Mr. HANSELL: I would not deny that wherever Mr. Manning goes, whether it is before a Rotary club, a Canadian club meeting, a private board meeting of millionaires, or whether it is a religious meeting, they may have political implications if you carry it that far, in the minds of the persons gathered at the time. If he is the honoured Premier of a province as Mr. Manning is, it might have political implications. We cannot help that. What are you going to do about it? Are you going to say: "Mr. Manning, you cannot go outside of Edmonton! Mr. Manning, keep off the air; do not teach the Bible on the air!" Is that what we have got to conclude? Let Mr. Decore and Mr. Goode give the answer to that.

Mr. DECORE: Will you deny that in 1935 the late Mr. Aberhart made very extensive use of his radio religious broadcasts through the Prophetic Bible Institute which was the beginning of the Social Credit method, and that they did have political implications at that time?

Mr. HANSELL: I certainly believe this: if this is what Mr. Decore wants me to answer, I would say that before 1935 I was with Mr. Aberhart in religious work. Away back in 1926 he and I were perhaps the first to go on the air with religious broadcasts. It was a unique thing, a new thing, and we did have tremendous audiences on the air.

When Mr. Aberhart became interested in Social Credit he broadcast Social Credit lectures over the air, during the week, and naturally the listening audience which tuned in to him on Sunday tuned in to him at other times. I am not saying that he did not give great impetus to the Social Credit movement.

Mr. Aberhart was a very, very strong and forceful speaker, and a very strong and forceful organizer. I will say this, that at that time, Mr. Decore, you were perhaps not closely associated with political movements. But I was closely associated with what Mr. Aberhart was doing; and at the time Mr. Aberhart was on the air with Social Credit lectures, our movement was not political at all; it was purely an economic study movement.

I remember going into Mr. Aberhart's office in the high school in Calgary. I studied social credit a little bit and I lectured on it. I asked him, I said: "It is all right to teach people what Social Credit is. But how are you going to put it in when they know all about it?" And he said; "Now, don't you see, Hansell, there is no stronger voice than the voice of the people. And if you can get the people educated to Social Credit, then they will go to the government and they will make their demands; and governments will have to listen to them." And I said to him: "Well, certainly it sounds all right if it works."

And I want to tell my honourable friend Mr. Decore that political parties came to Mr. Aberhart. My friend's own party came to him, if he does not already know about it, they came to Mr. Aberhart who put the cards on the table and said: "This is our economic theory. Put it into operation!"

Mr. DECORE: You mean like they did to Ross Thatcher and some of them?

Mr. HANSELL: Well now, that is another story; but I will say to Mr. Decore that what might have been done with Mr. Thatcher will not be done with him. We can assure him of that.

I remember in those days that Mr. Aberhart presented Social Credit before the United Farmers Convention in Alberta. It was affiliated with the previous government and he explained it to the convention. He and Mr. Manning were on the platform as they explained it before the convention.

Mr. DECORE: They explained what?

Mr. HANSELL: They explained our Social Credit monetary philosophy.

The CHAIRMAN: Do you not think we are going a little too far from the original question? I think the situation has been cleared up by both parties and I think we should now revert to the examination of our report.

Mr. HANSELL: Let me sum it up in this way. You have been very fair and very kind to us Mr. Chairman. When Mr. Aberhart was on the air in those early days this was not a political movement. It became a political movement after the people took it into the political field, and as far as Mr. Aberhart was concerned, he became premier of Alberta before he was ever elected to the legislature.

The CHAIRMAN: Let us go on with the report. We have been going through the last two articles of the annual report which were international radio relations and technical development. Mr. Dunton has some questions to answer.

**Mr. A. Davidson Dunton, Chairman, Board of Governors of the Canadian Broadcasting Corporation, called:**

Mr. FLEMING: There was some material which Mr. Dunton was preparing.

The WITNESS: We have several items; one is a list of participants in some French spoken word programs of different kinds in which Mr. Balcer was interested. I will file this.

The CHAIRMAN: He is not here. Next, Mr. Dunton?

The WITNESS: We have also in response to a question asked by Mr. Knight a list of the guests and the participants on the press conference radio and press conference television for this year, 1955.

The CHAIRMAN: That was asked for by Mr. Knight.

The WITNESS: And Mr. Monteith asked for information about the C.B.C. News Roundup. We have had prepared a breakdown of those taking part in the last three months of 1953 and the last three months of 1954, and we thought we could submit this and see if that amount of information would be satisfactory. As was suggested by Mr. Monteith there is a separation between those who were on six times or more, and those who were on five times and under.

The CHAIRMAN: Would it be satisfactory?

Mr. MONTEITH: Could we have a look at it? How long did it take to prepare it?

The WITNESS: I am not sure, Mr. Monteith.

Mr. MONTEITH: Could we have a look at it?

The CHAIRMAN: Yes.

Mr. CARTER: While we are waiting for this to be done, may I have leave to table a question following up some information I requested at the last meeting? I have the questions typed out.

The CHAIRMAN: What are they:

Mr. CARTER: Would the chairman of the C.B.C. kindly provide a general breakdown of the total costs under six or seven headings, e.g., land, buildings,

transmitters, antennas, separate studios and any other large items of equipment with respect to the following: (a) the C.B.C. station at St. John's, Nfld., (b) the C.B.C. station at Cornerbrook, Nfld., and (c) the television station at North Sydney, N.S.

I would like to have a breakdown of the total costs under the main headings.

The WITNESS: Those are sound broadcasting stations?

Mr. CARTER: Yes, two of them are, and the one at North Sydney is television.

The WITNESS: It is privately owned.

Mr. CARTER: I am sorry. The one at Halifax, is it CBC?

The WITNESS: Yes.

Mr. CARTERS Then, substitute the one at Halifax for the one at North Sydney.

Mr. FLEMING: Mr. Chairman, I presume all of these statements prepared by Mr. Dunton will go into our record today in the order in which they have been filed?

The CHAIRMAN: Is it agreeable to the committee that all these statements be included in the record of today's minutes?

Hon. MEMBERS: Agreed.

(*See Appendix "A"*)

Mr. HANSELL: Mr. Chairman, I believe there were some scripts which Mr. Dunton was going to give us?

The WITNESS: Yes, they came to Ottawa, but we found that they have to be copied because they are file copies. This is being done, and they will be presented very soon.

The CHAIRMAN: Shall we proceed with the questions arising out of the distribution of the documents tabled now or shall we go on with the report?

Mr. FLEMING: We might as well take some of these documents now, Mr. Chairman, as far as we have had an opportunity to peruse them in this limited way. One of these documents is labelled "Press Conference—Television" and we were furnished at the last meeting with a statement headed "This Week—Television" and then we also had a statement at the last meeting entitled "Press Conference—Television—August 6 to December 30, 1954" and a similar one which has been furnished to us today is for the period January 6 to April 7, 1955. I draw attention again, Mr. Chairman, to what I think was apparent in our review of the previous statements, that in those programs where the services of members of the press gallery here in Ottawa are concerned, the distribution is not very wide, and you seem to have the same chairman very frequently. The participants, too, seem to be confined to certain individuals very frequently and to the exclusion of a very considerable number of extremely competent members of the press gallery. For instance, in the statement which was furnished us today covering the period from January 6 to April 7, 1955, I see that Mr. Blair Fraser, whose competence we will all acknowledge, appears as chairman eight times, and apparently only three other persons were chairmen at any time and two of those only once, and one of them three times.

The CHAIRMAN: That is on television, Mr. Fleming?

Mr. FLEMING: Yes. Now, Mr. Chairman, if you wish to defer this until we go into television, I would be perfectly content.

The CHAIRMAN: That is what I had in mind, if you do not mind.

Mr. FLEMING: We can look the documents over in the meantime, because I have some extended comments to make on them not simply with regard to selection of chairmen and participants, but as to the content of the programs.

The WITNESS: Could I make one point? Some of the officials who could be of particular assistance in some of these matters are here today and will be here tomorrow, so perhaps the matters could be taken up then.

An Hon. MEMBER: Take them now then.

Mr. FLEMING: What is convenient for you? Is it convenient for your officials to speak now rather than next week?

The WITNESS: They are here today and will be here tomorrow.

The CHAIRMAN: We can perhaps deal with this tomorrow on the discussion of television.

Mr. FLEMING: I am not suggesting that we abandon the agenda we had planned earlier and go into the subject of television broadly. I thought that while we have these statements before us it would be convenient to deal with them now because we are concerned with the question of participation in these broadcasts.

The CHAIRMAN: But we will have more ample information from the officials who are here today and tomorrow. Perhaps we could take them today or tomorrow, and come back to the questions later.

Mr. FLEMING: I may not have understood Mr. Dunton correctly, but I thought the witnesses who could best answer our questions are here today and will be here tomorrow?

The CHAIRMAN: Yes.

Mr. FLEMING: And that it would be preferable to go into the subject today and tomorrow.

The CHAIRMAN: Yes.

Mr. FLEMING: If you are agreeable.

The CHAIRMAN: Yes.

Mr. FLEMING: I am wondering why these opportunities are not more widely distributed? I recall to mind in that connection, Mr. Dunton, what you said at the last meeting in reply to questions I asked of you in regard to the selection of the chairman and the part that the chairman plays in the selection of those who are participating in these panels.

The WITNESS: To what are you referring?

Mr. FLEMING: Page 112, for instance.

The WITNESS: Yes, I remember, but to what does your present question refer?

Mr. FLEMING: I thought you were going to comment on the matter to which I am inviting your attention, the fact that the chairmanship of these panels seems to be going to one person and the number of those from the press gallery who are participating in these press conference broadcasts is very limited, and that apparently a large number of competent members of the press gallery are not afforded an opportunity of participating in these broadcasts.—A. First, with regard to the chairmen, I think our people find that the chairman's capacity—or the qualities desirable in a chairman—are sometimes a little different from others and experience is useful. They find that if they use men, or correspondents who have developed as chairmen, and have proven to be very good chairmen, it helps in the general organization and planning of a good series.

I think in the list for about the last 12 weeks, even, there is still quite a variety of names of correspondents in Ottawa.

*By Mr. Fleming:*

Q. I ask you then, Mr. Dunton, to look at the two tables of the "press conference" program because that is where one would expect to find the

names of members of the press gallery. I am looking at the list of chairmen, first of all. If one looks at your statement for the period August 6 to December 30, 1954 one sees there that there were 22 of these broadcasts and Mr. Blair Fraser and Robert McKeown were chairmen on 16 out of the 22 occasions. There were three others who were chairmen only one time each, and one gentleman was chairman three times. Then if one looks at the statement you have submitted today on the same program, press conference, for the period from January 6, to April 7, 1955, one sees that in the period covered by the statement there have been 13 broadcasts, and Mr. Blair Fraser has been chairman on 8 out of the 13 occasions. Now admitting all that has been said about the desirability of having an experienced chairman, if this is to be a press conference, in view of the fact that we have a press gallery here of some 80 members it is surely not necessary that the chairmanship should be so concentrated. There must be others who are deserving of opportunities to act as chairmen.—A. I think there have been quite a lot of opportunities but after all, our people are interested in trying to maintain good programs, and they naturally have tended to a large extent to use people who have shown that they could act, I suggest, as effective and impartial chairmen on these programs.

Q. Are you seriously suggesting, Mr. Dunton, that this is your idea of trying out or giving opportunities to members of the press gallery to be chairmen on these broadcasts, and to participate in them?—A. I would suggest that a pretty wide range of Press Gallery people have appeared on the program, not as chairmen, although there have been serveral different ones; you see quite a long list of people who have appeared as participants.

*By Mr. Fleming:*

Q. I am putting it to you, Mr. Dunton, that out of 80-odd members of Press Gallery the number of participants is a minority, and not a very large minority at that, and that the chairmanships have been very largely concentrated. Please do not misunderstand me. I have the highest respect for those who have been chairmen. They are very competent people and I think I can say that those I know are friends of mine, but I am greatly concerned about this concentration. I think that in a program of this kind what is required in the interest of balance as well as in the interest of fair play is that the opportunities should be as wide as possible for participation on the part of as many as possible. You have got a "pool" here of 80 competent persons to draw from.—A. The job of our people has to be first of all to get a good program and they have tried to do that. I have not got the numbers, but I think that in the last year and a half, or in the last eight months on television, the number of Ottawa correspondents taking part in "Press Conference" has been pretty widely representative.

Q. When it comes to chairmanships I think your statement does not show that.—A. I did not say that it did for chairmanships. I said that our people tended to concentrate the chairmanships on several people who had been proved from past experience to be good chairmen and impartial chairmen and who had helped to make a pretty effective program.

Q. Perhaps we had better have breakdown of the figures, although there is scarcely time at the moment, showing how many members of the Press Gallery were afforded an opportunity of taking part in this interesting and important program and how many were not, and I would ask you to consider that, Mr. Dunton, in relation to the fact that the chairman does play an important role in the selection of participants, to judge by what was said at the last meeting.—A. I think the names could probably be taken out of the list which has been furnished to the committee.

Q. We can do that between now and tomorrow. Does the chairman choose the participants?—A. No. He is consulted. We are responsible for choosing them but as I explained before the chairman is consulted and his views are taken about those who are likely to make good participants.

Q. You repeatedly use that expression "we are responsible for the choice." It is, of course, a CBC responsibility, but I think we can fairly expect you to be more definite in regard to the actual method of selection. Is it not a fact that the chairman has a great deal to say in the selection of those who are to participate in this interesting series—a series which has a very big listening interest and, I think it is fair to say, a series in which many journalists would like to participate?—A. I have said that the chairman is consulted and that he gives advice.

Q. Is not the chairman to a considerable extent the effective medium of selection of participants?—A. I would not say so. He has an influence certainly. There is influence on one side and responsibility on the other and I would think that from those who have been chairman—and I think you would agree—we could expect pretty impartial advice or suggestions about who would make good participants.

Q. I think in the light of the part the chairman plays in the selection perhaps you would have a wider distribution of participation if you had more variety in your chairmen.—A. Possibly you might have more concentration, too.

Q. I doubt it. You have got too much concentration now, judging by your list related to the fact that we have got 80 members of Press Gallery here.—A. I would still like to make the statement we feel there has been pretty reasonable operation of this program taking all factors in account, and what has been on the air and the way the programs have been handled.

Q. Just so we will not be at cross purposes let me make it clear again that the program is a very good one. It is a program which has a large listening interest and it is an extremely important program. I am not saying the people on it are not competent.—A. The ratings are not terribly high; still, there is a lot of interest in it.

Q. There is certainly a lot of interest. What I am dealing with is this matter of distribution and fairness.—A. Fairness to whom?

Q. Fairness to the journalists here in this Press Gallery from whom you make your selection.—A. Is your suggestion, then, that a very important factor should be the passing around of opportunities for work among correspondents here?

Q. Yes—a more even distribution to avoid the obvious concentration disclosed by this statement.—A. Do you see any concentration of opinion, or of direction, or pressure of one kind or another?

Q. I think you tend to have a concentration of opinion where you have a concentration of personnel.—A. I suggest that there is wide enough distribution in the number of people on each conference.

Q. We shall have to be content to disagree on that point, then. I do not think this is a fair distribution, having regard to the purpose of this program which is, after all, a Press Conference, and surely a Press Conference means a conference in which the members of the press as represented here in Ottawa by the Press Gallery participate widely. That would be my idea of a fair basis for this program.—A. It is a question of "how widely." I would say the corps of correspondents has participated widely in this program.

Q. Well, the record is there and I suppose we could argue about it. We shall have an opportunity tomorrow for a little totalling up, but I do not think you are going to say that there has been very much distribution when it comes to chairmanships, looking at the number of appearances of some members to the exclusion of others.—A. It is a question of "widely" and "how widely".

I have not yet heard a suggestion that the program has not been a fair one, over all. Quite a few different correspondents have been used. If it is argued that chances for jobs should be passed around, that is a totally different argument and it has nothing to do with the quality of the program or its effectiveness.

Q. You have not dealt with the point I made that the purpose of this program—"Press Conference"—is surely that from week to week it should be fairly representative in its participation on the part of those who are here in Ottawa at the Press Gallery.—A. I do suggest that there have been a number of different people used.

Q. I am suggesting that it is a minority, and not a big minority at that, of the eighty members of the Press Gallery.

The CHAIRMAN: Are there any other questions?

*By Mr. Decore:*

Q. Is it fair to ask if those participating are paid?—A. Yes, they are paid.

Q. Is it also fair to ask how much?—A. I think an indication can be found in the ranges of rates which have already come before the committee—some are in the range of $20 to $30.

Mr. GOODE: $20?

The WITNESS: $20 to $30.

Mr. FLEMING: Are members of the Press Gallery on an equal footing in this matter of remuneration?

The WITNESS: Yes, they are on an equal footing.

Mr. REINKE: What would be paid to the chairman; would he be paid more?

The WITNESS: A bit higher.

*By Mr. Fleming:*

Q. What is the range there?—A. Between $40 and $60.

Q. I would like now to refer to the other statement—"C.B.C. News Roundup Reports". This is the statement which Mr. Dunton has furnished for the last three months of 1953 and 1954. There are some names here which we have already found appearing frequently and which we now hear again. For instance, from London—I am taking the first sheet—Mr. Matthew Halton has done 26 of the broadcasts; only one other person has taken part in the broadcasts from London. Mr. Douglas LaChance—the number of whose appearances and something of whose slant of opinion in general were discussed at a previous meeting—has done all the broadcasts from Paris and Rome—17 in all.

Then if we turn to the third page which gives the return for the corresponding three months—the last three months of 1954—again we see Mr. Halton doing the lion's share—31 in all—of the broadcasts from London, and Mr. Douglas LaChance doing all the broadcasts from Paris and Rome—23 in all. I do not know whether you have anything to add about what was said at previous meetings about these two gentlemen and the number of their appearances, Mr. Dunton, considering that these are "News Roundup" programs involving a review of news and comments—whether you think it is good balance that these broadcasts should be so largely monopolized by a couple of people.—A. This program is not an opinion program, it is a roundup of news and short feature items designed to be a factual description or account or summary of what is happening. To be able to present this kind of program at all, we have had to make sure of having these correspondents overseas on retainer. As a matter of practical broadcasting and, incidentally, of economy, we simply have to use these correspondents to a large extent. If we did not

spend the money to ensure that we have people over there, we would not be able to have this kind of program at all, so inevitably they will turn up frequently, especially on this sort of feature reporting. We have tried, at extra expense and at a great deal of trouble in the case of commentary programs where interpretation of certain lines of action was thought desirable to introduce variety. It has been particularly difficult in Paris and one or two other places, but great effort has been made to get an apparent balance. Not nearly such an effort is made here because of the much more factual nature of the work.

Q. You say there has been no one else available in Paris and Rome other than Mr. Douglas LaChance over the past two years?—A. I do say it would have been extremely difficult to get anyone in Paris to do this kind of work—to be regularly available for the kind of work needed. Our people have been trying very hard to get another correspondent, and they are still trying and are still hopeful of doing so and we will be very grateful for any suggestions. We have not known for some time of any Canadian correspondent in Europe. If anybody knows of any, we shall be glad to hear from him.

Q. Do you not see any danger in having these broadcasts from Paris and Rome monopolized by one man? It is true they are not personal opinion broadcasts, but inevitably opinions are bound in some degree to enter into this "News Roundup." Do you not see any danger in the concentration of these broadcasts upon one man, particularly a man who has the slanted approach that was indicated in the extracts which were read from on this broadcast at a previous meeting.—A. Were all those extracts from this broadcast which were read?

Q. Yes.—A. Several of the things we cannot find in the exact terms on the broadcasts.

Q. Some of them were direct quotes and some of them substance. They are there on the record in any event. I am asking you if you have apprehended any danger in having those broadcasts made all by one man?—A. You are referring now to the "News Roundup".

Q. We are talking about that now at the moment. A. I do not think so in respect to "News Roundup". These are usually short items dealing with descriptive things and are carefully watched by this department. I would not see any particular danger in this. In the commentary programs we believe ourselves, and I know you would agree, where it is practicable and possible we try to have other interpreters also giving their interpretation. I would not think there is any particular danger in this thing.

Mr. RICHARDSON: Is not your policy in having these correspondents somewhat the same as the policy of any metropolitan newspaper?

The WITNESS: Yes. I might say that other big radio organizations in the world have correspondents overseas in different parts of the world and use them much more exclusively than we do. We use them fairly exclusively in this type of program. I think we go out of our way more than any other big organization to get other views.

*By Mr. Dinsdale:*

Q. I have a question on "C.B.C. News Roundup". The question is pertinent to the matter of regional bounds. I notice that most of the news items originated in the larger centres and I wonder whether that is due to the fact that most of the news originates there or because of concentration of C.B.C. staff there?—A. More on the question of the news because we try to get news all across Canada it is known to private stations and people right across the country that any of them can write in and ask if "News Roundup" would

like an item of news. "News Roundup" is open to suggestions from any competent person and is only too glad to get items from all across the country. I think it is just that more news or events develop in the larger centres.

Q. It is on the basis that news items are welcome from right across the country?—A. A lot of the items are at the suggestion of correspondents. Also quite a number of the items come from suggestions from individuals.

Q. How far does the C.B.C. cover provincial affairs? Do you have any definite policy for covering provincial political activities on a national basis giving them national scope?—A. It would come in the general flow of our programs, news programs, this sort of program, commentary programs and various talks programs.

Q. These originations from stations like Flin Flon, Stratford and Cobourg have come about—

Mr. MONTEITH: That is the Stratford Shakespearian Festival.

*By Mr. Dinsdale:*

Q. Have come about as a result of recommendations from local correspondents?—A. In some cases these are C.B.C. staff people who have been sent to these places. The names with little crosses against them are the names of C.B.C. people who have gone down to cover an event of some sort.

Q. Does that indicate that you would rather have your own staff cover a news item rather than a local journalist?—A. Not necessarily. It would usually be cheaper if our people know there is a good competent person available on the scene. On the other hand, quite often our man might be at the scene for some other program and he can provide quite cheaply an item for "News Roundup".

Mr. BOISVERT: Are those correspondents connected with C.B.C. "News Roundup" paid on a salaried basis or a fee basis for each performance?

The WITNESS: I think I mentioned before that Stursberg, Minifie Halton and La Chance are paid an annual retainer to be available to us for broadcasting all the year round. On this "News Roundup" list where you have the double crosses against the names, they are C.B.C. men and nearly all are based in Canada; the others are free-lance people paid per item.

Mr. DECORE: Are those on the annual retainer paid extra for the broadcast?

The WITNESS: No.

Mr. DECORE: They can give one broadcast a day throughout the whole year or one broadcast for the year and still get the same retainer?

The WITNESS: If they were I do not think we would keep them very long.

*By Mr. Dinsdale:*

Q. If a special "News Roundup" feature was being aired from a local area would it be necessary to send in C.B.C. staff members or would you trust to the competence of the staff members of the local private stations?—A. Very often in the sort of thing you are speaking about our people would rely on the local station to do it.

Q. You would not have to have a program director come in and supervise the overall production?—A. No. These are mostly items from correspondents that our people know from experience are competent and can be counted on.

Q. That is a slight change in policy it it not?—A. No. I said it depends on the circumstances. Our people may be sending a crew down to cover a full actuality or something and one member may do an item for "News Roundup".

*By Mr. Monteith:*

Q. I wonder if I might ask a question. Are there any directives issued to telephone and telegraph line companies, directives from the C.B.C., as to negotiations between the line companies and yourself?—A. I do not quite understand.

Q. Do you not issue instructions to the telephone companies and telegraph companies concerning transmission of news and that sort of thing upon occasion?—A. Under the Broadcasting Act any connection between stations, in other words constituting a network even if only two stations, has to be approved by the C.B.C.

The CHAIRMAN: That comes in the next item.

*By Mr. Monteith:*

Q. If there were such directives I would like to have a copy of them.—A. There are no directives in that sense.

Q. Is there correspondence or are there lists of instructions as to what they are supposed to do or what the policy is under which they have to transmit information and all that sort of thing?—A. Do you mean with reference to the network of the C.B.C. and connecting stations?

Q. Yes. As it regards any private station as well.—A. That is enormously complicated, the orders for network conditions.

Q. How often can they be changed?—A. Hundreds of times a day or dozens of times a day.

Q. You mean instructions are issued for change in procedure a hundred times a day?—A. No. I think if you tell me what you are thinking of I can help you more quickly.

Q. I am thinking of an instance say that such and such a program is not even going to be broadcast but is going to be lined in here from some other place.—A. By a private station from some other place?

Q. Yes.—A. Not from another station but from some other place.

Q. Yes.—A. We have nothing to do with it.

Q. From some other station?—A. It would have to be cleared by the C.B.C. if it is going to constitute a network or be broadcast on two stations.

Q. If it is going to be broadcast to a private audience without going out on an open outlet?—A. No. I think you may be referring to a newspaper report which I saw which was very erroneous.

Mr. HANSELL: Are we through with these documents?

The CHAIRMAN: Are we through with these documents, gentlemen?

Mr. FLEMING: We may like to do some tabulating overnight.

Mr. KNIGHT: Could we not now consider that this has been fully covered, provided these figures Mr. Fleming wants are provided by tomorrow. We have spent two days now on this matter of balance. There is a distinct difference of opinion between Mr. Fleming and Mr. Dunton and they are entitled to their opinions, but I do not want to spend one more day on balance if I can avoid it.

The CHAIRMAN: We will try to cover that as quickly as possible tomorrow.

Mr. REINKE: I move that we adjourn.

The CHAIRMAN: The meeting is adjourned.

EVIDENCE

APRIL 22, 1955.
11.00 a.m.

The CHAIRMAN: Order, gentlemen. In answer to questions asked by Mr. Balcer we had four documents in French tabled yesterday. I am asking the committee if I must now have these documents translated for the English minutes. Is it the wish of the committee that these documents be translated for the English minutes?

Mr. BOISVERT: They were delivered yesterday in French?

The CHAIRMAN: Yes. Shall I have them translated?

Mr. GOODE: I think they should be printed in English as well. I received some papers here yesterday, and I am very much afraid I do not know what they say, and I would so move.

The CHAIRMAN: Is it agreed that I shall have them translated?

Hon. MEMBERS: Agreed.

The CHAIRMAN: Now we will discuss the documents which were given to the committee yesterday.

**Mr. A. Davidson Dunton, Chairman, Board of Governors of the Canadian Broadcasting Corporation, called:**

Mr. FLEMING: Mr. Chairman, there is one document in this same group concerning which no questions have been asked yet. I think Mr. Dunton gave it to us at the last meeting before the recess. It is headed, "This Week—Television." I believe it is not yet a part of our record?

The CHAIRMAN: Not yet?

Mr. FLEMING: No, and I suggest that that be done.

The CHAIRMAN: I do not have that document.

The CLERK: I have it here, Mr. Chairman.

Mr. FLEMING: It was distributed, I think, just at the close of the last meeting prior to the recess.

The CHAIRMAN: You move that it be included in our records, Mr. Fleming?

Mr. FLEMING: Yes.

The CHAIRMAN: What is it called?

Mr. FLEMING: It is headed, "This Week—Television—Sundays 11.05 to 11.30 p.m. eastern standard time". The statement covers the two years, 1953 and 1954 and indicates that there were 48 broadcasts in each of the two years, making a total of 96 broadcasts for the two years. I am impressed again, Mr. Dunton, in regard to the way the chairmanships in this series have been concentrated. Out of the 96 broadcasts in the two years there have been only eight chairmen. One of these was chairman once, one of them twice, three of them four times each, one of them nine times, and Mr. Wilfrid Sanders was chairman 34 times, and Professor Marcus Long, 38 times. I notice that in the breakdown of the two years Mr. Sanders was on 34 times in 1953, and only once in 1954, indicating, I take it, that he was chairman either 33 or 34 times in the 48 broadcasts in 1953. Marcus Long was on the program six times in 1953, and 38 times in 1954, so that he was chairman in 1954 somewhere between 33 and 38 times out of the 48 broadcasts. I am wondering if that is of the C.B.C.'s conception of a good balance for these programs?

Mr. BRYSON: He is a good man.

Mr. FLEMING: I am not questioning the quality or the ability of the men, Mr. Chairman. I am surprised that point is raised. I have said so many times here in regard to all the programs that I do not question the capacity or the competence of those who have taken part, but it is a question of admitting others perhaps to the "charmed" circle.

Mr. DECORE: Would you not agree that he makes an exceptionally good chairman?

Mr. FLEMING: Marcus Long?

Mr. DECORE: Yes.

Mr. FLEMING: I will agree that Professor Long is a member of the national advisory council of the Liberal party, and that he goes about making very untruthful statements about the position of the Progressive Conservative party in regard to the freedom of the air.

Mr. GOODE: In regard to Mr. Fleming's remarks, is the political status of any of these gentlemen brought to your attention when you are selecting chairmen?

The WITNESS: We weigh the man in general; not necessarily his political affiliation.

Mr. GOODE: I would question the remark about his being a Liberal spokesman. I do not know the gentleman.

*By Mr. Fleming:*

Q. I can assure my friend, Mr. Goode, that the gentleman holds the party status that I have just described. However, I was replying to a question I was asked by a member of the committee.

Perhaps I could come back now and ask Mr. Dunton if this is the C.B.C.'s idea of balance?—A. We have to face broadcasting realities. For a program of this kind, as for some others, we find we have to have as chairman a man with particular qualities for chairmanship. He is not just a participant, he shares a good deal of the responsibility for seeing that this is a good program, introducing the panel, seeing to it that it goes off the air at the right time, and seeing that it flows smoothly. We have discovered, by experience, that there are a great many people including good broadcasters who are poor chairmen, and therefore our people tend to use men whom we have found by experience make good chairmen in the interests of having a good broadcast, watching for any sense of partiality, of course. I think part of the success of the program has been because there has been a sense of continuity, and good deal of sensible chairmanship on the program by competent chairmen.

Mr. HANSELL: I have one question.

Mr. FLEMING: I have not finished.

Mr. HANSELL: I do not want to break the continuity of your line of questioning.

*By Mr. Fleming:*

Q. Mr. Dunton, surely you are not suggesting that this country is so lacking in competent persons to act as chairmen on a television program that it is necessary for one man to apparently appear as chairman 33 or 34 times out of 48 broadcasts in 1953 and another one to appear between 33 and 38 times in the 48 broadcasts in 1954. Surely we are not so lacking in Canada for chairmen, that there has to be concentration in that way?—A. There may be others, but as I say, our people have to face the realities of life, and in endeavouring to have a good program, when you get a man who has served

as a good chairman, you naturally tend to use him again, rather than take the risk from the broadcasting point of view of trying to use others who may not be as successful, but from time to time, they do try out other people.

Mr. RICHARD: In other words, this is not an amateur hour?

The WITNESS: No, this is a panel program that usually features fairly professional people. The suggestion has been made that Dr. Marcus Long has criticized the Liberal party but he has also criticized broadcasting and the C.B.C.

Mr. FLEMING: We may agree on that, too, Mr. Dunton. He has the right to his own view, and neither you nor I will question that.

The WITNESS: I took it that there was an implication that he is being used because of other connections which is absolutely not so.

Mr. FLEMING: No, I said at an earlier meeting he was quite entitled to his own views, and as long as I am a member of parliament or a member of this committee I will defend his right to be heard on the air whether he is saying things that have no foundation in fact about the policy of my party or not, but I question whether there is any justification for using any man regardless of his views, on a program as chairman for somewhere between 33 and 38 times out of 48 broadcasts in 1954. Whatever you may say about the desirability of having people who are experienced, it seems to me that this is a form of concentration which is utterly indefensible.

The WITNESS: I would say it was open to criticism if the program as a whole in some way was leaning in one direction or was being led by a chairman. I see no suggestion of that kind in this criticism of the chairman.

Mr. FLEMING: No, I am not trying to attribute this to any incompetence on the part of the individual. I am basing it on the fact that one man monopolized the chairmanship in 1954 and another individual monopolized it in 1953, and I cannot see any justification for that. Surely we are not so lacking in talent in this country that it has to be handled in this way with that kind of concentration. I suggest to you that where the C.B.C. has features of monopoly about it itself, it is all the more reason, Mr. Dunton, why you should seek to avoid giving monopolies to certain individuals in programs of this kind, or near monopolies.

The WITNESS: I would suggest that when you examine this program you will find there have been a number of other people used although, as you know, there is a regular panel of fairly professional people who give the series a sort of body. That is the kind of program it is.

Mr. FLEMING: You are speaking now of the others who have participated?

The WITNESS: Yes.

*By Mr. Fleming:*

Q. There are three who have participated very largely in 1954, and I think about four—or two particularly—who have participated largely in 1953, but I was drawing your attention particularly to the selection of the chairman. What is the range of the fees paid to chairmen in this broadcast, Mr. Dunton?—A. The same as for "Press Conference."

Q. $40 to $60 per chairmanship?—A. Yes.

Q. And for the other participants?—A. About the same for the other participants—the same as for the chairman.

Q. It is $40 to $60 all around?—A. Yes.

Q. Is there any difference in the payments normally paid to those who have been chairman or would they all have been treated alike?—A. All alike.

Q. Is there any objection to stating what the fee is if they are all treated alike?—A. Just the objection we have all through to questions concerning fees, not just in relation to this program, or in relation to two or three people, but as a general policy.

Q. I take it the basis of the objection is that you do not want to disclose to one person what was paid to another because it might create difficulties for you, and I can appreciate that point; but when you tell us what the range is, I cannot see any objection?—A. It is not just for one program—we are constantly trying to acquire services of all kinds. If we start reporting exactly what we will pay for one particular service, we are bound to run into competition in trying to save money on a reasonable basis in other directions. I just do not think it is a good idea.

Q. The range is between $40 and $60—it may be $41.23?

The CHAIRMAN: I would not press the question, Mr. Fleming. Any other questions?

Mr. HANSELL: I am afraid that my question will lose some of its effectiveness coming at this time, but I have reference to Mr. Goode's objection to Mr. Fleming's first question. I have no criticism to make of the chairmen but could we conclude that a person who has high office in a political party being chairman of one of these broadcasts would carry with it political implications? Don't answer me.

The WITNESS: Mr. Chairman, Mr. Fleming at the close of the meeting yesterday asked for some analysis and figures of television press conferences, which I have. Perhaps I could give them now.

The CHAIRMAN: Very well.

The WITNESS: Television Press Conference in 1954 . . .

*By Mr. Fleming:*

Q. Are you speaking now in reference to the statement filed yesterday for the three months?—A. No. To the return of the Television Press Conference covering all the press conferences, one for 1954 and one for 1955.

Q. The first is August 6?—A. Yes, August 6. In that period the analysis indicates that there were 16 programs from Ottawa, with 23 different Ottawa correspondents taking part. In those 16 programs there would be 48 opportunities for questioners to appear, so that the questioners who did appear would be appearing on an average about 2·08 times each in that period. In the 1955 period as covered by the returns before the committee there were 11 programs from Ottawa and 18 different participants. Again there would have been 33 opportunities for questioners.

Q. May I interrupt here—you say "participants". Are those Ottawa correspondents?—A. Yes.

Q. The first time you said "correspondents". This time you said "participants".—A. I am referring to Ottawa correspondents who participate. So there would be 33 opportunities for places as questioners filled among those 18 people, an average of about 1·8 appearances each. Over the whole period covered by the two reports, the life of the program until April 7th there were 31 different people appearing on an average of about 2·6 times. I would like to emphasize that figure of 31 different participants and the average number of times they appeared because this, I suggest, is rather different from some suggestions made yesterday.

Q. If the suggestion referred to was mine I think it is fully borne out by this information. There are some 80 members of the Press Gallery here in Ottawa and you have been able to muster figures pointing to participation by just 31 out of 80. I suggest that you might find that some of those on that

list have been on just once, and your average figure does not draw direct attention to the fact that a few of these people have been on very many times.—A. Apart from the chairman I do not think you will find that is so. But we have discussed this matter of chairmen at length. Otherwise I think the returns show a fairly widespread use of different people.

*By the Chairman:*

Q. Have you ever asked any member of the Press Gallery here to participate, or to be chairman of this program, and received a refusal?—A. Yes, on quite a few occasions correspondents have been asked to participate as questioners and have declined and we have asked others to take part as chairman and they have refused. I may say that the position of chairman does not seem to be very popular. Even some of those who have acted as chairman have intimated that they would prefer not to be chairman because, as I indicated, the position carries greater responsibility and also they feel their scope is rather restricted.

With regard to the Press Gallery and the figures, there are a number of reasons why various correspondents have not been on the program; some have not wished to appear for their own reasons; in some cases we gather that their newspapers have not wished them to appear; some are just not suitable for this sort of work; some have been tried and do not seem to have the particular knack for this sort of thing, however qualified and able they may be otherwise. However, it is worth pointing out that eight new ones have been on the program since the beginning of this year in the 11 programs broadcast, so that actually more people are having a try at this particular form of activity.

*By Mr. Fleming:*

Q. You have spoken very generally about people who have been invited to participate and who have not taken part because they have not been able or willing to do so. I would be interested to know how many there are in this category if you are making a point of it.—A. Two in particular have been invited several times and have not wanted to accept.

Q. Were there no others? Were they chairmen?—A. No. Those were as participants. Two invitations were turned down. There are others who it is known are not interested in doing it.

Q. How many?—A. I do not know.

Q. These general statements may not on analysis be very significant unless we have the figures. It is easy enough to say that some have been invited and have turned down the invitation; and then we find that the number is two out of 80.—A. Perhaps it would be more fair if you suggested people who have not been invited...

Q. No, I do not think so. After all, I am in the position of asking the questions. You made the statement in very general terms. I, perhaps, am less impressed with statements in general terms than some people are, and that is the reason I asked for something more significant to indicate how many people are involved.—A. I have given a number of reasons why some of the other representatives who have not appeared on it have not done so. I have indicated that new people have been taken on the program from time to time. You mentioned the figure 80. We have a figure of 31 different correspondents here, and other factors come into it, too.

Q. I appreciate what you said about the factors involved. I was speaking about the number who by reason of those factors have not been on the program.—A. There are other factors...

Q. I am not asking about those factors now. You have made your statement about the factors.—A. I have not had time to finish that statement.

Q. I am talking about the numbers involved. You said there were two people who had been asked to participate and who had rejected the invitations. How many others are there in that category?—A. Mr. Fleming, as you can see perfectly well, I do not think anybody could or should be in the position of saying how many would not be guessed as being good potential questioners on a Press Conference. There are various questions to be considered—the way people talk, their personalities and so on. I was going on to mention the factor here of not using too many people from any particular newspaper organization; there are a number of factors which I think no one could possibly put figures to. I have not said that everybody in the Press Gallery who wishes to be on the program has been on the program.

Q. Mr. Dunton, I am not trying to be disagreeable about this, but I would like to tie down a number rather than have general statements about factors that you say have led some people to reject invitations. I would like to know how many people, for those or any other reasons, have rejected invitations to participate.—A. I say that in the recollection of those who would remember it is only two definite ones who have had precise invitations and turned them down, but there are a number of other cases about which I cannot give figures; for various reasons, correspondents did not wish to go on the air or, probably, considered they would not make particularly good questioners.

Mr. DECORE: With all respect to my good friend Mr. Fleming—I realize he is trying to make a point and it may be important to him—do you not think Mr. Chairman we are spending far too much time on this matter? We have spent a lot of time on it and in view of the heavy program which is before this committee I think we have already dwelt on it far too long.

Mr. KNIGHT: When it comes to the question of balance what I am interested in is balance of opinion rather than arithmetical balance which we have heard so much about in the last day or two, and I fail to see the significance of the emphasis which Mr. Fleming is placing on this question of chairmen. If it is a case of balance of opinion I do think that the balance of participation is much more important than the balance of chairmen. Is it not a fact that it is really the participants who have the better opportunity of expressing their opinions when they are appearing on a program like this than the chairman, who to my mind is somewhat muzzled due to the fact that he is the chairman?

Mr. FLEMING: We must take into account the fact that the chairman has a very large "say" in selecting the participants.

Mr. KNIGHT: I want to know whether Mr. Dunton agrees with me in what I have said.

The WITNESS: Yes, I do.

Mr. KNIGHT: In other words, that the balance of participants is more important than the number of occasions on which a certain man presides as chairman and if it is not true that he is circumscribed by his position and his function—he has to conduct the broadcast so that the opinions of the participants may be brought out?

The WITNESS: In this case it would not be so much the opinions as seeing that the various kinds of questions have a fair chance to come out. I tried to explain earlier that the chairman did not have nearly as much chance as the others—

*By Mr. Fleming:*

Q. Would you not agree that the extent to which the chairman participates in the selection of questioners...—A. I said that the chairman is consulted, but it is the C.B.C. which makes the choice and which has responsibility for the choice. A lot of these things are done in a completely informal way, but the C.B.C. has the responsibility for the selection of the people who go on these broadcasts. It is only natural that a chairman who is competent and who has responsibility for conducting the program on the air—and that can be a fairly frightening thing—should be consulted about the people whom he may think would be good people to go on the panel; but the responsibility is with the C.B.C.

Q. I know, Mr. Dunton. You have used that phrase about the responsibility being that of the C.B.C. a number of times. I do not wish to go over ground which we covered yesterday. No one would disagree that the C.B.C. has the responsibility, but in actual fact I think you are well aware that the chairman has a very important voice in the selection of the participants on this panel. —A. I would use the same words that I have used before. The chairman makes suggestions. I would not say he has an important voice—the important voice is that of the C.B.C.

Q. Responsibility for the decisions rests with the C.B.C. but in fact and in practice the chairman has much to do with the selection of the participants... —A. We are operating these things and we think we know more than you do about them, Mr. Fleming. The C.B.C. officials make the choice. Some of the chairmen have a feeling that already too much influence is being imputed to them. The C.B.C. makes the choice. They are selected, and I think it is erroneous to say the chairman has an important voice.

Q. You said the chairman has a voice in the selection, and I think that is in accord with the testimony you have given and in accordance with the facts.

Mr. GOODE: Mr. Fleming did bring up the fact that there were some political considerations in the appointments of these chairmen. Mr. Dunton has said that the C.B.C. takes full responsibility for the appointment of the chairman and the panel I think. There has been no pressure brought to bear on the C.B.C. as to the political viewpoint of any of these chairmen or the panel?

The WITNESS: None that I know of.

Mr. GOODE: The decision as far as who the individuals will be on this program is entirely yours and you accept the responsibility for it?

The WITNESS: Yes, absolutely.

The CHAIRMAN: Are we through? We have been on this matter for 2 or 3 sittings?

Mr. FLEMING: We will never be finished.

Mr. HANSELL: Before we leave the talks department, may I ask a question? My question may not actually come under this heading but I think it does. I would like to know the personnel and the function of all those who are connected with the talks department. Perhaps I could expand my question and then perhaps Mr. Dunton could bring the matter down at a later sitting. It may really come under administration. How many people are employed by the C.B.C. and how many in each department. Then, I would like the names and the particular function of each of those that are on the talks department.

The CHAIRMAN: You will discuss this matter only when we reach the administration item? Is that understood?

Mr. HANSELL: I do not know that I will discuss it. I just would like to have the statistics.

The CHAIRMAN: I think that we have pretty well completed the last two items, international Radio Relations and Technical Development. We will go now to "station relations".

Mr. BRYSON: Before we leave technical developments I wonder if we could have some explanation. I am not asking this question in criticism. Could we have some explanation of why CBK Watrous was moved to Regina?

The WITNESS: I think there is a misconception there. The big transmitter for the province of Saskatchewan has always been at Watrous and still is. An addition of facilities was made in Saskatchewan and studios were added at Regina. Previously there were no studios in Saskatchewan. Now there has been the addition of small studios in Regina.

Mr. HANSELL: We are not discussing technical development of television?

The CHAIRMAN: I thought we had been over that. No, I am sorry, not for TV.

*By Mr. Reinke:*

Q. Before we leave Technical Development will Mr. Dunton tell us what his opinion is of the value of FM broadcasting in Canada. Is it on the upsurge, holding its own, or what?—A. If you want a brief answer on that I am afraid that the future of FM at the moment looks not at all bright.

Q. I notice here, Mr. Dunton, that you have made several purchases of FM transmitters and some special equipment and so on. I was wondering in what manner FM is not one of the upcoming types of broadcasts. What would they be used for? It is under equipment, technical development.—A. Those are for use in actuality broadcasts. For instance, when we cover a golf tournament where the crews doing the broadcast can transmit their material back to a central point by FM instead of carting around wires. After the war I think that everybody in broadcasting thought that FM was going to be a very important and very useful development in broadcasting. Very bright hopes were held for it around 1946. We put in some FM transmitters and quite a number of private stations did but FM did not catch on very well with the public, and then television came along. The sale of FM receivers was never very great. Since that time a great many private stations have dropped FM broadcasting.

Q. You still broadcast from Montreal and Toronto by FM?—A. Yes. We have kept all our five FM transmitters going.

Q. Can you tell me has there been any request made by those who may enjoy listening to FM which in all probability may be a little higher plane of broadcasting, to have the C.B.C. hook up with WQXB in New York?—A. I think we have had one or two individual suggestions about that.

Q. Has any thought been given to bringing in some of the FM programs from the United States?—A. Not particularly. It would raise a lot of questions about network operation. In Toronto by combining programs they have tried to make a sort of special FM service. But actually to try to develop FM and spend more money on FM does not seem too justified. We wish that it had developed well and think that it would have helped broadcasting very much and would have cleared the air of the present congestion.

Q. I understand that the broadcast part of the sound in television is FM? —A. Yes.

Q. Can you utilize the equipment for television?—A. It is part of television transmission; it is FM frequency modulated.

*By Mr. Hansell:*

Q. Would Mr. Dunton care to express himself on the future of radio in the light of the development of television? Is there any possibility that radio will gradually become more or less obsolete?—A. We are naturally going a great deal of thinking about this and trying to prophesy the future. I do not think that radio will die away by any means. All the indications are that particularly in daytime there will continue to be a great deal of listening to radio; we also believe in night time there will continue to be a great audience for radio in some areas and particularly in families who have television sets there will be quite a large audience for radio outside the living room or the usual room where the television set is in the house, motor cars and that sort of thing. We see radio broadcasting continuing as a very important factor but relatively not as important as it has been. Now, and for some time to come, there will be areas in Canada in which there is no television service and there will probably be a great number of people who for some reason or another do not have television service who will still want radio.

*By Mr. Knight:*

Q. Do you notice any reaction against television now arising as in favour of the radio?—A. No. We have not. Most of the reaction we have noticed is the terrific flood of interest in television. I think perhaps there are some indications supporting what I have been saying, that there will be for a long time a sort of secondary and developing audience for radio; a number of people, we think, who have television sets, will also want quite often to listen to radio instead for different reasons, or perhaps some members of the family.

Q. I have just read the article in Maclean's and I have heard individual reactions of that sort. I suppose it is motivated by disgust at some of our television programs. I am thinking particularly of the average television program in the United States. I have seen a number of them and as far as I am concerned if the fare provided by the C.B.C. is no better than the average United States program personally I would be glad to see television go out of existence.—A. Most of the indications are that enormous interest has developed in the present television?

Q. There is no levelling off of that?—A. There is no evidence of it.

The CHAIRMAN: You realize, Mr. Dunton, that certain programs will never go on television.

The WITNESS: Yes, and we think quite a number of things can be done better and more economically on radio. A good deal of music is much better done in sound broadcasting and it is not necessary to see the musicians; also some spoken word programs we think will be done just as well or better on sound broadcasting.

Mr. RICHARD (*Ottawa East*): I think Mr. Dunton made the statement that a lot of people with television in their homes have taken another room to listen to radio.

The WITNESS: I did not put it just that way, Mr. Richard.

*By Mr. Knight:*

Q. My question was founded in the hope that where the C.B.C. does use certain United States television programs—and I think what is necessary—I hope that the selection will be as good as possible.—A. We are trying to cover a reasonable selection of programs.

Q. I know that it is easy to succumb to the temptation of putting on something cheap and something easy to handle and I hope that the C.B.C. will not succumb to the easy way.

Mr. FLEMING: At a previous meeting I asked if you would say something about the technical development in radio as distinct from television in the last few years. Would you say something about that please.

Mr. OUIMET: I can give you a general idea. Our director of engineering is here and he could give the details. What would you like to know particularly? It is a broad question which you are asking.

Mr. FLEMING: I wondered if you could give us a bird's eye view of the technical developments in the last few years in the field of sound broadcasting.

Mr. OUIMET: You mean the C.B.C. technical development?

Mr. FLEMING: I am speaking of the field in which the C.B.C. is in contact?

Mr. OUIMET: In general the main developments that have taken place in the art of radio broadcasting or electronic as applied to radio broadcasting, have been in the field of tape recording which is a very useful development as a complement to disc recording and in certain places as a replacement for it. Another main development has been the use, which has not yet found application in sound broadcasting but may some day, of transistors to replace radio tubes, not to replace them entirely but to be used as a complement and in certain cases as a replacement. There have not been any great radical changes made in the science or art of broadcasting in the last three years or even in the last 5 or 10 years. There has been the development of television, of course, but that is not what you have in mind.

Mr. FLEMING: No, not at the moment.

Mr. OUIMET: I am speaking of broadcasting. Of course, there are developments of great importance going on all the time in other fields of radio or in the science of radio in general. For example, in military applications or industrial applications; but that is a wide field to cover and I do not imagine that is what you are interested in.

Mr. FLEMING: I was thinking more about sound broadcasting from the point of view of the C.B.C.

Mr. OUIMET: In terms of our own operations one particular development which might be of interest is the use of unattended transmitters. Where before we always had transmitters with operators who were in attendance at all times while the transmitter was on the air, now we are using a number of transmitters where there is no staff at all; the door is closed and the actual operation is monitored from a distance. From a studio a technician can check meters and by different methods—they are not all the same exactly—he can detect whether there is anything going wrong with the transmitter, whereupon he goes down himself or sends someone else to take care of it.

Mr. FLEMING: I take it those are on transmitting or relaying stations?

Mr. OUIMET: These are transmitting stations of any type; there are not any on high power, but on 5 kilowatts or less; this has nothing to do with the originating of a program, not the relaying of it; but with the transmitting of it.

Mr. FLEMING: Is there any great amount of research work being done now in the field of sound broadcasting in relation to your operations?

Mr. OUIMET: The C.B.C. does not do any pure research as such; that is not our function. But we have a department which we call our development department,—to make the distinction with the word "research",—where we do practical experiments, tests, and measurements as needed to solve our problems; but not like the Research Council would do it. They go into some of the purer fields of research.

Mr. FLEMING: Do you yourself, Mr. Ouimet, look for any developments of any consequence on the technical side in the field of radio broadcasting, sound broadcasting, in the measurable future?

Mr. OUIMET: Well, some years back we thought that FM might be a very important development. It did not develop as expected. But it might still happen after television is well established and people can turn their interests again to something else. At the moment television is really taking all the interest, and FM does not. It may never do; we do not know; it may never develop fully.

Since that time I do not think there has been anything found, invented or developed. It would seem however that, at the transmitting or broadcasting end, there may well be some important developments which would be improvements on what we have, such as some better tape recorders, or a simpler type of microphone, or amplifier. But probably the most important thing in radio would be the development of the so-called miniature type of receivers. With the invention of the transistor which replaces the vacuum tube in certain cases, you have the possibility of reducing greatly the size of some types of radio receivers. However we are not yet at the stage of the wristwatch type of receiver which you may have seen in some crime comics.

Mr. FLEMING: You mean Dick Tracy?

Mr. OUIMET: I do not remember their names. Nevertheless very small receivers are being made now and probably the trend will continue. But they will not be a type of receiver to replace the receivers in the home. It would be a new type of receiver for portable use.

Perhaps I had better ask our Director of Engineering, Mr. W. G. Richardson, if he knows of any other trends.

Mr. W. G. RICHARDSON (*Director of Engineering*): No, I think you have covered it very well.

Mr. BOISVERT: Mr. Ouimet, has the transistor reached the stage of mass production now in America?

Mr. OUIMET: I think it depends on what you mean by mass production. I think it has reached a stage where it can be produced in great numbers, but I think they have had some difficulty to mass produce these things without individual attention to each unit.

Mr. BOISVERT: May I ask who owns the patent?

Mr. OUIMET: I really do not know.

Mr. DECORE: You mentioned that FM has not developed in the way you anticipated? I am curious about it. Are you in a position to explain why?

Mr. OUIMET: Yes. When FM was invented and introduced to the technical world, there was no doubt that it had inherent advantages over AM from a technical standpoint. It also had other advantages and perhaps I should deal first with them.

The first thing was that it used different frequencies. It is a form of of broadcasting which requires high frequencies; and while this is not a technical advantage in itself, it was thought that it would permit a decongestion of the present broadcast band where there were so few channels available, and so many demands for them. It was thought that by opening up ultra-high-frequencies, or very high frequencies for FM, there would be a solution to some of the problems of allocation. That was one thing; although not technical in itself.

The other advantage was that FM by nature is less susceptible to interference of different types, whether it be interference from man-made radiation, or interference from atmospherics.

Secondly, FM is definitely capable of giving a better reproduction of the material or programs broadcast. In other words, it had a wider band and permits the transmission of higher audible frequencies. All these things of course were very attractive to the technical mind, but apparently they did not turn out to be as attractive to the public.

The reason is that many people did not seem to care too much whether they heard high frequencies or not. Some of them, as a matter of fact, seem to prefer a quality of reproduction which is not a faithful reproduction of what is originally broadcast, but has a certain mellowness to it. Anyway, the lack of interest in the purchase of FM seemed to indicate that the public generally were not willing to pay a higher price to get the better quality, and that they were satisfied with what they had, that is, from the point of view of quality.

On the other hand, there seems to be somewhat of a conflict with the present popularity of the so-called high fidelity system of record reproduction which is enjoying great interest these days. But there again this involves, I believe, a small group as compared to the total number of listeners.

The other quality of FM on which great hopes have been placed was its ability to reject interference, and to get through in spite of interference, and that is definitely the case. It is a proven advantage of FM. But the fact is that in most cases AM was already serving people so well—such as in the major cities, where they were getting practically no interference anyway—that they never felt the need really to go to FM to solve their problems.

Furthermore, there is always the practical side to these things. Even if FM might have developed better than AM, had they started at the same time and been given the same opportunities, FM coming after AM was well established and everybody had sets, it became a question of whether people wanted to buy another and more expensive set when in fact it would not change too much what they heard. It simply changed in certain cases, practically to an unnoticeable degree, the amount of interference which was already very small, and the quality of the transmission which was already pretty good. So I believe this is why it did not develop fully.

Mr. DINSDALE: Television sound is broadcast on FM, it is not?

Mr. OUIMET: It is.

Mr. DINSDALE: Does that mean it would be possible to tune in television sound on an FM radio set?

Mr. OUIMET: Not generally, because the FM receiver does not operate on the same band of frequencies. In other words, the transmission of television is in a certain band, while the transmission of FM, for which the FM receiver was built in the first place, is on different bands. There are other changes also. They are both FM, but actually not on the same frequencies and not with the same specifications.

Mr. DINSDALE: What would the possibility be of merging the two functions, those of radio and television?

Mr. OUIMET: Some receivers which were made at the beginning of television could receive both, but there was not enough demand anyway for FM, and they were not continued. The quality of the reproduction of sound on television exceeds the effectiveness of AM. It is capable of higher fidelity, and it is also less susceptible to noise for the same power than AM is. You cannot judge all the possible qualities of FM transmission on television unless of course you have a set designed to make that reception possible. In other words, it is not enough to use FM. When you try to get high quality, everything else must be designed to pass those frequencies which FM is capable of passing.

Mr. CARTER: Does FM have as great a range as AM?

Mr. OUIMET: It depends on the type of AM station and the type of FM station. Shortwave is AM. It may go ten thousand miles; and by using a certain type of frequency it can be reflected up and down between the various ionized layers and the earth, and they keep going on over long distances. On the other hand on the broadcast band the transmission is limited by the amount of protection given to the channel which is used. On certain clear channels which are not used again except relatively far away, stations can transmit for very long distances, such as CBK at Watrous or on some other clear channels that we have. On the other hand, at the extreme end you have certain types of local channels where the same frequency is repeated practically every hundred miles, or two hundred miles. In that case, with the presence of a great number of transmitters on the same wave length, it means that you get a lot of interference, restricting reception to perhaps only eight miles. On the other hand, certain stations on clear channels may go two hundred miles in daytime and somewhat less at night.

Mr. CARTER: FM would not be suitable for what we call short wave broadcasting now?

Mr. OUIMET: The answer is no.

Mr. GOODE: Do you give a station a different permit for FM than you do for AM? In the case of Vancouver they use different call letters.

Mr. OUIMET: They are different stations, so they get different permits.

Mr. GOODE: Did you ever refuse a permit for an FM station?

The WITNESS: I do not think so.

Mr. GOODE: How much would it cost an ordinary radio station to put in the added facilities for FM?

Mr. OUIMET: For transmitter end of FM—by the way that is the only distinction between FM and AM; you can use the same studio—the cost is just about the same as for an AM station of the same power.

Mr. GOODE: Would it double the cost within a radio station to have the two facilities?

Mr. OUIMET: It would depend on whether the same studio could be used. Let us say it would not quite double the cost.

Mr. GOODE: You have five FM stations. What amount of money does that represent?

Mr. OUIMET: This is so long ago. They were built around 1947, if I remember correctly. I do not have the figures in mind. I imagine it would represent something in the order of $200,000.

Mr. GOODE: Has that been written off by depreciation or are you still carrying the $200,000 on inventory?

Mr. OUIMET: No, we depreciate every year.

Mr. GOODE: Would the $200,000 now have been written off?

Mr. OUIMET: Not quite. We usually depreciate in ten years, depending on the type of equipment and there again I do not remember whether the FM stations were depreciated at the same rate as some of the others stations. Your question brings up a good example of why it is sometimes difficult to determine just how many years you should apply in depreciating a piece of equipment. We thought FM would last forever but at the moment it has a very limited audience.

Mr. GOODE: You are still carrying this on inventory?

Mr. OUIMET: Yes.

Mr. GOODE: At the original price or at a depreciated price?

Mr. OUIMET: This brings up the entire question of depreciation and methods of accounting.

Mr. GOODE: Let us not bring that up!

The CHAIRMAN: No, not now please. Mr. Holowach, you had a question?

*By Mr. Holowach:*

Q. Yes, with respect to the technical development in the international service. I notice that on page 24 it states that there is an increased jamming of C.B.C. programs in certain European countries. I was wondering if we might have a little information on that. Would you say that this jamming was the result of an increased listening audience in these countries?—A. Mr. Holowach, I think to put it very bluntly, there is a war in the air going on in Europe in shortwave broadcasting. The western countries, particularly Britain and the United States, with Canada cooperating, are putting out shortwave broadcasts aimed at the countries behind the iron curtain. The people on the other side are making very great efforts to jam these programs, so of course they have had to set up transmitters to do the jamming job. It has been estimated that in Russia alone about 1,000 different transmitters are being used for these jamming operations which of course necessitates a large amount of personnel and a very large cost. I think there is also some jamming in the satellite countries, although rather less. But as you can see, people in Russia are going to great lengths with a carefully worked out plan to jam broadcasts from the west. For instance, I know that you can be listening in England or Europe to C.B.C. transmissions from Sackville, New Brunswick which comes in well up until the time of the Russian service, and then you can hear the jamming transmitters warming up, and coming into operation.

Q. Is this jamming across the board or is it directed in particular to some specific programs?—A. It is directed particularly at programs which in turn are directed at Russia, or the satellite countries.

The CHAIRMAN: Mr. Holowach, I am afraid that you are going to another item, that of the international service.

Mr. HOLOWACH: I think I am still discussing the technical development of the international service. I am referring to page 24.

Mr. BOISVERT: On page 23 there is also an item entitled international service.

The CHAIRMAN: I will permit you to finish your questioning.

*By Mr. Holowach:*

Q. I think I am dealing with the subject of technical development, Mr. Chairman. Now I would like to know if we have done any jamming at all, Mr. Dunton.—A. Not that we know of; I think not.

Q. What consideration has been given technically to overcoming this jamming and making the programs we send to the other countries more receptive?—A. A great deal of thought and work has been done on it particularly, of course, by the British and American broadcasting authorities. They are constantly developing and have developed new transmitters and new methods of transmitting and systems of linking by working out rays of transmitters, and our International Service in general has cooperated to the extent it can with its transmitters. We are part of the game on this side. Naturally, the more transmitters you have trying to get in, the harder it is for the jammers to stop and catch all the transmitters. If we could have more transmitters here, we could play a greater part in trying to get through the jamming protection.

Mr. DINSDALE: Do you know if there is any attempt made on the part of the authorities behind the iron curtain countries to control the type of receiving sets available to the people?

The WITNESS: You hear of it, but it is perhaps a difficult thing. We know that in Russia they do a lot of their own domestic broadcasting by shortwave, and there are a great many shortwave sets in Russia, and I think by the taste of the people there were a great many in existence in many of the satellite countries such as Czechoslovakia, for instance, where we know there were a great many available to the people.

The CHAIRMAN: Those who were allowed to have sets, you mean?

The WITNESS: Yes. I have not heard of too very great methods of trying to cut out shortwave sets.

Mr. REINKE: From where would the C.B.C. programs which go behind the iron curtain originate?

The WITNESS: They are practically all produced at the headquarters of the International Service in Montreal, and are transmitted from our transmitting plant in Sackville, New Brunswick.

Mr. REINKE: They are designed for that particular purpose— that is, to go behind the iron curtain?

The WITNESS: Those transmitters were set up to broadcast to Europe primarily, but also they have beams to transmit to South America, and across the Pacific, but specific attention has been given to the European beams. Since the plant was set up, behind-the-iron-curtain broadcasts have increased in importance, and the plant at Sackville is an extremely difficult one. Apparently it is still true that it has the best signal sent into Europe, and they can reach more western parts of Russia.

Mr. REINKE: What type of program—

The CHAIRMAN: We are getting away from the topic of technical development. Perhaps you could wait until we reach page 35, if you do not mind, to discuss the type of programs that are being sent by C.B.C. shortwave.

Mr. BRYSON: While we are on this subject, Mr. Ouimet was answering questions and there is one question that I would like to ask him. I have heard considerable criticism of the quality of reproduction on television. You were speaking about the frequency response of frequency modulation a moment ago. How much voice compression or speech clipping do you use on your television broadcasts? Do you keep that within a fairly narrow margin of frequency response, or is it less or more than that amplitude for AM modulation?

Mr. OUIMET: On television transmission generally,—that is live programs coming out of the studios and going to the transmitter to be received locally,— the fidelity of the sound is excellent. The transmitted part of it is as good as for AM radio. The band width is of the order of 10,000 cycles. However, in the case of recordings, and possibly this is what you are referring to, the band width that we can record on film of 16 millimeter gauge, is limited by the film itself which is similar to that of 16 millimeter sound films used in industry or for theatrical showings. Furthermore, the process of recording on television of films is one that is fairly new. I do not believe it has as yet reached the stage of improvement which will be reached in a few years. Therefore we have to compromise between the fidelity of the reproduction of the sound, and the fidelity of the reproduction of the image. The conditions which would permit good fidelity on both are very difficult to obtain, but generally speaking recordings on television have been improving with the development of the art. I do not mean just in Canada, because we share in the development of the art in any other countries, and we are providing here in Canada as good a

quality in recordings, whether sound or picture, as is available or possible at this time, with the use of 16 millimeter kinescope recordings. If we went to 35 millimeter kinescope recordings we would do better and it would cost perhaps four times as much. And if we spent still more money we could probably do better still, but this is not a technical problem. It is not a problem of operation, it is a problem of the art not being developed to the point where the quality we would like to see is possible.

Mr. DINSDALE: Is the FM receiver as expensive as the AM receiver?

Mr. OUIMET: Generally speaking, yes. Furthermore the manufacturers have made FM receivers especially for the luxury class. Usually they are incorporated in a combination phonograph-radio-shortwave FM receiver in a fairly expensive console model. The reason for that is simple. It is that the manufacturers, I am sure, have felt that those who would be interested in FM would be those who had more money, because it was an improvement on things, rather than something that was new. It still gives them the same broadcasting service, but it gives it in a superior way.

Mr. DINSDALE: Has the American experience with FM been the same as the Canadian experience?

Mr. OUIMET: Generally it has been the same although FM developed a little further, perhaps due to the fact that the channels were more congested on AM and there was a greater need for it. Another reason, I believe,—although I am not sure—is that it started a little earlier. I was going to say that starting earlier, it didn't have to meet the competition of TV so soon. On the other hand, since in the U.S. they started earlier in TV, I am not too sure that the lag between AM and TV was much different from what it was in this country.

The CHAIRMAN: Thank you very much Mr. Ouimet for that information. Now we will go on to Station Relations, the next item.

*By Mr. Reinke:*

Q. Mr. Chairman, under "Station Relations" I understand that as well as basic stations we have complementary stations of A and B types. How are these designated? What constitutes a basic station and what constitutes A and B supplementaries?

A. The basic station has all the network services available to it by wire and in addition is a "must" station for commercial programs. If a sponsor is buying a network he must take that station. The supplementary "A" station has available full network service but is optional for commercial programs.

Q. How are they chosen? Is it because of the power of the station? In what manner are they designated?

A. To some extent it is governed by the wish of the station, though not very often because usually a station wants to be basic. Apart from that the decision would depend on a number of factors— the area and population covered, what other coverage there might be near the station, and commercial considerations relating to the network as a whole.

Q. I notice here that the basic stations are required to reserve certain periods for sustaining network programs. Would they be commercial or non-commercial programs?

A. It varies a bit between the networks but in general now they would be sustaining programs.

Q. There would be no commercial aspect to it?

A. The commercial side does not come up very much, although there have been commercial programs in reserved time. Usually stations are very anxious to get the programs and we are obligated to see that they go on a station, so reserved times does not generally apply to Commercial programs.

Q. Are these supplementary stations required to reserve periods?

A. In most cases the supplementary "A" stations are required to observe a reduced amount of reserved time because we are not obligating ourselves to deliver as many commercial programs to the station, and in a corresponding way we make a smaller demand for reserved time.

Q. What amount of time would be demanded by the C.B.C. of a privately owned station?

A. I am sorry, but the information I have here is not added up. Perhaps I could give an indication. This is a basic station on the Trans-Canada network. On Monday it would be about one and a half hours...

Q. Would that be at any time during the day?

A. There would be specific periods. In the case of an Ontario station it would be: Provincial Affairs program, 15 minutes, Farm Forum, half an hour, C.B.C. Symphony Orchestra, one hour and National News and News Roundup—that is a half hour period...

Q. Do you designate the particular programs which the stations must carry or is it only the amount of time which you specify?

A. No. They are particular periods.

Q. They must carry programs?

A. Yes.

Q. This only applies to the basic stations.

A. Yes. As I say, the supplementary A stations who have full service available to them have to observe about half the amount of reserved time allotted to basic stations.

Q. Would these programs be on in the mornings or in the afternoons or in the evenings?

A. I do not think there are any in the daytime.—At present time there is nothing on Tuesdays—Tuesday night is free...

Q. What is the titles of the programs?

A. Provincial Affairs, freetime Ontario Political Series; Farm Forum which is a farming discussion program...

Q. That is on Monday?

A. Yes. Then there is the C.B.C. Symphony Orchestra, and on Tuesday there is nothing. And then they are expected to carry the full Wednesday night program from 7.30 to 10.00 p.m.

Q. They have to carry that full program?

A. Yes, at the present time, but there are exceptions to that depending on circumstances.

Q. There is no sponsor with that program?

A. No.

Q. That is a little rough on them isn't it—7.30 until 10.00?—A. The arrangements have been the result of a lot of discussions with the stations and as part of the pattern—if you like, the balance—to the long period on Wednesday night, there are a lot of other periods when no time is reserved; for instance they have nothing on Tuesday evening.

Q. You have concentrated to some extent?—A. On this particular occasion. The length of the programs on Wednesday night varies and it would be impossible to take any one period out of Wednesday night because you might cut into the middle of an opera or a long play.

Q. The stations are obliged to take these programs on Wednesday night although they have no commercial value?—A. Yes.

Q. And on Thursday?—A. Citizens Forum 7.45 to 8.30. On Friday, The Nation's Business. That is broadcast between 7.45 and 8.00 p.m. and then, every night during the week there is the half hour of National News and News Roundup.

Q. And they are all obliged to take that?—A. Yes.

Q. What time would that be on?—A. Between 10.00 and 10.30 p.m.

Q. And on Saturday nights?—A. There is nothing on Saturday.

Q. There is nothing on Saturday or Sunday?—A. On Sunday there are several things: Critically Speaking between 4.30 and 5.00 p.m.; Jake and the Kid between 5.30 and 6.00 p.m.; On the Record, between 6.15 and 6.30; Stage Fifty-Five, between 9.00 and 10.00 p.m., and the news period between 10.00 and 10.30 p.m.

Mr. BRYSON: Mr. Chairman, I would like to ask Mr. Ouimet another question if I may. I notice in the table that there are 169 stations. My question is this: I have had a lot of complaints from radio listeners—naturally you would not hear these complaints in areas close to the stations—relating to interference from other stations. Now I have for many years been very critical of radio design as we find it in a lot of these small cheap AC-DC receivers, but I would like to ask this question: how many kilocycles spread do you have between your clear channel stations?

Mr. OUIMET: If you will permit me, I think Mr. Richardson can give you that information more quickly than I can.

Mr. W. G. RICHARDSON (*Director of Engineering*): Mr. Chairman I do not recall offhand the number of clear channel stations. You must remember that a clear channel, if used by certain classes of station, is not an exclusive channel. A clear channel can be used by other stations in North America subject to certain technical limitations. But the clear channels which receive the most protection as far as Canada is concerned would be 540—Watrous—and 740 and 860 at Toronto, 690 at Montreal and 1580 at Chicoutimi. Then we run into another class of so-called clear channel. That is a different class of station which is used at Vancouver and Calgary. There is another one at Toronto, CFRB, another at Windsor, Hamilton, Montreal, CBA Sackville, and there are probably some others which I do not recall out of the large number of stations in Canada. There is one at St. John's, Newfoundland. It is rather difficult to say the number of clear channels used unless we make a statistical breakdown with definitions.

Mr. GOODE: Would you say, Mr. Richardson, that there was a clear channel in Vancouver?

Mr. W. G. RICHARDSON: It is clear under the terms of definition in the international agreement.

Mr. GOODE: Which channel are you referring to?

Mr. RICHARDSON: 690.

Mr. GOODE: How would that be clear, with 712 alongside it?

Mr. W. G. RICHARDSON: It is in accord with the definition of what is a clear channel station by the agreement.

Mr. GOODE: You know that the C.B.C. station at Vancouver is not a clear channel station?

W. G. RICHARDSON: I know that it receives interference.

Mr. GOODE: Why would you change your channel in Vancouver from 1130 to 690 so that it would be on top of a United States station?

Mr. W. G. RICHARDSON: Because we get broader coverage on the low frequency.

Mr. GOODE: What do you mean, Mr. Richardson?

Mr. W. G. RICHARDSON: A bigger area.

Mr. GOODE: From 690 to 710?

Mr. W. G. RICHARDSON: No, 1130. There would be very little difference in channels as close together as 690 and 710.

Mr. GOODE: I do not like to argue, but I think I can tell you the reception from 690 was not nearly as good as the top of the dial. I have been in farmhouses where they could get you before and cannot get you now.

Mr. W. G. RICHARDSON: That might be true. I have not been in any farmhouses in British Columbia.

Mr. GOODE: Then you must accept what I tell you.

Mr. W. G. RICHARDSON: I do.

Mr. GOODE: Then, why would you change? What was the basic reason for that change? There is some feeling in British Columbia. Why would you change from the top of the dial to 690 against the feeling of the people of British Columbia?

Mr. W. G. RICHARDSON: At the time we recommended the change we did not know about that feeling. I have had, of course, complaints of interference between 710 and 690 from people who are in the very strong signal area of 690 who wanted to receive a relatively weaker signal from Seattle and this is a case of interference which can occur between any two stations in the world.

Mr. GOODE: Why would the C.B.C. consider recommending it—and I expect that it would be a gentleman like yourself and not Mr. Dunton who would do it—why would you recommend that it come all that way down the dial?

Mr. W. G. RICHARDSON: We felt and showed by actual measurement of signals that we could get a wider coverage on 690.

Mr. GOODE: How would you know when people could tell you different?

Mr. W. G. RICHARDSON: We have measuring gear which you take out and measure signal intensities.

Mr. GOODE: Do you not consider public opinion, Mr. Dunton, in a province when you change the signal of a C.B.C. station? For instance, the people of British Columbia are not happy with this channel. You are doing a fine job on broadcasting but we do not hear you and we did hear you on 1130.

The WITNESS: What we did hear of the public opinion that you mention we heard only after the change.

Mr. GOODE: You certainly would not hear it before.

The WITNESS: The coming change was well known and nobody objected in advance, and that change as I remember it was to go on 690 which was a clear channel for a grade 2 station which had been reserved for a long time. Therefore it would give us very wide coverage particularly on that low frequency. By all the technical standards it should be a much better and more effective service. My understanding is that the objection has come from the fact that on some receivers there is an interference from 710 which should not occur under the international agreement and technical specifications laid down. I think that you will find that it is on certain receivers only. According to the North American Regional broadcast agreement that was the channel we think should give the best results.

Mr. GOODE: I think you have the information now that it does not.

Mr. OUIMET: I think the whole basis of the discussion is that you have made a statement that there are not as many people enjoying as good service under the new frequency as under the old.

Mr. GOODE: I did not say that. I said some people used to get it on 1130 and now do not.

Mr. OUIMET: Then we are in agreement. But we claim that the move is an excellent one because there are more people in toto getting service than before although there may be a few who get poorer service. This is the way progress goes; we give a better service generally and unfortunately in giving this better service to more people a few are getting not quite as good service.

Mr. GOODE: I do not mean by a few. I know of objections from about 5,000 people in the Caribou who cannot get you now who could before.

Mr. OUIMET: There are several hundred thousand people in British Columbia.

Mr. GOODE: Mostly in the Vancouver area. I do not want to argue this too long but those are people mostly who could get you from either location. In the Fraser valley I have been informed that some nights they cannot get C.B.C. Vancouver at all.

Mr. OUIMET: This may be a new development we will have to look into.

Mr. GOODE: I wish you would.

Mr. OUIMET: When we decided to make the change in the first place we had the choice of doing it or not doing it. It was not something we had to do. We simply did it in order to take advantage of the better frequency available and we made the change with the hope that it would improve things materially. The news we received after the change was it had improved it materially. It was much better than before; a lot of people were pleased. They were quite happy with the whole thing. Then we got a few isolated reports from certain places where people did not seem to get us as well as before. That was expected. But this is the first time I have heard of a whole group of people such as you mention who may be getting some form of interference and I wonder if this is a new development.

Mr. GOODE: I was in the Caribou this year and you have a relay station that is not reaching a lot of people in the Caribou. They used to get C.B.C. direct from Vancouver but cannot now. What are you going to do with channel 1130? I understand that you are refusing other stations the use of that channel.

The WITNESS: This is a Department of Transport matter but our recommendations may have some effect. We had investigated the possibility of putting up a station further in the interior to do the job you are speaking of to cover a wide range in the interior of British Columbia. Obviously we have not had the funds to do it.

Mr. GOODE: Perhaps my remarks were not too wrong. You have been considering giving some people the facilities of the C.B.C. by putting another station in there so you must have had more than a few complaints.

Mr. OUIMET: Reception has never been good in the interior of British Columbia.

The WITNESS: We could never count on the coverage of the interior from Vancouver.

Mr. GOODE: Would you still refuse the application of a private station under 1130?

The WITNESS: If that channel is opened up, the department should notify everybody and give everybody a fair chance at it.

*By Mr. Goode:*

Q. I agree. Would you then permit a private station to apply for that and would you recommend that it be given?—A. At the moment we still might be able to use it to wide general advantage in British Columbia.

Q. How long would you consider you have to hold it before you leave it open for applications from a number of private stations?—A. It depends largely on financial matters.

*By Mr. Carter:*

Q. I would like to come back to Mr. Reinks's line of questions on programming. There are certain programs which the C.B.C. compels local stations to carry. Is that what I understood?—A. We have a great many private stations, the majority of stations in the country are affiliates, all by request of themselves, of the C.B.C. When they become affiliates a joint obligation devolves upon us to deliver a network service to the public in the area of that station and therefore to the station in that area; they get some commercial programs and some revenue from the affiliation as well as getting the service free. On their side, they take the obligation in a general way at least to carry some minimum amount of sustaining programming which does not give them revenue.

Q. You decide what these programs are going to be and the day on which they carry them?—A. We decide, but after consultation with the stations.

Q. In the case of programs which they may wish to carry which are not yours they have to get your permission to do that? Supposing they wish to pick up and retransmit a broadcast from England; would they have to get your permission to do that?—A. If it is picking up a direct retransmission and forming a network they would have to get our agreement.

Q. What would be the mechanics of getting that permission? Would they simply get it from the local C.B.C. station or would they have to come to your headquarters?—A. If they directed it to our local station it would come to our station relations man here in Ottawa and be dealt with very simply and very quickly.

Q. What is the basis of consideration in granting or refusing permission to do that sort of thing?—A. I am not quite clear on what you are thinking of. In the first place it is not often that a station would be in a position to pick up a broadcast of someone else's.

Q. I can give you a specific example. I come from Newfoundland, as you know, where we have a difference of time of an hour and a half. Our time is an hour and half later than in Toronto and your broadcast coming up from Toronto at 10 o'clock is at 11.30 in Newfoundland and is too late for ordinary people to listen to it. They just have to give up their sleep or give up the broadcast. Some of the very same programs come from London and I am thinking particularly of the case of Churchill's resignation. There was quite a coverage of that sent out by the B.B.C. stations in London. We have a local station in Newfoundland, CJON which is giving a very fine service; they are a "live wire" station and are giving very high quality service. I understand they asked for permission to pick up some of these broadcasts from England or from London and transmit them over their own facilities and that permission was not granted. I would like to know why a request like that would be refused.—A. I am sorry, I am not familiar with this. The general conditions of course are that we have national networks in the country and it has been the general, overall policy that the stations should form a part of the Canadian network and not a part of a network outside of Canada. That has been part of the development of the whole system. In a particular situation like this, I do not know.

Q. Is there any general policy?—A. The general policy is that a station should not form direct network connection with organizations outside of Canada.

Q. They asked for permission to do it on a special occasion, that is, to re-transmit a special broadcast which you, yourself, could only transmit at a time which was not convenient to the people. Why, under this situation, was such a request refused?—A. I do not know the circumstances of which you speak. I wonder if you would mind waiting until next week and I will have a look into it.

Q. I would be happy. It looked to me like competition. You say that private stations are not competitors. But you cannot have it both ways. If they are not to be competitors, then neither should the C.B.C. be a competitor. The criterion, as I see it, should be that of service to the people. And if a local and private station can give a service that you cannot give, I do not think they should be prevented from giving it.—A. I wonder if you would mind waiting until we have a look into the situation? What occasion was it?

Q. I am not sure myself, but I think it was Churchill's resignation. That is the type of thing.—A. It would help me to know just what the occasion was.

The CHAIRMAN: Please be more specific in your questions.

Mr. CARTER: I am pretty sure that it was Mr. Churchill's resignation. That is a type of thing which would be of national significance. But it may very well have been something else of the same type.

Mr. BRYSON: Suppose the C.B.C. licences a station for 5 kilowatts of power. In daylight hours that would be fine; but at night you get a good deal more coverage. Radio Station CKBI in Prince Albert changes the pattern for its night time broadcasting, and thereby it eliminates a lot of the interference of which Mr. Good was speaking. What do you do in a more congested area? Do you restrict the power used during night-time broadcasting, or how do you eliminate what could cause a lot of interference?

Mr. OUIMET: I would like to ask our Director of Engineering to answer your question.

Mr. W. G. RICHARDSON: Mr. Chairman, the onus is always upon the applicant for a station, for a power increase, a power change, or a frequency change to submit a technical brief to the Department of Transport to show how he proposes to operate his station without causing interference to existing stations, beyond the limits specified in the International Agreement.

In daytime radio waves are attenuated more rapidly because they travel over the surface of the earth. Sky waves are absorbed during daylight hours. Therefore daytime coverage is generally much larger than night time, and you do not have so much to suppress in the direction of other stations.

But at night time the sky waves are reflected from the earth by reason of the ionsphere, and you have to be more careful as to what signals you are sending towards a station which requires protection. Let us assume a station has been built. It has two patterns, one for day time and the other for night time operation. In daytime the signal may be scattered in different directions and that is what happens at Prince Albert. But at night he has to pull in his signals in a certain direction in order to reduce interference. He may send out a stronger signal in one direction, and he may have to reduce his signal in another direction.

The WITNESS: We do not license stations. That is the function of the Department of Transport. They handle it. And when it comes to us we look to see that all these things have been checked into.

Mr. BRYSON: In some places, Australia, for instance, they do restrict the power during night time operations in some cases.

Mr. W. G. RICHARDSON: The engineering problem can be solved by different methods. You can reduce your power at night, and that automatically reduces the signal you are radiating. Or, you can use a directional antenna which takes the signal away from one area and sends it in another direction.

Mr. BOISVERT: What is the date of the last International agreement in radio?

The WITNESS You mean the North American Regional Broadcasting Agreement?

Mr. W. G. RICHARDSON: The date of the last agreement is 1937, but there was a later edition in 1950-51 which has not yet been ratified by all of the parties which are signatory to the agreement, nevertheless it is used by the radio authorities particularly in Canada and the United States as an administrative arrangement. We always try to meet its technical requirements.

The CHAIRMAN: I think we have worked well this morning and that we should now adjourn. Mr. Gratrix tells me that if you like this room he will get it for us for the whole month of May. Is that agreeable to the committee?

Mr. FLEMING: May be you had better sign it up for all of June too.

The CHAIRMAN: The way it is going, I am afraid so, Mr. Fleming.

# APPENDIX "A"

1. List of participants on the radio programme *La Revue de l'Actualité* 1953-1954.
2. List of participants on the radio programme *Confrontation* from 12th of March 1954 to the 1st of October 1954.
3. List of participants on the radio programme *Conférence de Presse* for the year 1953.
4. List of participants on the radio programme *Conférence de Presse* for the year 1954.
5. List of participants on the radio programme Press Conference January 5 to April 6, 1955.
6. List of participants on the television programme Press Conference January 6 to April 7, 1955.
7. A breakdown of those participating on the programme C.B.C. News Roundup during the last three months of each of the years 1953 and 1954.

NOTE *Documents 1 to 4 appear with the translation in English followed by the original French text.*

C.B.C. French Network

## No. 1

## PROGRAMME: LA REVUE DE L'ACTUALITÉ

### COMPARATIVE ANALYSIS OF ITEMS BROADCAST DURING THE LAST THREE MONTHS OF 1953 AND 1954

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 1953 | October– | 22 | Broadcasts including | 54 | Canadian items and | 62 | Foreign items: | | | 116 |
| | November– | 21 | " " | 62 | " " | 53 | " " | | | 115 |
| | December– | 21 | " " | 44 | " " | 65 | " " | | | 109 |
| | Totals: | 64 | | 160 | | 180 | | | | 340 |
| 1954 | October– | 21 | " " | 67 | " " | 46 | | | | 113 |
| | November– | 22 | " " | 64 | " " | 46 | " " | | | 110 |
| | December– | 23 | " " | 52 | " " | 69 | " " | | | 121 |
| | Totals: | 66 | | 183 | | 161 | | | | 344 |

### LIST OF CORRESPONDENTS HEARD IN THE PROGRAMME SIX TIMES OR MORE

FOREIGN

| | | Oct. | Nov. | Dec. |
|---|---|---|---|---|
| PARIS | 1953 | F. Weymüller (a)<br>C. Temerson (a) | —<br>— | F. Weymüller (a)<br>L. Zitrone (a) |
| | 1954 | F. Weymüller (a)<br>C. Temerson (a) | L. Zitrone (a)<br>— | L. Zitrone (a)<br>— |
| LONDON | 1953 | E. Latham (b) | N. Epton (b) | N. Epton (b) |
| | 1954 | — | N. Epton (b) | — |
| ROME | 1953 | — | — | — |
| | 1954 | — | — | M. Bergerre |
| TOKYO | 1953 | T. Schilling-Kaplan | — | — |
| | 1954 | — | — | — |
| WASHINGTON | 1953 | — | G. Wolff | G. Wolff |
| | 1954 | — | G. Wolff | — |
| NEW-YORK | 1953 | — | — | — |
| | 1954 | — | Reporter, ONU (c) | — |
| | | CANADIAN | | |
| OTTAWA | 1953 | — | — | G. Langlois |
| | 1954 | L. Châteauneuf<br>— | G. Langlois<br>P. Chaloult | —<br>— |
| MONTREAL | 1953 | — | R. Lévesque (x) | — |
| | 1954 | — | — | — |

(a) Accredited correspondents paid RTF.
(b) " " " BBC.
(c) " " " the United Nations without personal identification.
(x) Staff member of the CBC.

## LIST OF CORRESPONDENTS HEARD IN THE PROGRAMME FIVE TIMES OR LESS

FOREIGN

| | | Oct. | Nov. | Dec. |
|---|---|---|---|---|
| FRANCE | 1953 | L. Zitrone (a) | L. Zitrone (a) | — |
| | | P. Chavasse (a) | — | — |
| | | J. Franck (a) | — | — |
| | | A. Batayard (a) | — | — |
| | | R. Lamy (a) | — | — |
| | | S. Fumet (a) | — | S. Fumet |
| | | N. Fabre (a) | N. Fabre (a) | — |
| | | G. Gordon (a) | — | G. Gordon (a) |
| | | D. LaChance (x) | D. LaChance (x) | D. LaChance (x) |
| | | — | C. Cloutier | — |
| | | — | F. Weymüller (a) | — |
| | | — | C. Temerson (a) | C. Temerson (a) |
| | | — | R. Aycard (a) | — |
| | | — | P. Emmanuel (a) | — |
| | | — | — | C. Chonez (a) |
| | | — | — | P. Metcalfe (a) |
| | 1954 | L. Zitrone (a) | — | — |
| | | P. Chavasse (a) | — | — |
| | | J. Franck (a) | J. Franck (a) | J. Franck (a) |
| | | | F. Weymüller (a) | F. Weymüller (a) |
| | | | S. Fumet (a) | S. Fumet (a) |
| | | | C. Chonez (a) | — |
| | | | C. Temerson (a) | C. Temerson (a) |
| GREAT BRITAIN | 1953 | J. Wetz (b) | J. Wetz (b) | J. Wetz (b) |
| | | M. Bellancourt (b) | M. Bellancourt (b) | M. Bellancourt (b) |
| | | M. Vieyra (b) | — | — |
| | | N. Epton (b) | — | — |
| | | — | E. Latham (b) | E. Latham (b) |
| | | — | P. Lefebvre (b) | — |
| | | — | Bennett (b) | — |
| | | — | Fraser (b) | — |
| | 1954 | J. Wetz (b) | J. Wetz (b) | J. Wetz (b) |
| | | M. Bellancourt (b) | M. Bellancourt (b) | M. Bellancourt (b) |
| | | M. Vieyra (b) | — | — |
| | | N. Epton (b) | — | N. Epton (b) |
| | | M. Simon (b) | M. Simon (b) | M. Simon (b) |
| | | E. Latham (b) | E. Latham (b) | — |
| | | — | F. Dash (b) | — |
| | | — | Flower (b) | — |
| | | — | — | N. Cousee (b) |
| GERMANY | 1953 | — | Lt. Hillyer | — |
| | 1954 | — | — | A. Brown |
| HOLLAND | 1953 | — | G. Sluizer | — |
| | 1954 | — | — | — |
| ITALY | 1953 | — | — | RTF (Pie XII) |
| | 1954 | J. Cairncross | J. Cairncross | J. Neuvecelle |
| | | — | — | BBC (Pie XII) |
| DENMARK | 1954 | M. Meunier | — | — |
| SWITZERLAND | 1954 | — | A. DesFontaines | A. DesFontaines |
| ASIA | 1953 | — | T. Schilling (Tokyo) | T. Schilling (Tokyo) |
| | 1954 | C. Thorel (Indo-Chine) | — | — |
| SOUTH AMERICA | 1954 | — | B. Arsenault, M.P. | B. Arsenault, M.P.<br>Dr. P. Panneton |

Explanation of Code letters (a), (b), (c), (x) at the bottom of page 190.

CANADIAN

| | | Oct. | Nov. | Dec. |
|---|---|---|---|---|
| QUEBEC | 1953 | R. Lévesque Mtl (x) | R. Lévesque (x) | R. Lévesque (x) |
| | | J. Jasmin (x) | J. Jasmin (x) | — |
| | | P. Rochon (x) | — | — |
| | | — | J. Languirand (x) | — |
| | | — | J. Languirand (x) | L. Côté (x) |
| | | A Lafond | — | — |
| | | L. Bonssard | — | — |
| | | — | B. Benoist | — |
| | | R. Lelièvre, Qué. (x) | — | R. Morell |
| | | P. Savary (x) | P. Savary (x) | — |
| | | L. Fortin (x) | L. Fortin | — |
| | | — | C. Dussault (x) | C. Dussault (x) |
| | | F. Côté | — | F. Côté |
| | | M. Thivierge | M. Thivierge | — |
| | | — | J. Paquet | J. Paquet |
| | | — | P. Laporte | P. Laporte |
| | | — | L. Chassé | — |
| | | — | M. Lamontagne | — |
| | | L. Raymond, Chicoutimi (x) | — | — |
| | | — | C. M. Deschênes | — |
| | | F. Normandin, Granby | — | F. Normandin |
| | | — | R. Caron, Sherbrooke | R. Caron |
| | | J. Tremblay, Rouyn | — | — |
| | | — | J. J. Arcand | J. J. Arcand |
| | | — | J. Vaillancourt | — |
| | | Y. Brunelle, Ville-Marie | — | — |
| | 1954 | L. Lévesque, Mtl (x) | R.Lévesque (x) | R.Lévesque (x) |
| | | P. M. Claude (x) | P. M. Claude (x) | — |
| | | L. Côté (x) | — | — |
| | | — | — | P. Tallman (x) |
| | | A. Lafond | — | A. Lafond |
| | | R. Prévost | — | — |
| | | R. Lelièvre, Qué. (x) | R. Lelièvre (x) | — |
| | | L. Fortin (x) | — | — |
| | | — | P. Savary (x) | — |
| | | — | C. Dussault (x) | — |
| | | J. Paquet | — | — |
| | | — | P. Laporte | P. Laporte |
| | | L. Bilodeau, Ville-Marie | — | — |
| | | — | J. Venne, Sherbrooke | — |
| | | — | — | M. Gagnon, Trois-Rivières |
| ONTARIO | 1953 | G. Huard, Ott. (x) | G. Huard | — |
| | | J. Grand-Landau | J. Grand-Landau | J. Grand-Landau |
| | | G. Langlois | G. Langlois | — |
| | | G. Morin | — | — |
| | | P. Chaloult | — | — |
| | | — | — | P. Brunet |
| | 1954 | J. Bertrand | — | J. Bertrand (x) |
| | | G. Langlois | — | G. Langlois |
| | | P. Chaloult | — | P. Chaloult |
| | | G. Morin | — | — |
| | | — | J. Grand-Landau | — |
| | | — | — | L. Châteauneuf |

Explanation of Code letters (a), (b), (c), (x) at the bottom of page 190.

LA REVUE DE L'ACTUALITÉ

CANADIAN

| | | Oct. | Nov. | Dec. |
|---|---|---|---|---|
| ONTARIO—*Conc.* | 1953 | — | J. Ducharme, Toronto (x) | — |
| | | — | — | N. DePoe (x) |
| | | — | — | C. Parsons |
| | | — | — | R. Devilliers, Timmins |
| | 1954 | C. Legaré-Michaud | C. Legaré-Michaud | C. L. Michaud |
| MANITOBA | 1953 | N. Préfontaine, Win. | N. Préfontaine | N. Préfontaine |
| | | L. Brodeur | L. Brodeur | L. Brodeur |
| | | — | — | R. Chartier |
| | | — | — | R. Dussault (x) |
| | 1954 | N. Préfontaine | N. Préfontaine | N. Préfontaine |
| | | L. Brodeur | L. Brodeur | L. Brodeur |
| | | M. Jones | — | — |
| | | R. Dussault (x) | — | — |
| SASKATCHEWAN | 1953 | J. Boisclair, Saskatoon | — | — |
| | | C. Hood | — | J. Boisclair |
| | | — | F. Ippersiel | — |
| | | — | R. Bonvalet | — |
| | | M. Plouffe, Gravelbourg | — | — |
| | | — | C. Maltais | — |
| | 1954 | E. Bourgault, Saskatoon | — | E. Bourgault |
| | | — | C. Hood | C. Hood |
| | | R. Daoust | — | — |
| | | Masson | — | — |
| ALBERTA | 1953 | L. Rémillard, Edmonton | — | — |
| | | G. Lachance | — | G. Lachance |
| | | — | J. Thibault | J. Thibault |
| | | — | J. Mayol | J. Mayol |
| | 1954 | G. Lachance | G. Lachance | G. Lachance |
| | | J. Thibault | J. Thibault | J. Thibault |
| | | S. Gautier | — | — |
| | | — | — | J. Mayol |
| | | — | — | A. Krusenstjern |
| BRITISH COLUMBIA | 1953 | J. Lowndes, Vancouver | J. Lowndes | J. Lowndes |
| | | — | — | H. Gross, Prince-George |
| | 1954 | J. Lowndes | — | J. Lowndes |
| | | R. Bonvalet | R. Bonvalet | R. Bonvalet |
| NEW BRUNSWICK (Opening of Moncton Broadcasting Station, 1954) | 1954 | G. Huard (x) | — | — |
| | | A. Hamelin (x) | — | — |
| | | — | F. Tremblay (x) | — |
| | | — | R. Teasdale (x) | — |
| | | R. Michaud | — | R. Michaud |
| | | E. Leblanc | E. Leblanc | — |
| | | — | E. Daigle | — |
| NOVA SCOTIA | 1954 | — | — | Y. Brunelle, Sydney |

Explanation of Code letters (a), (b), (c), (x) at the bottom of page 190.

RADIO-CANADA — RÉSEAU FRANÇAIS

LA REVUE DE L'ACTUALITÉ

Analyse comparative des chroniques diffusées durant les derniers trimestres de 1953-1954

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 1953 | Octobre– | 22 | émissions | comprenant | 54 | chroniques | canadiennes et | 62 | étrangères: | 116 |
| | Novembre– | 21 | " | " | 62 | " | " | 53 | " | : 115 |
| | Décembre– | 21 | " | " | 44 | " | " | 65 | " | : 109 |
| | TOTAUX: | 64 | | | 160 | | | 180 | | 340 |
| 1954 | Octobre– | 21 | " | " | 67 | " | " | 46 | " | : 113 |
| | Novembre– | 22 | " | " | 64 | " | " | 46 | " | : 110 |
| | Décembre– | 23 | " | " | 52 | " | " | 69 | " | : 121 |
| | TOTAUX: | 66 | | | 183 | | | 161 | | 344 |

Liste des Correspondants ayant participé au programme 6 chroniques ou plus

ÉTRANGÈRES

| | | Oct. | Nov. | Déc. |
|---|---|---|---|---|
| PARIS | 1953 | F. Weymüller (a)<br>C. Temerson (a) | —<br>— | F. Weymüller (a)<br>L. Zitrone (a) |
| | 1954 | F. Weymüller (a)<br>C. Temerson (a) | L. Zitrone (a)<br>— | L. Zitrone (a)<br>— |
| LONDRES | 1953 | E. Latham (b) | N. Epton (b) | N. Epton (b) |
| | 1954 | — | N. Epton (b) | — |
| ROME | 1953 | — | — | — |
| | 1954 | — | — | M. Bergerre |
| TOKYO | 1953 | T. Schilling-Kaplan | — | — |
| | 1954 | — | — | — |
| WASHINGTON | 1953 | — | G. Wolff | G. Wolff |
| | 1954 | — | G. Wolff | — |
| NEW-YORK | 1953 | — | — | — |
| | 1954 | — | Reporter, ONU (c) | — |

CANADIENNES

| | | | | |
|---|---|---|---|---|
| OTTAWA | 1953 | — | — | G. Langlois |
| | 1954 | L. Châteauneuf<br>— | G. Langlois<br>P. Chaloult | —<br>— |
| MONTRÉAL | 1953 | — | R. Lévesque (x) | — |
| | 1954 | — | — | — |

Explications des lettres (a) (b) (c) (x) au bas de la page 198.

Liste des Correspondants ayant participé au programme 5 chroniques et moins

ÉTRANGÈRES

| | | Oct. | Nov. | Déc. |
|---|---|---|---|---|
| FRANCE | 1953 | L. Zitrone (a) | L. Zitrone (a) | — |
| | | P. Chavasse (a) | — | — |
| | | J. Franck (a) | — | — |
| | | A. Batayard (a) | — | — |
| | | R. Lamy (a) | — | — |
| | | S. Fumet (a) | — | S. Fumet |
| | | N. Fabre (a) | N. Fabre (a) | — |
| | | G. Gordon (a) | — | G. Gordon (a) |
| | | D. LaChance (x) | D. LaChance (x) | D. LaChance (x) |
| | | — | C. Cloutier | — |
| | | — | F. Weymüller (a) | — |
| | | — | C. Temerson (a) | C. Temerson (a) |
| | | — | R. Aycard (a) | — |
| | | — | P. Emmanuel (a) | — |
| | | — | — | C. Chonez (a) |
| | | — | — | P. Metcalfe (a) |
| | 1954 | L. Zitrone (a) | — | — |
| | | P. Chavasse (a) | — | — |
| | | J. Franck (a) | J. Franck (a) | J. Franck (a) |
| | | — | F. Weymüller (a) | F. Weymüller (a) |
| | | — | S. Fumet (a) | S. Fumet (a) |
| | | — | C. Chonez (a) | — |
| | | — | C. Temerson (a) | C. Temerson (a) |
| ANGLETERRE | 1953 | J. Wetz (b) | J. Wetz (b) | J. Wetz (b) |
| | | M. Bellancourt (b) | M. Bellancourt (b) | M. Bellancourt (b) |
| | | M. Vieyra (b) | — | — |
| | | N. Epton (b) | — | — |
| | | — | E. Latham (b) | E. Latham (b) |
| | | — | P. Lefebvre (b) | — |
| | | — | Bennett (b) | — |
| | | — | Fraser (b) | — |
| | 1954 | J. Wetz (b) | J. Wetz (b) | J. Wetz (b) |
| | | M. Bellancourt (b) | M. Bellancourt (b) | M. Bellancourt (b) |
| | | M. Vieyra (b) | — | — |
| | | N. Epton (b) | — | N. Epton (b) |
| | | M. Simon (b) | M. Simon (b) | M. Simon (b) |
| | | E. Latham (b) | E. Latham (b) | — |
| | | — | F. Dash (b) | — |
| | | — | Flower (b) | — |
| | | — | — | N. Cousee (b) |
| ALLEMAGNE | 1953 | — | Lt. Hillyer | — |
| | 1954 | — | — | A. Brown |
| HOLLANDE | 1953 | — | G. Sluizer | — |
| | 1954 | — | — | — |
| ITALIE | 1953 | — | — | RTF (Pie XII) |
| | 1954 | J. Cairncross | J. Cairncross | J. Neuvecelle |
| | | — | — | BBC (Pie XII) |

La Revue de l'Actualité

ÉTRANGÈRES

| — | Oct. | | Nov. | Déc. |
|---|---|---|---|---|
| Danemark | 1954 | M. Meunier | — | — |
| Suisse | 1954 | — | A. DesFontaines | A. DesFontaines |
| Asie | 1953 | — | T. Schilling (Tokyo) | T. Schilling (Tokyo) |
| | 1954 | C. Thorel (Indo-Chine) | — | — |
| Amérique du Sud | 1954 | — | B. Arsenault, M.P. | B. Arsenault, M.P.<br>Dr. P. Panneton |
| | | CANADIENNES | | |
| Québec | 1953 | R. Lévesque, Mtl (x) | R. Lévesque (x) | R. Lévesque (x) |
| | | J. Jasmin (x) | J. Jasmin (x) | — |
| | | P. Rochon (x) | — | — |
| | | — | J. Languirand (x) | — |
| | | — | J. Languirand (x) | L. Côté (x) |
| | | A. Lafond | — | — |
| | | L. Bonssard | — | — |
| | | — | B. Benoist | — |
| | | R. Lelièvre, Qué. (x) | — | R. Morell |
| | | P. Savary (x) | P. Savary (x) | — |
| | | L. Fortin (x) | L. Fortin | — |
| | | — | C. Dussault (x) | C. Dussault (x) |
| | | F. Côté | — | F. Côté |
| | | M. Thivierge | M. Thivierge | — |
| | | — | J. Paquet | J. Paquet |
| | | — | P. Laporte | P. Laporte |
| | | — | L. Chassé | — |
| | | — | M. Lamontagne | — |
| | | L. Raymond, Chicoutimi (x) | — | — |
| | | — | C. M. Deschênes | — |
| | | F. Normandin, Granby | — | F. Normandin |
| | | — | R. Caron, Sherbrooke | R. Caron |
| | | J. Tremblay, Rouyn | — | — |
| | | — | J. J. Arcand | J. J. Arcand |
| | | — | J. Vaillancourt | — |
| | | Y. Brunelle, Ville-Marie | — | — |
| | 1954 | R. Lévesque, Mtl (x) | R. Lévesque (x) | R. Lévesque (x) |
| | | P. M. Claude (x) | P. M. Claude (x) | — |
| | | L. Côté (x) | — | — |
| | | — | — | P. Tallman (x) |
| | | A. Lafond | — | A. Lafond |
| | | R. Prévost | — | — |
| | | R. Lelièvre, Qué. (x) | R. Lelièvre (x) | — |
| | | L. Fortin (x) | — | — |
| | | — | P. Savary (x) | — |
| | | — | C. Dussault (x) | — |
| | | J. Paquet | — | — |
| | | — | P. Laporte | P. Laporte |
| | | L. Bilodeau, Ville-Marie | — | — |
| | | — | J. Venne, Sherbrooke | — |
| | | — | — | M. Gagnon, Trois-Rivières |

La Revue de l'actualité

Canadiennes

| — | | Oct. | Nov. | Déc. |
|---|---|---|---|---|
| Ontario | 1953 | G. Huard, Ottawa | G. Huard | — |
| | | J. Grand-Landau | J. Grand-Landau | J. Grand-Landau |
| | | G. Langlois | G. Langlois | — |
| | | G. Morin | — | — |
| | | P. Chaloult | — | — |
| | | — | — | P. Brunet |
| | 1954 | J. Bertrand | — | J. Bertrand (x) |
| | | G. Langlois | — | G. Langlois |
| | | P. Chaloult | — | P. Chaloult |
| | | G. Morin | — | — |
| | | — | J. Grand-Landau | — |
| | | — | — | L. Châteauneuf |
| | 1953 | — | J. Ducharme, Toronto (x) | — |
| | | — | — | N. DePoe (x) |
| | | — | — | C. Parsons |
| | | — | — | R. Devilliers, Timmins |
| | 1954 | C. Legaré-Michaud | C. Legaré-Michaud | C. L. Michaud |
| Manitoba | 1953 | N. Préfontaine, Winnipeg | N. Préfontaine | N. Préfontaine |
| | | L. Brodeur | L. Brodeur | L. Brodeur |
| | | — | — | R. Chartier |
| | | — | — | R. Dussault (x) |
| | 1954 | N. Préfontaine | N. Préfontaine | N. Préfontaine |
| | | L. Brodeur | L. Brodeur | L. Brodeur |
| | | M. Jones | — | — |
| | | R. Dussault (x) | — | — |
| Saskatchewan | 1953 | J. Boisclair, Saskatoon | — | — |
| | | C. Hood | — | J. Boisclair |
| | | — | F. Ippersiel | — |
| | | — | R. Bonvalet | — |
| | | M. Plouffe, Gravelbourg | — | — |
| | | — | C. Maltais | — |
| | 1954 | E. Bourgault, Saskatoon | — | E. Bourgault |
| | | — | C. Hood | C. Hood |
| | | R. Daoust | — | — |
| | | Masson | — | — |
| Alberta | 1953 | L. Rémillard, Edmonton | — | — |
| | | G. Lachance | — | G. Lachance |
| | | — | J. Thibault | J. Thibault |
| | | — | J. Mayol | J. Mayol |
| | 1954 | G. Lachance | G. Lachance | G. Lachance |
| | | J. Thibault | J. Thibault | J. Thibault |
| | | S. Gautier | — | — |
| | | — | — | J. Mayol |
| | | — | — | A. Krusenstjern |
| Colombie-Britannique | 1953 | J. Lowndes, Vancouver | J. Lowndes | J. Lowndes |
| | | — | — | H. Grosse, Prince-George |
| | 1954 | J. Lowndes | — | J. Lowndes |
| | | R. Bonvalet | R. Bonvalet | R. Bonvalet |

La Revue de l'Actualité

Canadiennes

| — | | Oct. | Nov. | Déc. |
|---|---|---|---|---|
| Nouveau-Brunswick | 1954 | G. Huard (x) | — | — |
| (Ouverture du poste de Moncton en 1954) | | A. Hamelin (x) | — | — |
| | | — | F. Tremblay (x) | — |
| | | — | R. Teasdale (x) | — |
| | | R. Michaud | — | R. Michaud |
| | | E. Leblanc | E. Leblanc | — |
| | | — | E. Daigle | — |
| Nouvelle-Écosse | 1954 | — | — | Y. Brunelle, Sydney |

(a) Correspondants accrédités par la RTF à ses frais.
(b) " " " BBC à ses frais.
(c) " " " l'ONU à ses frais, et sans identifications personnelles.
(x) Membre du personnel de la Société Radio-Canada.

**No. 2**

PROGRAMME: *CONFRONTATION*

STATIONS: EX-CBF to the French Network

DATES: 12 March 1954 to October 1st, 1954

| Guest Speakers | Titles | Number of broadcasts |
|---|---|---|
| 1. Aquin, Hubert | Graduate in Political Sciences ..... | 1 |
| 2. Auclair, Gilles | Psychologist attached to the Orientation Center of the Institute of Psychology at the University of Montreal ..... | 1 |
| 3. Baudoin, Louis | Professor at the Faculty of Law, McGill University ..... | 1 |
| 4. Bergeron, Gérard | Professor of International Relations at the Faculty of Social Sciences, Laval University ..... | 2 |
| 5. Bertrand, Janette | Journalist ..... | 2 |
| 6. Blain, Maurice | Literary critic ..... | 1 |
| 7. Brunet, Michel | Professor, Faculty of Letters, University of Montreal ..... | 1 |
| 8. Chevalier, François | Barrister ..... | 1 |
| 9. Dagenais, André | Author and Professor of History, University of Montreal ..... | 1 |
| 10. Doat, Jean | Drama producer ..... | 1 |
| 11. Dubé, Marcel | Playwright ..... | 1 |
| 12. Ducap, Wilfrid | Responsible for the classification of children at the Catholic School Commission | 1 |
| 13. Duhamel, Roger | Editorialist, "La Patrie" ..... | 1 |
| 14. Gagnon, Jean-Louis | Journalist and Radio Commentator ..... | 4 |
| 15. De Grandmont Eloi | Author and Poet ..... | 1 |
| 16. Hamel, Marie | Secretary to the French Commission of the Canadian Welfare Council ..... | 1 |
| 17. Harvey, Jean-Charles | Director of Publications, "Le Petit Journal" and "Photo-Journal" ..... | 1 |
| 18. Harvey, Pierre | Economist, Professor at the Ecole des Hautes Etudes Commerciales, Montreal | 1 |
| 19. Hébert, Jacques | Journalist and traveller ..... | 1 |
| 20. Houle, Jean-Pierre | Barrister and journalist ..... | 1 |
| 21. Jutras, Claude | Film producer ..... | 1 |
| 22. Kaiserlingk, Robert | Director and Editor-in-Chief of the weekly "The Ensign" ..... | 1 |
| 23. Langlois, Georges | Parliamentary correspondent of "La Presse" in Ottawa ..... | 1 |
| 24. Laporte, Pierre | Journalist, "Le Devoir" ..... | 2 |
| 25. Laurendeau, André | Assistant Editor-in-Chief "Le Devoir" ... | 3 |
| 26. Leger, Jean-Marc | Journalist and Foreign policy commentator | 1 |
| 27. Lemelin, Roger | Author and script writer, Radio & TV ... | 1 |
| 28. Marcotte, Gilles | Journalist and critic at "Le Devoir" ..... | 1 |
| 29. Mhun, Henry | Correspondent in Montreal for "Le Monde", Paris ..... | 1 |
| 30. Morin, Jean-Marie | Journalist and specialist in educational problems at "La Presse" ..... | 1 |

| Guest Speakers | Titles | Number of broadcasts |
|---|---|---|
| 31. Panneton, Philippe | Physician and author | 1 |
| 32. Parenteau, Roland | Professor, Ecole des Hautes Etudes Commerciales, Montreal | 1 |
| 33. Pelletier, Gérard | Journalist, "Le Travail" | 1 |
| 34. Plante, R. F. Gérard, S.J., | Director of studies, Collège Ste-Marie | 1 |
| 35. Richer, Julien | Journalist, "Notre Temps" | 1 |
| 36. Robert, André | Director of weekly "Allo Police" | 1 |
| 37. Roche, André | Journalist, "Vedettes" | 1 |
| 38. Roy, André | Chief of the Secretariat of the Canadian Confederation of Catholic Workers | 1 |
| 39. Roy, Louis-Philippe | Editor-in-Chief, "L'Action Catholique", Quebec City | 1 |
| 40. Roy, Michel | Journalist, "L'Autorité" | 1 |
| 41. Sauriol, Paul | Editorialist, "Le Devoir" | 1 |
| 42. Seguin, Fernand | Script writer, Radio and TV | 1 |
| 43. Theriault, Yves | Novelist and Radio script writer | 1 |
| 44. Tremblay, Arthur | Assistant Director of the School of Pedagogy and Orientation at Laval University | 1 |
| 45. Vaillancourt, Philippe | Regional Director of the Canadian Congress of Labor (Quebec) | 1 |
| 46. Vallerand, Jean | Composer and General Secretary of the Music Conservatory of the Province of Quebec | 1 |
| 47. Vincent, Jean | Journalist, "L'Autorité" | 1 |
| 48. Woodsworth, Charles | Editor, "Ottawa Citizen" | 1 |

## CONFRONTATION

POSTES: EX-CBF au Réseau Français

DATES: 12 mars 1954 au 1er octobre 1954

| Conférenciers invités | Titres | Nombre d'émissions |
|---|---|---|
| 1. Aquin, Hubert | Diplômé en sciences politiques | 1 |
| 2. Auclair, Gilles | Psychologue au Centre d'Orientation de l'Institut de psychologie de l'Université de Montréal | 1 |
| 3. Baudoin, Louis | Professeur à la Faculté de droit de l'Université McGill | 1 |
| 4. Bergeron, Gérard | Professeur de relations internationales à la faculté des Sciences sociales de l'Université Laval | 2 |
| 5. Bertrand, Janette | Journaliste | 2 |
| 6. Blain, Maurice | Critique | 1 |
| 7. Brunet, Michel | Professeur d'histoire à la faculté des lettres, Université de Montréal | 1 |
| 8. Chevalier, Me François | Avocat de Hull | 1 |

| Conférenciers invités | Titres | Nombre d'émissions |
|---|---|---|
| 9. Dagenais, André | Écrivain et professeur d'histoire à l'Université de Montréal | 1 |
| 10. Doat, Jean | Metteur en scène | 1 |
| 11. Dubé, Marcel | Auteur dramatique | 1 |
| 12. Ducap, Wilfrid | Responsable du classement et du placement des enfants dans les écoles catholiques de la commission scolaire | 1 |
| 13. Duhamel, Roger | Rédacteur—"La Patrie" | 1 |
| 14. Gagnon, Jean-Louis | Journaliste et Commentateur radiophonique | 4 |
| 15. De Grandmont, Éloi | Écrivain, poète | 1 |
| 16. Hamel, Marie | Secrétaire à la Commission française du conseil canadien du Bien-Être social | 1 |
| 17. Harvey, Jean-Charles | Directeur des publications "Le Petit Journal" et "Photo-Journal" | 1 |
| 18. Harvey, Pierre | Économiste, professeur à l'École des Hautes Études Commerciales, Mtl. | 1 |
| 19. Hébert, Jacques | Journaliste et voyageur | 1 |
| 20. Houle, Jean-Pierre | Avocat et journaliste | 1 |
| 21. Jutras, Claude | Cinéaste | 1 |
| 22. Kaiserlingk, Robert | Directeur et Rédacteur en chef de l'hebdomadaire "The Ensign" | 1 |
| 23. Langlois, Georges | Courriériste parlementaire à Ottawa, "La Presse" | 1 |
| 24. Laporte, Pierre | Journaliste au "Devoir" | 2 |
| 25. Laurendeau, André | Rédacteur en chef adjoint au "Devoir" | 3 |
| 26. Léger, Jean-Marc | Journaliste et chroniqueur de politique étrangère | 1 |
| 27. Lemelin, Roger | Écrivain et scripteur à la radio et TV | 1 |
| 28. Marcotte, Gilles | Journaliste et critique au "Devoir" | 1 |
| 29. Mhun, Henry | Correspondant à Montréal du journal "Le Monde" de Paris | 1 |
| 30. Morin, Jean-Marie | Journaliste et spécialiste des questions d'éducation à "La Presse" | 1 |
| 31. Panneton, Philippe | Érivain | 1 |
| 32. Parenteau, Roland | Professeur, École des Hautes Études Commerciales de Montréal | 1 |
| 33. Pelletier, Gérard | Journaliste, "Le Travail" | 1 |
| 34. Plante, R. P. Gérard S.J. | Préfet des études, Collège Ste-Marie | 1 |
| 35. Richer, Julien | Journaliste, "Notre Temps" | 1 |
| 36. Robert, André | Directeur Journal "Allo Police" | 1 |
| 37. Roche, André | Journaliste, "Vedettes" | 1 |
| 38. Roy, André | Chef du secrétariat de la Confédération des Travailleurs catholiques du Canada | 1 |
| 39. Roy, Louis Philippe | Rédacteur en chef à "l'Action Catholique" de Québec | 1 |
| 40. Roy, Michel | Journaliste, "L'Autorité" | 1 |
| 41. Sauriol, Paul | Éditorialiste au "Devoir" | 1 |
| 42. Séguin, Fernand | Scripteur, radio et T.V. | 1 |
| 43. Thériault, Yves | Romancier et scripteur Radio | 1 |

| Conférenciers invités | Titres | Nombre d'émissions |
|---|---|---|
| 44. Tremblay, Arthur | Directeur-adjoint de l' École de pédagogie et d'Orientation de l'Université Laval .... | 1 |
| 45. Vaillancourt, Philippe | Directeur régional du Congrès Canadien du Travail ..... | 1 |
| 46. Vallerand, Jean | Compositeur et secrétaire général du Conservatoire de la Province de Québec .... | 1 |
| 47. Vincent, Jean | Journaliste, "L'Autorité" ..... | 1 |
| 48. Woodsworth, Charles | Journaliste, "Ottawa Citizen" ..... | 1 |

**No. 3**

PROGRAMME: CONFÉRENCE DE PRESSE
YEAR: 1953

(List of Guests)

STATION: C B F T MONTREAL

DATES: 12 February 1953—31 December 1953

Guest Speakers:

| | |
|---|---|
| 1. Hon. Alcide Coté .... | Postmaster General. |
| 2. Dr. Adélard Groulx .. | Director of the Montreal Health Service. |
| 3. Thérèse Casgrain ... | CCF National Vice-President and CCF Provincial Leader for Quebec. |
| 4. Pierre Tisseyre ..... | Director of the "Cercle du Livre de France". |
| 5. Léon Boussard ..... | I.C.A.O. Staff Member. |
| 6. Alexandre Chevalier . | Barrister. |
| 7. Jean Gascon ..... | Actor and Director of "Le Théâtre du Nouveau Monde". |
| 8. Camilien Houde ..... | Mayor of Montreal. |
| 9. Albert Bégin ..... | Director of French Magazine "Esprit"—Author. |
| 10. Col. Marcellin Lahaie | Commandant of the Collège Militaire Royal de St-Jean (Quebec). |
| 11. Horace Boivin ..... | Mayor of Granby and former President of the Canadian Mayors Federation. |
| 12. Jean-M. Gauvreau .. | Director of l'École du Meuble in Montreal. |
| 13. Claude Robillard .... | Superintendent of the Montreal Parks and Playgrounds Department. |
| 14. Mr. and Mrs. Jacques Hébert ..... | "Voyage autour du monde". |
| 15. Wilfrid Pelletier .... | Conductor—Music Conservatory of the Province of Quebec. |
| 16. Robert Lapalme ..... | Cartoonist. |
| 17. Emile Boucher ..... | President of the Montreal St. Jean Baptiste Society. |
| 18. René Gauthier ..... | |
| 19. Florent Forget ..... | Director of Programmes, CBFT. |
| 20. Rev. Father Emile Legault, c.s.c ..... | Director of "Les Compagnons de St-Laurent". |
| 21. Jean Bruchési ..... | Under-Secretary for the Province of Quebec. |
| 22. Solange R.-Chaput .. | Literary Critic. |

Guest Speakers:

| | |
|---|---|
| 23. Ovila Pelletier ..... | Police Inspector (Juveniles)—Montreal. |
| 24. Pierre Emmanuel ... | Director of the Canadian Service of R.D.F.—Author. |
| 25. Major Guy Beaudet .. | Assistant Manager, Harbour of Montreal. |
| 26. Mrs. Tancrède Jodoin. | Senator. |
| 27. Nicholas de Koudriavtzeff ..... | Impresario—Canadian Concerts and Artists. |
| 28. Henri Letondal ..... | Cinema Actor. |
| 29. Dr. P. Dagenais-Pérusse ..... | Medical Director of L'Hôpital de la Miséricorde. |
| 30. Jean Doat ..... | Stage Producer. |
| 31. Félix Leclerc ..... | Song writer and author. |
| 32. André Langevin ..... | Canadian author. |
| 33. Jacques Champagne . | National President of J.O.C. |
| 34. Max Hymans ..... | General President of Air France. |
| 35. Hon. Jean Lesage .... | Minister of Northern Affairs and National Resources. |
| 36. Gilbert A. LaTour ... | Director of the Montreal Chamber of Commerce. |
| 37. Mgr Fernand Maillet . | Director of la Manécanterie de Paris. |
| 38. Roger Lemelin ..... | Radio playwright and novelist. |
| 39. Maurice Bédel ..... | French author. |
| 40. Hon. Paul Sauvé ..... | Minister of Youth and Social Welfare (Quebec). |
| 41. Charles-E. Campeau . | Town planning in Montreal. |
| 42. Robert Choquette ... | French Canadian author and poet. |
| 43. Roger Lacoste ..... | President of the Quebec Safety League. |
| 44. Maurice Forest ..... | Window Dresser. |
| 45. Dr. Paul Letondal ... | Physician—Children's Specialist. |

## CONFERENCE DE PRESSE 1953

(List of participants)

STATION: C B F T

12 February 1953 — 31 December 1953.

| Journalists | Newspapers | Number of Broadcasts |
|---|---|---|
| Ayotte, Alfred | La Presse ..... | 1 |
| Beaubien, Jean | La Patrie ..... | 1 |
| Beauchamps, Henri | La Presse ..... | 1 |
| Bellefeuille, Pierre de | Free lance ..... | 1 |
| Benoit, Jean | Le Devoir ..... | 2 |
| Benoit, Réal | Free lance ..... | 1 |
| Béraud, Jean | La Presse ..... | 3 |
| Bernier, Germaine | Le Devoir ..... | 1 |
| Bertrand, Jeannette | Petit Journal ..... | 1 |
| Blain, Maurice | Free lance ..... | 3 |
| Boisvert, Réginald | Le Travail ..... | 2 |
| Brady, Gérard | L'Homme libre ..... | 3 |
| Bruyère, Charles | The Ottawa Citizen ..... | 1 |
| Champoux, Pierrette | Free lance ..... | 1 |
| Champoux, Roger | La Presse ..... | 2 |
| Cimon, Paul R. | La Presse ..... | 2 |

| Journalists | Newspapers | Number of Broadcasts |
|---|---|---|
| Chaput-Roland, Solange | Free lance | 2 |
| Chené, Vincent | La Presse | 2 |
| Coté, Roland | Le Canada | 1 |
| Coté, Yvon | Quartier Latin | 1 |
| Coucke, Paul | La Patrie | 1 |
| Danis, Gerald | Petit Journal | 1 |
| Daigneault, Simon | La Revue Populaire | 1 |
| Daoust, Jean-Charles | Le Droit (Ottawa) | 1 |
| David, Rosaire | Le Canada | 1 |
| Déry, Gérard | Montréal Star | 1 |
| Desjardins, Maurice | Samedi-Dimanche | 1 |
| Duhamel, Roger | La Patrie | 4 |
| Dupire, Jacques | Free lance | 1 |
| Duliani, Mario | Free lance | 1 |
| Dufresne, Jean | La Patrie | 2 |
| Filion, Gérard | Le Devoir | 3 |
| Felteau, Cyrille | Le Soleil (Québec) | 1 |
| Fortin, Marc | L'écho du Nord | 1 |
| Gagné, Roland | La Vie de l'Est | 1 |
| Gariépy, S.-J. Wilfrid | Relations | 1 |
| Gascon, Pierre | Petit Journal | 2 |
| Gauvreau, Pierre | Free lance | 2 |
| Grandmont, Eloi de | Vedettes | 3 |
| Grenier, Hélène | Notre Temps | 1 |
| Gélinas, Simone | Revue Populaire | 3 |
| Hamelin, Jean | Petit Journal | 1 |
| Harvey, Jean-Charles | Petit Journal et Photo Journal | 1 |
| Houle, Jean-Pierre | Dpt. Citoyenneté f.l. | 2 |
| Huot, Maurice | La Patrie | 1 |
| Hurteau, Laure | La Presse | 1 |
| Jasmin, Yves | Air Canada | 1 |
| Julien, Madeleine | Free lance | 1 |
| Lacroix, Jean | Métropole | 1 |
| Lafortune, Pierre Paul | Petit Journal | 3 |
| Langlois, Lucien | Montréal-Matin | 1 |
| Laliberté | Le Devoir | 2 |
| Laplante, de Jean | Presse canadienne | 1 |
| Laporte, Pierre | Le Devoir | 2 |
| Laurendeau, André | Le Devoir | 2 |
| Lazare, Jean | L'Autorité | 1 |
| Legault, Rv. Père Emile | Free lance | 1 |
| Lefebvre, Gérard | Montréal Matin | 1 |
| Léger, Jean-Marc | La Presse | 5 |
| Lemire, Wilfrid | Free lance | 1 |
| Lévesque, René | Radio-Canada | 1 |
| Loiselle, Alphonse | La Patrie | 1 |
| Letellier de St-Just, Mme E. | Free lance | 1 |
| Lapierre, Eugène | Free lance | 1 |
| Lepeltier, Jean | France-Presse | 2 |
| Major, Hervé | La Presse | 2 |
| Marcotte, Gilles | Le Devoir | 3 |
| Mathieu, Roger | La Presse | 2 |

| Journalists | Newspapers | Number of Broadcasts |
|---|---|---|
| Morin, Jean | Allo Police | 2 |
| Morin, Jean-Marie | La Presse | 4 |
| Morin, Dollard | Petit Journal | 1 |
| Mhun, Henri | Le Monde | 1 |
| Nantel, Adolphe | Le Canada | 1 |
| O'Leary, Dostaler | La Patrie | 1 |
| Oligny, Odette | Chic | 1 |
| Pelletier, Alexandrine | Free lance | 3 |
| Pelletier, Gérard | Le Travail | 4 |
| Piuze, Suzanne | La Patrie | 1 |
| Poulin, Robert | Allo Police | 1 |
| Potvin, Gilles | Radio-Canada | 1 |
| Prévost, Arthur | Le Petit Journal | 3 |
| Proulx, Huguette | Radio-Monde | 1 |
| Robert, Lucette | Photo Journal | 2 |
| Robillard, Louis | Le Devoir | 2 |
| Robillard, Jean-Paul | Petit Journal | 1 |
| Roche, André | Vedettes | 4 |
| Richer, Julia | Notre Temps | 3 |
| Raymond, Marcel | Le Devoir | 3 |
| Roux, Jean-Louis | Free lance | 2 |
| Roussel, Paul | Le Canada | 2 |
| Royal, Roy | Radio-Canada | 1 |
| Roy, Michel | L'Autorité | 1 |
| Sauriol, Paul | Le Devoir | 2 |
| Sylvestre, Guy | Free lance | 1 |
| Saint-Aubin, Bernard | Montréal-Matin | 1 |
| Smith-Fondue Geneviève de la Tour | Free lance | 1 |
| Saint-Pierre, André | La Presse | 1 |
| Stewart, William | Canadian Press | 1 |
| Trépanier, Jacques | La Patrie | 4 |
| Thivierge, Marcel | Le Devoir | 1 |
| Taillefer, Raymond | La Presse | 1 |
| Thibault, Marc | Petit Journal | 1 |
| Tisseyre, Pierre | Free lance | 1 |
| Varin, Roger | Jeunesse Rurale | 1 |
| Vigeant, Pierre | Le Devoir | 1 |
| Vallerand, Jean | Le Devoir | 2 |
| Viot, Gérard | Samedi | 1 |
| Viau, Guy | F.L. | 1 |
| Vleminckx, Marcel | Photo-Journal | 1 |
| Verdon, Christian | Montréal-Matin | 1 |
| Wallot, Albert | Valleyfield | 1 |
| Zalloni, François | Le Devoir | 2 |

CONFÉRENCE DE PRESSE
ANNÉE 1953

(Liste des Personnalités invitées)

POSTES: CBFT MONTRÉAL

DATES: 12 février 1953—31 décembre 1953

Invités:

| | |
|---|---|
| 1. Hon. Alcide Coté .... | Ministre des Postes. |
| 2. Dr Adélard Groulx .. | Directeur du Service de Santé de Montréal. |
| 3. Mme Thérèse Casgrain | Vice-présidente nationale du parti CCF et Chef provincial (Québec). |
| 4. Pierre Tisseyre ..... | Directeur du "Cercle du Livre de France". |
| 5. Léon Boussard ..... | Membre de l'O.A.C.I. |
| 6. Me Alexandre Chevalier ..... | Avocat (droit criminel). |
| 7. Jean Gascon ..... | Comédien et Directeur de la troupe "Le Théâtre du Nouveau-Monde". |
| 8. Camilien Houde ..... | Maire de Montréal. |
| 9. Albert Béguin ..... | Directeur de la revue française "Esprit"—écrivain. |
| 10. Col. Marcellin Lahaie | Directeur du Collège Militaire Royal de St-Jean, P.Q. |
| 11. Horace Boivin ..... | Maire de Granby et ancien président de la Féderation des Maires. |
| 12. Jean-M. Gauvreau ... | Directeur de l'École du Meuble à Montréal. |
| 13. Claude Robillard .... | Surintendant des parcs et jeux de la ville de Montréal. |
| 14. M. et Mme Jacques Hébert ..... | "Voyage autour du Monde". |
| 15. Wilfrid Pelletier .... | Chef d'orchestre—Conservatoire de Musique de la province de Québec. |
| 16. Robert Lapalme ..... | Caricaturiste. |
| 17. Emile Boucher ..... | Président de la Société St-Jean-Baptiste de Montréal. |
| 18. René Gauthier ..... | |
| 19. Florent Forget ..... | Directeur des programmes à CBFT. |
| 20. Rév. Père Emile Legault ..... | Directeur de la troupe "Les Compagnons de St-Laurent". |
| 21. Jean Bruchési ..... | Sous-Secrétaire de la Province de Québec. |
| 22. Solange R-Chaput ... | Critique littéraire. |
| 23. Ovila Pelletier ..... | Inspecteur de police (Police juvénile) Montréal. |
| 24. Pierre Emmanuel .... | Directeur du Service canadien de la R.D.F.—écrivain. |
| 25. Major Guy Beaudet.. | Gérant adjoint du Port de Montréal. |
| 26. Mme Tancrède Jodoin | Sénateur. |
| 27. Nicholas de Koudriavtzeff ..... | Imprésario—Canadian Concert & Artists. |
| 28. Henri Letondal ..... | Comédien-artiste de cinéma. |
| 29. Dr P. Dagenais-Pérusse ..... | Directeur médical de la Crèche à l'hôpital de la Miséricorde. |
| 30. Jean Doat ..... | Metteur en scène. |
| 31. Félix Leclerc ..... | Chansonnier et écrivain. |

Invités:

| | |
|---|---|
| 32. André Langevin ..... | Écrivain canadien. |
| 33. Jacques Champagne.. | Président national de la J.O.C. |
| 34. Max Hymans ..... | Président général d'Air-France. |
| 35. Hon. Jean Lesage .... | Ministre du nord canadien et des Ressources Nationales. |
| 36. Gilbert A. LaTour.... | Directeur de la Chambre de Commerce de Montréal. |
| 37. M[gr] Fernand Maillet.. | Directeur de la Manécanterie de Paris. |
| 38. Roger Lemelin ..... | Auteur radiophonique et romancier. |
| 39. Maurice Bédel ..... | Écrivain français, poète. |
| 40. Hon. Paul Sauvé .... | Ministre du Bien-Être Social et de la Jeunesse (Qué). |
| 41. Charles-E. Campeau.. | Service d'Urbanisme de Montréal. |
| 42. Robert Choquette ... | Écrivain canadien-français et poète. |
| 43. Roger Lacoste ..... | Président de la Ligue de Sécurité du Québec. |
| 44. Maurice Forest ..... | Étalagiste. |
| 45. D[r] Paul Letondal .... | Pédiatre. |

## CONFÉRENCE DE PRESSE 1953

(Liste des Journalistes invités)

POSTE: C B F T

12 février 1953—31 décembre 1953

| Journaliste | Journal | Nombre d'émissions |
|---|---|---|
| Ayotte Alfred | La Presse | 1 |
| Beaubien Jean | La Patrie | 1 |
| Beauchamps Henri | La Presse | 1 |
| Bellefeuille de Pierre | Free lance | 1 |
| Benoit Jean | Le Devoir | 2 |
| Benoit Réal | Free lance | 1 |
| Béraud Jean | La Presse | 3 |
| Bernier Germaine | Le Devoir | 1 |
| Bertrand Jeannette | Free lance | 3 |
| Blain Maurice | Petit Journal | 1 |
| Boisvert Réginald | Le Travail | 2 |
| Brady Gérard | L'Homme libre | 3 |
| Bruyère Charles | The Ottawa Citizen | 1 |
| Champoux Pierrette | Free lance | 1 |
| Champoux Roger | La Presse | 2 |
| Cimon Paul R. | La Presse | 2 |
| Chaput-Roland Solange | Free lance | 2 |
| Chené Vincent | La Presse | 2 |
| Coté Roland | Le Canada | 1 |
| Coté Yvon | Quartier Latin | 1 |
| Coucke Paul | La Patrie | 1 |
| Danis Gerald | Petit Journal | 1 |
| Daigneault Simon | La Revue Populaire | 1 |
| Daoust Jean-Charles | Le Droit (Ottawa) | 1 |
| David Rosaire | Le Canada | 1 |
| Déry Gérard | Montreal Star | 1 |

| Journaliste | Journal | Nombre d'émissions |
|---|---|---|
| Desjardins Maurice | Samedi-Dimanche | 1 |
| Duhamel Roger | La Patrie | 4 |
| Dupire Jacques | Free lance | 1 |
| Duliani Mario | Free lance | 1 |
| Dufresne Jean | La Patrie | 2 |
| Filion Gérard | Le Devoir | 3 |
| Felteau Cyrille | Le Soleil (Québec) | 1 |
| Fortin Marc | L'écho du Nord | 1 |
| Gagné Roland | La Vie de l'Est | 1 |
| Gariépy S-J. Wilfrid | Relations | 1 |
| Gascon Pierre | Petit Journal | 2 |
| Gauvreau Pierre | Free lance | 2 |
| Grandmont Éloi de | Vedettes | 3 |
| Grenier Hélène | Notre Temps | 1 |
| Gélinas Simone | Revue Populaire | 3 |
| Hamelin Jean | Petit Journal | 1 |
| Harvey Jean-Charles | Petit Journal et Photo Journal | 1 |
| Houle Jean-Pierre | Dpt. Citoyenneté f.l. | 2 |
| Huot Maurice | La Patrie | 1 |
| Hurteau Laure | La Presse | 1 |
| Jasmin Yves | Air Canada | 1 |
| Julien Madeleine | Free lance | 1 |
| Lacroix Jean | Métropole | 1 |
| Lafortune Pierre-Paul | Petit Journal | 3 |
| Langlois Lucien | Montréal-Matin | 1 |
| Laliberté | Le Devoir | 2 |
| Laplante de Jean | Presse canadienne | 1 |
| Laporte Pierre | Le Devoir | 2 |
| Laurendeau André | Le Devoir | 2 |
| Lazare Jean | L'Autorité | 1 |
| Legault Rév. Père Emile | Free lance | 1 |
| Lefebvre Gérard | Montréal-Matin | 1 |
| Léger Jean-Marc | La Presse | 5 |
| Lemire Wilfrid | Free lance | 1 |
| Lévesque René | Radio-Canada | 1 |
| Loiselle Alphonse | La Patrie | 1 |
| Letellier de St-Just M$^{me}$ E. | Free lance | 1 |
| Lapierre Eugène | Free lance | 1 |
| Lepeltier Jean | France-Presse | 2 |
| Major Hervé | La Presse | 2 |
| Marcotte Gilles | Le Devoir | 3 |
| Mathieu Roger | La Presse | 2 |
| Morin Jean | Allo Police | 2 |
| Morin Jean-Marie | La Presse | 4 |
| Morin Dollard | Petit Journal | 1 |
| Mhun Henri | Le Monde | 1 |
| Nantel Adolphe | Le Canada | 1 |
| O'Leary Dostaler | La Patrie | 1 |
| Oligny Odette | Chic | 1 |
| Pelletier Alexandrine | Free lance | 3 |
| Pelletier Gérard | Le Travail | 4 |
| Piuze Suzanne | La Patrie | 1 |

| Journaliste | Journal | Nombre d'émissions |
|---|---|---|
| Poulin Robert | Allo Police | 1 |
| Potvin Gilles | Radio-Canada | 1 |
| Prévost Arthur | Le Petit Journal | 3 |
| Proulx Huguette | Radio-Monde | 1 |
| Robert Lucette | Photo Journal | 2 |
| Robillard Louis | Le Devoir | 2 |
| Robillard Jean-Paul | Petit Journal | 1 |
| Roche André | Vedettes | 4 |
| Richer Julia | Notre Temps | 3 |
| Raymond Marcel | Le Devoir | 3 |
| Roux Jean-Louis | Free lance | 2 |
| Roussel Paul | Le Canada | 2 |
| Royal Roy | Radio-Canada | 1 |
| Roy Michel | L'Autorité | 1 |
| Sauriol Paul | Le Devoir | 2 |
| Sylvestre Guy | Free lance | 1 |
| Saint-Aubin Bernard | Montréal-Matin | 1 |
| Smith-Fondue Geneviève de la Tour | Free lance | 1 |
| Saint-Pierre André | La Presse | 1 |
| Steward William | Canadian Press | 1 |
| Trépanier Jacques | La Patrie | 4 |
| Thivierge Marcel | Le Devoir | 1 |
| Taillefer Raymond | La Presse | 1 |
| Thibault Marc | Petit Journal | 1 |
| Tisseyre Pierre | Free lance | 1 |
| Varin Roger | Jeunesse Rurale | 1 |
| Vigeant Pierre | Le Devoir | 1 |
| Vallerand Jean | Le Devoir | 2 |
| Viot Gérard | Samedi | 1 |
| Viau Guy | F.L. | 1 |
| Vleminckx Marcel | Photo-Journal | 1 |
| Verdon Christian | Montréal-Matin | 1 |
| Wallot Albert | Valleyfield | 1 |
| Zalloni François | Le Devoir | 2 |

**No. 4**

PROGRAMME: CONFÉRENCE DE PRESSE

Year: 1954

STATIONS:

CBFT MONTREAL—8 January 54 — 31 December 54

CJBR-TV RIMOUSKI—October 1954 — 31 December 54

Guest Speakers:

| | |
|---|---|
| 1. Auguste Descarries .. | Piano Teacher, Montreal. |
| 2. Jean Delorme ..... | Secretary of Specialized Education in Quebec. |
| 3. Germaine Bernier .... | Women's Columnist—"Le Devoir", Montreal. |
| 4. Gustave Prevost ..... | Ichthyologist. |
| 5. Léo-Paul Cabana .... | Director of the Roads Department of the City of Montreal. |
| 6. J. P. Dubois-Dumée .. | Secretary of the International Union of the Catholic Press. |
| 7. Léon Trépanier ..... | Organizer of Commemorative Ceremonies. |
| 8. Albert Doyon ..... | Director General of the French Canadian Charities. |
| 9. Dr. Louis Philippe Panneton ..... | Physician and Author. |
| 10. Trefflé Boulanger .... | President of the Montreal Catholic School Commission and of the Montreal Richelieu Club. |
| 11. Jacques Gréber ..... | French Town Planner. |
| 12. Dr. Louis-C. Simard . | Pathologist—Director of the Cancer Institute. |
| 13. André Rousseaux .... | Literary Columnist of the French Newspaper "Le Figaro". |
| 14. Lionel Daunais and Charles Goulet ..... | Directors of the Variétés Lyriques—Montreal. |
| 15. Marcel Ouimet ..... | Assistant National Director of Programmes—CBC. |
| 16. Jean-Louis Gagnon .. | Journalist and Author. |
| 17. Gérard LeTestut .... | Director of The Commercial Trades School, Montreal. |
| 18. Dr. Daniel Lagache .. | French Psychologist. |
| 19. Rev. Father Joseph Ledit s.j. ..... | Monthly Magazine "Relations". |
| 20. Claude Julien ..... | American Correspondent of the French newspaper "Le Monde". |
| 21. Paul Gérin-Lajoie ... | Solicitor for the Classical Colleges. |
| 22. Nolasque April ..... | Director of the Agricultural School of Sainte-Martine (Que.). |
| 23. André Ouimet and Fernand Guérard .... | Director of Television, CBFT—Montreal, Director of Programmes, CBFT. |
| 24. Lionel St-Pierre ..... | President of St. Vincent de Paul Societies. |
| 25. Jean-Marie Beauchemin ..... | Children's Aid. |
| 26. Ayres d'Aguiard ..... | Film Producer. |
| 27. Rev. Father André Picard ..... | Missionary in Pakistan. |
| 28. Armand Gravel ..... | Chiropractor. |
| 29. Lucien l'Allier ..... | Chief of Montreal Public Works Department. |
| 30. René Guénette ..... | First Assistant Secretary of Montreal Catholic School Commission. |

Guest Speakers:

| | |
|---|---|
| 31. Jean Vilar ..... | Director of the Théâtre National Populaire Français. |
| 32. André Malavoy ..... | Director of the Official French Tourist Service. |
| 33. Dr. Eugène Robillard . | Director of the Physiological Department—University of Montreal. |
| 34. Léopold Nadeau ..... | Secretary of the Professional Engineers Corporation for the province of Quebec. |
| 35. Lt-Col Yves Bourassa | Public Relations. |
| 36. Jacques Hélian ..... | Popular French Band Leader. |
| 37. Gaston Tessier ..... | President of the International Confederation of Christian Syndicates. |
| 38. Hubert Beuve-Méry .. | Director of the French Newspaper "Le Monde"—Paris. |
| 39. Dr. François Cloutier . | Psychiatrist. |
| 40. Rev. Father André Legault ..... | Holy-Cross Congregation, Bible Specialist. |
| 41. Louis-Philippe Raymond ..... | Optometrist—attached to the Research Center of the University of Montreal. |
| 42. Sister Marie Suzanne . | Missionary nun. |
| 43. François E. Cleyn .... | President, "Leach Textiles Ltd." |
| 44. Yvonne Poncelet .... | President of the International Catholic Women's Auxiliaries. |
| 45. H. E. Cardinal Paul-Emile Léger ..... | Archbishop of Montreal. |
| 46. Maurice Richard .... | National Hockey League—"Les Canadiens". |
| 47. Jean Drapeau ..... | Mayor of Montreal. |

CONFERENCE DE PRESSE

Year: 1954

(List of Participants)

STATIONS: CBFT MONTREAL—January 7, 1954—December 31, 1954

CJBR-TV RIMOUSKI—October, 1954—December 31, 1954

| Journalists | Newspapers | Number of Broadcasts |
|---|---|---|
| Alfred Ayotte | La Presse | 2 |
| Brady Gérard | L'Homme Libre | 2 |
| Benoit Jean | Le Devoir | 1 |
| Bouchart d'Orval Paul | La Patrie | 1 |
| Béraud Jean | La Presse | 1 |
| Bertrand Jeannette | Petit Journal | 1 |
| Beauregard Joseph | Free Lance | 1 |
| Boucher Jean | La Presse | 2 |
| Boivin René O. | Radio-Monde | 1 |
| Bourret Fernand | Le Travail | 1 |
| Boucher Roméo Dr. | Information médicale | 1 |
| Bernard Harry | Courrier de St-Hyacinthe | 1 |
| Chaput-Rolland Solange | Free Lance | 1 |
| Chené Vincent | La Presse | 1 |
| Champoux Roger | La Presse | 4 |

| Journalists | Newspapers | Number of Broadcasts |
|---|---|---|
| Champoux Lucien | La Presse | 1 |
| Coté Roland | Petit Journal | 2 |
| Cormier Guy | Cité Libre | 1 |
| Denis Fernand | Petit Journal | 2 |
| Duhamel Roger | La Patrie | 3 |
| Desautels Andrée | Free Lance | 1 |
| D'Estée Mimi | Radio-Monde | 2 |
| Dagenais André | Free Lance | 1 |
| Desjardins Maurice | Samedi-Dimanche | 1 |
| Dansereau Fernand | Le Devoir | 2 |
| Filion Gérard | Le Devoir | 2 |
| Frederick Jean | Le Canada Français St-Jean P.Q. | 1 |
| Fortin Marc | L'Echo du Nord | 1 |
| Gélinas Simone | La Revue Populaire | 4 |
| Gascon Pierre | Petit Journal | 1 |
| Gagnon Jean-Louis | CKAC | 4 |
| Gingras Claude | La Presse | 1 |
| Guill Roger | Free Lance | 1 |
| Hurteau Laure | La Presse | 1 |
| Hamelin Jean | Petit Journal | 2 |
| Hout Maurice | La Patrie | 1 |
| Harvey Pierre | L'Actualité Economique | 1 |
| Hébert Jacques | Vrai | 2 |
| Keyserlingk Robert | The Ensign | 1 |
| Lafontaine Gustave | La Presse | 1 |
| Lefebvre Ovila | La Patrie | 1 |
| Langlois Lucien | Montréal-Matin | 1 |
| Langlois Georges | La Presse | 1 |
| Laporte Pierre | Le Devoir | 4 |
| L'Heureux Camille | Le Droit (Ottawa) | 1 |
| Leblanc Roméo | La Presse | 1 |
| Lussier Monique | Free Lance | 1 |
| Levesque Fernand | La Presse | 2 |
| Laurendeau André | Le Devoir | 2 |
| Legault Rv. Pére Emile | Free Lance | 1 |
| Léger Jean-Marc | La Presse | 1 |
| Laliberté Jean-Marc | Le Devoir | 1 |
| Morin Jean-Marie | La Presse | 5 |
| Morin Dollard | Le Progrès de Villeray | 1 |
| Marcotte Gilles | Le Devoir | 4 |
| Morin Jean | Allo Police | 2 |
| Mathieu Roger | La Presse | 3 |
| Massicotte Albert | Montréal-Matin | 1 |
| Mayer Charles | Petit Journal | 1 |
| Oligny Odette | Chic | 2 |
| O'Leary Dostaler | La Patrie | 2 |
| Pelletier Gérard | Le Travail | 2 |
| Plouffe Dr. Adrien | Free Lance | 1 |
| Proulx Hugette | Radio-Monde | 1 |
| Prévost Arthur | Petit Journal | 1 |
| Poulin Henri | CKVL (poste) | 1 |
| Robert Lucette | La Revue Populaire | 3 |
| Robillard Louis | Le Devoir | 2 |

| Journalists | Newspapers | Number of Broadcasts |
|---|---|---|
| Richer Julia | Notre Temps | 3 |
| Robillard Jean-Paul | Le Petit Journal | 2 |
| Rochon Paul | La Patrie | 3 |
| Robitaille Adrien | Petit Journal | 3 |
| Rufiange André | Vedettes | 1 |
| Roy André | Le Travail | 1 |
| Sauriol Paul | Le Devoir | 5 |
| Smith Fondue Geneviève | Free Lance | 2 |
| Stewart William | Presse Canadienne | 1 |
| Trépanier Jacques | La Patrie | 2 |
| Trudel Paul | Free Lance | 1 |
| Trépanier Léon | Free Lance | 1 |
| Toupin Paul | Free Lance | 1 |
| Tassé Gérald | Free Lance | 1 |
| Vallerand Jean | Le Devoir | 1 |
| Vleminckx Marcel | Photo-Journal | 3 |
| Wilson Marguerite | Free Lance | 1 |
| Zalloni François | Free Lance | 1 |

CONFÉRENCE DE PRESSE

ANNÉE 1954

(Liste des Personnalités invitées)

POSTES:

CBFT MONTRÉAL—8 janvier 1954 — 31 Décembre 1954

CJBR-TV RIMOUSKI—octobre 1954 — 31 décembre 1954

Invités:

1. Auguste Descarries .. Professeur de piano à Montréal.
2. Jean Delorme ..... Secrétaire de l'Enseignment spécialisé dans le Québec.
3. Germaine Bernier ... Chronique féminine dans un journal de Montréal.
4. Gustave Prévost ..... Ichtyologiste.
5. Léo-Paul Cabana .... Directeur du Service des Voies Publiques de Montréal.
6. J.-P. Dubois-Dumée . Secrétaire de l'Union Internationale de la Presse Catholique.
7. Léon Trépanier ..... Organisateur de Centenaires et fêtes populaires.
8. Albert Doyon ..... Directeur général de la Fédération des Oeuvres de charité canadiennes-françaises.
9. Dr Louis Philippe Panneton ..... Médecin et écrivain.
10. Trefflé Boulanger .... Commission des Écoles catholiques de Montréal et Président du Club Richelieu de Montréal.
11. Jacques Gréber ..... Urbaniste français.
12. Dr Louis-C. Simard .. Pathologiste—Directeur de l'Institut du Cancer.
13. André Rousseaux .... Chronique littéraire du journal français "Le Figaro".
14. Lionel Daunais et Charles Goulet ..... Directeurs des Variétés Lyriques de Montréal.
15. Marcel Ouimet ..... Directeur adjoint des Programmes—Radio-Canada.

Invités:

| | |
|---|---|
| 16. Jean-Louis Gagnon .. | Journaliste et écrivain. |
| 17. Gérard LeTestut ..... | Directeur École des Métiers commerciaux de Montréal. |
| 18. Dr Daniel Lagache ... | Psychologue français. |
| 19. Rév. Père Joseph Ledit s.j. ..... | Revue "Relations". |
| 20. Claude Julien ..... | Correspondant américain du journal français "Le Monde". |
| 21. Paul Gérin-Lajoie ... | Procureur des Collèges Classiques. |
| 22. Nolasque April ..... | Directeur de l'École d'Agriculture de Sainte-Martine (Québec). |
| 23. André Ouimet et Fernand Guérard .... | Directeur de la Télévision (CBFT, Montréal), Directeur des Programmes de télévision (CBFT, Montréal). |
| 24. Lionel St-Pierre .... | Président des Sociétés St-Vincent de Paul. |
| 25. Jean-Marie Beauchemin ..... | Cause des enfants abandonnés. |
| 26. Ayres d'Aguiard .... | Producer de Cinéma. |
| 27. Rév. P. André Picard . | Missionnaire au Pakistan. |
| 28. Armand Gravel ..... | Chiropraticien. |
| 29. Lucien l'Allier ..... | Chef du Service des Travaux Publics de Montréal. |
| 30. René Guénette ..... | Premier secrétaire adjoint des Écoles catholiques de Montréal. |
| 31. Jean Vilar ..... | Directeur du Théâtre National Populaire Français. |
| 32. André Malavoy ..... | Directeur du Service officiel du Tourisme français. |
| 33. Dr Eugène Robillard . | Directeur du département de Physiologie de l'Université de Montréal. |
| 34. Léopold Nadeau ..... | Secrétaire de la Corporation des Ingénieurs Professionnels du Québec. |
| 35. Lt-Col Yves Bourassa | Publiciste. |
| 36. Jacques Hélian ..... | Chef d'orchestre populaire français. |
| 37. Gaston Tessier ..... | Président des Confédérations Internationales des Syndicats chrétiens. |
| 38. Hubert Beuve-Méry . | Directeur du journal français "Le Monde". |
| 39. Dr François Cloutier . | Psychiatre. |
| 40. Rév. Père André Legault ..... | Clerc Ste-Croix, spécialiste de la Bible. |
| 41. Louis-Philippe Raymond ..... | Optométriste au centre de recherche de l'Université de Montréal. |
| 42. Sr Marie Suzanne .... | Soeur missionnaire d'Océanie. |
| 43. François E. Cleyn ... | Président de "Leach Textile Ltd." |
| 44. Yvonne Poncelet .... | Président des Auxiliaires féminines catholiques internationales. |
| 45. S. E. Mgr Paul-Émile Léger ..... | Cardinal-Archevêque de Montréal. |
| Maurice Richard .... | Ligue de Hockey Nationale—"Les Canadiens". |
| S. H. Jean Drapeau .. | Maire de Montréal. |

CONFÉRENCE DE PRESSE

ANNEE 1954

(Liste des Journalistes invités)

POSTES: CBFT MONTRÉAL—7 janvier 1954—31 décembre 1954.

CJBR-TV RIMOUSKI—octobre 1954—31 décembre 1954.

| Journalistes | Journal | Nombre d'apparitions: |
|---|---|---|
| Alfred, Ayotte | "La Presse" | 2 |
| Brady, Gérard | L'Homme Libre | 2 |
| Benoit, Jean | Le Devoir | 1 |
| Bouchart, d'Orval Paul | La Parie | 1 |
| Béraud, Jean | La Presse | 1 |
| Bertrand, Jeanette | Petit Journal | 1 |
| Beauregard, Joseph | Free Lance | 1 |
| Boucher, Jean | La Presse | 2 |
| Boivin, René O. | Radio-Monde | 1 |
| Bourret Fernand | Le Travail | 1 |
| Boucher, Roméo Dr | Information médicale | 1 |
| Bernard Harry | Courrier de St-Hyacinthe | 1 |
| Chaput-Rolland, Solange | Free Lance | 1 |
| Chené, Vincent | La Presse | 1 |
| Champoux, Roger | La Presse | 4 |
| Champoux, Lucien | La Presse | 1 |
| Coté, Roland | Petit Journal | 2 |
| Cormier, Guy | Cité Libre | 1 |
| Denis, Fernand | Petit Journal | 2 |
| Duhamel, Roger | La Patrie | 3 |
| Desautels, Andrée | Free lance | 1 |
| D'Estée, Mimi | Radio-Monde | 2 |
| Dagenais, André | Free lance | 1 |
| Desjardins, Maurice | Samedi-Dimanche | 1 |
| Dansereau, Fernand | Le Devoir | 2 |
| Filion, Gérard | Le Devoir | 2 |
| Frederick, Jean | Le Canada Français St-Jean P.Q. | 1 |
| Fortin, Marc | L'Echo du Nord | 1 |
| Gélinas, Simone | La Revue Populaire | 4 |
| Gascon, Pierre | Petit Journal | 1 |
| Gagnon Jean-Louis | CKAC | 4 |
| Gingras, Claude | La Presse | 1 |
| Guill, Roger | Free lance | 1 |
| Hurteau, Laure | La Presse | 1 |
| Hamelin, Jean | Petit Journal | 2 |
| Huot, Maurice | La Patrie | 1 |
| Harvey, Pierre | L'Actualité Economique | 1 |
| Hébert, Jacques | Vrai | 2 |
| Keyserlingk, Robert | The Ensign | 1 |
| Lafontaine, Gustave | La Presse | 1 |
| Lefebvre, Ovila | La Patrie | 1 |
| Langlois, Lucien | Montréal-Matin | 1 |
| Langlois, Georges | La Presse | 1 |
| Laporte, Pierre | Le Devoir | 4 |
| L'Heureux, Camille | Le Droit (Ottawa) | 1 |

| Journalistes | Journal | Nombre d'apparitions |
|---|---|---|
| Leblanc, Roméo | La Presse | 1 |
| Lussier, Monique | Free lance | 1 |
| Levesque, Fernand | La Presse | 2 |
| Laurendeau, André | Le Devoir | 2 |
| Legault, Rv. Père Emile | Free Lance | 1 |
| Léger, Jean-Marc | La Presse | 1 |
| Laliberté, Jean-Marc | Le Devoir | 1 |
| Morin, Jean-Marc | La Presse | 5 |
| Morin, Dollard | Le Progrès de Villeray | 1 |
| Marcotte, Gilles | Le Devoir | 4 |
| Morin, Jean | Allo Police | 2 |
| Mathieu, Roger | La Presse | 3 |
| Massicotte, Albert | Montréal-Matin | 1 |
| Mayer, Charles | Petit Journal | 1 |
| Oligny, Odette | Chic | 2 |
| O'Leary, Dostaler | La Patrie | 2 |
| Pelletier, Gérard | Le Travail | 2 |
| Plouffe, Dr. Adrien | Free lance | 1 |
| Proulx, Huguette | Radio-Monde | 1 |
| Prévost, Arthur | Petit Journal | 1 |
| Poulin, Henri | CKVL (poste) | 1 |
| Robert, Lucette | La Revue Populaire | 3 |
| Robillard, Louis | Le Devoir | 2 |
| Richer, Julia | Notre Temps | 3 |
| Robillard, Jean-Paul | Le Petit Journal | 2 |
| Rochon, Paul | La Patrie | 3 |
| Robitaille, Adrien | Petit Journal | 3 |
| Rufiange, André | Vedettes | 1 |
| Roy, André | Le Travail | 1 |
| Sauriol, Paul | Le Devoir | 5 |
| Smith Fondue, Geneviève | Free lance | 2 |
| Stewart, William | Presse Canadienne | 1 |
| Trépanier, Jacques | La Patrie | 2 |
| Trudel, Paul | Free lance | 1 |
| Trépanier, Léon | Free lance | 1 |
| Toupin, Paul | Free lance | 1 |
| Tassé, Gérard | Free lance | 1 |
| Vallerand, Jean | Le Devoir | 1 |
| Vleminckx, Marcel | Photo-Journal | 3 |
| Wilson, Marguerite | Free lance | 1 |
| Zalloni, François | Free lance | 1 |

**No. 5**

PRESS CONFERENCE—RADIO

Dominion Network

Mondays 8:00-8:30 P.M., E.S.T.

January 5-April 6, 1955

*Guests*

Senator Hubert Humphries of Minnesota (1).
Jean Drapeau, Mayor of Montreal (1).
Mohammed Ali, Prime Minister of Pakistan (1).
Senator Ralph Flanders of Vermont (1).
Leo Gruliow, Editor, Weekly Digest of the Soviet Press, Columbia University (1).
Mason Wade, Historian, Author of "The French Canadians" (1).
Sir Robert Boothby, British Conservative M.P. (1).
Marshall MacDuffie, New York business man (1).
Dr. N. E. LaZerte, Research Director, Canadian School Trustees Association (1).
Senator William Knowland, U.S. Senator for California (1).
Emmanuel Shinwell, British Labour M.P. (1).
Senator Michael Mansfield of Montana (1).
Hon. Walter Harris, Minister of Finance (1).

| Participants | Occasions 1955 | Chairman 1955 |
|---|---|---|
| Minifie, James M. | 4 | 4 |
| White, William S. | 2 | |
| Freedman, Max | 4 | |
| Craig, May | 2 | |
| Dale, Edwin | 1 | |
| O'Hearn, Walter | 2 | 2 |
| Moore, Jaqueline S. | 1 | |
| Cunliffe, Guy | 1 | |
| Cross, Austin | 1 | |
| Pelletier, Gerard | 1 | |
| Fraser, Blair | 1 | 1 |
| McKeown, Robert | 2 | 1 |
| Woodsworth, Charles | 2 | |
| Francis, Anne | 1 | |
| Drummond, Roscol | 2 | |
| Phillips, Cabell | 1 | |
| Stursberg, Peter | 2 | 2 |
| Frye, Wm. R. | 1 | |
| Weill, Anne | 1 | |
| Balaraman, Krishna | 1 | |
| Fregault, Prof. Guy | 1 | |
| Balantyne, Murray | 1 | |
| Garneau, Constance | 1 | |
| Denison, Merrill | 1 | |
| McKenzie, Robert | 2 | 2 |
| Brown, Joe David | 2 | |
| Cameron, James | 1 | |

| Participants | Occasions 1955 | Chairman 1955 |
|---|---|---|
| Cheelvankar, K. S. | 2 | |
| Sudjic, J. M. | 1 | |
| Mitschman, Marcelle | 1 | |
| Owens, David | 1 | |
| Carpenter, Francis | 1 | |
| vas Dias, Arnold | 1 | |
| Tomlinson, Betty | 1 | 1 |
| Bailey, Rev. Edgar J. | 1 | |
| Dahlgren, Dorothy | 1 | |
| Mayo, Dr. H. B. | 1 | |
| Young, Eric | 1 | |
| Miller, Mrs. Helen Hill | 1 | |
| Boyd, Francis | 1 | |
| Armstrong, Jane | 1 | |
| Wetz, Jean | 1 | |
| Needham, Robert | 1 | |
| Mackie, Victor | 1 | |
| Montgomery, Mrs. Ruth | 1 | |
| Jefferies, Maurice | 1 | |
| Barkway, Michael | 1 | |

NOTE: Press Conference of January 5th, 1955 with Mr. A. D. Dunton as guest was a tape of Press Conference—Television of December 30th, 1954.

**No. 6**

PRESS CONFERENCE—TELEVISION

Thursdays 8:00-8:30 P.M., E.S.T.

January 6-April 7, 1955

*Guests*

Gordon Nairn, Vice-President, Prudential Insurance Co. of America (1).
Donald Gordon, President C.N.R. (1).
Hon. R. H. Winters, Minister of Public Works (1).
Leon Balcer, M.P. (1).
Liu Chieh, Chinese Ambassador to Canada (1).
David Fulton, M.P. (1).
A. R. Mosher, President, Canadian Congress of Labour (1).
Hon. Milton F. Gregg, Minister of Labour (1).
Mrs. Ellen Fairclough, M.P. (1).
Stanley Knowles, M.P. (1).
Clarence Campbell, President N.H.L. (1).
Hon. L. B. Pearson, Secretary of State for External Affairs (1).
Eugene Forsey, Research Director, Canadian Congress of Labour (1).

| Participants | Occasions 1955 | Chairman 1955 |
|---|---|---|
| Berton, Pierre | 1 | 1 |
| Brown, Jack | 1 | |
| Robertson, Fraser | 1 | |
| Nielson, Robert | 1 | |
| Fraser, Blair | 8 | 8 |
| Boyd, Hugh | 1 | |
| Burke, Stanley | 3 | |
| Dennis, Eric | 1 | |
| Blakely, Arthur | 5 | 3 |
| Francis, Anne | 4 | |
| Swanson, Frank | 2 | |
| Bain, George | 3 | |
| Langlois, George | 2 | |
| Woodsworth, Charles | 1 | |
| Long, Tania | 1 | |
| McKeown, Robert | 3 | |
| Campbell, Norman | 4 | |
| Jefferies, Maurice | 1 | |
| Needham, Robert | 1 | |
| O'Hearn, Walter | 1 | 1 |
| O'Brien, Andy | 1 | |
| Desjardins, Marcel | 1 | |
| Filion, Gerard | 1 | |
| McCook, James | 1 | |
| Griffin, Eugene | 1 | |
| Baldwin, Warren | 1 | |

**No. 7**

## CBC NEWS ROUNDUP REPORTS

1953 (October, November, December)—64 programs, including

67 items from London
34 items from Washington
28 items from UN or New York
20 items from Paris
12 items from Tokyo or Seoul
4 items from Auckland, N.Z.
3 items from Bermuda (Big 3 Conference)
2 items from Rome
1 item each from Glasgow, Hilversum, Adelaide, Belgrade.

Total Foreign—143

76 items from Ottawa
28 items from Montreal
22 items from Toronto
18 items from Vancouver
9 items from Winnipeg
8 items from Quebec
5 items from Sydney, N.S.
4 items from Halifax
4 items from St. John's
4 items from Edmonton
3 items from Victoria
3 items from Sarnia
2 items from North Bay
2 items from Cobourg, Ont.
1 each from Charlottetown, Sept. Isles, Rouyn, Stratford, Saskatoon, Flin Flon and Trail

Total Domestic—195

Contributors appearing 6 times or more:

| | |
|---|---|
| *Peter Stursberg—UN and New York | 28 |
| *James M. Minifie—Washington and Bermuda | 36 |
| *Matthew Halton—London | 26 |
| *Douglas LaChance—Paris and Rome | 17 |
| Blair Fraser—Ottawa | 17 |
| Patrick Keatley—London | 14 |
| Bernard Kaplan—Tokyo or Seoul | 12 |
| Gerald Waring—Ottawa | 13 |
| Frank Swanson—Ottawa | 12 |
| Robert McKeown—Ottawa | 9 |
| ‡Norman McBain—Montreal | 9 |
| Frank Edwards—Montreal | 15 |
| ‡Bill Beatty—Toronto | 8 |
| ‡Bill Herbert—Vancouver | 7 |
| Peter McLintock—Ottawa | 6 |
| Robert McKenzie—London | 6 |

Contributors appearing 5 times or less:

Ottawa: Michael Barkway, S. McKay, Richard Jackson, Andrew Snaddon, Peter Dempson, Anne Francis, Victor Mackie, Stanley Burke, †Ken Brown.

London: Monica Mugan, Richard Scott, Alan Marshall, †Andrew Cowan, K. Hutchison, Gerard Fay, Eric Stenton, Colin Legum.

Auckland: James Boswell.

Glasgow: Andrew C. Martin.

Hilversum: B. Matthews.

Paris: Robert Shearer.

Bermuda: Gerry Wilmot.

Adelaide: (not commissioned by CBC; rebroadcast ABC report).

Belgrade: (not commissioned by CBC; rebroadcast BBC report).

St. John's: †J. James, Michael Harrington, H. Coady, †Wm. Galgay.

Halifax: Graham Allen, †Gordon Jones, Irving Whynot.

Sydney: †Bill MacNeil.

Charlottetown: John McEwan.

Quebec: Ken MacAgy, John MacLean, †Neil Morrison.

Sept Iles: J. Stapley.

Rouyn: Andrew Stuparick.

Montreal: †Ken Davey, Ewen Irvine, Gerard Pelletier.

North Bay: Don Delaplante.

Cobourg: †N. Garriock.

Stratford: John Phillips.

Sarnia: George Lunn.

Toronto: J. B. McGeachy, June Dennis, Willson Woodside, Jon Kieran, †Norman DePoe.

Winnipeg: Maysie Rogers, †Liston McIlhagga, †R. Knowles, J. Gilmor, Michael Best, †Don Macdonald, Pat O'Dwyer.

Saskatoon: Isabelle Melville-Ness.

Flin Flon: Ev Smallwood.

Edmonton: †Ron Hunka, Don McDougall.

Trail: J. Boygo.

Vancouver: †Cameron Stockand, Jim Hazelwood, Tom Hazlitt, Herc Munro, Bill Good.

Victoria: Harry Nuttall, Shirley Shea, Jim Nesbitt.

*C.B.C. Correspondent
†C.B.C. staff member

1954 (October, November, December)—65 programs, including

59 items from London
37 items from Washington
40 items from UN or New York
23 items from Paris
3 items from Rome
3 items from Geneva
2 items from Auckland
2 items from Hanoi
1 each from El Alamein, Sydney Australia, Bonn—and, not commissioned by CBC, rebroadcast material from Los Angeles, Chicago, New York. (Eye-witness accounts of disasters).

Total Foreign—177.

53 items from Ottawa
41 items from Toronto (including floods)
21 items from Vancouver
17 items from Montreal
11 items from Halifax
7 items from Winnipeg
5 items from Quebec
6 items from Edmonton
4 items from Calgary
3 items from St. John's
2 items from Lethbridge
2 items from Windsor
1 each from Moncton and Sydney, N.S.

Total Domestic—174

Correspondents appearing 6 times or more:

| | |
|---|---|
| *James M. Minifie—Washington | 36 |
| *Matthew Halton—London | 31 |
| *Peter Stursberg—New York and UN | 24 |
| *Douglas LaChance—Paris and Rome | 23 |
| Patrick Keatley—London | 15 |
| Gerald Waring—Ottawa | 12 |
| †Bill Beatty—Toronto | 12 |
| †Norman DePoe—Hanoi, Toronto and New York | 10 |
| Robert McKenzie—London | 7 |
| †Bill MacNeil—Toronto | 7 |
| Rae Corelli—Halifax | 7 |
| †Bob Brazil—Montreal | 6 |
| Tom Hazlitt—Vancouver | 6 |
| John Bird—Ottawa | 6 |
| Peter Dempson—Ottawa | 6 |

Contributors appearing 5 times or less:

London: Jane Armstrong, Richard Scott, † Bernard Trotter, Monica Mugan.
Paris: Roland Pullen.
Geneva: Robert Kroon.
New York: David Friedmann, Bernard Kaplan, Ada Siegel.
Auckland: James Boswell.
Sydney, Australia: Richard Aspinall.
El Alamein: Duke Palmer.
Rome: Jean Nouvecelle.
Bonn: J. Emlyn Williams.
Washington: J. Walker.
Ottawa. Arhtur Blakely, † Ken Brown, Richard Jackson, Robert McKeown, Frank Swanson, Stanley Burke, Larry Macdonald, † Stephen Dale, Warren Baldwin, † Thom Benson, † Liston McIlhagga, Anne Francis, Hugh Boyd.
St. John's: Art Harnett, Michael Harrington.
Halifax: † M. Foisey, King Brown, Max Ferguson, † E. Hallman.
Moncton: Ed Larracey.
Sydney, N.S.: † R. MacNeil.
Quebec: John MacLean.
Montreal: † Rene Levesque, Walter O'Hearn, Bill Weintraub, A. Laporte, † Del Mackenzie, † Percy Tallman, Bill Petty.

Toronto: J. B. McGeachy, Willson Woodside, Percy Saltzman, Harry Allen, Jon Kieran, Pierre Berton, B. H. Sanders, Edna May, June Dennis, Bill Boss, † John Rooke.

Windsor: † Warren Davis, Harry MacNeil.

Winnipeg: J. Halliwell, † J. Wilson, Peter McLintock, William Metcalfe, Michael Best, † Don Macdonald.

Edmonton: † Ron Hunka, Ken Mason.

Calgary: Andrew Snaddon, Ken Liddell.

Lethbridge: Omar Broughton, T. J. Steele.

Vancouver: † Cameron Stockand, Herc Munro, Bob Ryan, Paddy Sherman, G. McCallum, Bruce Levitt, † Tom Leach, † Harry Nuttall, † Bill Herbert.

Victoria: Hugh Curtis.

*—C.B.C. Correspondent.

†—C.B.C. Staff member.

Notes: High number of Ottawa items in 1953 as compared with 1954 was due to the fact that the House was then in session.

UN General Assembly fell partly within each of the quarters analyzed.

Tokyo coverage, fairly extensive in 1953, dropped off as the Korean War receded.

Average reports run two minutes.

# APPENDIX "B"

*List of participants who appeared on the following television programme during the years 1953 and 1954:*

*This Week—Television, 1953-1954*

## APPENDIX "B"

### THIS WEEK—TELEVISION

Sundays 11:05—11:30 P.M. E.S.T.

| Participants | Occasions 1953 | 1954 | Chairman 1953-54 |
|---|---|---|---|
| Sanders, Wilfrid | 34 | 1 | 34 |
| Dauphinee, John D. | 11 | | 9 |
| Farquharson, R. A. | 4 | 1 | 4 |
| Allen, Ralph | 12 | | 2 |
| Long, Marcus | 6 | 38 | 38 |
| McKeown, Robert | 2 | 4 | 4 |
| Krehm, William | | 5 | 4 |
| Freedman, Max | | 3 | 1 |
| McGeachy, J. B. | 30 | 31 | |
| Friedman, Wolfgang | 8 | 27 | |
| McInnis, Edgar | 12 | 5 | |
| Richardson, B. T. | 9 | 1 | |
| Woodside, Willson | 7 | 3 | |
| Swinton, K. R. | 4 | | |
| Fraser, Blair | 3 | 1 | |
| Berton, Pierre | 2 | | |
| List, Wilfred | 2 | 1 | |
| McTaggart, Ken | 2 | | |
| Keate, Stuart | 2 | | |
| Jolliffe, Edward | 2 | 2 | |
| Brewin, Andrew | 2 | | |
| Martin, Andrew | 2 | | |
| Clare, John | 1 | | |
| Hydleman, Michael | 1 | | |
| Hamilton, Grey | 1 | | |
| Parker, Robert | 1 | | |
| Clarke, Patricia | 1 | | |
| Bates, Gordon | 1 | | |
| Laming, Hugh | 1 | | |
| Sclanders, Ian | 1 | | |
| Hickey, Harvey | 1 | | |
| Belland, D. G. | 1 | | |
| Plewman, W. R. | 1 | | |
| Turnbull, Colin | 1 | | |
| Shore, Ernest | 1 | | |
| Needham, R. J. | 1 | | |
| Watkins, Ernest | 1 | 1 | |
| Jenkins, William P. | 1 | | |
| Keirstead, Burton | 1 | | |
| Francis, Anne | 1 | 2 | |
| Sayre, Mrs. Raymond | 1 | | |
| Reade, John Collingwood | 1 | | |
| Isaacs, Harold | 1 | | |
| McEachern, R. A. | 1 | 1 | |
| MacKay, R. W. G. | 1 | | |
| McCulley, Joseph | 1 | | |
| Lewis, David | 1 | 1 | |
| Gander, L. Marsland | 1 | | |

| Participants | Occasions 1953 | Occasions 1954 | Chairman 1953-54 |
|---|---|---|---|
| Sutherland, Donald | 1 | 2 | |
| Spencer, Robert | 1 | 2 | |
| Dunn, Hugh A. | 1 | | |
| Humphrey, John P. | 1 | | |
| Birney, Earle | 1 | | |
| Dewhurst, Claude | | 4 | |
| Pyper, C. P. | | 3 | |
| Siegel, Ada | | 2 | |
| McLintock, Peter | | 2 | |
| Goforth, W. Wallace | | 2 | |
| McKenzie, Robert | | 2 | |
| Trudeau, Pierre | | 2 | |
| LaChance, Douglas | | 2 | |
| Minifie, J. M. | | 2 | |
| Lindsay, Kenneth | | 1 | |
| Gibson, Douglas | | 1 | |
| Uhl, Alexander | | 1 | |
| Stykolt, Stefan | | 1 | |
| Keyserlingk, R. W. | | 1 | |
| Quilliam, D. C. | | 1 | |
| Brunton, D. C. | | 1 | |
| Lee, Jenny | | 1 | |
| Wilson, Isabel | | 1 | |
| Rowan, William | | 1 | |
| Williams, Carlton | | 1 | |
| Stainhouse, Herbert | | 1 | |
| Harkness, Ross | | 1 | |
| Griffin, Eugene | | 1 | |
| Philip, Percy | | 1 | |
| Murray, Gladstone | | 1 | |
| Careless, J. M. S. | | 1 | |
| Stella, Roy | | 1 | |
| Egan, Leo | | 1 | |
| Stevenson, William | | 1 | |
| Taylor, Malcolm | | 1 | |
| Wrong, Dennis | | 1 | |
| Falardeau, Jean-Charles | | 1 | |
| Greunther, General | | 1 | |
| Boothby, Sir Robert | | 1 | |
| Aguese, George | | 1 | |
| Harris, Kenneth | | 1 | |
| Muggeridge, Malcolm | | 1 | |
| Humphrey, Gay | | 1 | |
| Gruliow, Leo | | 1 | |
| Keyes, David | | 1 | |
| Frye, William | | 1 | |
| Gordon, Walter | | 1 | |
| Halton, Matthew | | 1 | |
| Stursberg, Peter | | 1 | |
| Swanson, Frank | | 1 | |
| Younger, Kenneth | | 1 | |
| Fullman, Charles | | 1 | |
| De Poe, Norman | | 1 | |
| Perry, J. Harvey | | 1 | |

HOUSE OF COMMONS

Second Session—Twenty-second Parliament

1955

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SPECIAL COMMITTEE

ON

# BROADCASTING

*Chairman:* Dr. PIERRE GAUTHIER

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## MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

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THURSDAY, APRIL 28, 1955

FRIDAY, APRIL 29, 1955

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**WITNESS:**

A. Davidson Dunton, Chairman of the Board of Governors of the Canadian Broadcasting Corporation.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955.

57158—1

SPECIAL COMMITTEE ON BROADCASTING

*Chairman*: Dr. Pierre Gauthier

*Vice-Chairman*: Mr. G. D. Weaver

and

Messrs.

Balcer
Beaudry
Boisvert
Bryson
Carter
Cauchon
Decore
Diefenbaker
Dinsdale
Fleming
Gauthier (*Nickel Belt*)
Goode
Hansell
Henry
Holowach
Kirk (*Shelbure-Yarmouth-Clare*)
Knight
McCann
Monteith
Reinke
Richard (*Ottawa East*)
Richardson
Robichaud
Studer

R. J. Gratrix,
*Clerk of the Committee.*

# MINUTES OF PROCEEDINGS

HOUSE OF COMMONS
Room 118
April 28, 1955.

The Special Committee on Broadcasting met at 3.30 o'clock p.m. this day. Dr. Pierre Gauthier, Chairman, presided.

*Members present:* Messrs. Balcer, Beaudry, Bryson, Carter, Decore, Dinsdale, Fleming, Goode, Hansell, Holowach, Kirk (*Shelburne-Yormouth-Clare*), Knight, Reinke, Richard (*Ottawa East*), Robichaud and Weaver.

*In attendance:* From the Canadian Broadcasting Corporation: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, E. L. Bushnell, Assistant General Manager, W. G. Richardson, Director of Engineering, H. Bramah, Treasurer, C. E. Stiles, Director, Personnel and Administrative Services, R. C. Fraser, Director of Press and Information, G. Young, Director of Station Relations, M. Ouimet, Assistant Director of Programmes, D. Manson, Special Consultant, R. E. Keddy, Secretary of the Board of Governors and J. A. Halbert, Assistant Secretary.

The Committee resumed its detailed examination of the Annual Report 1953-54 of the Canadian Broadcasting Corporation.

The examination of Mr. Dunton on the Annual Report was continued; Mr. Bushnell answering questions specifically referred to him.

Mr. Dunton answered questions asked by Mr. Carter at the previous sitting, as to the construction cost of certain radio stations.

At the request of Mr. Hansell, Mr. Dunton tabled the following documents:

1. Number of C.B.C. Employees as at March 31, 1955, and
2. List of C.B.C. Personnel working in Talks and Public Affairs Programming.

On motion of Mr. Hansell,

*Ordered,*—That the said documents be printed as an appendix to this day's evidence (*See Appendix "A"*).

Mr. Dunton, at the request of Mr. Hansell, tabled the following radio scripts written by Mr. Reuben Ship:

1. The Investigator.
2. The Man Who Liked Christmas.

The Chairman informed the Committee that copies of the said scripts would be available in the office of the Clerk of the Committee.

At 5.30 o'clock p.m., the Committee adjourned to meet again at 11.00 o'clock a.m., Friday, April 29, 1955.



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Room 118,
FRIDAY, April 29, 1955.

The Special Committee on Broadcasting met at 11.00 o'clock a.m. this day. Dr. Pierre Gauthier, Chairman, presided.

*Members present:* Messrs. Balcer, Beaudry, Boisvert, Carter, Decore, Dinsdale, Fleming, Goode, Hansell, Holowach, Knight, Richard (*Ottawa East*), Richardson, Robichaud and Weaver.

*In attendance:* From the Canadian Broadcasting Corporation: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, E. L. Bushnell, Assistant General Manager, W. G. Richardson, Director of Engineering, H. Bramah, Treasurer, R. C. Fraser, Director of Press and Information, G. Young, Director of Station Relations, D. Manson, Special Consultant, C. Jennings, Director of Programmes, J. P. Gilmore, Coordinator of Television, R. E. Keddy, Secretary of the Board of Governors and J. A. Halbert, Assistant Secretary.

The Committee resumed consideration of the Annual Report 1953-54 of the Canadian Broadcasting Corporation.

A film, entitled "Ten Minutes to Hamlet", highlighting the activities necessary in the preparation of a typical television programme, was shown by the C.B.C. officials.

Mr. Dunton was questioned on the various phases in the production of television programmes.

Messrs. Gilmore and Bushnell answered questions specifically referred to them.

At 12.50 o'clock p.m. the Committee adjourned to meet again at 11.00 o'clock a.m., Thursday, May 5th, 1955.

R. L. Gratrix,
*Clerk of the Committee.*

# EVIDENCE

APRIL 28, 1955.
3.30 p.m.

The CHAIRMAN: Gentlemen, I am sorry to have disappointed you but due to the shortage of rooms and reporters we were obliged to cancel our morning sitting. I apologize to Mr. Dunton and to his officials.

I have here a letter received on the 5 of April which I will read to the committee.

Dear Mr. Gauthier:

At a meeting of the National Executive Committee of the United Nations Association held a few days ago, I was requested to write to you expressing the appreciation felt by the Association for the excellent support given by the Canadian Broadcasting Corporation to the United Nations. It is the opinion of the Association that CBC performs an exceedingly valuable function in helping to inform Canadians about many aspects of international affairs and we are particularly glad that attention has been given to the constructive work that is going on in many parts of the world.

We feel that the development of an informed international outlook is of the greatest importance and we congratulate CBC for its effective contribution toward this objective.

Sincerely yours,

(Sgd) KATHLEEN E. BOWLBY,
*National Secretary.*

I would like to meet with the agenda committee immediately after the sitting, if that is convenient to the members of that committee.

Mr. REINKE: Who are the members of that committee, Mr. Chairman?

The CHAIRMAN: Mr. Fleming, Mr. Knight, Mr. Hansell, Mr. Boisvert, Mr. Decore, Mr. Kirk and myself.

Now, we were discussing station relations in the report. Shall we continue?

Mr. GOODE: May I ask one question at this point? In the report, the minutes of proceedings, on Friday April 22, on page 186, Mr. Ouimet was asked regarding the relations between a channel in the lower mainland of British Columbia, 690, and 1130.

"Would you then permit a private station to apply for that?"—meaning the 1130 channel—

"...and would you recommend that it be given?" and the answer to that was:

"It depends largely on the financial question."

I am rather concerned, knowing the surplus of the C.B.C. this year, that Mr. Ouimet should say that financial matters would restrict operations in regard to that channel. I will put this to you if I may: I am very anxious if the C.B.C. do not want to use this channel that some private people should be allowed to use it. I think that this is something that the lower mainland people may fairly expect. What did you mean by saying that it depends largely on financial questions?

Mr. OUIMET: I believe it was Mr. Dunton who answered that question.

Mr. GOODE: It could have been but yours was the last name on the list.

**Mr. A. Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation, called.**

The WITNESS: We are very concerned, of course, about our financing, in sound broadcasting as well as in television.

*By Mr. Goode:*

Q. I think I am entitled—I am the only member from British Columbia on the committee this year—to ask whether there is not some way in which an arrangement can be made by the C.B.C. to allow that 1130 channel to become open. It is my opinion, though you may hold a different one, that you are not going to use it. If you have another opinion I would have to accept it, but I do not think you are going to use that channel. It is quite likely that you have looked into the situation of opening up in Northern Vancouver, and I am all in favour of that, but there must be other channels than this 1130.—A. I do not think I can say much more than was explained at the last meeting. That was a channel for the C.B.C.—it was a channel originally reserved for the national system. We had hoped to be able to use it for needed coverage in other portions of British Columbia. Up to now we have not seen the financial possibility of doing so. We also have to consider the need for a service in the Yukon which we do not know if we can provide or not. We have not got the money at the present time. Therefore, so far, we have not recommended to the Department of Transport that the channel should be opened for other possible applications. The decision would be one for the Department of Transport, but naturally if we recommend that it should be opened I imagine they would do what we suggested.

Q. Have you had an application for this channel?—A. Not formally. We have heard from a number of different stations. Some applications have reached us, but we think that if and when this channel is opened up, it should be on a fair basis for all stations.

Q. It is not actually a question of financial considerations?—A. Yes, it is very much so.

Q. As far as the C.B.C. is concerned?—A. Very much so.

Mr. BRYSON: Mr. Chairman, when a station asks to go on the air do you take into account the ability of that station to earn enough money to carry on? Is that one of the requisites that would be considered important, among other things?

The WITNESS: When an application comes before our board for recommendation that is one of the things which we consider. We consider whether the applicant is likely to have the financial means to run a reasonably good broadcasting service.

The CHAIRMAN: Now, gentlemen, do we start on station relations?

Mr. FLEMING: It will presumably be more appropriate to ask the witness whom we will be having here later from the Department of Transport about the licensing of new stations and any changes in power which have occurred in the last couple of years. Since the report which we have before us was written, have there been any privately-owned stations added to the number shown on page 24?

The WITNESS: The networks? Yes. That is, the number of stations affiliated with the C.B.C.

*By Mr. Fleming:*

Q. If you bring these figures which appear in the second column on page 24 up to date I shall not go into them now in any detail because it might be better to do that when Mr. Browne comes before us, but it would be useful

to have the totals complete at this time.—A. Trans-Canada basic is the same. Trans-Canada supplementary is increased by one. Dominion is the same, and there is one additional supplementary on the French network.

Q. So that these figures are applicable to the present time with the addition of two privately-owned stations?—A. I think there is another which has been approved to be added to the French network and not yet added. The network won't be ready until July.

Q. So that we have two more operating and a third which will come into operation within another three months?—A. Yes.

Q. This affects the private stations. May I ask about the regulations which were tabled at an earlier date? I do not know if these were put on the record. We had a letter from Mr. Young, Manager of Broadcast Regulations with the regulations attached, revised and amended up to March 15, 1955.

The CHAIRMAN: They are not on record yet; I do not think they are. Shall we put these regulations on record? It is quite an extensive report. A copy has been distributed to all the members. Do you think it is necessary to put it on record?

Mr. FLEMING: I am not greatly concerned, Mr. Chairman. But I have a few questions on them. If there have been any changes in the regulations since March 15, perhaps Mr. Dunton would tell me what they are.

The WITNESS: There have been no changes since that date.

*By Mr. Fleming:*

Q. And what changes have been made, say, in the last two years?—A. I think just one—only one, Mr. Fleming—that, you remember, was shortly before the last committee started, I think. There had been a general revision of the regulations and one of the things that arose out of the hearing was the regulation relating to reconstructed or simulated broadcasts.

Q. I was going to lead up to that. Do I understand that that is the only change which has been made—that that is really the only effective change which was made in the course of the revision?—A. No, there were other changes in the wording of things.

Q. The board of governors was dealing two years ago with a draft. We were furnished with a draft. I just wished to hear you confirm, so to speak, that no changes in substance have been made under that revision of two years ago or since, apart from this matter of the simulated broadcasts.—A. Apart from that, there have been no substantive changes.

Q. On the subject of the simulated broadcasts I think we are informed by what we have read in the newspapers with regard to your consideration of this matter. Does it arise in any form as a problem apart from the simulated sports broadcasts?—A. It might. That is the only way the problem has come up. The way it came up, incidentally, to this meeting and brought about the meeting on this matter—there had been one or two instances before where the question had come up of stations reconstructing other events—but it was just the sports matter that brought up this request for a change in the regulations.

*By Mr. Fleming:*

Q. Has the board of governors reached a decision on the question?—A. No, we made a statement about it. It is quite brief and I could perhaps bring you up to date by quoting the following:

> Following the hearing on this matter the Board is of the opinion that there have been abuses in the simulation of broadcasts of sports events through the use of information taken from transmissions of other stations broadcasting directly from the event. The Board considers this bad broadcasting practice which could have serious effects if continued. It

wishes to provide further opportunity for stations to consider the whole question of reconstructed broadcasts. At its next meeting the Board intends to establish a regulation restricting simulated broadcasts in order to prevent such practices unless there is full assurance otherwise that there will be no abusive use by other stations of information taken from direct actuality broadcasts.

Q. It is, I take it, a matter of the enforcement of reglations 12 and 13, is it not?—A. No, it is a separate matter from those. It gets rather complicated. This is not a question of the actual transmission from any station but a question of using the information very shortly afterwards.

Q. Yes. In this case there is a new broadcast?—A. Yes.

Q. But how extensive have you found this practice to be?—A. Not extensive. There have been a few cases—or what people have described as cases—which have come up and those who are worried about it think it might become extensive but so far it has not been widespread.

Q. It may relate to the spirit, perhaps less to the letter, of regulations 12 and 13. How are you approaching it under any specific regulation now?—A. It would be a question of a new regulation. That is why it has come up. I think the nearest thing to it would be 5(*i*)—the present regulation dealing with simulated broadcasts and the applicants were in effect asking that that regulation be broadened a good deal.

Q. I take it that the policy the board of governors is following is that where there is any attempt at simulation of sports broadcasts, or any other broadcasts for that matter, I suppose, the fact that it is a simulated broadcast should be made known at the time to the listening audience?—A. That is one thing about which we are worried—but whether the station has direct means of making its own reconstruction, but where there have been communications and where the station is apparently picking up someone else's broadcast and making a reconstruction from that, that seems to us bad broadcasting practice.

Q. And you are trying to stamp that out entirely?—A. I think our statement indicates that is what we are worried about, not just the reconstruction of sports events but the reconstruction from someone else's broadcast

Q. There is no change contemplated in regard to networks of private stations apart from C.B.C. auspices?—A. No, nothing is contemplated at the moment and nothing has arisen to bring the matter up.

Q. I presume there is no change contemplated in relation to dramatized political broadcasts?—A. Our hands are tied by parliament; that is statutory.

Q. You have a regulation dealing with liquor advertisements. Was there not some question put before you last year that led to some consideration of this? I thought there was a change in the regulations or some regulation dealing with this subject.—A. Yes, and that is covered in this last draft.

Q. You did not mention that among the changes in the copy of the regulations before us. I take it it is not a change in substance?—A. It is a change to ten from fifteen in the minimum length of time.

Q. But there is no other change involved?—A. No.

Q. To what extent are you getting logs of private stations now?—A. They keep them and send them in to us.

Q. Regularly?—A. Yes.

Q. What do you do with them when they come in?—A. Our regulations department uses them for whatever checking purposes are necessary, both for the question of regulations and station relations.

Q. Could I ask you or Mr. Young what problems have arisen out of the review that is made of the logs?—A. I think I can mention one or two. The important one has been the proportion of time used for commercial announcements, especially spot announcements. As you are probably aware, the last

revision of the regulations changed the restriction on the use of spot announcements a good deal, and widened and broadened it. It now allows in any 15-minute period a total of 3 minutes in time to be devoted to spots, or not more than a total of four in number, and they can be at any time of the day. They are not prohibited from having them in the evening as before. The idea of the board in the last revision was to try and be realistic and to formulate regulations which are sensible, and which were discussed with the stations and which we thought in all fairness should be definitely applied over all, and a good deal of work has been done in trying to see that all stations stay within those limits, particularly on spot announcements.

Q. Coming back to the question I asked about the problems arising out of the review of the logs— —A. I say that would be one, for which the logs would be used a good deal.

Q. —I wondered if any particular problems had arisen out of any routine review of the logs of the private stations. Things are working smoothly, are they?—A. I think pretty well. Since the last revision of the regulations the whole matter of regulations is working quite smoothly, and I think the stations, too, would say that they do not have very many difficulties at all.

Q. What proportion of its time is the board of governors devoting to the regulatory aspects of the functions of the C.B.C. on the one hand, and what proportion to the operating functions on the other? Is it possible to give a broad answer to that question?—A. Yes. By regulating, you mean our time in making recommendations regarding licences?

Q. Yes. I am thinking about the relationship of the C.B.C. vis-à-vis the privately owned stations in Canada on the one hand, as compared with the time it devotes to the operation of the C.B.C. system as such on the other.—A. Yes. Just about one-third is devoted to the regulatory and recommending functions and two-thirds to the operating.

Q. And does that represent something that is fairly constant now?—A. Well, I will put it this way. In the way I calculate it, we usually meet for three days at a time when we hold a meeting, although we may not sit through the whole third day. In terms of those three days, we usually spend one day or sometimes less than one day on the public hearings of the decisions and discussions arising out of them, and any other matters relating to regulations and on applications—it would be just about one-third.

Q. Has there been any change in that respect in recent years or has that proportion remained constant?—A. It is difficult to think back. I think perhaps it has been a bit heavier in the last year or two with the great number of television applications which have come in, and it might amount to as much as one-third, but quite often it is less than that, just depending on the number of applications coming before us. I would say it would run from one-third to one-quarter or 20 per cent.

Q. If there is any change, it is due to the advent of television?—A. Yes, because of the number of applications, but I think the hump of that work is over and I do not think we will have the same concentration of applications that we have had.

Q. I have just two other points, the first in regard to Canadian content and the second in regard to commercial content. Have you found any trend in this respect over all as a result of the review of the logs of private stations or in the light of the review of the logs of private stations?—A. No great change. One interesting thing is that some stations in the last two or three years have shown a great deal more interest and initiative concerning live programs, and there are interesting examples of live programs on some stations. But apart from that I would not think of any particular change.

Q. That means an opportunity for Canadian talent?—A. Yes.

Q. It means more opportunity for Canadian talent.—A. Yes, although I would not say there is very much over all; however, a few stations are showing an interest and initiative in the work.

Q. Is there any trend in respect of the commercial content of the programs? A. I think that from what I know about broadcasting and the commercial content of private stations, it has been increasing steadily until last year. Since then, there have been signs of a levelling off, especially in some areas. Naturally a good deal of it refers to television, but on the whole, as I say, up until about last year the amount of business, and amount of commercial time was rising steadily.

Q. Was that still within the regulations?—A. Yes, although I think it was generally known until the revision of the regulations that there was a rather unreal position in the former regulations about the amount of commercial content. I think we now have realistic limits.

Q. I take it you attribute this levelling off and the more realistic position, as you have described it, to two things; one, the revision of the regulations of two years ago, and second to the advent of television?—A. I would not attribute the levelling off of business in any way to the regulation.

Q. No, I am speaking of the commercial content of the programs.—A. Yes, that would be a matter of spreading it more evenly through the time. I would not claim much credit for it. It is the question of the amount of business. I think it would be due in large measure to television and the increased number of stations in some areas.

Q. You spoke about some areas where the levelling off had been more noticeable. What areas were you referring to?—A. Areas where there has been more television and additional private stations.

Q. It has been a matter of more competition and private stations?—A. Yes.

Q. That has directly affected the commercial content of the programs?—A. It appears to have done so.

Q. I am not speaking of overall revenues, or anything of that kind, nor was I referring to the prosperity of stations. I was referring to the commercial content in the programs. Have we been understanding one another? I have been speaking all the way through about the commercial content on the private stations.—A. Yes, but it is difficult to separate the two because the first cause of commercial content on programs is business or orders from advertisers.

Q. I wanted to be sure that we were talking about the same thing, and the answers you have given have been directed towards that, because that is what I had in mind in asking the questions.—A. Yes, but I was referring quite a lot to the cause, or to the amount of business.

Q. I think we were at one in what we have been discussing.

The CHAIRMAN: Mr. Balcer.

*Br. Mr. Balcer:*

Q. Mr. Dunton, when an application has been made for a permit by either an individual or by a company, can this individual or company sell its permit to another person without receiving permission from the board?—A. All those things go to the Department of Transport to which applications are made, and then they come before our board, and both the department and ourselves watch very carefully for what might be called trafficking in licences or that sort of thing. We both are very interested when an application is made in knowing who the people are, what plans they have, what their financial backing is, what other connections they may have, and if an application for a transfer of interest in the station comes pretty quickly, a very good look is taken at it. We have always considered and I think other parliamentary committees have agreed, that it would be unfortunate if there was any element of trafficking in permission on behalf of the public to broadcast.

Q. When a situation like that occurs, does the board always find out the price of the transfer and so forth?—A. I do not know if "always" is right; we are usually informed or we may ask.

The CHAIRMAN: Any other questions?

*By Mr. Fleming:*

Q. Would you ask if you were not informed?—A. It would depend on whether or not someone on the board wanted to know.

Q. But there is no policy in that respect?—A. No.

Q. It would depend on whether or not someone happened to think of it?—A. Yes.

The CHAIRMAN: Mr. Knight?

*By Mr. Knight:*

Q. We have been discussing a lot of things under this heading and it is apparently all right to discuss the granting of licences and certain conditions under which they are granted. I was thinking about the subject Mr. Dunton has told us about before, and that is dual ownership, and triple ownership as the case might sometimes be. What I mean to say is that the concentration in the hands of one company, shall we say, or one organization—the communication in respect of radio and the press and, I suppose, television now—is a thing to which I wish to express my opposition first of all, for various reasons I need not go into at this time. I wonder to what extent such concentration exists, and if the board of governors has any regulation which governs itself in regard to that sort of thing, or has it any opinion concerning that sort of thing. It may be that their opinion is that it is proper under certain circumstances. I can understand that it might be easier to grant a licence to a station that is already operating a radio, but I am thinking largely of the numbers and I would like Mr. Dunton in answering that question generally to speak about the numbers of such duplication.—A. Mr. Knight, for some years the board looked particularly carefully at applications for sound broadcasting stations from newspapers, and I think this was done in all probability for the reasons you have mentioned. There would appear to be a danger if there was too much concentration of control of influence and information in some hands. We examined this question particularly carefully and saw that there were very sound reasons for the applications. About 1947 a parliamentary committee recommended that newspaper applicants be treated on the same basis as others and since that time we have done so. There was, however, another policy which went into effect following a definite recommendation of the parliamentary committee of 1942 which was against multiple ownership of stations by the same interests, and neither the department nor ourselves interpreted that as meaning that people who owned two or more stations should have to divest themselves of them. In our recommendations ever since then, however, we have recommended against the expansion of multiple ownership. We have recommended it in only a very few cases where there seemed to be some special circumstances such as a station in an outlying area, which seemed to be on its last legs and the only people who would go in and operate it already owned a station. Since then there has been a policy against the extension of multiple ownership of sound broadcasting stations by the same interests and in our recommendations with regard to television we are following the same general policy as can be seen from our recommendations whereby we favour new applicants as against applicants who already have interests in a station or stations. I might say that the subject is not a simple one because you get share owners with interests in stations but we try to watch these things carefully.

Q. These stations are privately owned and they would probably be in favour of a little healthy competition among themselves. I think you could have competition between two media even as different as the press and the radio because I have heard instances where radio and press ownership were synonymous; that is, they are in the same area and under some organized direction. The radio people are inclined to get their news from the press and I think that is the point where a little competition might be healthy. I think we would find it a healthy condition where we would have two radio stations under different ownership operating in the same town—

Mr. FLEMING: Does that apply to television?

Mr. KNIGHT: That might be a statement that someone might wish to refute later. Unlike Mr. Fleming I am not a skilled politician. I put my cards on the table and I say things as I see them.

Now, Mr. Dunton, could I ask you how many newspaper organizations or firms, or whatever the word is, also have radio under their control?

You will notice, Mr. Fleming, we have not yet come to television.

Mr. FLEMING: I was wondering if the principle you were laying down applied to television as well as to sound. It is a good principle.

The WITNESS: It will take a little time to total, Mr. Knight. I believe you asked for the number of newspaper organizations having control of sound broadcast stations?

Mr. KNIGHT: Yes, that was the idea.

The WITNESS: Would you like the information now or would it be all right if I were to supply it to you tomorrow? It would take some time to prepare.

Mr. KNIGHT: If it is difficult you could bring it in at a future date.

The WITNESS: We could count them now. At a quick count it would appear that there is something like 23 different publishing organizations having broadcasting interests.

*By Mr. Decore:*

Q. Does that figure represent a controlling interest or just an interest?—A. In most cases it would be a controlling interest.

Q. It is just a controlling interest?—A. Yes, in most cases, although some of those interests have other controlling interests or minority interests in other different stations.

*By Mr. Knight:*

Q. How many cases of multiple ownership do you have? I mean by that, how many cases are there where you have people who own one, two, three or more stations?—A. About fourteen to sixteen. We would have to check that figure, but it is in that neighbourhood.

Q. Following up your former answer about newspapers, you tell me now it is no drawback on the part of the newspaper organizations when they are applying for a radio licence the fact that they own another medium of communication?—A. As a matter of policy it has not been taken that way.

Q. What do you think about the idea of one organization controlling a large percentage of the thought of the country? We are getting back to balance, Mr. Fleming.

Mr. FLEMING: It is a good principle!

The WITNESS: I will put it this way. I think the board at times has had some qualms on some of these recommendations because in certain areas in particular you get several different means of communication in the same hands. On the other hand, it has always seemed under some circumstances like the

most sensible thing to do. On the other hand, as I said, the board in its recommending policy has very definitely provided a check on the expansion of multiple ownership of stations.

*By Mr. Goode:*

Q. Was the same opinion held by your board of governors when an application was refused in British Columbia just a few weeks ago?—A. Yes, just for that reason, because it was an expansion of multiple control of stations.

Q. It was a sale, and you refused?—A. Yes, it was a sale; a proposed transfer.

Mr. KNIGTH: I am for the dissemination to the widest extent possible of all ideas, and I do not think putting four or five organizations of communication in the hands of one section of the people is advisable. I believe in hearing all sides of every question, and I believe in the value of reaching our own conclusions. I do not think multiple ownership is conducive to that idea.

Mr. HANSELL: On that point, the newspapers that own radio stations do not promulgate their views over their radio stations at all, do they? It is purely a station owned to complement their newspaper business. They do not even have editors from their newspapers on the air. It is there to complement their advertising. They run programs the same as any other station, and give news broadcasts as other stations do. The newspaper does not own the station for the purpose of putting their editorial views over the air.

Mr. BRYSON: Mr. Chairman, I wish to take very violent issue with Mr. Hansell on that score because I would be very suspicious of the news editors in a great many of the stations of which I have had personal knowledge. I would like to support Mr. Knight in his argument. As I understand it, the Australian Broadcasting Corporation limits ownership by any one organization to four stations in the whole of Australia, and I was wondering if the C.B.C.—in the light of the fact that 41 stations in Canada are owned wholly or in part by the newspaper industry in this country, according to a report I heard—would not give further consideration to that aspect?

The WITNESS: I think that in some ways the policy we have been following goes further than that. Our board has consistently recommended against any extention of ownership of two or more stations by the same interest whether or not that interest is a newspaper. On the other hand before that policy came into being, there was some fairly large concentration of control by the same interests in broadcasting. As I say, I think we have been intrumental in checking the expansion of that to a large extent in the last years.

Mr. KNIGHT: You have not interfered with any multiple ownership that was already in existence?

The WITNESS: No.

Mr. RICHARD (*Ottawa East*): Are there many that have more than four stations?

Te WITNESS: The R. H. Thompson Interests, for instance, directly control, operate and have an interest in five sound broadcasting stations, I think.

Mr. FLEMING: Are they located in such a way, as to be near one another geographically?

The WITNESS: North Bay, Kirkland Lake, Timmins, Peterborough and Kingston. They do not control the latter two. I think they operate them with other interests who have 51 per cent control.

Taylor-Pearson-Carson Interests have fairly large ownership—that is 50 per cent or over—in four, and ownership and provide the operating management in two more, with some minor interest in a few others.

*By Mr. Goode:*

Q. How many other stations have they an interest in, Mr. Dunton?—A. They and other associated interests have an interest in four others, I believe.

Q. It would be 12 altogether?—A. No, it would be 10 altogether.

Q. All situated in western Canada?—A. They have an interest in the Hamilton station CKOC in the east.

Mr. KNIGHT: That is a private enterprise business, which is totally opposed to the idea of monopoly in radio. I am suggesting to you there is a near monopoly where you have 10 or 12 stations under one control.

Mr. GOODE: Who said they are against monoply in radio?

Mr. KNIGHT: I did not imply that you said that. I said that this is a private enterprise, which by its very nature and definition, if you like, is opposed to the monopoly.

Mr. RICHARD (*Ottawa East*): Could we allow Mr. Dunton to finish the answer to that question?

The CHAIRMAN: He has finished.

Mr. RICHARD (*Ottawa East*): Is that the end?

The WITNESS: Yes.

Mr. RICHARD (*Ottawa East*): There is no great multiple ownership in Canada then—not even as much as in Australia where they allow four?

The WITNESS: Did you ask for four or more?

Mr. RICHARD (*Ottawa East*): Yes.

The WITNESS: The Gour Interests in northern Quebec control four. That seems to be all with four or more.

Mr. RICHARD (*Ottawa East*): That is not as many as is the case in Australia.

Mr. KNIGHT: I suggest that whoever asked the question on the basis of the four is granting quite a lot. I think four is a lot.

Mr. RICHARD (*Ottawa East*): That is because someone compared Australia.

Mr. KNIGHT: My question was based on the figure of about how many organizations control and operate more than one, because as far as I am concerned, that is about as far as I am prepared to go.

The CHAIRMAN: Mr. Richard asked about four or more.

Mr. RICHARD (*Ottawa East*): Yes, because someone raised the point that in Australia the regulations allow four or more stations and I wanted to find out how we stood in this country and apparently multiple ownership is not widespread as far as four or more stations are concerned.

Mr. KNIGHT: The word "multiple", as I understand it, means "more than one", and I would like to know how many stations practice multiple ownership?

The WITNESS: I said that subject to checking and according to our latest figures, it looks as though there are from 14 to 16 interests that have controlling interests in more than one station.

Mr. KNIGHT: Could I put it the other way, and ask how many stations are so controlled under the system of multiple ownership?

The WITNESS: I think we can give that to you in a few minutes.

Mr. FLEMING: Would it be more satisfactory to prepare this list and present it later? You appear to have a list before you. Does it show the internal ownership and stock control.

The CHAIRMAN: The answer to the last question is on the record now. It has been put on the record by Mr. Dunton.

The WITNESS: I think this was material which was got ready for the last parliamentary committee, and has not been completely brought up to date.

Mr. HANSELL: On the question of multiple ownership may I ask how many stations does the C.B.C. own?

The WITNESS: I think it is 22 standard stations and a number of low power relay transmitters.

Mr. HANSELL: Could we conclude then they are breaking their own regulations?

The WITNESS: No. We are a national system and this policy does not apply.

Mr. BEAUDRY: Mr. Dunton, is there any possibility that multiple ownership in some cases is dictated more by circumstances than it is perhaps by an actual desire of ownership?

The WITNESS: As I indicated at the beginning there have been some cases where our board has recommended an ownership or control which is interested in more than one station—where in the circumstances it seems desirable and necessary; for example a station in an outlying area where it appears that one would not be possible otherwise, or where a station was in difficulty and perhaps only people who already controlled another stations would carry it on.

Mr. BEAUDRY: I was referring to a case of the Gourd group with which I am familiar in northern Quebec where I am given to understand there would be no coverage for the area at all unless the same ownership has been able to extend to more than one station?—A. I believe an application was made three years ago for a station in the Val d'Or-Lasarre area and I think it was clear from the evidence before the board that there was no likelihood of any station being operated there otherwise.

Mr. KNIGHT: I would like to ask Mr. Dunton how many organizations control or have a licence to operate only one station?

Mr. FLEMING: It would be simpler to get the table and put it on record.

The CHAIRMAN: There are only two questions to answer; then it will be on the record.

Mr. KNIGHT: I think that as a matter of fact we have a large number of private stations in Canada under multiple ownership and I want to answer the inference raised by my friend Mr. Hansell when he suggested that the C.B.C. was also a monopoly because it owns a good many stations. I want to say that as far as I am concerned there is a distinct difference between the two monopolies. One is a monopoly owned and controlled by the public of this country through representatives in parliament who represent the people of this country. And the other is under the control of private interests in this country over which there is no control except for such control as is provided for in the regulations of the C.B.C., and we have after all a parliamentary committee which can look into things like balance, Mr. Fleming or things like balance of views, Mr. Hansell. I think that is good and helpful but over the other monopolies which call themselves and really are private monopolies we have not that same degree of control, and I am simply pointing this out so that it may be clear on the record, and I don't look too much like a fool on account of Mr. Hansell's interjection.

Mr. FLEMING: I think Mr. Knight said these stations called themselves "private monopolies". I do not think that he means that. I have never heard that being suggested. I think Mr. Knight will be fair enough to acknowledge that while the C.B.C. operates on a national scale there is no network permitted among stations in private hands, whether they are owned by the same owner or not. I am not dealing now with the question of multiple ownership, but with

the question of monopoly. I take it that even if there were no other private station in an area it would only be a local matter, anyway. I don't know whether I can put a question here now . . .

The WITNESS: I think we have the information which is required. It has been assembled hurriedly, and is subject to checking. It looks as if 34 sound broadcasting stations are under multiple ownership and 121 under individual ownership. That is subject to checking of cross-share interest and that sort of thing.

Mr. HANSELL: Are we still on these documents governing regulation?

Mr. HOLOWACH: We have heard comments with respect to the ownership of the existing broadcasting stations. I am interested in a different phase. I would like to know what chance someone has of entering this particular business field. What are the main factors involved in the refusal of the issuance of a licence to an applicant, apart from the ones you have already touched on? I suppose, that during the past five years for example, you have had numerous applications for the issue of a licence and I understand a proportion of them have been refused. What are the factors involved in refusing a licence to an applicant?

The WITNESS: The first hurdle which an applicant has to overcome is the finding of a frequency, and it is up to the applicant to prove that there is a usable frequency for the area which he wishes to serve. To most people who have thought about applying for a broadcasting licence that, I think, has been the greatest hurdle because in many parts of the country good frequencies are extremely scarce. In many cases it may be the applicant can find a frequency, but he can only transmit a very inferior signal, that is, a signal which is inferior to other stations already operating in the area. Then an applicant has to consider if he still wishes to apply, considering that that channel may not enable him to do as good a job as existing channels.

If an applicant's engineers find a suitable frequency, however, he makes his application to the Department of Transport, providing full details about his background, the background of himself and his associates—should he propose to form a company—together with details about their financial backing, their plans for operating the station and so on. Then, when the application comes before the board, they first of all have to be satisfied by the technical people that the frequency question has been satisfactorily settled, and that the applicant will not infringe any international agreements or interfere with existing stations. After that we try to consider the general effect of the new station on broadcasting in that particular area—whether a new station is likely to do something useful for broadcasting.

Q. Did you say "general effect"?—A. Yes.

Q. What do you mean by that?—A. Usually it can be taken for granted that an additional station in an area will provide a supplementary service, but we have some cases where existing stations will come before us and say: "If one more station is added here it will affect our operations and our net revenues in such a way that we shall not be able to do as good a job as we did before," and the general result will be the depressing of the general level of broadcasting service available in that area.

In some cases the Board has thought that such arguments were sound in the circumstances and has recommended against the application. I think however that in the last two or three years, speaking from memory, we have recommended favourably on many more applications than we have recommended unfavourably.

Q. Have you the figures available there?—A. When an application comes up we weigh all sorts of things—the apparent business possibilities for that station included. We are not interested in whether the applicant makes or

loses money. That is his business. But we are interested in the broadcasting service and he has to have funds in order to provide it. We look at the applicant and we consider his plans; we also look at the possible affect on other broadcasting stations serving the area.

Mr. HOLOWACH: Would you have the figures there of the total number of applications made and the number of licences issued?

The WITNESS: We could get them in just a few minutes.

*By Mr. Fleming:*

Q. Could I go back and ask a question about this matter of determining multiple ownership. Do you require a breakdown of the stock ownership with regard to privately owned stations?—A. Yes. We examine the question of stock ownership.

Q. You have complete access to the records of the stock ownership of all the stations?—A. We have access, although sometimes we have trouble in seeing that the figures are up to date.

Q. So you have a complete record with respect to ownership on a multiple basis?—A. The department gets that and supplies us with the information which we use in making these recommendations.

*By Mr. Goode:*

Q. Going back to the question asked by Mr. Holowach. In granting a licence, Vancouver for instance is served by seven stations up to the time permission was last granted. What would be the thinking of the C.B.C. in granting another radio station to the Vancouver area?—A. In that case we have had other similar applications previously and have recommended against them—cases in which one or more of the present stations have come before the Board and stated that more stations would depress the level of broadcasting in the city and not add to it. I think applicants were turned down two or three years ago because we thought the arguments were against a station. This time the applicant made strong arguments for having a station particularly to serve the communities on the north side of Vancouver and this time nobody argued against them. The other stations were informed of the application and asked if they had any views on the matter but they did not argue against it, so the Board thought that a case had been made out.

Q. You would not accept those arguments on the part of the other private stations just on the fact that the arguments would come from a competitor, but you would consider them on the merits of the case?—A. Absolutely.

Q. Would those merits still apply in regard to this last application? I am not against the application. I am trying to find out your thinking. Would not the same arguments apply even though the other stations did not appear?—A. Yes, but you can understand the position of the board in a situation such as this. Previously there had been strong arguments against such an application. Now nobody, apparently, was interested in making them.

Q. But you had accepted the arguments before as being valid. Those arguments could still be maintained. The board has said that certain things would not allow them to grant a licence. The fact that no one appeared would not change the force of the argument.—A. But the applicant argued that the situation in Vancouver had changed and that a great deal of the northern area was developing rapidly and so on.

Q. I have been told that the radio stations are not making the money which they were making, perhaps, a year ago or sixteen months ago. I am certainly not arguing that this permission should not have been granted, but I was wondering, for Mr. Holowach's information. He asked how did you approve of these applications.—A. I tried to explain that in this case strong

arguments were advanced. They said everything had developed so much, especially in North and West Vancouver, and now was the time to have a radio station, and nobody contradicted the argument.

Q. Then you do take arguments by the other stations and consider them, but if representatives of other stations don't turn up, no consideration is given to the position of the whole area.—A. Not "no consideration" but not nearly as much consideraion if nobody turned up to put their view forward.

Mr. DINSDALE: Have we cleared "station relations"?

The CHAIRMAN: Not yet, no.

Mr. HANSELL: I have these regulations which were presented to us and on which Mr. Fleming pursued some arguments and I would like to ask a few questions with respect to the regulations on page 2 and it is that regulation under 5 (g) to which I want to call attention, namely:

> (*g*) except with the consent in writing of a representative of the Corporation, any appeal for donations or subscriptions in money or kind on behalf of any person or organization other than
>
> (i) churches or religious bodies permanently established in Canada and serving the area covered by the station,
>
> (ii) recognized charitable institutions or organizations,
>
> (iii) universities, or
>
> (iv) musical or artistic organizations whose principal aim or object is other than that of monetary gain.

I would like to read the exception:

> other than churches or religious bodies permanently established in Canada and serving the area covered by the station.

Now I have reference to religious broadcasting. I believe that regulation (*g*) (i) strikes at the very foundations of our freedom of speech. There are a number of religious broadcasts being given across Canada where appeals for funds have been made to carry on the broadcasts. Here we have a situation where an appeal is made for the purpose of continuing a broadcast in the various areas, or expanding it as the case may be. The appeal is made to the people who listen to the program. They can contribute, or they can turn off their radios and say: "I am through with that." But this regulation denies to any broadcast the privilege—I should not call it a privilege—it denies the broadcast the right of appealing for support to carry them on. Surely if there is one freedom which we want to guard it is the freedom of religious expression. Now I bring this up, and I am particularly interested in one religious broadcast which was discussed the other day, but it is not the only one which is going on the air throughout Canada. There is the Old Fashion Revival Hour which emanates from Los Angeles and which is put on by Dr. Charles E. Fuller. I do not know how many stations take this broadcast in Canada, but it is on a lot of stations, and I venture to say, on more stations than the Back to the Bible Hour Program which originates in Canada. They have stated their financial position and indicated that their broadcast is supported by voluntary contributions. Recently, the Billy Graham program was put on the air in Canada, I do not know to what extent. Billy Graham is an American Evangelist and a very prominent evangelist. He is now in Scotland. Last year he was in England, and he expects, I think, to come into Canada. This broadcast states that it is carried on by voluntary contributions from the listeners.

The CHAIRMAN: You are not speaking much on the regulations, Mr. Hansell.

Mr. HANSELL: This is the regulation here.

The CHAIRMAN: Yes, but I do not think you can go too far on that. Try to speak about the regulations existing in the C.B.C. covering religious broadcasts. You are just enumerating the different religious broadcasts. I think you could go faster than that and give us a chance to proceed with our work in the committee. Of course, I do not want to obstruct you.

Mr. HANSELL: Well Mr. Chairman, we are discussing the regulations and this is a regulations with which I do not agree.

The CHAIRMAN: Yes, but you do not need to give all of the broadcasts which are made on religious matters to prove your argument.

Mr. HANSELL: I am saying that there are several religious broadcasts being given throughout Canada, some emanating from the United States, which some members may conclude are contravening this regulation.

Mr. BEAUDRY: Can we have a clarification of the regulation first, please. I read it differently from the way Mr. Hansell does.

Mr. HANSELL: I am willing to stop for a moment if we can have any clarification. The regulation is expressed in words which I read awhile ago.

Mr. BEAUDRY: I read it as:

> "except with the consent in writing of a representative of the corporation, other than . . ."

How do we interpret the phrase "other than"?

Mr. HANSELL: "Other than" is the exception.

Mr. BEAUDRY: Have I followed your line of reasoning? Bodies mentioned in the exceptions can broadcast an appeal?

Mr. HANSELL: There is a clause here which states that appeals . . .

Mr. BEAUDRY: Where?

Mr. HANSELL: It says: "churches or religious bodies permanenttly established in Canada and serving the area covered by the station."

Mr. GOODE: I think Mr. Hansell is quite correct. This regulation confines the situation to the area in which the broadcast originates. That is my interpretation of it.

Mr. FLEMING: Can we get to the nub of the matter by asking Mr. Dunton how the C.B.C. interprets this regulation. How does he interpret "or"? Is the subclause to be interpreted as though the word "churches" stood by itself and the other clause is "religious bodies permanently established in Canada and serving the area covered by the station?" Or does the C.B.C. interpret this as meaning "churches or religious bodies permanently established in Canada"?

The WITNESS: Your last interpretation is ours.

Mr. FLEMING: Then Mr. Hansell is perfectly right in the interpretation on which he has based his question.

Mr. GOODE: What you are saying is that a church can only accept donations within the area in which the broadcast originated.

The WITNESS: A station can only carry a broadcast from a church or a religious body appealing for funds when it is serving that area.

Mr. HANSELL: I claim that is striking at the heart of the freedom of speech throughout Canada. And no religious broadcast, as a result of this, can reach the Canadian people from coast to coast, and carry on financially when they can only appeal to the area in which the broadcast originates. I will give the

committee an example in another field. Supposing for instance a newspaper published in Winnipeg were governed by a regulation which stated:

> "You can circulate your paper through all of Canada, but you must not have an agent in Toronto who accepts subscriptions for it."

supposing we had a regulation like that.

Mr. GOODE: We have not got one.

Mr. HANSELL: No, we haven't. I am telling you there would be some holler if we had such a regulation, but such a regulation does exist with respect to religious broadcasts. All I am saying is that in order to remedy it, all you would have to do is strike out the words, "And serving the area covered by the station." I think, Mr. Chairman, since this matter has been brought up previously, and in view of the fact that I am bringing it up now, it might be well for this committee—or perhaps following our sittings the appointment of a subcommittee—to go into that particular regulation number 5 "G".

Let us look at "G", subsection 4, entitled "Musical or artistic organizations whose principal aim or object is other than that of monetary gain." Take a national musical or artistic organization for example. Suppose we wrote into that regulation—"And serving the area covered by the station." It is not written in that one, so why should it be written in one and not in the other? I am not asking for an answer to that question. I am posing the question to make our thinking on the matter more provocative. Why make the requation apply to one organization and not another? I say there would be nothing wrong with the regulation if the words "And serving the area covered by the station" were deleted. What I want is the freedom of religious broadcasting throughout Canada and if that freedom is hampered by a restriction which says the broadcaster cannot appeal to the people to support the broadcast, then we are restricting freedom of speech.

Mr. RICHARD (*Ottawa East*): But can he not get the consent in writing from the representatives of the C.B.C.?

Mr. HANSELL: He does not have to.

Mr. RICHARD (*Ottawa East*): But he can.

Mr. HANSELL: Why should he?

Mr. RICHARD (*Ottawa East*): That is the regulation now. He can get consent in writing and appeal for funds.

The CHAIRMAN: With the consent of the C.B.C.?

Mr. HANSELL: He can write and ask, but the C.B.C. cannot—

Mr. RICHARD (*Ottawa East*): Oh, yes!

Mr. HANSELL: No, they cannot give consent.

Mr. RICHARD (*Ottawa East*): Yes.

Mr. HANSELL: No, not if you read it carefully. I might say that in the previous evidence Mr. Dunton has already stated that certain stations had been refused because of the regulation. Let me read from the previous evidence, in order that I can give you Mr. Dunton's answer accurately. I am reading from page 62 of the evidence of this committee. Mr. Dunton was answering a question asked by Mr. Goode, which appears at the bottom of the page, and I am breaking into the middle of Mr. Dunton's remarks: " . . . in the case of this particular broadcast—I have forgotten the name of it—permission to appeal for funds has not been granted because they are made in different parts of the country outside of that one particular area that the organization may be serving."

Mr. RICHARD (*Ottawa East*): That is not the way I read the regulations. I think the C.B.C. could give consent in writing, but that in every case they do not give consent in writing when it is for a local area.

Mr. HANSELL: That is not what Mr. Dunton said at page 62.

Mr. RICHARD (*Ottawa East*): What do you say, Mr. Dunton, about that? That is the way I read it.

The WITNESS: I take it that we could give consent in writing for this, but I think in this particular case the policy is as stated in the regulation.

Mr. FLEMING: Have you had applications for such consent in writing, Mr. Dunton?

The WITNESS: We have received requests, yes, and have not granted them.

*By Mr. Fleming:*

Q. They have been uniformly rejected?—A. Yes.

Q. How many have there been?—A. I am afraid we do not have that information.

Q. Would it be difficult to obtain?—A. There have been very few, but I think it is in part due to the fact that in some cases the general policy is known that some of these broadcasts particularly those coming from outside of Canada, permission is not given to appeal for funds under this regulation.

Q. So the policy has had the effect of discouraging applications and you have not had to deal with many applications because the policy is known?—A. Yes.

Mr. RICHARD (*Ottawa East*): You will admit that in the case of a church or a religious body permanently established in Canada that they do not need your consent in writing?

Mr. GOODE: Oh, yes.

*By Mr. Richard* (Ottawa East):

Q. Why would they?—A. They do not, no.

Q. But you could give them your consent?—A Yes.

Q. That is what I am trying to say; you could if you wanted to?—A. Yes.

*By Mr. Hansell:*

Q. Let me ask this question. This particular broadcast that was— —A. There have been one or two cases where well known Canadian churches have asked for permission to do it across the country and it has been granted not on a regular basis but on a one-occasion basis, I think.

Q. Why was this particular broadcaster refused the same request?—A. As I say, the general policy as applied to all broadcasts of a religious type, unless the organization is permanently established in Canada and was serving the area covered by the station.

Q. But I understood you to say, Mr. Dunton, that some have asked and were granted permission.—A. I was saying that in one or two cases where well known national churches wished to make a one-time appeal for funds across the country permission was granted. The question might have arisen whether the churches were actually serving all the areas that were covered and they asked for permission to be sure of it and permission was granted for the purpose of a one-occasion appeal but not for a general program of appeals.

Q. Then your answer to the question as to why this broadcaster was refused was on the general principle that you do not grant it?—A. The general principle as laid down in this regulation, 5-G-1.

Q. Would you not agree that such a refusal strikes at free speech in Canada in relation to religious broadcasting nationally?—A. I would not say that, Mr Hansell, no.

Q. Well, I suppose I could not expect you to give me any other answer.

Mr. GOODE: I think the C.B.C. has to be defended in this matter. There is nothing to stop any John Smith starting up a religious broadcast in Vancouver and appealing for funds throughout the country if this regulation were not in effect. I hasten to say at this point that I do not include Mr. Manning's broadcast in that category, but there is reason to assume that somebody would take advantage of that type of situation. We have all seen these "gorgeous Georges" who have arisen in Canada and who were able to get enough money to broadcast throughout Canada and acquire funds from people. I think this regulation prevents that type of thing and for that reason I would support the regulation.

Mr. HANSELL: I said the other day, Mr. Chairman, that I would be the first to discourage the efforts of any people who were racketeering. That is what Mr. Goode is referring to, I believe. However, the way to stop it is not the way it is being done. You have to have some other way of doing it. I claim that any person who goes on a private or independent station and pays for his time should have a right to appeal for funds. If his religious broadcast is of such a nature that it is supported by the people and it expands by reason of that support, then I submit that the people themselves have a right to continue that expansion. I feel they have a right to know the financial position of the broadcasts they support. If those who originate the broadcast cannot put their financial requirements before those who listen then I say it strikes at the very roots of religious expression in Canada.

Now, our problem in this respect could be easily solved by taking that phrase out, and I do not see why it should not be taken out in respect to religious broadcasting just as easily as it was left out of clause 4 in reference to musical and artistic organizations.

The CHAIRMAN: Mr. Beaudry?

*By Mr. Beaudry:*

Q. Mr. Dunton, coming back to clause "I" we agree that the broadcasts or appeals for funds can only be made by churches or religious bodies permanently established in Canada serving the area covered by the station. I wonder if we are not confusing here the originating station and the station disseminating the broadcast itself? Is there a possibility of that? I am taking it for granted that this could be the case, and perhaps I am limiting the whole sphere of the question a little more than Mr. Hansell did. I am assuming that this could be a recorded broadcast which is disseminated over a group of stations. In that case an appeal for funds could be made over each of the stations over which the broadcast is transmitted provided that it is on behalf of a church or a religious body permanently established and operating in Canada, am I right?—A. No, it would also have to be serving the area covered by any station transmitting the broadcast.

Mr. DINSDALE: Does that not depend on what you mean by "serving?" The very act of broadcasting a religious service is "serving the area." How do you narrow the definition of "serving?" What is meant by "serving?"

The WITNESS: We have never had an occasion to make a close interpretation of that word. I think the general intent was clear, and that it referred to an organization that was doing something else besides broadcasting which was genuinely a part of the religious life of that community.

Mr. HANSELL: I maintain that under this regulation a person can broadcast nationally, but not be allowed to appeal to the people of the nation to support the broadcast.

The WITNESS: They can certainly broadcast nationally, you are right about that under this regulation. It should be remembered that a great many private

stations in this country, as well as the C.B.C., carry religious broadcasts free. It should also be remembered that the reason for this regulation having been formulated was because there have been some rather unpleasant cases in the history of broadcasting involving appeals for funds.

Mr. HANSELL: I am not saying there are no national religious broadcasts. I know that the C.B.C. has one—a very good one, at times. I simply say that it strikes at freedom of speech. I do not need to keep repeating myself; that is what it is. The appeal for funds is just for the broadcast. If it was an appeal for something else it would be different. It is an appeal for the broadcast to keep it going because people like it, and the appeal is a way of letting the people know the financial position. They are not interferring with any other broadcast nor are they interfering with any other donations. It is simply broadcasting to the people of Canada, reaching the entire nation and asking the Canadian people to support it. You say, "No, you cannot do that without getting permission." That is all there is to it.

Mr. RICHARD (*Ottawa East*): There is a great deal of difference between freedom of speech and freedom of collection of funds. You do not need to have freedom to collect funds to broadcast freely religious programs in this country.

Mr. HANSELL: Well now, listen, here is a broadcast that goes clean across Canada. Do not think of 13 stations—think of 50 if your like. Here is an individual, let us say in the Peace River country, who is originating it. I know that is an extreme example. How can he appeal for funds in his own area and obtain the necessary funds to carry on throughout the whole country?

Mr. GOODE: There is no reason why he cannot join a recognized church, and do it that way.

Mr. HANSELL: I say again that it strikes at freedom. You are saying he has to do something else to get it, and that is not freedom.

Mr. GOODE: I think there has to be a distinction between freedom and licence.

Mr. HANSELL: Licence! What does my honourable friend mean? That carries a very strong inference, and let me say one thing, Mr. Chairman. I do not want to get off on another track and I will only take a minute to say this. I do not oppose the C.B.C. as much as some people think I do. I will tell you that the Canadian Broadcasting Corporation is becoming very unpopular in Canada by reason of its regulatory authority. They know that themselves, and this is one of the regulations that accentuates that unpopularity. There is no reason for it.

Mr. RICHARD (*Ottawa East*): Nor is there any reason to clutter the air with a bunch of appeals for funds for religious broadcasts of all natures. You do not like the word "licence", but that could lead to an awful lot of trouble. I am sure the people of this country do not consider every religious broadcast should be operated with an appeal for funds. I think that is clear, Mr. Hansell.

Mr. HANSELL: I do not think it is clear at all. I think Mr. Richard is straining it unduly.

The CHAIRMAN: Can we proceed?

Mr. HANSELL: I do not know if this has been settled. I do not know if this is the time for a motion.

The CHAIRMAN: We can take it up with the agenda committee, Mr. Hansell. If you would like to bring it before the agenda committee after the sittings, at that time we will make a decision on it and bring it before the whole committee afterwards. Is that agreeable to you?

Mr. HANSELL: I will give notice of this, Mr. Chairman, if that is good enough—that in our recommendations I am going to move that that clause be deleted from the regulations.

The CHAIRMAN: You do not agree that we bring it before the agenda committee before you put your motion?

Mr. HANSELL: I am not going to move it now; this is just notice of motion.

Mr. GOODE: I am now going to give notice of motion that I am going to oppose it.

The WITNESS: We have some information that Mr. Holowach was asking for. In the last three years, the board of governors has recommended in favour of 20 applications for sound broadcasting stations, and has recommended against the granting of six. It might interest you to know that in the case of two of these it was because three people were applying for a station in one area where obviously only one could go, and naturally only one out of the three could get a licence. In another place one was denied because two people were applying in the same area and one of the two had to get it.

Mr. HOLOWACH: Thank you.

The CHAIRMAN: Shall we go to "commercial operations" now?

Mr. DINSDALE: "Exchange programs" Mr. Chairman.

The CHAIRMAN: Oh yes, page 28.

Mr. DINSDALE: Page 25.

*By Mr. Dinsdale:*

Q. On what basis does the C.B.C. select programs from the B.B.C., and American network stations and so forth? Does it use programs promoted by the networks from other countries, or does the C.B.C. make the decision on this matter?—A. I will speak of sustaining, non-commercial, programs first, and what I will say applies to some extent to commercial programs. It depends on how they fit into our over-all broadcasting pattern. We try to achieve a good balance in order to make up a good broadcasting service. The question of sponsorship enters into American programs of course. Sometimes we are offered stations with revenue attached which is a factor. On the other hand, we cannot take a commercial program from the United States if the sponsor does not want us to do so, and in most cases this is not done unless special arrangements can be made.

Q. Do you try to get as wide an exchange as possible; for example, programs from Australia, New Zealand and South Africa?—A. As wide an exchange as is possible within the limits of our programs service. After all, there are only so many hours on the network and there are many commitments which we have. We try to be reasonable and sensible concerning broadcasts from other countries. We have a very happy relationship with the United States' networks in general. Most of their sustaining programs are available to us because of our relationship with them. Not all B.B.C. programs are available to us by any means. Some come to us by direct shortwave transmission as does the news, but most of the others would have to be carried by transcription and they can only make certain ones available by transcription because of the cost involved. The same would apply to Australia and New Zealand where in practical terms they would almost have to carry transcribed programs. It depends on what they can make available.

Q. To what extent does the C.B.C offer its programs to these other networks?—A. Practically all to our American friends—Mr. Bushnell is correcting me on this. As a matter of policy, our sustaining programs are available, but complications have arisen on programs where there are performing artists because of the union.

Q. The sustaining programs are on a free basis?—A. In most cases yes, but complications do arise where we have performing artists. We hope to eventually get that ironed out.

Mr. BUSHNELL: In all fairness, Mr. Chairman, I think I should explain and put on the record that the limitation imposed by the so-called artist's union does not apply to the musician's union.

*By Mr. Dinsdale:*

Q. Is there any interest outside of Canada in broadcasting such high quality programs as the "Wednesday Night" series?—A. There has been a good deal of interest from individual stations in the United States, but the networks in the past have usually been too committed to carry such long pieces of time. The B.B.C. have expressed interest at times and have carried particular items from this series.

Q. And if it was to be used, it would be made available on a non-commercial basis?—A. As far as we are concerned, because in both of these cases we have reciprocal understandings with the networks concerned.

Q. Up to the present time no one is usuing the Wednesday night series?—A. Not regularly, although it has been used in full at different times. I think a New York station carried "Wednesday night" for some time.

Q. I have just one more question before we finish this section and it concerns the origination of network programs. I notice that 89 per cent of the network programs originate with the C.B.C., 9·4 per cent from exchange programs, and 1·6 per cent from private stations. What would be the main reason for the very low percentage of origination from private stations?—A. In simple terms, I think it is because very few programs of a network kind have been produced by private stations. For some years we have had a standing offer open to affiliates on the dominion network to take suitable programs from them and pay all the out of pocket programming costs if they were of a kind suitable to the network, and we have done that in some cases.

Q. You mentioned an increase in interest among private stations in live programs?—A. Yes.

Q. And that might increase the percentage of their contributions?—A. Yes. Our people are constantly watching for contributions from private stations. As I say, we would pay out of pocket expenses for such programs. The station at London, Ontario has provided quite a few during the years, for our network.

Q. Has the percentage of private station origination risen or fallen in the last few years?—A. My impression is that it would be about the same. There was a time when we used to get some contributions but that has died out because those particular stations did not keep up their live efforts. I think that the total percentage has not varied greatly; it was the same percentage last year. We are very anxious to get more contributions from private stations and so when our people meet with affiliates there is always discussion about it, but not a great deal has come out of it except that a few stations have produced very good shows and have done very well across the country.

The CHAIRMAN: Now we come to "Commercial operations". We have already dealt with "Broadcasting regulations", I think.

Mr. GOODE: Carried!

The CHAIRMAN: Carried?

Carried.

The CHAIRMAN: "Press and information service"—television.

Mr. GOODE: Before we go on to television, Mr. Chairman, I wonder if I could ask a question regarding a program—it seems to me it was a symphony association in Toronto or Montreal; I am not clear on the details although I

know the Governor General was present—and there was some union trouble concerning that program being put on the air. What was it all about?

The WITNESS: I think you are speaking of a function that took place in Ottawa.

Mr. GOODE: I do not attend symphony concerts so I do not know, but I would like to know what happened. We have heard some remarks here concerning union activities, and I should like to know what the difficulty was.

The WITNESS: I think the event in question was an orchestral number in which the real orchestra played and a lot of characters on the stage moved instruments and were not supposed to produce any sounds. There was a question of making shots for a news broadcast on television of this rather strange proceedings, but our people found that the union would insist on full half-hour television rates if any of their members appeared either in vision or sound on a news item, and so it could not be made.

*By Mr. Dinsdale :*

Q. On the subject of "Press and information", Mr. Chairman, there was an interesting little pamphlet put out under current affairs last August entitled "This is the C.B.C." Now, I presume the information for this was supplied by the C.B.C. public relations branch?—A. I think our people were asked for information, and I think provided it.

Q. They would write the publication?—A. I do not think they would write, I think they would supply the information for it. Our people do that upon request for any information about the C.B.C.

Q. It is written from a C.B.C. perspective?—A. I am not very familiar with it.

Q. I have a copy here—it is this little current affairs pamphlet.—A. My recollection from glancing at it is that it was to be about the C.B.C. and it is.

Q. You do not know who wrote it?—A. No, I do not.

Q. At the bottom of page 29 in the second paragraph under the heading of "Press and information services" the following appears:

> The publications section provided a variety of printed material including publications in connection with school broadcasts and such programs as Radio-College, National Farm Radio Forum, Citizens' Forum, Les Idees en Marche, and Le Choc des Idees. The section also handled various print jobs for other divisions.

Does the C.B.C. handle all the costs for the supply of the Citizens' Forum bulletin?—A. No, none of that cost, directly. I think what is referred to here are leaflets on a general series of Citizens' Forums. I think you are referring to the study pamphlets which are turned out by the Canadian Association for Adult Education, I believe.

Q. One more question, Mr. Chairman. The C.B.C. "Times—what is the circulation of that bulletin at the present time?—A. Around 26,000 for all editions altogether.

Q. That is an increase over last year?—A. Yes.

Q. What would be the increase since last year?—A. I may say, in more detail, that the most recent figure was 19,600 copies and 6,173 free copies which go to newspaper publishers, advertising agencies and so on. That represents an increase of about 4,000, and that increase is in the paid circulation.

Q. I suppose it is almost self-supporting now, with a circulation of the size?—A. Not quite, if you take everything into account; because this C.B.C. *Times* replaces a lot of printed material which has to go out anyway inside our organization, and to newspapers, agencies etc., and the receipts from subscriptions do not cover all the costs associated with it.

The CHAIRMAN: Now, if it is agreeable to the committee we shall take television tomorrow at our next sitting.

Mr. BALCER: I wonder if the chairman would supply us with something else on television—as far as this report is concerned there is very little in it on which we can go forward.

The CHAIRMAN: The intention of the committee is to go on with the report until we have gone through it.

Mr. BALCER: As far as television is concerned there have been so many recent changes that I was wondering whether the C.B.C. had anything more recent.

The WITNESS: That is why I devoted most of my opening remarks, at some length to television.

The CHAIRMAN: Our first number, Mr. Balcer, number one of the minutes will assist you.

The WITNESS: That was an attempt to summarize progress up to date.

The CHAIRMAN: I think that Mr. Dunton has an answer to give Mr. Carter.

The WITNESS: Mr. Carter requested the cost of constructing some stations. At C.B.N. St. John, the cost of the studio—work which was done several years —ago was $110,000. The cost of the transmitter, which has only just been completed, was $160,000. Cornerbrook studios which were quite old and which were taken over from the old broadcasting corporation of Newfoundland, were taken over at the valuation of $51,000. The estimate for the transmitter, which is not yet completed, is $120,000. The C.B.H.T. Halifax television studio site cost $980,000, and the transmitter site $595,000. That refers to television.

The CHAIRMAN: Mr. Hansell, I believe you also asked for some information.

The WITNESS: He asked for some scripts to be filed.

The CHAIRMAN: You can have those scripts at the clerk's office whenever you feel like taking them.

Mr. HANSELL: I thought everybody would get copies, but at the same time, that is agreeable to me.

The CHAIRMAN: They are expensive.

The WITNESS: There are 10 copies but if the committee wishes more, more could be run off.

The CHAIRMAN: Are there any other members who want copies?

Mr. CARTER: There are two things which I would like to ask. Is there only one studio in C.B.N.? You mentioned a figure of $110,000.

The WITNESS: That is for studio premises. There are several studios.

Mr. OUIMET: Speaking from memory, I believe there is more than one studio. There would be two at least.

Mr. CARTER: I understood that Mr. Dunton was going to look into the question I asked about the request for the re-broadcasting of the B.B.C. program on Churchill's resignation.

The WITNESS: I have checked on that, Mr. Carter. There was a request in general terms from C.J.O.N., St. John's to pick up and re-broadcast B.B.C. programs relating to the Churchill resignation. This would have been in effect forming a network with the B.B.C. for that period, and the request was turned down because C.J.O.N. had no permission from the board to have affiliations with any outside network. That sort of thing in a particular instance does not look to be of any great importance, but the whole question of affiliation of individual stations in Canada with networks outside is of course of great importance and in this instance a precedent could not be set.

Mr. Hansell asked for a list of the people working in the talks and public affairs programming in the C.B.C.

The CHAIRMAN: Do you want this information on record as an appendix?

Mr. HANSELL: I think it would be a good thing, if it were given there. Others would like to see it.

The CHAIRMAN: Is that agreed?

Agreed.

Mr. HANSELL: I thought there were two scripts, Mr. Chairman.

The CHAIRMAN: The messenger will bring you both of them.

# EVIDENCE

April 29, 1955.
11.00 a.m.

The CHAIRMAN: Order, gentlemen, we have a quorum. I want to thank Mr. Dunton for having offered us this little film this morning which will be shown to you. I think it would be better if I asked Mr. Dunton to explain the contents.

**Mr. A. Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation, called:**

The WITNESS: What you are going to see Mr. Chairman was put together by our people last summer for broadcast by television to show viewers what goes into the making of a television program. It was put together quite hurriedly in the summer and it is related as you can see to the production of Hamlet—actually to an imaginary production of Hamlet, because Hamlet was not being produced at that time. It is interesting to note however, that just last Sunday a two hour production of Hamlet was done in Toronto. The film is, of course, an outline of what has to be done in the making of any television program.

The CHAIRMAN: May I have the names of those who are going to operate this film?

The WITNESS: Douglas Murphy.

(Film shown).

The WITNESS: Mr. Chairman, I might say for the benefit of those who are interested, that the real production of Hamlet will be seen in Ottawa to which it has to come on a delayed basis on Saturday, May 7 at 9.30.

Mr. BEAUDRY: Mr. Chairman, I think we should thank the C.B.C. for giving us a very good graphic description of what happened behind the scenes. Perhaps one little thing that was overlooked, is the number of other operations involved if this were a commercial program. I am thinking of the paper work etcetera which would be included in that.

The CHAIRMAN: Thank you, Mr. Beaudry, for the C.B.C. officials.

*By Mr. Boisvert:*

Q. May I ask one question, Mr. Dunton. What is the cost of a production like Hamlet?—A. The two-hour version of Hamlet cost over $30,000.

Mr. GOODE: Is that money returnable? Will it be seen in any other parts of Canada?

The WITNESS: No, it is a sustaining program. I think it is interesting, as Mr. Beaudry observed, that the film did not show everything. There was a great deal of paper work which went into it, and from the film you get no idea of the number of rehearsals. The principals rehearsed over 70 hours for the real Hamlet the other day.

Mr. GOODE: There are a lot of members on the committee who have not seen the C.B.C. in operation. Some of us have seen it in years gone by. I would like to suggest if you would consider it a good idea, to have Mr. Dunton

invite the committee to go down there one of these weekends, at which time some of the new members who are here this morning, I think, could see the operations. I remember that we saw the "Big Show"—is that the name of it?

The WITNESS: The big review.

Mr. GOODE: Yes, I was able to go home and explain to school groups and others the little bit about the operation that I understood, and I think it was most interesting.

The CHAIRMAN: Mr. Dunton spoke to me about that yesterday, and we have arranged to get together next week to try and plan a trip to Montreal, probably.

*By Mr. Fleming:*

Q. Just before we leave the discussion of the film, Mr. Dunton, I would like to ask how many times that film will be shown in Canada?—A. The particular film we just saw?

Q. No, I was thinking rather of the feature production of Hamlet?—A. It is done as a live production and goes on the interconnected network except for Ottawa where we have to carry two networks, English and French. It goes out by kinescope to all the other stations in the country and that is the extent of its television life. It is a "seen for one time" television broadcast.

Q. And you do not have an opportunity of selling the rights to show it in the United States for instance?—A. Very many complications would arise there. We have rights, not in this case with the author, but by arrangements with all the artists and musicians involved. We have the right only to show it one time. It is as though it were a live broadcast. To obtain the rights to transcription, or film rights, to show it in different countries several times, we would have to pay a great deal more money.

Q. It left me wondering in the face of a cost of $30,000 if it is not the sort of thing that could produce some revenue by the sale of the rights in a neighbouring country, let us say, and if the C.B.C. should be going into something as expensive and costly as this for one showing. Admitting its technical excellence and the desirability of giving high quality programs of that kind, it strikes me for that one showing $30,000 is a lot of money to invest in one program.—A. We are in television, Mr. Fleming, and television figures apply. In the United States $30,000 is a very ordinary cost for an ordinary network show.

Q. I know the situation there is quite different, but they have networks that can sustain it, and a concentration of population and there are commercial revenues to sustain it. We would like to have excellent programs of that kind, but what strikes me is that $30,000 is a terrific amount of money to invest in one program. Any theatrical production of Hamlet would own those properties, and the benefit of all the preparation and work that goes into it would be available, we will say, for a year or years instead of the one production that is typical of television. It strikes me it is a pretty expensive business.—A. This particular showing of Hamlet will be seen by many hundreds of thousands more Canadians than would ever see any theatrical production of Hamlet in this country, and I think that is worth remembering.

Q. I hope they will.—A. $30,000 is a lot of money but it is likely that somewhere around 2 million Canadians will probably see Hamlet. That seems to me to be a pretty worthwile thing—a good production of Hamlet seen by a great portion of the Canadian population; say at least 2 million. Is that not pretty worth while ?

Q. I think you better figure on repeating it from time to time.—A. Perhaps I could explain more concerning this question of repeating. We would be only too glad to repeat many of these programs, but we are unable to because of the

position taken by the unions. We simply cannot do it under the rates we have to pay them and in order to be able to repeat them we would have to pay, I think, about three times as much.

Mr. J. P. GILMORE (*Coordinator of television*): Not necessarily, actually. If we put it on film, the film rights would triple what we pay, but if we put it on kinescope, I understand we will have to pay an additional 100 per cent to the actors. I have not seen the film, and I do not know if there is any music in it—

The WITNESS: Yes.

Mr. GILMORE: If there is a live orchestra in it, it makes it more difficult when we have to pay film rights.

*By Mr. Beaudry:*

Q. I am referring to a statement you made earlier which is recorded at page 12 of the first minutes. I am going to use the word "normal" although it may not be the word you used, but I think it fits in. The normal or current cost of operation for one hour is approximately $10,000 based on early operations?—A. Yes.

Q. So that in this case, it costs you $10,000 more to produce a two-hour version of the play Hamlet than it would cost you for two hours of almost anything else?—A. Yes.

Q. Therefore we are not thinking now in terms of $30,000 for Hamlet, we are thinking of paying $10,000 more in order to give a special production of something than would have been the normal cost if we had two hours of almost anything else?—A. Yes, two hours of any general studio production.

Mr. GOODE: How much would it cost to attend a theatrical version of Hamlet—I do not know if it lasts two hours on the stage—but how much would it cost to go and see it?

The WITNESS: Probably from $3.30 up to $8.80.

Mr. BOISVERT: In New York it would be $7.50.

Mr. GOODE: That is a rough cost per person of 66 cents. I think you do very well.

The CHAIRMAN: Less than that, 6 cents?

Mr. GOODE: Is my figuring wrong?

The CHAIRMAN: Yes.

The WITNESS: I think it works out at 1½ cents a head.

Mr. GOODE: I turned the figures around the wrong way; that is my usual mathematics.

*By Mr. Carter:*

Q. After you produce Hamlet in your main Toronto studio, it then becomes available to other C.B.C. television stations throughout the country, is that right, on film?—A. All stations in the country.

Q. Private stations, too?—A. Yes, it is part of the national service which goes to all the English language private stations.

Q. And is it available to the private stations free of charge?—A. Yes, that is part of our national service across the country. We express it about one and one-half cents as the figure.

*By Mr. Beaudry:*

Q. Does the procedure illustrated on the screen apply broadly to any television production that is being made with the exception of the cost of costumes, scenery, and perhaps the length of rehearsal, depending on the quality of the

program?—A. Yes, it is true of any quality program. This would be the procedure. It is simpler for panel programs. This is not out of the way; it is an illustration of the normal procedure.

Q. There is a difference in cost, that is what I am driving at. In producing Hamlet rather than a group of hill-billy singers, the basic procedure would be exactly the same from the moment you looked at the script, and it would remain constant until the actual production, and the difference in cost would be in the case of scenery and costumes, and perhaps the length of rehearsal. Basically however, this would apply whether or not Dr. Gauthier and I went on and put a skit.—A. Yes, as you say, this has more merit and more care and rehearsing went into Hamlet.

Q. When you are producing television in Canada you have to think in terms of spending approximately $10,000 an hour relatively, no matter what goes on the air?—A. Yes, for a studio production. Some come higher; some lower.

*By Mr. Goode:*

Q. Was any effort made to have this sponsored, or was it the intention of the C.B.C. to carry it themselves?—A. Not this particular effort. This whole series for "Scope" late Sunday night, has not been sponsored, but this is the sort of thing we would not mind if someone sponsored it, and possibly next year it may be, too, but we will be producing it ourselves. Incidentally, we have had a lot of compliments from commercial people about the Hamlet production. They thought it was excellent.

Q. Are you going to allow this production to be shown in the schools?—A. We have no rights to do so.

Q. I think you should tell the committee why you do not have the rights to do so. Personally I do not understand why.—A. It is because when we contract the agreements with the performers and the musicians we get the right only to use their performance for transmission on television stations. That is all we get the rights for. Any other use beyond that would have to be subject to special arrangements with them.

Q. Surely these unions would not object to this being shown in high schools, for instance, throughout Canada. It would be of educational value to the students.—A. Yes, but then it becomes a film in their view or a "dead" performance, a thing that can be used and repeated, and they are all very adamant against any such use without the special arrangements and special fees being paid.

Q. What special arrangements would you have to have? I pursued this union business before. I am trying to show the difficulty that you are having in regard to certain ideas which I think are unreasonable.—A. In rough terms, as Mr. Gilmore said, to get the rights to have it used in schools we would have to pay roughly three times as much to the performers and the musicians. We could repeat it on the air rather more cheaply; I think it is 100 per cent of the minimum guarantee to the artists. It already has cost a great deal, as you can see.

*By Mr. Fleming:*

Q. Would you translate that into dollars for us in comparison with the $30,000? How much of that would have to be triplicated in your expenditure?—A. In rough terms about $11,000 of it. It might be less because it would be the minimum.

Mr. GILMORE: The basic artist's fee on a production of that nature would be approximately a total of 50 per cent; that is, for the first performance, which

would bring it to about $15,000 for the artists' fees on the original. For a repeat, the artists' fees would drop to one-half of that which would be about $7,500.

The WITNESS: That is for the repeat on the air?

Mr. GILMORE: Yes.

The WITNESS: But for film use...

Mr. GILMORE: There would be additional costs of approximately 2 to 3 times that much.

*By Mr. Beaudry:*

Q. Is the point not this, that if you film your production it would be considered as a movie production or a film production and no longer as a television program. There is a vast difference and you become liable to an entirely different set of rules?—A. Yes, and rates.

Q. I think that is the basic problem, is it not?—A. Yes, although you can kinescope it.

Q. In one case you are a movie producer and in the other you are a television producer?—A. Yes.

Mr. GOODE: Suppose you are asked to put the show on in 100 high schools in Canada. Let us repeat the $30,000 as the cost. How much is it going to cost to do that in round figures?

Mr. GILMORE: Do you want the artist's fees?

Mr. GOODE: Yes.

Mr. GILMORE: We have no film agreement with the Canadian Council of Authors and Artists. I am not referring to the A.F. of M. at the moment but to the Canadian Council of Authors and Artists. We do not have a film agreement yet but based on their other agreements it would be 2 to 3 times the figure quoted for repeat on television.

Mr. GOODE: What would be the total cost?

Mr. GILMORE: Approximately $20,000 additional.

Mr. GOODE: Without the arrangement with the authors?

Mr. GILMORE: With no film agreement. This is an estimate without having a film agreement concluded.

*By Mr. Beaudry:*

Q. Would not the C.B.C. conflict with the functions of the National Film Board if they went into that type of thing?—A. That does not arise. Our main job is broadcasting.

Q. On the French network are your production costs fairly similar to those on the English network? That is what you seem to indicate in your original presentation?—A. Yes, they are similar.

Q. And you produce from time to time the same type of production in English and French? I am referring to "Sunday Night Theatre"?—A. Yes. It would be just the same order of costs.

*By Mr. Weaver:*

Q. Mr. Dunton, is a film made at the same time whether you have made an arrangement or not?—A. No, but there is a kinescope recording made which looks like a film but it is a recording of what appears on a special television screen and that type of recording is often called kinescope. It is made simultaneously and goes out to the other stations not connected by direct network.

Q. If in future you wanted to go into the extra rates and record it, you could do so from what you have already recorded?—A. Yes, although the present kinescopes are not too satisfactory for use or projection in halls. They can be used but if you are going into that sort of thing you should use a better system. We would usually have to make arrangements in advance with the unions and the people involved rather than suddenly turn around afterwards —of course, they might always agree to consider a particular case.

*By Mr. Hansell:*

Q. I do not know whether we should have a further explanation of the complicated setup of the relationship between the artists and author's union and the C.B.C. I appreciate Mr. Goode's inquiry because it does seem almost fantastic that unions can have so much power and can almost circumscribe the efforts of an institution like the C.B.C. or the National Film Board. There are so many complications in that subject and I do not understand them but may I ask this question. Would there be a film such as Hamlet that the C.B.C. could acquire from some commercial company in Hollywood or some place like that? Would there be any technical difficulties? Would the receiver not see a play that is on film just as readily as a live television production?—A. I think there are several differences. In the first place in general the only commercial feature films available for television are pretty old ones. The films of recent years just have not been released for television use and still cost money. The other difference is that it is a Canadian production using Canadian actors and efforts in general.

Q. Yes, I realize that. Your first reason is that the motion picture industry just does not release their modern up to date films because it would break into their motion picture revenues so they are not going to release them until they are pretty old?—A. That is the situation.

Q. I do not know how much the people in their homes who are looking at a film are concerned as to whether or not it is a Canadian production or some other production. There is a doubt in my mind as to how much they are concerned about that. If they were to be told that this just costs them 6 cents for the evening's entertainment they would not mind a bit but if they were told that the thing cost $30,000 to produce it might give them a jolt. Canada has the opportunity of producing television for itself or of importing it from other countries.

How are the artists paid? I can quite understand that in the case of an actor who is going to take the part of Hamlet that he is going to play that part and produce one play. I can quite understand that he figures he should be paid adequately if that is going to be shown more than once. He is in a somewhat different position from an actor who is employed by a travelling show, let us say, where he would be paid a salary and would give a performance every night and it would become more or less a stereotyped thing for him. What I would like to know is how are the actors paid? Would you employ a man like that at a salary for a year so that he would be available for any acting that you might require or do you contract with him for a special feature? —A. All the actors are contracted for on the basis of individual performances and then they are paid at least the minimum under our agreement with the actors council. Of course, principals get more than the minimum and they are paid according to the agreed amount for the performance and the minimum rehearsals and they are paid extra for extra rehearsals.

I must say that actors work very hard in television. They have to do a great deal of rehearsing and hard work.

Q. I quite understand that. Could you negotiate such an agreement as the one I suggested whereby you would pay the actor a salary on a yearly basis?—A. We have always thought it better not to work it that way and I

think there would be many objections to it. I think people would say that the C.B.C. are only using people who are in its stable and are not giving others a chance. I think most of the other broadcasting organizations also adopt this attitude and employ actors adapted to particular roles. I think in show business, or the performance business generally, that is the most satisfactory way of doing things.

Q. Of course, I can understand that policy being followed when we have just one broadcasting or television medium, but I am comparing it, for instance, with the motion picture business. In the motion picture studios they pay their actors on a yearly basis.—A. I think they pay some of their principals a great deal of money under contract in order to keep them.

Q. I realize that.—A. I think you will find most of the "not" principal actors are not on straight contract.

Q. Perhaps not. I fancy what happens in the motion picture industry is that an actor is either good or bad and very often we do not go to see the picture that has been produced but rather the actor who is taking part in it and that is why the big names are printed on the marquee of the theatres.

Mr. RICHARD (*Ottawa East*): Or we go to see the actresses!

Mr. HANSELL: Yes, and the actresses too, I must say! If there was competition in Canada that same thing might arise, might it not?

The WITNESS: In what way, Mr. Hansell?

*By Mr. Hansell:*

Q. If there were, let us say, half a dozen television companies or producers throughout Canada—A. There are a lot of producers; there are 19 private stations.

Q. All having their separate actors?—A. There are 19 private stations now.

Q. Do the unions enter into the picture, and restrict your operations?—A. I do not think they restrict our operations. They bargain with us for minimum rates that are paid but otherwise they do not restrict us. But on the question of having more opportunities for employing Canadian talent, I think Mr. Fleming brought out the television performance of any real broadcast costs a lot of money, $33,000 for a two-hour show is not at all out of the way—but how much production of that sort will the Canadian economy stand? We know that it will not take a great deal on a purely commercial basis; that is very obvious, because as you yourself have suggested, pretty attractive material can be imported very cheaply into this country. I think experience has shown that if the country does want a certain amount of production of its own using Canadian actors and writers, there must be some other means of extracting the one and one-half cents for supporting that in Canada. The cheap way to do it is to bring in film material from outside the country.

Mr. FLEMING: So we had better be looking for the elusive happy medium.

Mr. BEAUDRY: Could we not put on the record the rates that the artists are paid? Perhaps we are reckoning in our own minds the idea that the artists are getting tremendous amounts of money, and it seems to me the scales of pay should be put on the record to dispel any false impression which might have been created.

Mr. GOODE: I do not think you will dispel any false impression. We have heard evidence that the musicians' union is restricting the operations of the C.B.C. The C.B.C. tell me that they cannot afford to put another station in the Vancouver area because they do not have the money, or words to that effect. I know where some of this money is going.

Mr. HANSELL: There are stand-by orchestras and all that sort of thing; that is pretty expensive.

Mr. BEAUDRY: I do not think we have referred to stand-by orchestras so far. We were dealing with sound broadcasting when that came up.

*By Mr. Goode:*

Q. The money all comes from the same place. You told me you could not establish a station in British Columbia, because of financial difficulties?—A. Yes.

Q. Then I must find out in my own limited way what the financial difficulties are, and you explained it was the extra expense you have to pay beyond services rendered.—A. What we were explaining was what we would have to pay if we were to try and do some of the things you and Mr. Fleming suggested.

*By Mr. Fleming:*

Q. What things did I suggest?—A. You were talking about being able to release Hamlet on film outside the country.

Q. For repeats?—A. Yes.

*By Mr. Dinsdale:*

Q. Mr. Dunton said it was fairly cheap to import TV programs. Does that mean it is not necessary to pay performers' fees on TV programs imported from the United States, for example?—A. Most television programs coming into the country if they come on film—what are usually referred to as syndicated film television programs—are made for television especially and are simply available at rates in Canada or for use in a particular are. If shows come in on the network from the United States the Canadian system is paid for carrying them, both private stations and ourselves. The rates to use in Canada a program that has been used widely in the United States, are just a fraction of the cost involved in producing something here.

An hon. MEMBER: It is unfortunate we cannot import Canadian programs! We could get a lot of shoddy goods from other places.

*By Mr. Fleming:*

Q. It will not hurt Canadian programs to have some of them exported and we could thereby find a way of getting revenue from them.—A. That is very much in our minds and studies are now being conducted to see if there could be some way in which we might export some of our especially good programs and obtain some revenue from them, but there are all these complications that have to be worked through regarding rights and artists rates.

Q. I think we would all like to see a little of our Canadian culture exported for the benefit of others too.—A. Yes, and we would, too. We think it is important.

*By Mr. Balcer:*

Q. On an average week, for instance, how much do you spend on your own programs and how much do you get for broadcasting United States programs which are sponsored and for which you are paid? For instance, when you carry Ford Theatre I understand that you get paid for that?—A. Yes. Do you mean our own Canadian production?

Q. Yes?—A. Yes.

Q. And if you carried, for instance, the Gillette Cavalcade of Sports you would get paid for that from the United States?—A. Yes.

Q. Does the amount balance with the amount of money you spend for your own programs such as Hamlet?—A. No.

Q. What is the difference?—A. The Canadian system has no possibility of living just from commercial revenues because of the large costs of production in Canada per head per million population and because of the high cost of distribution across the country. I think that is probably the main reason the national system exists. Perhaps I could explain a little more fully, that on American network programs coming in the Canadian system gets comparatively little because of the agency commission, and the American network deducts a large part and the Canadian system gets only what is left. In the case of a Canadian-produced show the Canadian system, both public and private stations, gets a rather higher proportion of the time cost for the stations and the networks.

Q. If we take the Gillette Calvacade of Sports on Friday, how much does the C.B.C. get from the United States network to show that program?—A. In very rought terms we get . . . Our card rates are published for the network and then we would net a fraction of that—about under one-third of that amount—over our stations or the private stations.

Q. I am just trying to figure . . .—A. I might say the money comes through the American network but from a sponsor.

Q. What is the average revenue received by the C.B.C. from American sponsors from programs carried by the United States network, for instance?—A. It is difficult to get an average because so much is involved, but we could give you an example.

The CHAIRMAN: Do you mean the yearly revenue?

Mr. BALCER: No, take Ford Theatre last week, for instance.

The CHAIRMAN: Do you want an average?

*By Mr. Balcer:*

Q. How much did you get from Ford Theatre for carrying the play that came over the United States network for one hour?—A. Ford Theatre is a Canadian production.

Q. Take the Ed Sullivan show, for instance; that is Mercury.—A. We could add that up.

Mr. GOODE: What you want is the net profit?

The CHAIRMAN: No private conversations, please, for just a moment.

*By Mr. Balcer:*

Q. Could you give us an example?—A. Probably the Ed Sullivan show will be paying about $4,500 for the Canadian network, that is public and private stations. The net back to the system divided between the public, the C.B.C. and the private stations would be around 30 per cent of that, which would be about $1,500.

The CHAIRMAN: Is that satisfactory?

Mr. BALCER: Yes, that is what I wanted.

*By Mr. Beaudry:*

Q. That situation does not exist in relation to the French network stations? —A. No, in French we are practically self-sustaining.

Q. So that in French you are practically self-supporting?—A. A high proportion of the French network services are Canadian produced.

Mr. FLEMING: You spoke earlier about the fact that the film companies are unwilling to release old films. How old? Is there any set rule?

The WITNESS: It is matter of bargaining and the position or commercial policies of the various film companies, which will vary a good deal. Some of the English films which are released are more recent than some of the American films.

Mr. FLEMING: The recent ones would be released after they have finished their run?

The WITNESS: It is a question of policy.

Mr. WEAVER: To return for a moment to Mr. Fleming's question on exporting C.B.C. productions. Is that not simply accepting production risks, and accepting higher costs and going into the production field in competition with the rest of the world, if I may use that expression?

The WITNESS: You mean trying to do live productions in Canada?

Mr. WEAVER: No. The export of Canadian productions.

The WITNESS: Naturally any exports, especially if they are for sale on a commercial basis, will be competing with the whole mass of stuff available on the market. It is my belief that quite a few of our things would stand up well, but there are many difficulties involved.

Mr. WEAVER: It would be to my mind a question of overall policy; how would you resolve that question of policy?

The WITNESS: On a practical basis. If we thought we could make some money by doing it, we would. If we could not, we would not do it. Our main job is to serve the Canadian public.

Mr. FLEMING: I wish you could enlarge on that a little, Mr. Dunton, because it strikes most of us in this committee as desirable from two points of view that we should explore every possibility of export, first because we would like the world to know more about Canadian culture, and secondly because it would have the effect of spreading the cost of production of these very expensive programs. Would you therefore, enlarge on your answer, because this matter of export is a very important one. Will you tell us in detail what you are doing to explore all the possibilities of export?

The WITNESS: I have been reminded of one example of a fairly successful export—the Canadian football series last year.

Mr. FLEMING: How much did that produce?

The WITNESS: We did not actually get extra revenue, although, financially, we did all right out of it, but it helped to support the whole picture.

At present we are using for recording 16 kinescopes which are not a perfect means of reproducing or recording a performance although they do a pretty fair job, but such a process would usually have a fairly hard time competing against other material turned out by more expensive means such as direct optical filming or 35 mm kinescopes systems. Therefore one thing that is being explored is the possibility of putting some of our productions on film, or filming simultaneously to see how costs would work out on that so that we would have a product of better quality. That has to be explored, and the cost of it, and our people have also to go further into the question of the rights of the artists performing. I think there is a good chance that the artists's union would be more agreeable to easier arrangements for export. As I say we are considering these things, but there are technical difficulties which have to be worked on too.

Mr. FLEMING: You mentioned certain problems which you encounter. What about the countries to which we might be interested in exporting, such as the United States and Britain? I suppose those are the two logical markets that occur to one. What do you find to be their attitude towards Canadian productions on television?

The WITNESS: There are different circumstances existing in the two countries. The artists' unions in Britain and the States are just as restrictive —in the case of Britain rather more so—as in Canada. The B.B.C. have had great difficulty in making arrangements to have their material available in Canada, much to our regret. I think their musicians' union won't allow any export of television material. They have had long negotiations with the artists, but they are having difficulties there. I think that the B.B.C. in general would be very glad to take Canadian material in principle—of course, they would want to look at it and see how good the material is. But they have often taken things in sound from us, and I think they would be interested in quite a few of our television programs if we could offer programs of good quality and at a reasonable cost. In the United States you have three big and vigorous networks at work, with all of whom we have good relations and from all of which we take programs. I think that here again, in principle they would be glad to look at a Canadian program, but they are variable in their own commitments and it is a question of whether we had material available which would fit in with their needs.

Then there is the further possibility that we might get good shows available in some good recorded or filmed form at reasonable cost which we could offer to individual stations in the United States or in some other countries, and this question is being explored too, but there are many complications.

Mr. FLEMING: I think you might be interested to know, Mr. Chairman, that two years ago when I was paying a visit to the B.B.C. in London I was told by the engineer in charge of production that the night before they had shown a Canadian film. He said it was a film of a baseball match played in front of the parliament buildings. He understood those who took part were members of parliament and members of the Press Gallery. Apparently it had been a great success. So that the prospects depend, I suppose, on what you mean by Canadian talent.

The WITNESS: I think it is right to say that there has been comparatively little international exchange among television network organizations of material which has been produced. This is because of the various difficulties which I have mentioned. Most of the exchange has been in the field of the exchange of news, actuality material and that sort of thing. There has not been much exchange of studio production except between the United States and Canada —that is, coming into Canada. There is, of course, a good deal of international flow of material produced on film especially for television. This material is flowing round the world in increasing amounts because it was made originally as films, and the owners usually have very wide and full rights.

Mr. BEAUDRY: I would start from the original premise that in order to be able to sell something, first you have to find a buyer. Your natural buyer would be one of the American networks. Is it not true that most of these networks are dedicated—and I realize that might not be the right word to use in these circumstances—to commercial telecasting, at least during the more favourable commercial hours.

The WITNESS: That is the situation.

Mr. BEAUDRY: That being so, the network itself is not fully independent in the selection of material, which is to a great extent in the hands of the person who is going to pay for the material—the sponsor?

The WITNESS: Yes. On the other hand we have felt that possibly some of our lighter entertainment programs might do very well in the States.

Mr. BEAUDRY: But you would still have to find and convince an American purchaser that for his commercial purposes something produced in Canada would be better than something he could produce himself in the United States?

The WITNESS: Yes.

Mr. BALCER: What is the revenue for the C.B.C. from Canadian programs like Imperial Oil Hockey on Saturday nights?

The WITNESS: Would you please hold that question for a minute or two while enquiries are being made.

Mr. HANSELL: While you are considering revenues, may I ask this question? Where you said in reply to a previous question by Mr. Balcer that the C.B.C. got 30 per cent of the revenue of a certain program, am I to conclude that the private stations got the other 60 per cent?

The WITNESS: No. I was discussing the American network programs coming into Canada. The total amount for network and station time, approximately 70 per cent goes alsewhere—to advertising agencies, American networks and so on. 30 per cent goes to the Canadian system, that is to the C.B.C., and to the private stations carrying the program.

Mr. HANSELL: I see. When a private station carries a commercial television program what revenue do they get? Do they get any?

The WITNESS: Yes, they get in the case of American network programs going on a Canadian network practically all the revenue there is in respect of their station. The network is charged for according to the stations included in the network. There is a charge for each, and in addition a communication charge. The Canadian stations in the case of an American program get practically all the money which the sponsor pays and which does not go to other agencies or networks.

Mr. HANSELL: I do not know whether the picture is clear in my mind yet. We will take the sponsored program which Mr. Balcer mentioned—"Cavalcade of Sports". They advertise razor blades. You have a contract with the Gillette people I fancy to carry that television program on your network which is composed of your own television stations plus the independent stations. Now, please, would you follow through the financial contract without mentining any figures—I am not concerned about them. You can mention percentages.

The WITNESS: The network contract would depend very largely on the fact that a certain number of stations were to carry a program, against each of which there is an item for station charges. These are added together with a network communication charge, and that forms the charge to the sponsor for the carrying of that program on a specified network. Then of that amount, which is formed of the total of the stations' network rates and the network communications charge, about 30 per cent stays with the Canadian system, the C.B.C. and the private stations, and the stations get practically all—about 30 per cent—which is available for the Canadian system.

Mr. HANSELL: In that case you would not get very much?

The WITNESS: We and the private stations get rather less on the imported American programs than we do in connection with Canadian programs.

Mr. FLEMING: Is that card of yours too lengthy to put on the record?

The CHAIRMAN: You want this to be put on record, Mr. Fleming?

Mr. FLEMING: The rate card. I do not know what is on the back.

The WITNESS: The back shows particulars of various discounts and that sort of thing.

Mr. FLEMING: Would there be any harm in circulating copies of it among members?

The WITNESS: We have half a dozen.

Mr. FLEMING: I do not mean we should do so now, necessarily, but between now and the next meeting.

*By Mr. Beaudry:*

Q. To arrive at that figure of 30 per cent the sponsor buys through you station time for so many minutes. I am going to use theoretical figures. Let us assume that the total amount for sponsored station time is $4,000, to which will be added line charges which I will theoretically set at $500—so the original total charge is $4,500 for the total cost of a program coming from the United States and relayed here. Do I understand that you have a first discount which I will call the regional discount?—A. The frequency discount comes first.

Q. That frequency discount will be—I am going to use a fairly high frequency—10 per cent?—A. That is the highest we have in television.

Q. Let us use one at 5 per cent.—A. Yes.

Q. So we would deduct 5 per cent or $225 from that $4,500. So it would be $4,275 from which we would then take off the regional discount which could go as high as 20 per cent?—A. 20 per cent would be the top figure—that would include the French network. Actually 16 per cent would be more realistic.

Q. That mawes it a bit more difficult to figure. Let us call it $700. So you would be down to $3,575?—A. I have not been checking the calculation.

Q. I am taking $700 as being approximately 16 per cent of $4,275.—A. Haven't you forgotten something, Mr. Beaudry—agency commission, for instance?

A. I am coming to that.—A. Then you would knock off another 15 per cent?

Mr. FLEMING: Mr. Beaudry always overlooks the agency commission.

*By Mr. Beaudry:*

Q. We would knock off 15 per cent of $4,275. That is not quite right, because there is commission on line charges.—A. But it comes off near the top.

Q. So agency commission would run—without the figures being fully accurate—at about $400?—A. Nearly $600.

Q. $600. Would there be any further deductions? What I am driving at is this: when you were referring to 30 per cent of the original receipts were you speaking of the 30 per cent of the original rate card or 30 per cent of the actual money received at the network?—A. It works out at 30 per cent of everything. It is an American show, and you are forgetting the very large amount going to the American network.

Q. The amount which is paid to the American network?—A. The amount paid or withheld in the first place.

Q. Would it be a percentage?—A. No, just about the same 30 per cent.

Q. Not paid for by the Canadian sponsor?—A. There may be a charge for commercial "cut-ins" in Canada.

Q. Against that there would be another from the American network of $1,500?—A. It is about the same as comes to the Canadian system.

Mr. FLEMING: If we may get away for a moment from hypothetical calculations, could you bring us, at the next meeting, an actual calculation of revenue in respect to a couple of typical programs which go into the Canadian network from the United States. I think that might be constructive; it would be helpful if we could get some actual breakdown.

The CHAIRMAN: Have you any special programs in mind?

Mr. FLEMING: No.

The WITNESS: Yes, I will bring them here. I take it that you will not want the people concerned to be named.

Mr. FLEMING: That is all right. I won't ask you to identify them. I would just like to see some typical examples.

Mr. BOISVERT: How much does the C.B.C. get from the Imperial Oil for one performance of televising a hockey match? That will the answer to Mr. Balcer's question.

The WITNESS: We shall have that information in just a minute.

The CHAIRMAN: Do not go too fast. There has been a barrage of questions ever since that film was shown, and I am going to ask Mr. Dunton not to request any more films be produced before members of the committee because they provided too much material for questions.

Mr. FLEMING: Are you afraid of that?

The CHAIRMAN: I am not afraid of that, neither is Mr. Dunton or his C.B.C. officials.

The WITNESS: I am wondering if it would save time if I could produce those details for Mr. Boisvert at the next meeting?

Mr. BALCER: Why can't we get three periods to these Imperial Oil shows on Saturday night?

The WITNESS: I think that should be taken up in other quarters with the hockey authorities.

Mr. BALCER: A lot of people are asking that.

The WITNESS: We ask it ourselves, but the matter has to be taken up with the hockey authorities.

Mr. DINSDALE: Are any telepics maufactured in Canada?

The WITNESS: I think there have been one or two, but nothing much.

Mr. DINSDALE: No private firms interested?

The WITNESS: I think a lot of people have discussed it, but I do not think that anything much has come to fruition yet. There may be some coming along and we are anxious to co-operate with anyone who wants to turn out a useful series; will go a long way in working in with them.

Q. Can the National Flm Board enter this field?—A. We are using two series from them now, one done specially for television and one made up from older films originally made for other purposes.

Q. Can you use most of the National Film Board documentaries?—A. Most of their newer material, if it is for theatrical use is tied up for about two years and not available, but of course they make some things especially for television and we have first call on that.

Q. Can you use their "Eye Witness" series?—A. I think quite a lot of the stuff—the films—in "Window on Canada" has come from their other series.

Q. Are there any reserved rights or other difficulties in using N.F.B. material?—A. Usually those things are worked out by themselves. They simply offer their material to us at a price, and either we accept it or we do not.

*By Mr. Goode:*

Q. Can I ask Mr. Dunton to provide us at the next meeting with the net income with which the C.B.C. receives from our programs sold to other countries —programs originating on C.B.C.—and the income derived by American companies from American films shown over C.B.C.?—A. I think we can work that out. In one case it would amount to little or nothing.

*By Mr. Holowach:*

Q. I want to ask a question of Mr. Dunton concerning the relationship between the corporation and the unions, but I was unable to attract your attention because apparently everybody was very enthusiastic about the television picture. However, I would like to hear a little more about the subject I have mentioned. According to what you have explained to us, Mr. Dunton, it would

appear that the attitude of the unions determines to a great extent your position with regard to your programs and your productions. Would you say that is correct?—A. I would not say that. Most of the questions this morning have been concerned with whether we could do with some things which are not directly related to broadcasting to the Canadian public. If we want to use musicians or artists for broadcasting to the Canadian public then we are bound simply by the terms of our agreement or understanding with them.

Q. You gave us an example of a television production which might cost $30,000. That is for only one show. In the event that you wanted to give a repeat performance you have to pay substantially more. Is that correct? —A. That is right.

Q. Has any approach been made to these people in order to eliminate what I consider to be a very great discrepancy there?—A. These things are discussed for years and days and weeks and the position which stands at any point is a result of negotiations which have gone on in times past. Some are going on at this moment.

Q. It is quite obvious that this is a cockeyed relationship. Surely in the case of a cultural effort of that kind the union should make some modification of their position and enable such a play to be seen by as large an audience as possible.—A. It is rather hard for me to be in the position of either defending or attacking the unions . . . .

Q. I think the unions serve a very useful purpose, but it seems to me that in this case their attitude is not a correct one.—A. I think there are a lot of things to be said on their side, though as I said it is harder for me to be in the position of defending their position. I think their claim is that they sell their services for a certain use—say for broadcasting in Canada, just for a broadcast. Then they say if it is going to be used for other things, they should be paid extra; if it is going to be used again, more people are going to see it and there should be more pay for them.

Q. You gave us an illustration of a source of revenue for the C.B.C. when you mentioned the Ed. Sullivan show. In that case they pay us, do they not? —A. That is right.

Q. And the case of the opera performance from the Metropolitan Opera Company, who pays in that case?—A. On sound. That is sponsored and we get paid for carrying it.

Q. Are there agent's fees in connection with that contract?—A. Oh, yes, there are in connection with all contracts when there are sponsored programs.

Mr. HOLOWACH: Thank you.

*By Mr. Hansell:*

Q. When you use the term "repeat performance" you mean a live repeat?— A. No, we have to pay if it has been recorded over a kinescope recording. It would be possible to do a live repeat, if we did it fairly soon after the original performance, much cheaper than the cost of the original production, because of course the scenes and costumes would still be available, and there would be less need for rehearsal.

Mr. GOODE: With regard to these fees—are there any payments made direct from the C.B.C. to the head office of the musicians' union, or is this just a matter of negotiations between you and your employees?

Mr. BUSHNELL: Are you thinking of the head office in Canada? Our actual procedure is that we pay the musicians ourselves and except in cases where a stand-by fee is demanded we do not pay anything to the locals.

Mr. GOODE: Is this stand-by fee not paid to the musicians themselves but to the office of the musicians' union?

Mr. BUSHNELL: That is correct.

*By Mr. Carter:*

Q. Your studio productions—the production of "Hamlet" for example involves a very high cost, and the figure of $30,000 has been given. Would it be possible to give the committee any idea of what additional cost would be involved in making a film simultaneously with the production?—A. We have tried to estimate that. It is not an easy question to answer, Mr. Carter. The cost involved would have been at least $20,000 more. Then the practical question arises that a film and a television production are not made in the same way. The performance given before the television cameras is complete in two hours, but the production of a film usually takes very much longer than that, and it is handled in a different way. Production costs are a good deal higher—film production in general is more expensive than television production. That is why it would be hard to estimate any accurate figure in reply to your question.

Q. If you could have produced a film of Hamlet, say, for $100,000 it would be a very cheap production for a film of that type—the point I am trying to make is this: supposing that you found you would then be able to compete with other commercial productions . . .—A. There might be possibilities but if we were going to that expense we would surely be moving into real film production, and film production is not our business. I think we have enough trouble now. We are broadcasters. However, if we could develop some arrangement for exchange so that our material can be used in other markets and if we can get some satisfactory return for it, then obviously we shall be glad to do so. But I think we are probably leary about going into the production of films for the sake of producing them.

Q. The point I had in mind was that we are interested in exporting examples of our Canadian culture. It seems a pity that you would go to all that trouble and expense in arranging all the set-up there, and then for its use to be limited to the use you can make of it over your own television network. Would it be possible when you are producing a production of this type to enter into some arrangement with some Canadian movie producer who would rent your services or make some agreement with you to buy your services for his movie production?—A. You mean that he would move into our studios—or would we move into his?

Q. Whichever would be most convenient.—A. The essential thing is that in general there are two different forms of production.

An Hon. MEMBER: The technique is different.

The WITNESS: There are two different techniques and it would be very hard to combine the two. Our people are trying at the present time to work out some experiments for putting television shows on films, but basically there are two different techniques. I hope the point has not been lost, and that it will be remembered that shows such as the one we have been discussing are probably seen by as many or more Canadians than see most films—popular ones.

*By Mr. Carter:*

Q. I was just wondering whether there would not be a possibility of working out an agreement whereby both the C.B.C. and the Canadian movie producer would benefit, and it seems to me that such an arrangement would benefit the distribution of Canadian culture?—A. So far we do not know a way of doing it, but inquiries are under way to see if we can find a better way of recording some of our shows on film for use outside.

*By Mr. Beaudry:*

Q. Are there any permanent movie producers in the field?—A. Some people are anxious to get into production, and we would be happy to cooperate with them where that is possible.

Q. But today they are non-existent?—A. I would not like to make that positive statement because there have been some series turned out.

Mr. GOODE: May I move that we adjourn? It is a quarter to one.

The CHAIRMAN: Shall we adjourn?

Agreed.

Mr. FLEMING: I wonder if I could ask Mr. Dunton if he would bring some information to the next meeting of the committee? He has tabled a recapitulation of the number of the employees of the C.B.C. as at March 31, 1955. I wonder whether for the purpose of comparison he could bring us a table set up in the same way at March 31, 1953, and March 31, 1954, so that members of the committee may be able to see the increase in the number of employees engaged in television during this period and also have some idea of the effect on the number of employees engaged in sound broadcasting?

The WITNESS: Yes, I can do that.

The CHAIRMAN: Very well, we shall meet next Thursday morning and afternoon, and next Friday morning. We shall not meet this afternoon.

## APPENDIX "A"

1. Number of C.B.C. Employees as at March 31, 1955.
2. List of C.B.C. Personnel working in Talks and Public Affairs Programming.

### NO. 1

### CANADIAN BROADCASTING CORPORATION
### RECAPITULATION

Number of Employees as at
March 31, 1955.

| | National Service | International Service | Television | Total |
|---|---|---|---|---|
| Executive | 54 | 6 | 25 | 85 |
| P & A Service | 358 | — | 24 | 382 |
| Treasurer's | 248 | — | 27 | 275 |
| Program | 590 | 161 | 698 | 1,449 |
| Engineering | 621 | 23 | 544 | 1,188 |
| Station Relations | 21 | — | — | 21 |
| Commercial | 69 | — | 38 | 107 |
| Press & Information | 84 | 13 | 21 | 118 |
| TV Crafts | — | — | 348 | 348 |
| Totals | 2,045 | 203 | 1,725 | 3,973 |

### LIST OF C.B.C. PERSONNEL WORKING IN TALKS AND PUBLIC AFFAIRS PROGRAMME

| Name | Position | Location |
|---|---|---|
| Frank W. Peers | Supervisor | Toronto |
| E. S. Hallman | Assistant Supervisor | Toronto |
| Helen D. James | Assistant Supervisor | Toronto |
| A. P. Stinson | Program Organizer | Toronto |
| Catherine MacIver | Program Organizer | Toronto |
| R. L. Weaver | Program Organizer | Toronto |
| Eric Koch | Program Organizer | Toronto |
| Mrs. M. McEnaney | Program Organizer | Toronto |
| G. V. Cullingham | Research Assistant | Toronto |
| Mrs. J. M. Irwin | Clerk Departmental | Toronto |
| Mrs. N. Smith | Stenographer | Toronto |
| Mrs. N. Bell | Stenographer | Toronto |
| Mrs. A. Wilkie | Stenographer | Toronto |
| Miss L. Costello | Stenographer | Toronto |
| Miss E. D. Sherr | Stenographer | Toronto |
| Miss A. L. MacDonald | Stenographer | Toronto |
| Miss E. E. Day | Stenographer | Toronto |
| Miss M. H. Riebold | Stenographer | Toronto |
| Reid Forsee | Radio producer | Toronto |
| Miss M. D. Cox | Radio producer | Toronto |
| Gordon Babineau | Radio producer | Toronto |

| Name | Position | Location |
|---|---|---|
| H. E. Pope | Radio producer | Toronto |
| Miss M. Markham | Radio producer | Toronto |
| Miss C. McIntyre | Stenographer | Toronto |
| Miss D. J. Curry | Stenographer | Toronto |
| Ross McLean | TV producer | Toronto |
| Desmond Smith | TV producer | Toronto |
| Cliff Solway | TV producer | Toronto |
| David Walker | TV producer | Toronto |
| R. Holmes | TV production assistant | Toronto |
| A. H. Partridge | TV production assistant | Toronto |
| A. P. H. Scott | TV production assistant | Toronto |
| Beverley Bartlett | TV script assistant | Toronto |
| Moira Flaherty | TV script assistant | Toronto |
| Verna Israel | TV script assistant | Toronto |
| Mary Wraggette | TV script assistant | Toronto |
| Christa Erdei | TV research assistant | Toronto |
| Michael Tait | TV research assistant | Toronto |
| Mary Matthews | TV stenographer | Toronto |
| Edmond Labelle | Supervisor (French) | Montreal |
| Miss L. Simard | Radio producer | Montreal |
| P. E. Chayer | Radio producer | Montreal |
| Andre Langevin | Radio producer | Montreal |
| Jean-Guy Pilon | Radio producer | Montreal |
| Miss V. Morency | Stenographer | Montreal |
| Miss A. Gervais | Stenographer | Montreal |
| Miss M. Lafontaine | Stenographer | Montreal |
| Mrs. M. Howes | Radio producer | Montreal |
| R. V. McCormack | Radio producer | Montreal |
| Miss M. J. Archambault | Stenographer | Montreal |
| Raymond David | Supervisor, Radio-College | Montreal |
| Marcelle Barthe | Radio producer | Montreal |
| Jacques Landry | TV producer | Montreal |
| Francis Coleman | TV producer | Montreal |
| Claude Desorcy | TV producer | Montreal |
| F. D. Scott | Radio producer | St. John's |
| Mrs. T. Neary | Stenographer | St.-John's |
| H. R. Hatheway | Radio producer | Halifax |
| Miss M. C. MacDonald | Stenographer | Halifax |
| D. L. Bennett | Radio producer | Ottawa |
| Mrs. D. L. Pilcher | Stenographer | Ottawa |
| Jacques Normand | Radio producer | Ottawa |
| Pierre Normandin | TV. producer | Ottawa |
| Spencer Moore | Radio producer | Winnipeg |
| M. Hind-Smith | Radio producer | Winnipeg |
| Mrs. N. Pigeon | Stenographer | Winnipeg |
| Miss S. Welby | Stenographer | Winnipeg |
| D. Browne-Wilkinson | TV producer | Winnipeg |
| John Hirsch | TV producer | Winnipeg |
| John Wilson | Radio producer | Regina |
| Ernest Mutimor | Radio producer | Edmonton |
| R. W. Patchell | Radio producer | Vancouver |
| Mrs. B. M. Marsh | Radio producer | Vancouver |
| Miss J. G. Holland | Radio production assistant | Vancouver |
| Miss J. F. Grout | Stenographer | Vancouver |
| Daryl Duke | TV producer | Vancouver |
| William Inglis | TV producer | Vancouver |

HOUSE OF COMMONS

Second Session—Twenty-second Parliament
1955

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SPECIAL COMMITTEE

ON

# BROADCASTING

*Chairman:* Dr. PIERRE GAUTHIER

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MINUTES OF PROCEEDINGS AND EVIDENCE
No. 5

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THURSDAY, MAY 5, 1955
FRIDAY, MAY 6, 1955

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WITNESS:

A. Davidson Dunton, Chairman of the Board of Governors of the Canadian Broadcasting Corporation.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955.

57500—1

## SPECIAL COMMITTEE

## ON

## BROADCASTING

*Chairman:* Dr. Pierre Gauthier

*Vice-Chairman:* Mr. G. D. Weaver

and

Messrs.

Balcer
Beaudry
Boisvert
Bryson
Carter
Cauchon
Decore
Diefenbaker
Dinsdale
Fleming
Gauthier (*Nickel Belt*)
Goode
Hansell
Henry
Holowach
Kirk (*Shelburne-Yarmouth-Clare*)
Knight
McCann
Monteith
Reinke
Richard (*Ottawa East*)
Richardson
Robichaud
Studer

R. J. GRATRIX,
*Clerk of the Committee.*

# MINUTES OF PROCEEDINGS

Room 118,
THURSDAY, May 5, 1955.

The Special Committee on Broadcasting met at 11.00 o'clock a.m. this day. Dr. Pierre Gauthier, the Chairman, presided.

*Members present:* Messrs. Balcer, Beaudry, Boisvert, Bryson, Carter, Cauchon, Decore, Dinsdale, Fleming, Goode, Hansell, Henry, Knight, Monteith, Richard (*Ottawa East*), Richardson, Robichaud, Studer, Weaver.

*In attendance:* From the Canadian Broadcasting Corporation: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, W. G. Richardson, Director of Engineering, H. Bramah, Treasurer, R. C. Fraser, Director of Press and Information, G. Young, Director of Station Relations, W. Powell, Commercial Manager, K. M. Kelly, Assistant Director of Personnel and Administration, J. P. Gilmore, Coordinator of Television, D. Manson, Special Consultant, M. Ouimet, Assistant Director of Programmes and J. A. Halbert, Assistant Secretary.

The Committee resumed its detailed examination of the Annual Report 1953-54 of the Canadian Broadcasting Corporation. (*Television.*)

The examination of Mr. Dunton on the Annual Report was continued, Messrs. Ouimet and Richardson answering questions specifically referred to them.

The following documents, requested at a previous sitting, were tabled by the witness and copies distributed to members of the Committee:

1. CBC Television Network Rate Card.
2. A return showing the net proceeds from different types of a sample television programme—American and Canadian.
3. A recapitulation of the number of employees on the staff of the CBC, by divisions, as at March 31, for each of the years 1953 and 1954.

At 12.55 o'clock p.m., the Committee adjourned to meet again at 3.30 o'clock p.m. this day.

## AFTERNOON SITTING

Room 118,
THURSDAY, May 5, 1955.

The Committee resumed at 3.30 o'clock p.m. Dr. Pierre Gauthier, the Chairman, presided.

*Members present:* Messrs. Balcer, Beaudry, Boisvert, Bryson, Carter, Cauchon, Dinsdale, Fleming, Goode, Hansell, Knight, McCann, Monteith, Reinke, Richard (*Ottawa East*), Weaver.

*In attendance:* Same as at the morning sitting.

The Committee resumed its detailed examination of the Annual Report 1953-54 of the Canadian Broadcasting Corporation. (*Television*).



57500—1½

The examination of Mr. Dunton on the Anual Report was continued, Messrs. J. A. Ouimet, General Manager and M. Ouimet, Assistant Director of Programmes, answering questions specifically referred to them.

On motion of Mr. Hansell,

*Ordered,*—That a return showing the number of television sets in Canada, by regions, be printed as an appendix to this day's evidence. (*See Appendix "A"*)

At 5.25 o'clock p.m., the Committee adjourned to meet again at 11.00 o'clock a.m., Friday, May 6, 1955.

R. J. Gratrix,
*Clerk of the Committee.*

Room 118,
FRIDAY, May 6, 1955.

The Special Committee on Broadcasting met at 11.00 o'clock a.m. this day. Dr. Pierre Gauthier, the Chairman, presided.

*Members present:* Messrs. Balcer, Beaudry, Boisvert, Carter, Decore, Dinsdale, Goode, Knight, McCann, Monteith, Reinke, Richard (*Ottawa East*), Richardson, Robichaud, Studer and Weaver.

*In attendance:* From the Canadian Broadcasting Corporation: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, W. G. Richardson, Director of Engineering, C. R. Delafield, Director, International Service, H. Bramah, Treasurer, D. Manson, Special Consultant, R. C. Fraser, Director of Press and Information, C. Jennings, Director of Programmes, G. Young, Director of Station Relations and J. A. Halbert, Assistant Secretary.

The Committee resumed its detailed examination of the Annual Report 1953-54 of the Canadian Broadcasting Corporation (*Television and International Service*).

The examination of Mr. Dunton on the Annual Report was continued, Mr. J. A. Ouimet, General Manager, answering questions specifically referred to him.

At 12.50 o'clock p.m., the Committee adjourned to meet again at the call of the Chair.

R. J. Gratrix,
*Clerk of the Committee.*

# EVIDENCE

May 5, 1955.
11.05 a.m.

The CHAIRMAN: Order, gentlemen, we have a quorum. At the last meeting we were discussing the question of television. I would ask members of the committee, if it is possible—I do not know if it is—to discuss this question of television in a more orderly way by taking the subparagraphs in order. You have Television—that is the main paragraph—then you have subparagraphs dealing with music, variety, comedy, drama, religious programs, school broadcasts and so on. Do you think you could deal with the matter in this way?

Mr. FLEMING: We are so far into this subject that I was going to suggest that we might consider something a little more basic. I was going to ask more questions about basic policy with regard to licensing and television.

The CHAIRMAN: Is that not under the authority of the Transport Department? Would you not have Mr. Brown answer those questions?

Mr. FLEMING: Yes, in part, but I have some questions to ask Mr. Dunton.

The CHAIRMAN: Questions which do not relate to the Transport Department?

Mr. FLEMING: No. The Board of Governors, of course, has certain functions to carry out in regard to reviewing applications.

The CHAIRMAN: Then you will hold your questions until Mr. Brown is here—those questions which pertain to the Transport Department?

Mr. FLEMING: That is what we were doing with regard to the situation in sound broadcasting.

**Mr. A. Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation, called.**

*By Mr. Fleming:*

Q. Mr. Dunton, as things stand at present the Board of Governors is responsible for the hearing of applications for television licences?—A. We hear them before we make a recommendation on the applications.

Q. It is the function of the Board of Governors to hear application and to make a recommendation to the Transport Department?—A. That is right.

Q. What are the instructions under which you are operating in that respect from the Department of Transport?—A. None in particular.

Q. Can you give us a definition of the policy within which you are operating in hearing applications? There are some which I believe you are simply holding in suspense.—A. There are no inctructions to us. In making recommendations we do not take instructions. We make our own recommendations. I think, however, that you are thinking of applications which for some years have not been referred to the board—or not accepted by the department, it might be more correct to say.

Q. Do I understand that the Board of Governors has heard and disposed of, in some way or other, all applications which have been referred to it by the Department of Transport?—A. Yes.

Q. Are there none which you are holding in abeyance?—A. No.

Q. You have either accepted them or rejected them as far as your recommendation is concerned?—A. As I think you are aware there were some years ago some television applications which reached us and which for various reasons were not acted on. Since that time applications in those areas like Montreal, Toronto and Vancouver have not been referred to us.

Q. They were suspended. They were on file, but you did not dispose of them?—A. Since the general licensing policy of the government was announced applications for those areas have not been referred to us.

Q. To whatever extent they were before the Board of Governors at one time, they have been sent back to the Department of Transport?—A. I think so. We probably have records of it. But as far as we are concerned they are being dealt with—or not being dealt with—by the department. If at any time the department should refer them to us we should make a recommendation.

Q. With regard to those applications which have been referred to you and which you have dealt with, what are the principles on which the board has proceeded in recommending that a license should be granted, or that there should be a rejection?—A. The usual things such as the suitability of the applicant—whether it appears to the board that the applicant is likely to operate a good television service—and whether the applicant will extend the coverage of the national service. It is understood in all of the applications which we recommend that a mutual obligation is undertaken: by the station to carry the national program service supplied by the national system, and by C.B.C. to supply that national service. One of the things we look at of course is whether the station will extend the national system.

Q. In considering the suitability of the applicant what factors do you take into account? Do you give any credit for the operation of a sound broadcasting station?—A. That question has come up. The board will not say automatically that the operator of a sound broadcasting station should or have reference, be approved but it is perfectly open to hear that argument put forward by such an applicant, namely that that is a special reason why he should be given a licence. But we think it would be improper to have any rule or policy of preference for people already operating sound broadcasting stations.

Q. Do I take it then that while that is not a conclusive consideration in favour of the applicant, nevertheless the fact that he has experience as a sound broadcaster and has operated satisfactorily for a time in that capacity is regarded as in favour of the suitability of the applicant to be granted a television license?—A. It is a point which he could put forward and which would be given weight according to the circumstances.

Q. It is a point which has some weight given to it?—A. Yes.

Q. I suppose it would bear on the earlier consideration you mentioned, namely whether the applicant is likely to be capable of providing a high quality of service?—A. That would be one factor.

Q. With regard to the matter of extending national coverage—what is substantially the basis on which you approach that question in dealing with an application?—A. That it will extend coverage of the national television system in Canada—the system as a whole—with a minimum of duplication of services. As we understand it the licensing policy of the government is to spread television services as widely as possible. Therefore in our recommendation we endeavour to keep duplication of services to a minimum and increase the extent of the service to a maximum.

Q. You used the expression "the television licensing policy of the government". What particular statement of that policy did you have in mind to which you are seeking to give effect in this regard?—A. There have been several statements by the Hon. Dr. McCann on behalf of the government. In December 1952, I think.

Q. Was that statement made in the House of Commons?—A. In the House of Commons. I think that explained the government's part of the licensing policy.

Q. Is that the complete answer?—A. I am just trying to think if there were some other statements clarifying it more.

The CHAIRMAN: You do not want Mr. Dunton to discuss government policy.

Mr. FLEMING: No. He does not make policy. But I was going to touch on that point.

The WITNESS: I think so far as we are concerned our understanding is based on that statement. That does not mean there are instructions to the board. We see it as a statement of government policy, the government being the licensing authority through the Department of Transport. In our recommendations we try to carry out the purpose of extending the national service as widely as possible.

The CHAIRMAN: Mr. Fleming, members sitting in the far corner of the room complain that they cannot hear everything. I would ask you to speak up, please.

*By Mr. Fleming:*

Q. In what form does the Board of Governors take note of that statement of government policy? Has it been communicated to them in any form or do they just read it in *Hansard*?—A. Just the *Hansard* record—that is the communication.

Q. You have had no communication from the government in any form setting forth that policy? I take it you are simply operating on such information with regard to government policy as you have gleamed from the reading of the statement in *Hansard*?—A. I cannot think off-hand of any other communication. Naturally we have discussed these matters with the proper government authorities, but I think, in our view, that the general licensing policy of the government is very well understood, and that is a government responsibility. We operate within that policy and try to do our best with the recommendation.

Q. I quite understand, Mr. Dunton. You do not make the policy. Since you are a review body you have regard to the policy in making the recommendations which you do make to the department of Transport which actually does the licensing. But I was just wondering whether in your approach to your duty in this respect you simply act on the statement made by Dr. McCann in the House of Commons or whether it was communicated to you by the government in some more direct way?—A. I cannot think of any other more direct way of communication.

Q. If there is anything documentary on the subject would you look it up and let us see it at a later meeting?—A. Yes I will do that.

*By Mr. Hansell:*

Q. On that point, Mr. Chairman, there would be, would there not, close liaison between the C.B.C. and the government through Dr. McCann?—A. In what respect?

Q. In respect of policy. A. You mean licensing policy?

Q. It would apply to any policy that might be changed.—A. The policies and operations of the corporation are very much our own.

Q. Mr. Fleming indicated that the government had intimated to the House that there was going to be a change in the television licensing policy. What Mr. Fleming is asking is whether there is any documentary evidence that that policy was communicated to you? What I am trying to say is: would

there not be continual conferences going on between yourselves and the appropriate minister?—A. There would naturally be discussions at that time about the general development of the national system and the licensing policy which might be adopted and our side of the development operation and the physical extent of the operation.

*By Mr. Beaudry:*

Q. Further to that question, Mr. Dunton—I realize this may be rather outside the range of this present discussion—is it determined now how many channels are available in Canada?—A. Yes. It has been determined for a long time. In the V.H.F. band there are 12 channels available which as you know may be repeated in a pattern as worked out by the Department of Transport, within 250 miles of the United States' border under agreement with the United States authorities.

Q. Has it been determined how many of these channel patterns are now possible or are likely to be possible over a period of years.—A. My understanding is that there is an allocation planned by the Canadian authorities with the necessary agreement with the American authorities to make the best use of the channels, given the technical conditions which must apply and the distribution of population in Canada.

Q. Has it been technically determined what number of subdivisions of these channels is likely ever to exist?—A. I do not think it is quite a question of subdivisions—it is a question of using a channel in one area and then using it in another area; there must be a separation between the stations on the same channel and stations on a side-channel. Can I ask the Director of Technical Services to outline the limitations?

**Mr. W. G. Richardson, Director of Engineering, Canadian Broadcasting Corporation:**

It is a little difficult, gentlemen, to outline this, for the agreement is set up in terms of decibels between basic signals and interfering signals. It is almost impossible to bring it down to a matter of mileage separation as we are able to do in the case of the standard broadcast band. I think the details of that agreement are administered by the Department of Transport, and the answer to the question will probably come better from one of their officers.

Q. I will leave my question until later then, Mr. Dunton.

*By Mr. Studer:*

Q. How is it determined when and where the C.B.C. establishes its own stations? At Vancouver for instance we have a station owned and operated by the C.B.C. Two other provinces have privately owned stations. There is a privately owned C.B.C. station in Winnipeg. On what basis is it established where you will or will not set up a station?—A. When we in the past have wished to establish a television station we have applied to the government for the necessary authorization and licensing permission, and of course we have had to have the financing available. Therefore it is a government decision as to whether a C.B.C. station can be established, subject to our applying for approval.

Q. The people at Vancouver, for instance—did they apply to the C.B.C. for consideration of whether a station could be established, or does the C.B.C. say: "here might be a good place for a station."—A. If it is a question of establishing a C.B.C. station the corporation thinks, for instance, that they should have a station at Vancouver and would apply for permission to establish one.

Q. This may be a question on the technical side, but is it not true that the fringe boundary of the telecasts we have at present is about 80 miles, depending on the situation of the transmitter?—A. It is not often that good service goes beyond that. There may be some cases where it would.

Q. Height has something to do with it, and power as well?—A. They both have.

Q. I was wondering if it is in order to ask the engineers if there is a prospect of extending the limits of these transmissions—is there some prospect in the future, due to engineering or scientific development, of extending that range to 150 or even 200 miles?

Mr. OUIMET: We have learned from experience not to try to predict what may be done technically in the future. However, it does not seem likely that with present methods, or those which we can foresee, the radius of television transmitters can be extended to the distance you have mentioned. It is always possible by increasing height of the transmitter to achieve greater distances, but generally it is not a technical problem but a financial problem. Theoretically it is possible to build very high transmission masts of 2,000, 3,000 or even 4,000 feet in height which would greatly extend the radius of coverage. When you have mountains available it is relatively easy. As a matter of fact it is possible to use aeroplanes with airborn transmitters, and have transmission from a height of 30,000 feet which I believe would give a coverage of at last 200 miles in each direction—or a circle 400 miles in diameter. This was proposed some years back; it was tried, and it worked, but it is purely a question of economics as to whether it should be used. As with all such things it might become possible to have transmitters with exceptionally wide coverage, but it may turn out also that such arrangements would not be so economical as a greater number of lower powered transmitters.

Q. In connection with decisions with regard to whether a station should or should not be established, is there a minimum number of people taken into consideration within the area to be serviced—is there a minimum population in mind, based on which the erection of a station is considered; for example a minimum of 100,000?

The WITNESS: With regard to a private station, when an application comes before us the board tries to satisfy itself that there appears to be an economic prospect of sufficient business to support a good broadcasting service. We have certainly not yet discovered any minimum population which will support a station, partly because the success of an undertaking depends on different types of operation, and television is changing very fast. Some stations have gone to areas of relatively small populations, such as Brandon and Sudbury. I think the people on the private side of television and ourselves can only learn from experience. We expect that there will be a development in the provision of lower powered stations which could be built and operated relatively cheaply and which will, of course, involve lower overhead charges. Thus there may be more private stations operating on that account, and the C.B.C. may be in a better position to extend service where it seems desirable to areas of smaller population through these relatively low powered transmitters.

Q. The C.B.C. in other words consider the service together with the possible revenue, with more emphasis on the service than on the revenue?—A. So far as television itself is concerned we would like to see the service brought to every Canadian either through the C.B.C.'s own facilities or through private stations. Then we take account of how many areas will prove economic for privately owned stations, and of what funds we shall have available in the future for the establishment of repeater transmitters in outlying areas. In a case like that where one is considering the matter on

the basis of the funds of the national system and the desirability of trying to serve every Canadian, we find quite naturally, usually, to use our money to serve the greatest number of people possible.

*By Mr. Robichaud:*

Q. In the north of New Brunswick and the Gaspe coast there is an estimated population of between 200 and 250,000 who are not presently served by television. Would Mr. Dunton tell us if there has been any application received from a pricate station in that area to set up a television transmitter, or has the C.B.C. itself given any consideration to establishing a station?—A. We have not received an application in the department and I have not heard of any being made. With regard to the C.B.C., at the present time we are authorized only to establish the seven stations which we have now and the one in Ottawa which is still to come into operation and that is the limit of our authorization. The corporation would like in the time ahead if we have the funds available to establish some low powered relays to fill in some of the gaps in the system as it has developed, but we are not in a position to do that now. We have not the authorization, nor at the moment have we the money in sight.

Q. It appears that a station in the centre of the Gaspe coast could serve this entire area. Has no request been made to the C.B.C. for the establishment of such a station?—A. No. None has reached us.

Q. I would certainly like to put one on record now.—A. Such a request would go to the Department of Transport. We would get it when it was a properly processed application in good form.

By Mr. BOISVERT: Q. Following up Mr. Robichaud's question, did you receive any application from a private station for the establishment of a television station in Montreal?

The WITNESS: I think I explained earlier that for some time they have not been accepting applications, public or private, from areas where there one station public or privately owned.

By Mr. GOODE: Q. What channels are available now on the mainland of British Columbia?—A. That is a Department of Transport matter but I think we can give the information at second hand. These are only V.H.F. channels, that is standard regular television: channel 3 for the Chilliwack area, and eight and ten in the Vancouver and New Westminster area, and six in Victoria.

Q. And numbers two is occupied by yourselves now?—A. Just one—channel 2.

Q. What was the last one you mentioned?—A. Six.

Q. What was that for?—A. Victoria.

Q. So you have eight and ten free in Vancouver?—A. Yes.

Q. What applications have come before the C.B.C. Board of Governors in regard to an application for a privately owned station to cover eight and ten?—A. None. As I have been explaining, the Department of Transport has not been sending us applications for areas served by any stations, public or private, for some time.

Q. Has there been any correspondence between the C.B.C. and people interested in establishing a private station in British Columbia?—A. Yes, a number of people have written, but the proper procedure is for an application to be made for the proper form to the Department of Transport.

Q. If all the conditions were met about which you spoke to Mr. Fleming, such as the suitability of the applicants, et cetera, is it a fair question to ask what would be the attitude of the C.B.C. to the establishment of a private

station on the lower mainland?—A. There you get into the question of licensing policy as applied to the acceptance of the applications. We are receiving none from any area where there is a station, and it is my understanding that the department is not accepting applications under the general government policy.

Q. I think I am correct in saying that there has been some correspondence between the C.B.C. board of governors and some people who want to operate private stations on the lower mainland?—A. I think we have a few, but in answering we explain that they have to deal with the Department of Transport. An application only comes to us for recommendation.

Q. May I ask that these respective applicants be put on the record either today or at some future date? I am referring to people who have applied.—A. I would like to suggest that anyone can write to us, but we are not the people to whom they should write in respect of television applications.

Q. I am not arguing your policy at the moment although I might take that opportunity at some future date, but you have said that the C.B.C. board of governors takes the attitude that these people must be qualified. I would like to know how many of these qualified people from British Columbia have had correspondence with the C.B.C. board of governors and what the C.B.C. has done about the prospective applications?—A. I can tell you right now, Mr. Goode, that all we can say in general to people is that all applications must be made to the Department of Transport.

The CHAIRMAN: You could ask this question of Mr. Brown, could you not?

Mr. GOODE: Yes, I am going to ask Mr. Brown a lot of questions, but I would still like to know the attitude suggested in the correspondence between these applicants and the C.B.C. I do not think I am asking for too much, because I am of the opinion, rightly or wrongly, that the C.B.C. board of governors have some influence on the Department of Transport in regard to the giving of TV licenses. I could be wrong, but that is my opinion. I would like to know what has been said in regard to these applications, or the reply to the letters that have come from the people in British Columbia. I think it would be only fair to have this correspondence put on the record, and I am asking that this be done.

The CHAIRMAN: All the correspondence?

Mr. GOODE: No, let us limit it to the beginning of 1954.

The WITNESS: As the committee wishes, Mr. Chairman. It is simply a question of producing correspondence from different individuals or organizations which would be unofficial because it would be addressed to the wrong place.

The CHAIRMAN: When you receive correspondence making application for a TV station you have to refer the applicant to the Department of Transport?

The WITNESS: Yes, we explain that the application has to go to the Department of Transport.

The CHAIRMAN: Your answer is this: "Make application to the Department of Transport".

The WITNESS: Something along those lines, yes.

Mr. GOODE: I do not think I am being unfair in asking that this correspondence be put on the record, Mr. Chairman, because there are some bona fide applications in that corespondence, and I want to know who the applicants are. I would hope that Mr. Dunton would go along with me on that. I have a very good reason for asking.

The CHAIRMAN: Do you not think you could obtain this corespondence from the Department of Transport?

Mr. GOODE: I will ask them, too.

The CHAIRMAN: But if you have already obtained that information from the chairman of the C.B.C.—

Mr. GOODE: As I have already explained, I think there is a connecting link between an applicant who comes before the C.B.C. board of governors and the final attitude of the Department of Transport, and if I could get those names on the record from the beginning of 1954—there will not be too many —I would like to have them.

The CHAIRMAN: I am in the hands of the committee. Does the committee wish to have this correspondence placed on the record?

Mr. FLEMING: I do not think Mr. Dunton has any objection to producing correspondence, but the question of whether or not it should go on the record should be decided when the volume of the correspondence is known.

The CHAIRMAN: What I am trying to avoid is a duplication of questions.

Mr. FLEMING: Would not the sensible course be to have Mr. Dunton produce the correspondence for Mr. Goode's reading, and then if there are any parts of it that should go on the record, we can deal with the question of putting it on the record at that time.

Mr. GOODE: That would satisfy me.

Mr. HANSELL: I have no objection to that, Mr. Chairman, but we may be creating a precedent here.

Mr. CAUCHON: That is it.

Mr. ROBICHAUD: Is it correspondence or names?

Mr. GOODE: I just want the names.

Mr. BOISVERT: That is a different story.

Mr. GOODE: I had to ask for the correspondence in order to get the names. If Mr. Dunton chooses to give me the names, I would be most satisfied.

The CHAIRMAN: Would it be agreeable to the committee to ask for the names?

Some Hon. MEMBERS: Agreed.

*By Mr. Hansell:*

Q. Following Mr. Goode's question, there is a relationship we know between the Department of Transport and the C.B.C. in respect to granting licences. May I ask this question: does the Department of Transport grant any licences for a TV station without the recommendation of the C.B.C.?—A. Under the law all applications have to be referred to us for a recommendation, yes.

Q. So there is no question about thinking whether or not there is a relationship—there is one. No application is ever accepted except on the recommendation of the C.B.C.?—A. May I just comment that there is no guarantee that a recommendation of ours will be accepted.

Q. That is true.

Mr. FLEMING: Have you ever known one that was not?

The WITNESS: Yes, in St. John's, Newfoundland, last year. We recommended that the Canadian Broadcasting Corporation be allowed to put a station there, and the licences went to another applicant.

*By Mr. Fleming:*

Q. Have the other applications been before the board of governors?—A. Yes.

Q. So that the C.B.C. board of governors was reviewing the application from an applicant and it was at the same time wanting to put in a station

for itself on the same channel and at the same place, is that right?—A. Yes. I could put it this way. We had considered this matter at considerable length from the point of view of the national system, and the C.B.C. facilities. The private station application was heard once and then deferred, and the board held a meeting in St. John's, Newfoundland, trying to size up the whole situation right on the spot, and out of that we made the recommendation, but the approval was different.

Q. In that case which application was filed with the Department of Transport first, the application of the C.B.C. or the application of the private applicant?—A. I suppose we are not in a like position. We do not have to file a formal application the same way as a private station does.

Q. Would that apply to any application which comes before you?—A. Yes.

Q. In any application coming before you from a private applicant, the C.B.C. has the opportunity without actually itself formally filing an application with the Department of Transport to decide that it wants the same channel in the same place for one of its own stations?—A. We can make that recommendation. It is one of the important powers we have.

Q. And in the illustrative case you mentioned in St. John's, Newfoundland, the board sitting in that position recommended to the Department of Transport that the C.B.C. should be given the licence for the station and that the private applicant's application should be rejected?—A. Yes.

Q. That is what happened?—A. Yes.

Q. And the Department of Transport in that case rejected your application and awarded the licence to the private application?—A. I might say our recommendation was to the effect that publicly owned facilities should be established there, but if not the application of the private applicant should be approved.

Q. It was your second choice if your first choice was rejected?—A. Yes.

Q. And if your first choice was rejected, you recommended that your second choice be approved?—A. Yes.

Q. Could that situation arise in any other place at any time?—A. I think an important idea of the conception under the Broadcasting Act is that under the national system we have the power and the duty to make recommendations about the use of frequencies and the establishment of stations both public and private, so a recommendation of ours can come at any time.

Q. That is the point I wanted to clear up, and I think it is clear that what happened in reference to Newfoundland could happen elsewhere in Canada at any time?—A. Yes. I think these were very particular circumstances in Newfoundland and the way it happened there is unlikely to happen again.

Q. But under the setup we have now it could happen elsewhere at any time?—A. Yes.

Q. When I was questioning you earlier there were one or two points which we did not clear up before the questioning led to other subjects, and may I now take you back briefly. In reference to the policy under which you are operating as a body to review applications, you told us that the C.B.C. had conferred with the proper government authorities. Who are they?—A. The minister with whom we deal in respect of broadcasting, Dr. McCann.

Q. That is the only channel you refer to?—A. Yes, that is right.

Q. Now, in regard to the C.B.C. stations, have you any plans for enlarging the number of stations beyond the seven you referred to?—A. We have no plans as I explained earlier, but we think it would be a desirable thing if it could be done practically from a financial point of view in the future to establish lower power transmitter relays to extend the coverage.

Q. You mentioned the low power relays. I was rather coming back to the matter of originating stations?—A. We have no plans at the present time, and no authorization for any other stations.

Q. How far have your early plans gone in connection with the proposed low power relays to supplement the seven existing C.B.C. stations?—A. Not very far. It is at the investigation stage. I think several manufacturers are working on technical equipment and our engineers are studying them, and therefore we hope to get a better idea of the cost of operating them within the next few months.

Mr. DINSDALE: What is the estimated cost of a low power relay unit at this time, have you any idea?

Mr. OUIMET: As matters stand a complete station would cost in the neighbourhood of $60,000 up to $70,000 or $80,000, depending of course on how low the power is. We talk about low power transmitters, but how low is one of the points that has not been settled yet. We do not know what the standard equipment will be, and what the actual cost will be.

Mr. BALCER: Is that what they call satellite stations?

Mr. OUIMET: Not necessarily. A satellite station is a station which extends the service of another station. We are speaking of low power transmitter stations which could act as a satellite or could give service in an area where there is no service at all.

Mr. DINSDALE: What personnel would be involved in manning a repeater station?

Mr. OUIMET: That is one of the questions that has not been settled, and that is one of the important factors in the cost of such stations.

Mr. FLEMING: I take it that you are not in a position to indicate yet, Mr. Ouimet, the approximate number of low power relay stations that might be required?

Mr. OUIMET: No, we cannot do that until we know the cost of each unit. We would not be in a position to determine whether we should work with a greater number of lower power units or a small number of higher power units. This development is something fairly recent, and a number of manufacturers have been working on this type of equipment for the last year It has other uses than for our own broadcasting purposes. It can be used for certain military applications and others, I believe.

Mr. BRYSON: Mr. Chairman, concerning this question of ability to pick up TV signals let us say in a fringe area or an area outside a fringe area, I wonder if the department has had any applications from individuals in a fringe area or out of a fringe area for permission to provide facilities where they might be able to pick up signals and then have a charge per month to relay signals out to set holders throughout a small town by way of a line?

Mr. OUIMET: This would be referred to the Department of Transport; that would not come to us.

Mr. RICHARDSON: Mr. Chairman, what range have the satellite stations of which you are speaking?

Mr. OUIMET: The low power relay transmitter type?

Mr. RICHARDSON: Yes.

Mr. OUIMET: It would be a limited range, depending on the power we would use. You see, this is all relative. We talk about low power relay transmitters as distinct from a high power station. Well, it could be half the power or one-tenth of the power or one-one thousandth of the power. What we are talking of is in the range of 40 watts or 50 watts instead of perhaps 5,000 watts, and the range would depend mainly on the height of the antenna, and there again it is more a problem of economics than a technical problem. Someone with a very low power transmitter could place an antenna on top of a thousand foot tower and get quite a range, but then the tower would be much more costly than the transmitter.

Mr. RICHARDSON: Mr. Chairman, are these stations original broadcasting stations themselves, or just relay stations?

Mr. OUIMET: They could be either, but generally speaking they would be used to relay.

Mr. RICHARDSON: To boost?

Mr. OUIMET: To relay something coming directly from the network, otherwise the cost of local origination would be too high, such low power relay transmitters would be used in areas of small population, and you could not justify the high cost of the studios to feed these transmitters with their own programming.

Mr. HANSELL: Do I understand that the householder can tune in to a relay station?

Mr. OUIMET: Yes, as they would be on the regular TV broadcasting band. It is suggested that there may perhaps be some misunderstanding with respect to the lower power relay transmitters which are what you might call miniature broadcasting stations, generally with a lower antenna, lower power equipment, and generally keeping all costs down, but giving a limited coverage. These transmitters would relay the programs fed to them from the network. That is not the same thing as what we call microwave relay stations of the network itself, as operated by the wire companies or telephone companies. In that case, relay stations are used every 40 miles to relay programs across the country, but these programs cannot be heard or picked up by people with receivers who might be in the neighbourhood. The reason this cannot be done is simply that the frequencies used for the relaying of programs from city to city across the country are extremely high. They are called microwaves. They are not receivable by standard receivers. It would require very expensive equipment to receive such signals, which also are generally beamed. They are not radiated all around in all directions. They are concentrated in a very narrow beam towards the next relay point.

Mr. RICHARD (*Ottawa East*): Mr. Chairman, in Ottawa do we have a relay or a broadcasting station?

Mr. OUIMET: The Ottawa station is a broadcasting station which originates its own programs although at the moment the number of programs it can originate is limited by the fact that we have to originate these programs outside our own premises. Permanent studios are being constructed, and we hope that they will be in operation within the next few weeks.

Mr. RICHARD (*Ottawa East*): I was going to ask that question. When do you expect the French and English stations to be in operation in Ottawa?

Mr. OUIMET: The English station is in operation now; that is the bilingual station is in operation now. This one will continue in English. The French station, CBOFT, is under construction now and should be ready, we hope, by the end of June or at the beginning of July.

Mr. RICHARD (*Ottawa East*): They will not be transmitting simultaneously?

Mr. OUIMET: They will transmit simultaneously.

Mr. RICHARD (*Ottawa East*): But they will not be on the air at the same time from the new tower?

Mr. OUIMET: Oh yes. One is already on, and has been since May, 1953.

Mr. RICHARD (*Ottawa East*): On the new tower, I mean?

Mr. OUIMET: On the new tower—that is another problem. We are transmitting now on a temporary tower, and the new tower should be ready for the CBOT station, the one already operating, within a matter of weeks.

Mr. RICHARD (*Ottawa East*): Will it continue to be a bilingual station?

Mr. OUIMET: It will continue to be a bilingual station for a few more weeks until we start with the French station and have two stations.

Mr. RICHARD (*Ottawa East*): What will be the power of the new station—5,000 or 10,000?

Mr. OUIMET: You have to distinguish when you talk about the power of stations. There is the power of the transmitter and the effective radiated power of the station which is the power of the transmitter multiplied by the gain of the antenna you use. The two stations will be of about the same power of the station which is the power of the transmitter multiplied by the radiated power.

Mr. RICHARD (*Ottawa East*): And the normal range would be about 60 miles?

Mr. OUIMET: Yes, at least 60 miles. Again it depends on the terrain and whether or not there are mountains. In certain places it will go much further than 60 miles and it may extend for 70 or 80 miles, but in other places where the interference is high, as it is in cities, reception may be difficult at 60 miles.

Mr. RICHARD (*Ottawa East*): When you say that this is an originating station do you mean that the programs come from Toronto or are relayed?

Mr. OUIMET: The way we operate the whole system is that we have a number of feeding points, or studio production points. Ottawa is one of them. Ottawa, of course, will not produce as many programs as does Toronto or Montreal simply because it is a smaller city, and generally speaking it does not have the same resources in terms of program material as has a city 5 or 10 times its size.

Thus we have programs from various cities in the country; from Vancouver, Winnipeg, Ottawa, Toronto, Montreal, Halifax and from many other points where we can get a program. These are fed to the network, and all the transmitters on the network may relay such programs, but at other times they may be transmitting a program which is made specifically for the city itself instead of being a network program.

Mr. BALCER: Mr. Chairman, I am quite sure you are aware of the situation in the Three Rivers region as far as reception is concerned, and some representation has been made about that. We hope to have either a satellite station from the C.B.C. or what you call this type of transmitter, the power relay transmitter, in the Three Rivers region. Can we expect that in the near future?

Mr. OUIMET: May I comment on the first part of your question? You suggested that the reception in the Three Rivers area, which is a large area, is not very good and that is quite correct. Unfortunately, Three Rivers, one of our large cities, is situated between two transmitters and is no the fringe area of Montreal and the fringe area of Quebec. Like a number of other localities, Victoriaville, Drummondville and Grand Mere for example, it was never intended that they would be served by the station in Montreal, but it turned out that the interest of the public was so great that many people were willing to erect fairly elaborate antennas in order to get whatever they could from Montreal.

Mr. BALCER: There is about $10 million invested in private sets, and antenna in the region.

Mr. OUIMET: It is remarkable to what extent the public will go to get television reception. At the moment as far as the C.B.C. is concerned, as the chairman has said, we have authority to establish stations only in six centers. We have no plan to establish a station anywhere else, whether it be in Three Rivers or in any other part of the country at the moment. But we are looking

into the possibilities of these low power relay transmitters to fill in the gaps where C.B.C. or private stations do not operate. I would say, however, that in the case of Three Rivers a low power relay transmitter should be considered only as a last resort. This city and this area should, I believe, have a station of its own.

Mr. BALCER: According to information I have received from N.B.C. engineers no private station will be able to make a living with the population we have in that area now and which we can expect to have in the next 10 or 15 years.

Mr. OUIMET: Not under the American system, but under the Canadian system there are quite a number of stations operating in areas which have a much smaller population than Three Rivers. They manage fairly well, I believe, and it is simply because they are fed with a program service which is paid for on a national basis. It is not the same problem as that which exists in the United States, which is why we have this arrangement in Canada.

Mr. BALCER: Would you not agree that if a satellite station will give perfect reception to the whole area without costing too much money to the taxpayers of Canada it would be worthwhile providing such a station? According to my understanding a satellite station could be beamed, for instance, on our French Network and give excellent reception to the whole area for an amount of approximately $125,000. I think this has been done in Texas and in some other areas in the United States, and if they have secured good results I think it would be a very good thing if the C.B.C. were to inquire into the possibility of building such a satellite station in the area I have mentioned because at the present time there is over $10 million invested in apparatus in the region. It is true the people did not have to buy the sets, but I think that in view of this large investment the government might respond especially when, as I say, a solution could be found for about $125,000.

Mr. OUIMET: You are speaking of a satellite station as distinct from a low power relay transmitter which we have discussed before. There is that possibility—a station which would be a "slave" of an existing station which would carry exactly the same program, with the same local material which the master station might carry. Of course if there is nothing better available I suppose this might be a solution. I am suggesting, however, that the area of Three Rivers and the dense population all around could somehow be served as much smaller cities in the country are being served, or will be served, and all those areas are now reserved for private applications. The C.B.C. is not considering such areas now but obviously the C.B.C. is concerned with any places in Canada which are not getting proper service.

Mr. BALCER: That is the point. We have been waiting for three or four years for some people to start a private station, and it is easy to see that nobody is willing to take that risk at the present time. They could not afford to do so. It will be such a simple thing for the C.B.C. to settle this problem by providing a satellite station or a low powered transmitter.

Mr. OUIMET: There are so many places in Canada where coverage has to be completed that the whole question is now one of economics and financing. Technically there is practically nothing which engineers cannot do if cost is not a factor.

Mr. BALCER: If it was a million dollar job I would understand your point, but since the amount involved is small, I think you could give a chance to this population. If the C.B.C. picks the "plums"—the big stations in Montreal and Toronto—it is only fair they should look after the fringe areas for about $120,000. They pick the "plums" and leave the rest to the private stations.

Mr. OUIMET: I do not know whether it is my particular role to answer your question about "plums", but the reason why the C.B.C. is operating in the big centres is not because they are particular "plums" but because that is where they get the talent to feed the programs to the smaller cities. If we did not operate in Montreal, Vancouver or Toronto, where would we get the talent for our programs?

Some Hon. MEMBER: Saskatoon.

Mr. ROBICHAUD: A while ago I mentioned the need for a station to serve the Gaspe coast and the northern section of New Brunswick. Could Mr. Ouimet give the committee the approximate cost of erecting such a station?

Mr. OUIMET: To transmit purely through the network—no program of its own?

Mr. ROBICHAUD: That is right.

Mr. OUIMET: Have you got a mountain to put it on?

Mr. ROBICHAUD: Yes there is a mountain. There is quite an elevation there all along the Gaspe Coast.

Mr. OUIMET: Is this mountain higher than other mountains around?

Mr. ROBICHAUD: Yes.

Mr. OUIMET: Then it will cost somewhere around $300,000 to $500,000.

The CHAIRMAN: What is the name of the mountain?

Mr. ROBICHAUD: I think it is Mt. St. Joseph, but I am not too sure.

Mr. OUIMET: One difficulty with mountain sites is that usually they are more costly locations to operate, though when you get on them a better service is produced.

*By Mr. Knight:*

Q. Mr. Dunton, when an application for an establishment of a television station comes in and when this application is refused I presume the applicant is given reasons why his application is turned down?—A. We give reasons for our recommendations.

Q. I was wondering. When you as the C.B.C. applied to have a publicly owned station set up in Newfoundland what were the reasons which were given to you for the refusal of permission to do so?—A. I think you are aware that all applications for new stations are dealt with by the government as a whole—by the cabinet. Under the Act they have to be. I think the reasons given were not very full.

Q. Did you consider that the reasons you were given were reasonable? The mere fact that you applied must certainly give the committee the impression that you thought the creation of a publicly owned station was justified?—A. I think that is about all I can say. The board made its recommendation after careful consideration.

Q. That is all you want to say.

Mr. FLEMING: A very diplomatic answer.

The WITNESS: Council has full power to do these things, and it decided against the application.

*By Mr. Knight:*

Q. It has always been against the policy of the C.B.C. to have stations provincially owned or controlled has it not?—A. I think that was established as an overall licensing policy.

Q. In Manitoba, you remember, the early radio station was controlled by the telephone system and when the C.B.C. was created the provincially owned stations had to go out of existence?—A. Yes. We took over the old CKY.

Q. And then, the Saskatchewan government was refused its application. I presume that the reason given was that the policy of the C.B.C. was against that sort of thing.—A. I think that in that case it is something like the television policy, that is, the licensing policy of the government authority.

Q. What has been the experience of the C.B.C. with the provincial set up —let us make it frank—with the provincial government in Newfoundland? Have you found it helpful?—A. I would say we have not had a great deal to do with them, except that naturally our people in Newfoundland would occasionally be putting them on the air. Otherwise we do not have much dealing with them.

Q. You would not be prepared to say that there was no provincial control as such over the present station now?—A. I know nothing about that.

Mr. FLEMING: You are lucky you don't.

*By Mr. Knight:*

Q. What is the name of this so called private company or organization which has been set up—and I use the word advisedly—to apply and who own this particular station?—A. The Newfoundland Broadcasting Company, Limited. The same company which operates the sound station CJON.

Q. There is a Mr. Jamieson, I think, connected with it?—A. Yes.

Q. I saw a dispatch in a newspaper which made me uneasy about this particular set up. Someone has been whispering across the table here about Mr. Smallwood, and I will mention it out loud. I was wondering what control the gonvernment has over that particular set up? I am asking for information. —A. When an application like that comes in we get pretty full information about the shareholders. No members of the government were part of it. In this case we had full information about the shareholders of the company, who are private individuals.

Q. I am not suggesting this is a provincially owned station. But before confederation in Newfoundland I think that such radio as there was in Newfoundland was considered pretty well as an adjunct of the provincial government, and habits die hard, and I was wondering about that.—A. Before confederation there was a commercial station VOCM and a station in St. John's of the Broadcasting Corporation of Newfoundland.

Q. It was called the Newfoundland Broadcasting Commission?—A. The Broadcasting Corporation of Newfoundland, I think. On confederation we took over the BCN with all its assets and since then it has been an integral part of the C.B.C. Since those days CJON has been established as an additional commercial privately owned station.

Q. So far as you know Mr. Dunton—it is hardly fair to ask you about the Transport department—was there any representation or recommendation made by the provincial government in regard to the setting up or granting of this license to this particular organization which is called the Newfoundland Broadcasting Company, Limited?—A. No recommendations were made to us.

Q. The assumption in the article which I read was that whereas it is against national policy to have any provincial interference, ownership or control over radio there has been a suspicion created—and I want either to squash it or verify it—that in fact there is some provincial control over the new television set up in Newfoundland, and the fact that a private station has been set up is more or less a method of getting around the particular regulations which are known to exist. I have no information on this matter myself; I saw this thing in a newspaper and I want to know about it.—A. All I can tell you is that the records before us show that it was an application from a private organization and that all the shares are held by private individuals.

Q. Then would you say that my query should be addressed to the government: why a publicly owned station which has a good deal of control in the matter of advice, at least, as to whether this station should be set up has been unable to get a station where it wanted in Newfoundland and that the government or transport people have seen fit to give it instead to a privately owned station as a competitor of the B.B.C. I suppose you would say my question should be addressed to the government as to the reason for that?—A. I cannot answer it.

Q. I did not expect you to but however I have read the matter, and I would like to get an answer from somewhere and find out if there is anything in this rumor.

The CHAIRMAN: You should ask the government.

*By Mr. Studer:*

Q. Is it reasonable to assume that after the microwave system is established throughout the country fringe areas which are now being served by other means can avail themselves of that service?—A. Mention has been made of capital costs. Television capital costs may seem high, but the more important and burdening factor is current operating costs. We have been talking about relatively cheap relay transmitters, but to get a program to them by a network they cost a great deal of money if they are not right on an existing network. The best way to answer the question is probably to say this: if we could operate low powered relay transmitters that were on the path of the microwave system we could be able to do that more cheaply than if they were off the path of the system, and those are factors which in the future we shall have to take into account.

Q. The C.B.C. has no interest in the microwave system which is being built up in this country—is that not the case?—A. We have to make agreements with the communication companies.

Q. Would not the lack of financing deter the C.B.C. from building its own microwave system? Is the system able to be used for the telephone service?—A. They are a means of communication, and the same system will be used for many purposes. In the case of the telephone company they will be used for carrying hundreds of telephone circuits. This is a communications job and it seems better that it should be done by communications people. They make a certain charge to us for the use of the facility. But it might be conceivable that there would be some cases where a telephone company did not want to establish a system in a particular area, and where we might find it cheaper to establish our own.

Mr. BOISVERT: There are just one or two questions which I would like to ask Mr. Ouimet. Did you answer Mr. Balcer's question by saying that in Three Rivers reception is not as good as it is in some other districts?

Mr. OUIMET: I said that Three Rivers, and other places in the neighbourhood of Three Rivers, are so far away from the existing transmitters in Montreal or Quebec that they are not getting the kind of service which cities of that size, I think, should get, and there is no way of increasing the power in Montreal or in Quebec so that Three Rivers would be well serviced. Of course, if we increased the power in either of those locations it would make some improvement, but still it would be very far from the type of service needed in an area of concentrated population which is highly industrialized and which has a lot of man-made interference. So it is correct to say that the reception there is not very good. As a matter of fact, we would label it "fair to poor" in the terms technically used to describe it, although it is amazing how many people are interested in having reception of that category. But I think the area could be serviced much better.

Mr. BEAUDRY: Going back to Mr. Balcer's suggestion that the C.B.C. might or should organize a transmitter and a station in Three Rivers—should such a thing happen would it not be necessary for the C.B.C. in order to operate at the lowest possible cost to enter commercial operations at Three Rivers as it does elsewhere where it operates a station?

Mr. OUIMET: That would depend on the size of the station which it was decided to operate. If it were a fairly large station it might be economic for the area to have some small origination facilities. If we were doing that we would certainly be concerned to have some commercial business which would help carry the operation. On the other hand it might seem advisable to have a relay station supplied from the network, and of course in those circumstances this type of commercial operation would not be possible.

Mr. BEAUDRY: If you did enter the Three Rivers territory, either with a full station or with just a relay station would that not be— this may not be the right word, it may be too strong, but I will use it for lack of a better one—a usurpation of the privileges or rights given to private interest under government policy?

The WITNESS: The present policy as expressed is that the C.B.C. would operate in the six areas spotted regionally across the country, and in all other areas the field would be open to private interests.

Mr. BEAUDRY: If you did go into Three Rivers it would be going against your present concept?

The WITNESS: It is a concept laid down by the licensing authority.

Mr. BEAUDRY: Supposing the C.B.C. did overlook its original position and enter the field in Three Rivers, what would the position of the C.B.C. be if another applicant came along at a later date?

The WITNESS: It would depend on the circumstances.

Mr. BEAUDRY: The C.B.C. would have spent a certain amount of money on building the station in that area; of course, I cannot ask you to comment yourself on what the reaction of the board and the Department of Transport would be if later on another applicant came along and applied for permission to establish a private station.

The WITNESS: At the present time there is a general policy of non-duplication of any stations, whether privately or publicly owned in the country. If that policy still held at the time, the second station would be automatically barred.

Mr. BEAUDRY: So you would be forced into the position which Mr. Fleming was saying you had been liable to find yourselves in Newfoundland—you would have no other alternative but to "forget about" the other applicant.

The WITNESS: It would depend on the situation. Under the present policy the application would not be considered. The committee should keep in mind the question of the shortage of channels, which I have been forgetting. Channels are very short in Quebec. I think the department is still working on this channel for Three Rivers, and it is very doubtful if another one could be found.

Mr. BEAUDRY: If the precedent were established, I assume that there would be many other parts of the country which would come to you with the same request?

The WITNESS: We have already started to get quite a lot of requests from various parts of the country or from people wanting the C.B.C. to start a service in their area.

Mr. BEAUDRY: I suppose that you are leaving the initiative to private interest?

The WITNESS: The only thing we have authorization for is these areas now.

Mr. BEAUDRY: I have another question which deals with certain commercial aspects of television. I cannot find the subject in any of the subparagraphs, so I would like to defer to you, Mr. Chairman, and content myself by advising you that I should like to bring the matter up later.

The CHAIRMAN: Very well, Mr. Beaudry.

Mr. RICHARD: (*Ottawa East*): What channel will we have for the French station?

Mr. OUIMET: Channel 9.

Mr. RICHARD (*Ottawa East*): Do you expect that station to operate for as many hours as the english station?

Mr. OUIMET: That is something that is not completely decided. It is not as easy to provide as much material on the French language service as it is in our English language service for the good reason that if we produce the same amount of material in French as we produce in English you can still add to the English service all those things which are easily available—American live programs, for example, and all the supply of American films. In French, we have a supply of French films but there are no American programs in French so that our sources of material are more limited; furthermore we are already using our facilities to the fullest possible extent and for that reason the service on the French network Station CBFT in Montreal, for example, is somewhat less than on the English language station CBMT because of those reasons which I have mentioned. As I say, you can add to the English language service by using American programs, but we cannot do that in the case of the French service.

Mr. RICHARD (*Ottawa East*): Can you give me an estimate of the total cost of the two Ottawa television stations, including the construction of the studios?

Mr. OUIMENT: We can give you that information in a minute, if you will allow us to check the records. I take it that question will include the cost of the land and everything.

Mr. BALCER: A supplementary question to the question that Mr. Beaudry has asked. Do you consider that it is possible for a private television station to make a living when it is squezed between two large cities such as Montreal and Quebec. On Three Rivers, for instance, if we have a private station like Mr. Beaudry was mentioning, a private station would not be able to operate there with the two signals coming in from Montreal?

The WITNESS: I could make one or two comments on that. In the first place, the station would presumably be carrying a great many of the same programs as Montreal and Quebec because it would have available the French language national service. Another comment is that we find by experience that viewers tend to move very much to a better signal by habit. My third comment would be that I cannot give a definite answer to your question because it would depend on a commercial estimate of the possibilities.

*By Mr. Beaudry:*

Q. Mr. Dunton, how many private radio stations are there in the Three Rivers area, do you know?—A. In what area?

Q. The Three Rivers area.—A. Private sound stations?

Q. Yes?—A. There are two in the area itself, right in Three Rivers, with one at Sorel and at Shawinigan Falls.

Mr. BOISVERT: Victoriaville?

*By Mr. Beaudry:*

Q. There are two in Three Rivers and one in Shawinigan Falls. Does that roughly constitute the area?—A. It depends on what you are taking as he area. I do not know to what extent they are considered the same area.

Q. Would you care to indicate or do you recall when the stations came into power?—A. The first station in Three Rivers goes back many years. The second station goes back about two years or a year and a half. The station in Shawinigan Falls goes back roughly seven or eight years.

Q. In other words, in Three Rivers proper a second station has found it possible to come in within the last two years or so in spite of the fact that a previous station had been established for some 20-odd years?—A. Yes.

Q. And in the fringe area of Shawinigan Falls I assume it was found possible for a station to come into being within the last five or six years. There seems to be no doubt of the commercial power in Three Rivers as indicated by sound progress?—A. We have no information about how they are doing commercially.

The CHAIRMAN: Mr. Ouimet is ready to answer Mr. Richard's question.

Mr. OUIMET: The cost of both stations in Ottawa is $1,700,000 or a little more. The station is not completed yet, but it is in the neighbourhood of that figure.

Mr. RICHARD (*Ottawa East*): Could you give a breakdown of that figure?

Mr. OUIMET: We could prepare that but I do not have it with me. Would you tell me what sort of breakdown you want?

Mr. RICHARD (*Ottawa East*): The cost of the land, the building, the transmitter and the tower.

Mr. OUIMET: Yes.

Mr. BALCER: Mr. Ouimet, that would be about fifteen or twenty times more than the cost of installing a low-power transmitter in Three Rivers.

Mr. OUIMET: Yes. This is an originating point, and a production point for two stations.

*By Mr. Boisvert:*

Q. When you answered Mr. Beaudry, you said that the channels were very limited?—A. Yes, especially in the more crowded areas of southern Ontario and Quebec.

Q. Is that not due to the international convention regulating radio broadcasting and telecasting?—A. Yes, there are only 12 V.H.F. channels which can be used, and they have to be allocated among different areas, and within 250 miles of the border it has to be by agreement with the United States.

*By Mr. Fleming:*

Q. That leads me to ask about the channels assigned to Toronto. Originally there were three V.H.F. channels assigned to Toronto, numbers 6, 9 and 11? —A. Yes.

Q. What part has the C.B.C. had in the shuffling of these since?—A. The allocation of the channels is not our responsibility.

Q. You occupy one of these; I think it is number 9, is it not?—A. Yes.

Q. You occupy channel 9 with station CBLT and one channel has gone elsewhere in the meantime?—A. Yes, it was moved to the Kitchener area.

Q. I take it you had nothing to do with that. It was a policy decided on the part of the government and indicated to you through the Department of Transport?—A. No, applications come to the Department of Transport. They

deal with the technical side, and the applicant has to apply for a specific channel. It is useless to apply unless the channel is allocated, and by the time we get an application all those matters have been settled.

Q. Tell us what happened to the other two channels, numbers 6 and 11, since then?—A. I can only talk about it second-hand or by hearsay. One channel was allocated to the Kitchener area and an application came before us for the use of that channel, in the general Kitchener area, and as far as I know, the other channel is still available.

Mr. OUIMET: I believe that Mr. Richardson could add something to this.

Mr. RICHARDSON: The record I have is that channel 11 from Toronto went to Hamilton, and the channel which was previously in Hamilton, number 13, went to Kitchener, and there is still channel 6 left in Toronto.

*By Mr. Fleming:*

Q. That is the only one that is left and that is abiding the possible modification in government policy in regard to licensing more than one station in one area, is that correct?—A. Yes.

Q. But I want to be quite clear on this point. The board of governors had nothing to do with this shuffling. It was a decision of government? That represents government policy?—A. Yes.

Q. And you simply dealt with the application for channels 11 and 13 on a reference from the Department of Transport?—A. Yes.

*By Mr. Beaudry:*

Q. You have stated that there are 12 V.H.F. channels allocated. Have we gone into the possibility of dealing on ultra high frequency channels?—A. Yes, the allocation plan covers the allocation of ultra high frequencies across the country.

Q. From your experience, has the allocation of ultra high frequency channels in the United States proven successful to the operators?—A. We hear from the United States of a great many operators of U.H.F. channels being in difficulty.

Q. I say that because it has come to my attention that many are on the brink of ceasing operation.—A. Particularly where there are also V.H.F. stations operating.

Q. Would you say that at this stage U.H.F. is something not to be thought of seriously commercially?—A. I would put it this way, we have not received any applications from people who have shown any interest in a U.H.F. operation in Canada.

*By Mr. Carter:*

Q. I was just wondering which one of the 13 is not V.H.F. If there are only 12 V.H.F. frequencies— —A. One was dropped.

Mr. OUIMET: There is no number one. There was a number one originally, but later it was dropped.

Mr. GOODE: Mr. Chairman; I want to ask Mr. Dunton some questions this afternoon regarding the advertising arrangements on CBUT, but until that time, could I move that we adjourn?

Mr. BOISVERT: Seconded.

Mr. FLEMING: It is a little early. I would like to ask Mr. Ouimet some other questions. It is only 20 to one.

The CHAIRMAN: Is the committee agreeable to sitting longer?

Mr. FLEMING: We never rise earlier than one o'clock.

Mr. GOODE: I think if Mr. Fleming has some questions to ask, he should be allowed to do so.

The CHAIRMAN: Yes.

Mr. FLEMING: Mr. Ouimet, you were invited to go to Australia a year ago I think to advise out there in regard to the setup of their television system in the light of your experience here?

Mr. OUIMET: That is correct. It was actually last December, and I was there for about 9 or 10 days.

Mr. FLEMING: I think we should regard that as a compliment to the C.B.C. and to you personally, Mr. Ouimet. Did you give evidence as a witness, or was it technical advice that you were giving to the officials there?

Mr. OUIMET: I was invited by the Australian Broadcasting Commission which is the national operating body in Australia to consult with them—I would rather not use the word "advise"—about the general problem of television in Australia, not purely the technical problems and engineering problems, but also the economics of television, the impact of television, and the overall picture of television.

Mr. FLEMING: Were you consulted in regard to the basis of licensing or the vexed problem of overall control?

Mr. OUIMET: I do not remember whether or not I was questioned on any such specific subjects, but I know the only information I gave was as to how our system was working here in Canada.

Mr. FLEMING: I take it as to what followed in the way of their system—we had better refer to the system—the system had not been completely set up when you left?

Mr. OUIMET: When I was there there was actually nothing going on in television. I believe there was only a decision by the government that television was going to be given the "go ahead" and that the A.B.C. (the Australian Broadcasting Commission) should stand prepared to make its recommendations, and also that some private stations' applications would be heard at a hearing which would take place two months later. I believe it took place in February. That was all that was decided at the time. I was consulted by the Australian Broadcasting Commission and also met the Australian Board of Control and the postmaster general. I cannot say to what extent all my conversations were official ones, but I was asked many questions.

Mr. GOODE: An obvious question is going to be asked; your expenses were paid by the Australian authorities?

Mr. OUIMET: Yes, my expenses were paid.

Mr. ROBICHAUD: Does the A.B.C. operate its own television station?

Mr. OUIMET: The A.B.C. in radio does not operate its own station technically. The technical equipment is operated by the post office department as it is in some European countries, but I gather that for television they were considering changing that practice and that they would operate their own studio production centers although the transmitters would probably still be operated by the post office department.

Mr. ROBICHAUD: Have they anything to do with the granting of licenses to private stations, either TV or radio?

Mr. OUIMET: I do not believe that the A.B.C. has.

Mr. FLEMING: There are private TV stations?

Mr. OUIMET: Not yet.

Mr. FLEMING: But there will be? The policy contemplates private TV stations?

Mr. OUIMET: That is correct. May I complete my answer? They are concentrating on two centers, Sydney and Melbourne. When I was there, those were the only centers for which plans were being made as far as I could see. There might have been other planning, but there was no decision and no questions were asked regarding the rest. They were endeavouring to give service to those two large cities.

Mr. FLEMING: Is the broadcasting commission there confining itself to the programing?

Mr. OUIMET: The programing and the operating.

Mr. FLEMING: Along with the private stations?

Mr. OUIMET: Yes. It is mixed system of private stations and publicly owned stations—not quite the same as we have here, but there are private stations, and there is also the national system.

Mr. FLEMING: In the national system is there any difference drawn between the body that does the licensing and the body that does the operating?

Mr. OUIMET: Yes there is.

Mr. FLEMING: You have one body doing the licensing and the other body carrying on the publicly owned operations?

Mr. OUIMET: That is correct.

Mr. FLEMING: And then of course you have the private stations, and they like the national system are subject to the regulation, control and licensing by this regulatory body?

The WITNESS: If I may interject at this point, I think the licensing body is the postmaster general.

Mr. OUIMET: That is right. The board is a recommending body.

Mr. FLEMING: I wanted to be quite clear about that. They have one body dealing with the licensing and overall control, and they have the publicly owned operating system and they have the privately owned stations, and the regulatory body which, as you point out, includes the advisory body plus the postmaster general and exercises control alike over the publicly owned system and the private stations?

Mr. OUIMET: That is correct.

The CHAIRMAN: Shall we now consider the motion to adjourn?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: Do you have some information to distribute to the committee, Mr. Dunton?

The WITNESS: Yes.

The CHAIRMAN: Would you like to distribute the information now?

The WITNESS: Yes.

Mr. FLEMING: It would give us an opportunity to examine the information during the lunch period.

The WITNESS: I wish to distribute television network rate cards which were asked for, and also a return showing the net proceeds from different types of sample commercial television programs both American and Canadian. I also wish to distribute a recapitulation of the number of employees on the staff by divisions as at March 31, 1954 and 1953. This information was, I believe, requested by Mr. Fleming.

Mr. FLEMING: It was 1952 and 1953?

The WITNESS: It is March 31, 1953 and 1954. You already have the information concerning March 31, 1955.

AFTERNOON SESSION

May 5, 1955.
3.30 p.m.

The CHAIRMAN: Order, gentlemen, we have a quorum.

**Mr. A. Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation, recalled:**

Mr. GOODE: Mr. Chairman, as I intimated this morning, I would like to ask Mr. Dunton a few questions all related to CBUT in Vancouver. May I preface my remarks to the fact that a considerable amount of money is being spent by Vancouver advertisers in the United States over television stations in Bellingham and Seattle, mostly in Bellingham? The amount of money, I am informed, is something like $140,000 a year, that could or could not be true.

*By Mr. Goode:*

Q. What I would like to know is how CBUT handles their advertising for sponsors? Does the sponsor go to the station and ask for time on the station or do they have to go through an agency before time is allotted to them?—A. The general method in broadcasting business is through an agency, there is nothing startling in a local advertiser coming direct, but, as you know, he saves no money, the agency commission comes off the gross amount in any case.

Q. I do not mean an agency working in connection with the sponsor, but do the C.B.C. in Vancouver handle their own advertising affairs or are they handled by an agency?—A. It is done by our own people.

Q. What is the situation in regard to CBUT, are they refusing sponsors now? Before you answer that, let me say that information has come to me that CBUT are refusing sponsors.—A. I think the situation arose with the broadcasting stations, both television and sound, it is very likely that some sponsors have not been accommodated with what they want at a particular time or a particular program, but in general CBUT can take some more business. That does not say there may not have been some sponsors who could not get what they wanted on the station.

Q. No, I got the information in regard to when these times are available; have you any of your officials here who can tell me that? You may be telling me that the time is available from 3 o'clock to 4 o'clock in the afternoon, which would not be too valuable to some of them, but what about the good hours during the evening, are they full?—A. They are fairly well occupied with programs now, but again I will have to check over on the detail to see if there were some that could be dropped.

Q. Between 5 o'clock in the evening and 10 o'clock in the evening there is sponsorship if the sponsors are available?—A. We will have to check, I think that is right.

Q. If that is true why is a large amount of British Columbia money going to the United States stations? Are the rates cheaper?—A. I do not know what Bellingham does, or why in some cases some advertisers are using. There may be a relation to lower rates or a particular job of selling they wish to do. I am not in general familiar with what is being carried on Bellingham stations.

Q. Within the next few days could you let the comittee know the rate structure of KVOS in comparison with CBUT in Vancouver?—A. We may be able to do that, we do not run KVOS.

Q. The point I am making is, we are losing a lot of Canadian money in the Vancouver area that I think should stay in Vancouver, and if the rates are favourable between the two stations I would like to know why Canadian sponsors prefer going to the United States to put their programs on. For instance, a large wholesale grocery store in my riding now has to go to KVOS to get an extra program. He should be able to tell you why that is. I am a great believer in keeping Canadian money in Canada and in this instance we are not able to do it in Vancouver.—A. It may also have to do with the program content, sometimes sponsors wish to sponsor a program which we feel does not fit into the balance for the public. If they can do it more cheaply in the United States they do it.

Q. Can they in fact do it cheaper on an American station? Would you like to consult with Mr. Caple?—A. We do not know; it is the impression that the Bellingham rates are lower.

Mr. KNIGHT: There is a bit of reciprocity in that, we have stations along the southern Saskatchewan line in the United States, in North Dakota, and people there put all programs through Glasgow, Montana.

Mr. GOODE: Have you a television station?

Mr. KNIGHT: There is one in Regina.

*By Mr. Goode:*

Q. Saskatchewan will have to look after itself, it is my job to do my duty in creating prosperity in British Columbia and if we can keep Canadian television money in British Columbia that is my job. My information is that large sums of money are going to Bellingham and to check that, during the time I was home at Easter I checked KVOS, which comes into my home, and practically all night was Canadian sponsored programs. I am sure the British Columbia men will agree.—A. We do know there are some Canadian programs.

Q. Let me ask you this: would it not be better to have a private station in British Columbia to take care of that instead of letting it go to the United States?—A. I think that raises the whole question of the development and maintenance of the national system.

Mr. HANSELL: Is there not this point to consider, that perhaps the sponsor that may be in Canada may be seeking the American market?

Mr. GOODE: May I answer that? This is a matter of Vancouver used cars and selling Vancouver tea and coffee over an American station beaming into Vancouver. They are not selling used cars in the United States and they are certainly not selling Canadian tea and coffee because you are quite aware that the excise tax is not favourable.

Mr. HANSELL: All I am saying is the listening audience in Bellingham will be an American audience largely.

Mr. GOODE: That is just the point, the American audience has no value because the American audience could not buy. The programs I am speaking about are beamed only to Canada.

Mr. HANSELL: Then, the Vancouver people must listen to Bellingham much more readily than to the Canadian station.

Mr. GOODE: I would not say more readily because I think CBUT is doing a good job, but I am worried about this. The point is, I am of the opinion and I think Mr. Dunton will not argue too much, that sponsors are being turned away from CBVT in Vancouver for a reason.

*By Mr. Fleming:*

Q. Speaking on the same point of sponsorship, Mr. Dunton, no doubt you are aware that, at least, the Buffalo stations are selling advertising time to sponsors on the basis of reaching the Toronto market?—A. I know they have some Canadian business, I assume they are selling.

Q. They are out soliciting business in the Toronto area for the Buffalo stations.—A. That is very likely true.

Q. However, in the matter of sponsorship of your own programs on CBLT, can you tell us what is your current experience with the sponsorship of these programs, whether you are looking for the revenue from sponsorship? —A. Well, on the network as a whole and on all our own stations we carry different kinds of business. We have, as you know, some programs from American networks; we also have some programs material brought in from outside Canada on a spot basis. Then, we have Canadian programs produced in Canada, which we produce ourselves. Our policy is to try and have an over-all balance in our program pattern and, of course, in Canadian productions, also to have a balance; to produce different kinds of programs for the Canadian public, done by Canadians. As you know, television is expensive and we need money, and we sell to Canadian advertisers the right to associate their names with some of these programs which we produce ourselves.

Q. That is the practice you are seeking to promote, I believe, are you not? —A. Yes, and it has been quite successful.

Q. It is the revenue that you derive from a sponsor in a case of that kind, you speak about associating his name with the program, I take it that is another way of saying sponsoring?—A. Yes.

Q. It is the revenue you receive from the sponsor in a case of that kind but does that cover the cost of production?—A. The way it works is this: contrary to some things that have been said in other places, all advertisers pay according to the same rate card.

Q. That is the rate card you handed us this morning?—A. Yes, there are also local rate cards for every individual station for non-network programs.

Q. You were about to say that all advertisers were treated alike?—A. Yes, they pay for station and network time, they pay according to the card.

Q. Regardless of the program?—A. Yes.

Q. Every program is treated alike according to the card rate?—A. Yes, contrary to what has been said in other places. If it is an American network program we do not know how the program costs have been covered, it may be by the parent company in the States or that sort of thing. If it is imported on film the advertiser usually offers it to us and we can accept it or not. We do not know what it costs exactly. If it is a Canadian program produced by us which he wishes to associate with, we put a price for his association, or sponsorship, of that program. We continue to produce it as we were doing before and we put a price on it and he has to pay that price in addition to the station and network time charges.

Q. Does that price cover the cost of production?—A. In most cases, no.

Q. What fraction of that cost of production does that charge to the sponsor cover?—A. In studio productions or anything like that, this year we have been getting 50 per cent to 60 per cent of the full cost to us, on a full cost-accounting basis of the program.

Q. Is that an over-all average?—A. Yes. and it has run fairly consistently through the programs. We cover them pretty well.

Q. Would the range be between 50 per cent and 60 per cent on all programs?—A. Yes, in some individual cases, for some programs in a series it may not be that amount because we might want to improve that series or improve some items, but that range would cover it pretty well.

Q. Well, in that case the advertiser, because, of course, he is sponsoring it in the interests of advertising his company or product, is getting the benefit of the subsidy. It is true that you are seeking to maintain your program and you produce the program and you have control to that extent, but to the extent that that individual is being featured as the sponsor he is really getting the benefit of advertising on a program for which he is paying about half or a little more than half?—A. Yes, but we do not regard it as subsidizing at all because in doing so—

Q. You regard it as salvage?—A. We are doing much better than if we were producing that program and carrying it on the network without getting half of it paid. And the sponsor in general is paying us a good deal more than it would cost him to sponsor a much more expensive American program. If I might give an example; say we have a $10,000 show; we get the benefit from the sale of the network time, then we get about $5,000 in addition from the sponsor. The sponsor is paying $5,000 extra in connection with this hour show; but very likely from the United States he could get a show that costs $50,000—get the Canadian rights—for $1,000 or $2,000. That is the kind of differential in commercial arithmetic that Canada is working against all the time: the relatively low cost of importing their expensively produced material against the much higher cost of producing much more modest things in Canada.

Q. I think we understand that feature but, in gist, what you are aiming to do here is to raise what revenue you can from programs that you are producing anyway and as things stand now your revenue runs between 50 per cent and 60 per cent of the cost of production?—A. The total return to the corporation would be better because the 50 per cent to 60 per cent is the direct charge in connection with the program, and on top of that we would get our net return from the station and network time, so we are recovering in cash more than the 50 per cent to 60 per cent, although still, in most cases, not the full amount. As you see there are two different charges, for station time, and in connection with the program itself.

Q. What are you going to do in that respect? Are you going to derive more revenue from the sponsorships?—A. I would say our general policy, put in a crude way, is to charge all the traffic will bear. To put it another way, we want to get all the money we can under the economic conditions prevailing. But in doing that there are several things we have to face: first, the cost of the Canadian network as a whole is rising very rapidly as new stations are added, mostly private stations these days, and then, the rates in those stations are going up. The cost to the sponsor is a little over $6,000 gross for an hour and that will go up again this summer, and will be climbing pretty high. We want that revenue for ourselves and our affiliates. At the same time we want to get more recovery in relation to the program production. We would like to do both, but it will be a question of our management trying to balance the possibilities of where we can best get the revenue. We would naturally like to recover the full 100 per cent on all Canadian programs, but there seems to be very little chance of that because of the high cost to the sponsor when you consider the cost of the network and the cost of producing the program, and then when you relate that cost to the number of people in Canada who are served, the whole Canadian market, and when you compare that with the much cheaper cost of bringing in something pretty lavish from the United States.

Q. Does the 50 per cent to 60 per cent you have now represent any increase over say a year and a half ago?—A. Yes, we are doing rather better. The first year of operation things were starting and we are anxious to get them together more or less as best we could. I do not know how the average would have been, it would have been rather lower that year. Two things happened this

year, we are producing better and much more expensive programs; we are getting a higher percentage, and much more cash from sponsors in general as contributions to Canadian production.

Q. Well now, are you seeking sponsorship and, therefore, commercial revenue from all your programs?—A. No, so far—

Q. What particular programs or what kind of programs are you now seeking sponsors, and therefore commercial revenue, for?—A. First of all—news. It has been a long term policy of the corporation not to have news sponsored or, so far, programs of a news type such as News Roundup or an equivalent of that program, or a program such as News Magazine on television. In general, this applies to news programs, opinion programs, religious programs, and of course to political programs. That is pretty well the list.

Hon. Mr. McCANN: Press Conferences are not sponsored?

The WITNESS: No. That is counted as opinion.

*By Mr. Fleming:*

Q. I take it that on all the other programs you are trying to derive as much commercial profit as the traffic will bear?—A. Yes, but while we do that, we do not conceive it to be our job primarily to produce always the kind of programs which will sell best. We do try to produce a number of light programs which we think will attract sponsors more, but we feel there should be other kinds of programs broadcast, although they may not interest sponsors as much.

Q. It is for that reason that I do not understand why your bracket or variation should have such a narrow range, because there is quite a difference in the programs from the point of view of the sponsorship that these programs would attract. But the range is somewhere between 50 and 60, which is quite a narrow range.—A. That is the case for the year given, but I would think that in other years there will very likely be a great deal more variation as we and our advertisers gain experience.

Mr. HANSELL: Who sets the rates? Are they set by the C.B.C.?

The WITNESS: By our management, but the rates for the private stations are set after consultation with them, and in practice they are worked according to scales agreed with the private stations.

*By Mr. Knight:*

Q. What are the factors which determine those rates? One would think that the power of a station has something to do with it. But I see one station here with a power of 100,000 watts, and another with a power of 19,000 watts, and the rates charged are the same.—A. In television it depends almost entirely on the available audience.

Q. Not the potential viewers, but the people who actually own sets?—A. That is right.

*By Mr. Beaudry:*

Q. You said in answer to Mr. Fleming that at this time some advertisers had got—I believe you used the term—to be "subsidized".—A. I did not call it a subsidy.

Q. Well, Mr. Fleming did.—A. We say that they are helping to subsidize us.

Q. It is a very fine distinction. In any case the sponsor only pays between 50 and 60 per cent of the actual production cost of a program. My question now is: is this quantum of 50 or 60 what I would call an incidental one or is it likely to be a permanent one? I will explain what I mean. At such time

as the television audiences doubled and tripled in Canada, the production cost of the programs will remain the same—or will it?—A. In general, I am sure we will have to count on increases through the years as television develops generally in the country.

Q. If you are counting on increases you are counting on outside factors which we need not take into consideration at this time. I will word my question differently. If, under prevailing conditions, the television audiences doubled or tripled, would you not be in a position over the next five years to exact from the advertiser more than this 50 or 60 per cent of what you are paying out for production costs?—A. We hope very much to get that percentage up. Several things will weigh in that matter, but we shall get it up to the extent the traffic will bear. What the traffic will bear will be affected by what the whole network costs, and it will also be affected by the size and expense of shows on the scale that sponors are interested in and that the public seem to want. It is impossible to say just when we will get to this stage of getting all our production costs back. We are trying to get the rates higher. We, and the Canadian television system as a whole, always have to face the fact that as far as we can see it will be generally much cheaper to import material than to produce it in Canada, and that mere arithmetic will tend to influence sponsors in this direction as costs go up in Canada. If he is sponsoring a Canadian show now and finding it too expensive, he may naturally look for a way of cutting his costs and of bringing something in at the cheaper price instead of paying over 50 per cent of the cost of a Canadian production.

Q. True. We would only become a dump for American products.—A. That is why we are working in the way we are—to get such support as we can for Canadian productions.

Q. Was it not the experience of the American networks—I will not use the word "subsidize"—to spend a great deal more money on production than they can possibly recover from sponsors bearing in mind the number of receiving sets owned in the United States?—A. My information is that quite a lot of American network shows, particularly good ones, at the present time do not recover their costs from the sponsors.

Q. Did that not apply more so five years ago at the inception of television?—A. It is hard to tell because one does not know the exact secrets of a network. I think it was probably more so relatively, but I believe if one knew all the secrets one would still find some very large sums in respect of some shows which are not being covered by charges to the sponsor.

Q. Broadly speaking would you say that there is hope that in the future the 50-60 per cent now being recovered from sponsors toward production costs of programs produced by you will increase to a higher proportion with the increase in the number of receiving sets in the country?—A. We certainly hope that it will increase and we shall be trying to see that it does increase.

Q. Is it an illogical thing to hope for?—A. It will be easier as the number of sets grows, but there would still be this pressure of costs on sponsors against paying the full amount in connection with Canadian production.

Q. Would you look forward to this situation; that the C.B.C. would forever—and I hope not—contribute part of the production cost for all sponsored and commercial Canadian programs?—A. We are not doing that now. We are not doing it in respect to sports broadcasts, for instance. I cannot say when the time will come when we shall be able to recover all, or a higher proportion of costs in respect of the other programs, especially in view of our feeling that we ought to have certain shows on the air anyway, as I explained earlier.

*By Mr. Monteith:*

Q. I think you said that some of these programs in the United States did not recover the cost of production from the sponsors.—A. I know that is the case.

Q. These programs are all produced by private enterprise, are they not?—A. Yes.

Q. How do they make up the deficiency—they are not operating at a loss?—A. They make it up in their general operations, although I may point out that there have been some big general losses over the years in the United States. These are mostly big corporations, and they would make up specific deficits in the course of their general operations.

Q. In other words, they might be considered as advertising?—A. Possibly. It is not always understood that even in the United States the whole network operation in television is not the financially rewarding one. A network still makes most of its profit from its own operated station, and not in connection with their network business as a whole.

*By Mr. Goode:*

Q. Do you know how many sets are on the lower mainland of British Columbia?—A. I think we could get that answer for you.

Q. I would like to know the number who can receive CBUT and the number of those who cannot?—A. May we leave that a little while, while we see whether we have the information.

*By Mr. Beaudry:*

Q. At the same time as you are looking for that will you look up the numbers for the province of Quebec?—A. The figures based on the reports of the Radio and Television Manufacturers Association show that in March 1955 the number would be just over 100,000 in British Columbia, and I think most of those would be on the lower mainland and Vancouver Island, especially the southern part.

*By Mr. Goode:*

Q. Does CBUT reach them all?—A. It would certainly reach a great part of those people. Practically all of them. We cannot tell exactly, but it would be a very high percentage.

Q. Would it be fair to say there are about $25 million invested in television sets in British Columbia?—A. I would say more than that—television sets and equipment, about $40 million.

Mr. BEAUDRY: Can I have the figures now for the province of Quebec?

Mr. HANSELL: Since one or two members of the committee want special figures for their particular areas, I wonder if we can have the document containing them put on the record?

The CHAIRMAN: What figures do you want Mr. Hansell; Mr. Beaudry asked for the figures with respect to Quebec.

Mr. HANSELL: Several members want figures for various areas. It might be interesting to have figures for the whole of Canada on the record.

The WITNESS: One of our departments prepares a breakdown of the figures based on the manfacturers figures. We could bring these up to date and make them available if the committee wishes.

The CHAIRMAN: That will be for next Thursday.

The WITNESS: We cannot track the figures down in detail. We have them for pretty broad areas.

Mr. HANSELL: Mr. Beaudry informs me that there is a parliamentary return on that subject.

The CHAIRMAN: In respect of this year or last year?

Mr. BEAUDRY: Up to 1954. It was a question I asked in the House two months ago.

Mr. HANSELL: We could have that on the record of the radio committee anyway.

The CHAIRMAN: Mr. Beaudry, can you put the question into the record—the question you put in the House? Would you table it in the record of the committee, if it is complete?

Mr. BEAUDRY: It is only complete up to 1954. The question was: how many television receiving sets were sold during each year 1950, 1951, 1952, 1953 and 1954—we could add the year 1955—in each of the areas served by television stations.

The CHAIRMAN: You could add the year 1955, and have the information as for the other years.

The WITNESS: These figures of ours are broken down by areas. They are brought up to March of this year.

The CHAIRMAN: Is it agreed that the figures be put in the record?

Agreed.

Mr. BEAUDRY: May I never on earth have my verbal answer as to the figures in the province of Quebec?

The WITNESS: Just over 400,000 in the province of Quebec.

*By Mr. Goode:*

Q. We have heard a lot about polls in regard to the listening audience of radio. Does such a thing exist with regard to television.—A. Oh yes, there are commercial organizations which have such services.

Q. Is that done with regard to British Columbia?—A. Yes.

Q. I wonder if it is possible to get a breakdown of the listening audience—as to the size of the listening audience...—A. We have always hesitated to produce documents which have been given to us in confidence by other people. We would be glad, if you wish to ask such questions, to give you our impression taken from that material and what it indicates. I am just doubtful whether we should produce other people's records.

Mr. BEAUDRY: I think it was two weeks ago that it was decided by the committee that we could not have some figures from surveys.

The WITNESS: In general the position seems to be that in the whole lower mainland area CBUT is way in the lead in viewing.

*By Mr. Goode:*

Q. This information has been given to the public before. I remember quite well the poll being given to the radio committee last year with regard to the listening audience.—A. My memory is that you produced it.

Q. No. I had it produced when the independent people were here. Either Mr. Rae or Mr. Elphicke produced it for me.

The CHAIRMAN: In what year was that, Mr. Goode?

Mr. GOODE: When did the committee last meet?

The CHAIRMAN: In 1953.

Mr. GOODE: Then that was the year it was produced. I have it on my files upstairs now. I would accept Mr. Dunton's impression of the poll, but I wonder if that would be fair to the poll people.

The WITNESS: There is no great secret about this. We buy services and they are for our confidential use, and we do not like producing it, that is all.

*By Mr. Goode:*

Q. If I write to the poll people in British Columbia they would let me have it?—A. They might, but as a courtesy. Normally they charge for it, and that is how they make their living.

Q. In this case it would be a courtesy because I would not pay for it. What is your impression of the poll with regard to television in British Columbia?—A. We know that CBUT is well in the lead with an average of between 50 and 55 per cent of the average viewing.

Q. Would you care to comment on the poll viewing with regard to CBUT on one hand and the total United States stations on the other, which would be rather a fair comparison?—A. I say that CBUT has been running at 50 to 55 per cent against all the combined United States stations which are available to viewers there.

Q. I am pleased to hear that. I can say this: that though some of my remarks may seem a little critical I do not know any station which produces better television than CBUT, taking the programs over the hours. You can quite favourably take our program Almanac on CBUT and bring it to the east coast, because the program in the east is certainly not in its class.—A. I think that will be reported through the C.B.C. organization.

Q. I hope it will because this is a first class program.

*By Mr. Dinsdale:*

Q. On this matter of programming, do the same regulations apply in the case of television as apply for radio?—A. No. The situation is that there are formal regulations for sound broadcasting in effect. In television we and the private stations concerned thought that it was a new thing that we had to gain some experience, so that in effect there is a sort of gentlemen's agreement at the present moment that stations will observe the spirit of the present regulations with regard to sound broadcasting. We expect very soon now to introduce a set of television regulations which will be very closely parallel to the sound regulations. There will be an opportunity for public hearings and representations.

Q. As you have indicated there is no formal statement of the rules?—A. No.

Q. With regard to programming what is the required schedule for television programs on private stations as to the local content of their programs and the network content?—A. There is no required minimum for network time, and no required schedule. We have a national service available which is offered to private affiliates and in general they have taken a very large proportion of it. They have requested more rather than asked to be relieved of carrying some of it. A good deal of that national service has to be carried at proper set times so that the public may know the pattern of television broadcasting, and to that extent the operation of the network is inducing some rigidity into private station operations, but apart from their natural commitment as network affiliates, the private stations are free to do their own programming.

Q. With regard to revenues from sponsored programs—perhaps this is a hypothetical question: if a local private station could get a local sponsor who had a manufacturing firm—an industry—which had national remifications, could that station originate a program from their station and derive a revenue from such a sponsored program?—A. Certainly, provided they had the facilities for producing the program.

Q. Its telecasting would be limited however to the locality in which the station was situated?—A. Yes.

Q. They could not release any locally sponsored program to the network? —A. That could perfectly well develop. It has not done so so far but it might. We have always hoped that there will be contributions from privately owned and affiliated stations as well as from the C.B.C. stations.

*By Mr. Reinke*:

Q. Are the private stations required to reserve certain times for network broadcasts in the same manner as the sound stations have to with regard to their programs?—A. In television we have not reached a stage of such rigidity. We have all been too busy working together to a large extent, to get down to rigid considerations, what you might call reserved time.—Following discussions with the stations quite recently we shall probably get a more definite pattern for next year in which the network services will be confined for the most part to one part of the evening and affiliates will be more free during the rest of the time to use their own material, but it is not so much a question of reserved time—it is more a question of getting order into the general network pattern.

Q. In the case of the C.B.C. News which goes over CKTB in Hamilton, it is of their own volition that they take that program?—A. On the question of national news we would expect a station to carry one of our television news broadcasts a day and I have never heard of a station objecting to doing that. They all seem glad to cary it.

Q. You do not foresee that they might?—A. With television it has not been so much a question of our forcing them to do things, but a question of our jointly discussing our problems and trying to find a way in which we can best do things together.

*By Mr. Richard* (Ottawa East):

Q. I suppose it is fair to say that if the private stations did not have the facilities from the C.B.C. they would hardly have any programs at all?—A. That would vary a great deal with the circumstances. But the circumstances which exist in Canada, especially in the case of a small area, are very different from the circumstances which exist in the United States. Here there is under our general policy, a basic program service, and that is a good start for anyone who is running a television station; and with the basic program he is sure of at least getting some revenue. In addition to that he can carry on other programming of his own.

*By Mr. Dinsdale:*

Q. Is there any restriction on the use of film programs by local private stations?—A. No, that is what most of their programming consists of.

Q. What access would they have to kinescopic films other than those released by the C.B.C.—can they use films from American sources?—A. They can and do a great deal. That is what most of their non-network programming consists of, except for small originations of local types of program. They have perfectly free access to any programs which the owner may wish to make available on films.

Q. Is there any censorship on the part of the C.B.C. of the type of film shown?—A. We have very general regulations with regard to sound broadcasting, and we have regulations parallel to these contemplated to television, but there is no general regulation as to censorship.

Q. Are local stations required to keep kinescopic records of all their programs the same way as sound broadcasters are required to keep manuscript records?—A. They are expected to be able to make available scripts or recordings of programs which they have carried.

Q. It would not be necessary to record them visually?—A. The audial record is particularly wanted. The idea is not to make anything too complicated. If it is a show that has been circulated all over Canada we have to know where the original can be obtained which will be satisfactory.

Q. Does that apply to programs originating locally?—A. They are expected to keep some form of record of what has been done, as we do.

Q. Not necessarily a kinescopic record?—A. No. No private station can make kinescope recordings in this country. It calls for very expensive equipment.

The CHAIRMAN: Are there any more questions on this? If not we shall take the subparagraph on television news—page 31 of the report.

*By Mr. Goode:*

Q. I notice that the C.B.C. are taking some congratulations to themselves regarding the coronation telecasts. I am not going to go into the British Columbia set up again, but there we got the program from an American station and I do hope that will not happen again, and that this microwave system will come into being so that there will be no repetition of those circumstances. —A. You received it from Bellingham?

Q. From Bellingham, I think.—A. It was we who got it to Bellingham.

Q. We received it before you put it on.—A. CBUT was not operating.

Q. I placed ten television sets in a school so that the children could see the ceremony and we had to get it from Bellingham.—A. And we got it to Bellingham.

Q. Was there any reason why we could not get it from our station?—A. Our station was not operating. We got it to Bellingham, I think a day after the coronation.

Q. Are you positive that CBUT was not operating when the coronation was shown a second time?—A. I don't know about a second time, but I think we might get a little credit for having sent that to this American station so that the population could see the program when our local station was not yet operating.

*By Mr. Dinsdale:*

Q. Does the Marilyn Bell swim come under news or under actuality?—A. It would be under Sports News.

Mr. GOODE: The public of British Columbia do not quite agree with that, but I will not pursue it too far.

The CHAIRMAN: Any other questions on "News"?

*By Mr. Dinsdale:*

Q. Would an item like the Marilyn Bell swim come under news or sports? —A. Actuality, I think.

Q. I asked this question before and I was referred to— —A. It is not a very happy story. You remember the Marilyn Bell thing developed very quickly in Toronto. Our television people sent out a film camera crew to get shots of her in the water and that sort of thing. I have forgotten what happened to the camera, anyway, one of those technical things that can sometimes happen did happen, and that film material was all lost so that we just were not able to carry anything for that day and afternoon. That night our people moved very quickly to get film shots of her arrival and they were on the news at 11 o'clock. I think what gave rise to a great deal of criticism was the technical breakdown in the camera which, of course, we regretted very much.

Q. The impression I had, I think it was a magazine article said that there was no one on the spot.—A. Our people were right there, the trouble was the film did not get back. Sometimes people do not want to have the right impression of what happens in television.

*By Mr. Monteith:*

Q. On "News" there is a statement in the last paragraph on page 31, "Free-lance and staff-cameramen are stationed in every part of the country," just what is meant by free-lance?—A. A great deal of our film material for television use comes from free-lance photographers, that is, photographers not on our payroll at all but who may suggest to our people they have an interesting story on film or can get it, and it will be commissioned or sent in on speculation.

Q. Is it a set amount of film?—A. Yes, and many of these photographers are in touch with us, know what we want and do quite a nice business getting footage for news reels.

Q. You have a special rate table for that?—A. Yes.

*By Mr. Goode:*

Q. That is standard practice for newspapers too, a lot of free-lance men are employed for newspapers across the country.—A. I do not think any paper has to have the information we do.

Q. It is standard practice, is it not?—A. I think some newspapers would do it.

The CHAIRMAN: "News".

*By Mr. Dinsdale:*

Q. I have this specific reference, perhaps you would like to have it, it was published in *Saturday Night*, October 9, 1954, and is headed:

> Why didn't the C.B.C. have its mobile unit at the waterfront?
> "Well, we could not," a C.B.C. official told me, "it takes time to set it up and we had to have it over at Varsity arena to cover the prom concert, we do the prom concert every Thursday night".

Are these people all wrong?—A. It sounds so very simple. I do not know whether you have seen a mobile unit. It is a really movable control room with two or three cameras and it takes from five to eight hours to set up for a hockey game or an event like that. It takes five to eight hours to set up. Marilyn Bell's arrival, as you remember, was quite uncertain. It was not known where she was going to land and she actually arrived at a point a long distance from where she was expected to arrive. Unfortunately you cannot cover such a thing with a mobile unit. It has to be in place hours ahead, has to have power leads, has to have a line of sight back to the studio. A mobile unit is not something that can run around and chase events; that is the sort of job a mobile unit could not do properly.

Q. The trouble was you had a camera but not the mobile unit?—A. Oh, yes, film camera men on the spot, the film people got the film and it was developed and put on in Toronto.

The CHAIRMAN: The next paragraph is "Music", are there any questions on that?

*By Mr. Goode:*

Q. Mr. Dunton, just one question, are you considering filming the Theatre Under the Stars in Vancouver this year?—A. There does not seem to be much chance between the complications that would be involved and the desire to have people in Stanley Park rather than in front of their television sets.

Q. For Mr. Knight's benefit and others, the Theatre Under the Stars is a professional company that holds nightly performances in Stanley Park in an open arena. It is the most beautiful sight you ever saw and you will not find a finer show in Canada or elsewhere.

Mr. DINSDALE: Except the Stratford Festival.

The WITNESS: I have never heard of a company putting on a theatrical performance and charging admission and allowing it to be televised too.

*By Mr. Goode:*

Q. Are you having union trouble too?—A. I think the promoters are usually interested in the admission question.

Q. If there was permission granted and I am quite sure your administrator in British Columbia has viewed it, if there were negotiations between the two and the Theatre Under the Stars agreed to televising perhaps the odd performance and it could be shown throughout Canada, would the C.B.C. be in agreement?—A. I think many complications would be involved, I cannot think of any time when a theatrical performance like this has been televised. In any case a theatrical performance makes for difficult television conditions. On the whole a play or variety show or Theatre Under the Stars kind of thing needs to be done especially for television, but you do not get good results by taking a picture of things being done before an audience, you need cameras moving in and out and the correct lighting and that sort of thing.

Q. May I make a suggestion that perhaps a special program be put on once in a while? I do not know what the technical difficulty would be, but if the rest of Canada could see that once it would be a wonderful thing.—A. I think that is being considered now, the possibility of doing a special program with the same people taking part in it, but done in a studio under television conditions.

The CHAIRMAN: Any questions on "Variety and Comedy," "Drama," "Religious Programs"?

*By Mr. Goode:*

Q. You are putting on Hamlet this week-end?—A. Yes, it is coming here Saturday night.

Q. Over the Ottawa station?—A. Yes.

*By Mr. Hansell:*

Q. Under "Religious Programs," are they live or filmed?—A. They are live.

Q. The National Religious Advisory Council, that is the same council as is used for radio?—A. Yes.

The CHAIRMAN: "School Broadcasts"?

*By Mr. Dinsdale:*

Q. Again under "Religious Programs," the same policy applies as applies for radio stations, the local stations can carry their own church programs receiving a certain amount of revenue for carrying such programs?—A. You mean some type of religious program on film?

Q. Or a live religious program?—A. From a studio, yes, there is nothing stopping them.

Q. On a sponsor basis?—A. Yes.

The CHAIRMAN: "School Broadcasts"?

*By Mr. Dinsdale:*

Q. Just one question, there was a film, an experiment in school broadcasts, the National Film Board filmed it, the program was called "The House of History." It was a visit to the late Mr. Mackenzie King's home and it was filmed by the National Film Board for the purposes of TV only for this one program, why is that film not generally available to the National Film Board facilities?—A. I am not sure, I will try to find out.

Q. Is it another one of those union technicalities?—A. I am not sure, we will have to check with the National Film Board about that.

Q. Yes, the National Film Board accepted the invitation of the Canadian Broadcasting Corporation to produce this program on film for the specific single occasion of this telecast.—A. We will have to check that, they were commissioned by the C.B.C. and paid for by the C.B.C., we will have to check up and see the situation and the rights connected with it.

Q. It is a matter of rights and union technicalities again, I suppose?—A. It may be.

Q. It seems like a very interesting film for general release.—A. If you will wait until next week we will check on the exact situation.

The CHAIRMAN: "Women's Programs," any questions on that? "Information and Documentaries"?

*By Mr. Goode:*

Q. Here again may I make a remark about this program "Tabloid," perhaps I should have made my remarks on this before, but they certainly could take some direction from the "Vancouver Almanac" because there is no comparison between the two programs and I would hope that the C.B.C. would consult with our Vancouver friends.—A. They are in the C.B.C. too.

Q. There certainly is no consultation between them because the value of one program is so much more than the other, you have a gentleman in charge of it named Bellman, I think.—A. He is the master of ceremonies, not the producer.

Q. If it is his direction—I do not know the gentleman at all, but if it is his direction or whoever is directing this program it is just wonderful. You go along the street in Vancouver and anyone with a television set religiously listens and looks to that program and that is not true in the east re Tabloid. As far as "Tabloid" is concerned it is just being worn out.

*By Mr. Dinsdale:*

Q. Is there greater facility in the exchange of documentaries for TV purposes than there is for radio purposes? You are running a very interesting B.B.C. series in the "Battle of Britain" or the "Battle for the Air" at the present time and that has been made available through the B.B.C. Is it easier to obtain these documentaries for television purposes than it is for similar B.B.C. documentaries for radio purposes only?—A. I would think it would be the same unless on the sound side voices were being used, as they probably would be, of professional people, then the union comes into it. Film documentaries may be without union performers in it and then it becomes easier to exchange.

Q. I note that there is no heading for farm programs and I am wondering—A. There will be.

Q. What has been done or what is planned?—A. In this last year a farm television program has been started called "Country Calendar," which is proving very successful.

Q. Has the B.B.C. given any thought to using the TV medium for farm demonstrations, demonstrations of farming techniques?—A. This program

"Country Calendar" includes quite a lot of that sort of thing, many demonstrations of new methods and new developments of all kinds and it is proving very interesting to farm people.

Q. It would almost take the place of field demonstration in many respects?—A. Some of it is of a field demonstration type because they are usually taken on the field on film.

Mr. MONTEITH: "Country Calendar"?

The WITNESS: Yes, it is out and I think they are trying to develop some basic material which is interesting across the country and also has some regional material added to it.

*By Mr. Dinsdale:*

Q. I imagine that eventually you will have material suitable for the prairies?—A. I am not certain at the moment whether Winnipeg has it or not, if it is not it will be there very soon. Yes, I see it started in Winnipeg and is going to Vancouver too. It will also be in Halifax but, of course, we only have temporary facilities in Halifax.

Q. Any program like that, you work closely with the farm services?—A. Yes, they work with all the provincial authorities, federal authorities, agricultural schools and extension courses.

Mr. WEAVER: I would like to ask Mr. Goode what is this Almanac program from Vancouver.

Mr. GOODE: As far as details are concerned, let us see, there are three men on there, one is a weather forecaster who forecasts the weather in a much more attractive way. May I say this to Mr. Dunton, it took me some months to find out, but this chap, Bob Fortune, I could not understand why he could give a more attractive weather forecast than someone else, but I found out he was left-handed and, do you know, that makes all the difference in knowing what happens on a map. I did not realize what it was for some months.

Mr. REINKE: It would not work on the east coast, only the west coast.

Mr. GOODE: There is nothing the matter with British Columbia weather, I will tell you that.

Mr. REINKE: It is left-handed.

Mr. GOODE: But it makes a lot of difference in a chap giving you the weather on a map working from his left hand, you would be surprised although it seems strange, how much clearer a view you get. The other two people bring in the current events, what is happening today, not a week or two ago, and it gives people in British Columbia a most attractive idea of their own province. The other day he had a gentleman from the Australian Cricket Commission, we have a lot of people who are interested in cricket in British Columbia, but the way it was done was so much different than what you do in the east. You could learn a lot from British Columbia.

The WITNESS: Some parts of the C.B.C. will be particularly pleased with your remarks.

Mr. GOODE: I say that sincerely.

Mr. HANSELL: I was surprised that even the weather broadcaster had a leftist slant, I do not believe that.

The CHAIRMAN: "Sports"?

*By Mr. Richard* (Ottawa East):

Q. Mr. Dunton, I wonder if you could give us any more information as to what we might expect in football broadcasts in the fall? I know there is probably nothing definite yet about our Big Four but offhand I might say

that two years ago we had at least some professional football from the United States, it was most attractive, a most interesting program and it was the best of any football broadcasts I have seen. I would like to see some football over the week-end this fall; could you tell us whether we might expect to have that once a week?—A. We expect there will be football games at least once a week.

Q. But you do not know anything about the Big Four?—A. Nothing definite yet.

Q. Any chance of the professional football in the United States?—A. We were trying to do the best we could with Canadian football.

Q. No baseball this summer?—A. No plans yet, baseball is an enormously complicated thing to televise, the times at which it comes on and the way it jumps around makes it very difficult.

Q. It would be a great thing for this district.

Mr. WEAVER: Mr. Chairman, I would like to ask Mr. Dunton why they changed the programs on Saturday night, the one coming from Chicago to one coming from Hollywood?

The WITNESS: The ones from Chicago were no longer available from the Dumont network, but there are still a lot of people interested in wrestling so a special arrangement was made for Hollywood wrestling and we have hopes of developing more television of Canadian wrestling.

Mr. HANSELL: Those from Toronto were much better.

The CHAIRMAN: Somebody was asking if you were going to put on the Kentucky Derby next Saturday?

The WITNESS: Yes, that is being carried.

Mr. MONTEITH: Mr. Chairman, I do not know too much about how this works, but the big league games in the states that are seen on Canadian sets, are they picked up directly from Buffalo or—I am thinking of western Ontario?

The WITNESS: I think we made some arrangement for some of our affiliated stations to carry them as part of our network to take some baseball from the States.

The CHAIRMAN: Now, shall we come to "Administration" or "International Service," are you ready for "Administration"?

Mr. MONTEITH: Does "Administration" include finances and so on?

The CHAIRMAN: Finances are all on pages 42 and 43.

Mr. REINKE: Are you taking "Administration" now?

The CHAIRMAN: If it is agreeable to the committee I am ready.

*By Mr. Reinke:*

Q. Unfortunately I was unable to be here this morning and I heard that some reference was made to the policy of the C.B.C. or, at least, there were some questions asked with respect to the policy of the single station coverage. Could Mr. Dunton enlighten me to some degree on that aspect? For instance, let us take the city of Ottawa, I do not know whether an application has been made for another television station here or not, but if one should be made on a different channel that would not interfere with the already existing channel, what would be your attitude? Is it the responsibility of the C.B.C. board of governors or, as I see here under "Administration", all recommendations go forward to the licensing authority, that is the Department of Transport, could you enlighten me just as to how that works?—A. As I explained this morning, there is a general government licensing policy for television which was stated in the House of Commons and that is the one that applies regarding extension of television service in Canada through

different areas, not through duplications of stations in the same areas. It is our understanding that the Department of Transport does not accept applications from applicants in areas where there is already a television station either private or C.B.C. owned.

Q. Well then, where does your responsibility end or begin in so far as your recommendation is concerned? As I say, it says here under "Administration", "Recommendations to the licensing authority (the Department of Transport) were made for the establishment of eight new standard-band private radio stations, etc.," but where does your authority begin and end? You recommend to the Department of Transport on what basis?—A. On the basis of the application before us. The applications go to the Department of Transport, they have to be complete so they go over them and process them, send them to us for recommendation and we make a recommendation on them.

Q. On what basis do you recommend them, what factors do you take into consideration? Whether there is an overlapping or a station exists there already, that has nothing to do with you?—A. Oh, yes, and the question of suitability of the applicant, whether it looks as though it will be a good operation and all that sort of thing. We will look at its coverage to see if it will extend the television coverage and to what extent and not duplicate service in areas where there is already service. As I say, that does not arise to any great extent because the only applications being put forward are the ones that will extend the service, and not duplicate service.

Q. Let us assume the policy was handed down by the House of Commons, that is a single station coverage, the Department of Transport then have the application first and refer it to you from the technical standpoint. Now, that is the business of the single station coverage, again they do not go into that phase of it and recommend it, but that recommendation comes from you.—A. I think so, to a considerable extent, yes. As I say, in the first place, in my understanding, they are not even accepting applications which would put another station in areas where there is already a station either publicly or privately owned.

Q. In other words, the application must go to the Department of Transport and will not be accepted unless it meets the requirements. The refusal would not be given by the C.B.C. because of that duplication, you would never see the application?—A. In all probability I do not think they are being accepted where there is a station at the present time. However, I suppose they could send an application to get our views on it too.

Q. Let us take a case where there might be a small overlap and they send it to you for consideration. On what basis would you consider that application?—A. On its merits.

*By Mr. Monteith:*

Q. Is there any mileage that is taken into account as a supporting circumstance?—A. In very general terms it has been that the B contour of a new station should not overlap the A of another. That is in general terms.

Q. What is it roughly in mileage?—A. It varies a good deal in different circumstances. As the director of technical services explained the difference is the difference in power and other factors.

*By Mr. Goode:*

Q. Do not all these independent stations in Ontario overlap—does not their television coverage overlap?—A. There is a little overlapping among the private stations, but only to a small extent.

Q. Have you ever had an application for a private television licence in British Columbia referred to you by the Department of Transport?—A. I don't

think so, Mr. Goode. I cannot remember any. That is, a formal proper application. Certainly not since the policy has been established. I am speaking of course of a proper application, not of a simple letter saying: "we want a television station".

Hon. Mr. McCANN: What is your present position with reference to union agreements?

Mr. OUIMET: You mean with our staff?

Hon. Mr. McCANN: Yes.

Mr. OUIMET: We have collective bargaining with four different groups of employees, and there are contracts in effect or under negotiation with all of these.

We have four union groups, one called NABET—the National Association of Broadcast Employees and Technicians which covers entirely technical personnel . . .

Hon. Mr. McCANN: Is that the one which was finalized a few weeks ago?

Mr. OUIMET: Yes. Then we have a contract with the Newspaper Guild which covers mainly those of our personnel who are associated with news editing in our news rooms. Then we have the ARTEC group which covers for the most part office personnel, and finally we have the IATSE group which covers employees associated with the actual staging, and designing of scenery. We have agreements with all of them and we are negotiating the renewal of agreement with some of them.

Hon. Mr. McCANN: Do you anticipate any labour difficulties this year?

Mr. OUIMET: We are always hopeful that we can avoid difficulties.

Hon. Mr. McCANN: I know that much.

Mr. GOODE: How many strikes have you encountered in the last two or three years?

Mr. OUIMET: We have had no strikes. There was talk of one.

Mr. GOODE: Was not there a situation in which some employees stayed away from work for a little while sometime ago?

Mr. OUIMET: Not so far as I know.

Mr. GOODE: It stays in my mind that you had some difficulty with a small group of staff who stayed away from work a little while, did they not?

Mr. OUIMET: I am told we might have had a stoppage, which we might call a wild-cat stoppage, for an hour or so.

Mr. GOODE: It was not only in British Columbia was it?

Mr. OUIMET: I think it was in Toronto.

Mr. GOODE: I thought so.

Mr. OUIMET: This was just the action of a particular group. It was not approved by the national union and it was stopped. Generally speaking I would say that the relations with the unions are being carried out on a very business-like basis, and that relations are good.

Mr. GOODE: I do not know what you would call business-like when we have evidence here that you have to pay two orchestras when you only use one. I do not expect to express an opinion on that.

Mr. OUIMET: Without inferring that our relations with the musicians' union is not businesslike. I was referring to CBC staff unions.

Mr. KNIGHT: In fairness to the unions, there were a lot of derogatory remarks made about them the other day, and I think the musicians' union

was particularly mentioned. Is it not a fact that when they contract with you to do a certain piece of work for a certain sum of money, that contract is fulfilled?

Mr. OUIMET: That is correct.

Mr. KNIGHT: And you have complete notice and a warning before anything takes place, or a performance is done, that that amount of money has to be paid in connection with the work which they are performing?

Mr. OUIMET: That is correct.

Mr. KNIGHT: I think that should be on the record.

The WITNESS: I put it on the record the other day.

Mr. GOODE: Let us put something else on the record, while we are doing it. You also said that some of this money supposed to be paid to the men was not paid to them at all but went to the headquarters of the musicians' union.

Mr. OUIMET: In certain cases when standby musicians were engaged.

*By Hon. Mr. McCann:*

Q. With respect to the staff position, which was 2,900 at the end of 1954, has there been any increase in that, and have you about reached the maximum in the number of staff employed?—A. There has been a considerable increase since then due almost entirely to television.

Q. It says the increase was about 900—and I presume that is included in the 2,900—over the preceding year. My question is: have you reached the maximum number you anticipate having in the employ of the C.B.C.?—A. There will have to be more in connection with facilities which are not yet operating, such as the Winnipeg studios, the Halifax studios, and other undertakings which will need manning as they come into operation or into fuller operation. In general there will be no increases planned in the staff for sound broadcasting as such. Any expansion will come only in connection with television facilities or extra work related to those facilities.

Q. What I wanted to draw the attention of the committee to is this: when it comes to a matter of financing, a staff of 3,000 people is one of the main reasons why the C.B.C. costs as much as it does.

*By Mr. Monteith:*

Q. What has been the numerical increase since March 31, 1954?—A. In the whole thing?

Q. You have a figure here of 2,900 as at the 31st of March 1954. What would be the increase since that date?—A. To date, including international services, the total is 3,973.

Q. Where does that figure of 2,973 appear?

The CHAIRMAN: It is 3,973. On page 272 of the record.

Mr. MONTEITH: All right. I have it.

*By Mr. Dinsdale:*

Q. In regard to personnel, Mr. Dunton the comment has been made that the C.B.C. in Toronto is overcrowded at the moment and resembles a rabbit warren. What is the reason for that?—A. The smallness of the space in relation to the operations that have to be carried on there. There is a need for more space, and some of it is in the process of being provided now.

Q. As your facilities across the country extend will there be a tendency to decentralize operations or will there be still further concentration in Toronto? —A. Toronto is the big English language production centre and I cannot see any possible reductions taking place in our main English language production and operation activities there.

Q. Winnipeg in going into production shortly I understand. Will not that take some of the presure off?—A. Not very much because we are not planning large operations elsewhere. We have not got the money for it. Winnipeg and Vancouver each have one studio and you cannot do a great deal of work out of one studio. There will be some shows for regional transmission, and they will be making some contribution to the network services, but it cannot be a very large contribution by reason of the limited facilities which they have. The main burden of production will still have to be undertaken in the Toronto centre and the size of the staff there during the years ahead will depend on the general amount of production and services we provide.

Q. If I may go back to another matter which we were discussing a moment ago, Mr Chairman, are there any stations which are required to have directional telecasting in certain areas in Canada?—A. I think several have it. There was one particular case of a station at Hamilton where it was necessary under the allocation plan, if they were going to fit in with existing arrangement without undue duplication, and also cover some areas which were left uncovered, especially down into the Niagara Peninsula, it could be done only by means of a directional antenna, and they made an application on the basis of a directional antenna pattern. That is the only case I can think of.

Mr. REINKE: Kitchener, too, to a certain extent.

The WITNESS: Their pattern is slightly directional now, but only slightly.

Mr. DINSDALE: But it is a technical fact that if you do have directional telecasting you get greater range in one particular area?

Mr. OUIMET: You transmit the same power but instead of distributing it equally all around a circle you concentrate it on one side at the expense of one other sector of the circle. You can have different patterns; you can have a pattern which looks like a cardioid, or a pattern like a figure of eight depending on the type of antenna you use.

Mr. DINSDALE: What range increase would directional telecasting give you?

Mr. OUIMET: It would depend on the particular directional pattern. With some complex antennae you could concentrate your signal in one direction at the expense of practically everything else. In that case you could increase your range considerably. But in other cases it might be an increase of just a few percent. Your question is very difficult to answer satisfactorily because there is a complete range of possible answers varying from nothing to maybe double the range.

Mr. REINKE: It would also depend on the power.

Mr. OUIMET: I was assuming that the same power would be used all through.

*By Mr. Dinsdale:*

Q. When Mr. Reinke was questioning you, Mr. Dunton, on this matter of granting licences, I was interested to hear the Hon. Minister (Hon. Mr. McCann) observe that the interest of the Transport department is restricted to the technical aspects of an application. Is that correct?—A. Before it gets to us. The department sees that the whole application is in good form. They see that all the questions are answered and particularly that the technical side is in order. After that it comes to us for a recommendation, and then it goes back through Dr. McCann and on to Minister of Transport for further action.

Q. But the Department of Transport is primarily interested in the technical aspects of the applications?—A. As we understand it, yes, but what happens to our recommendations is for other people...

Q. We had a discussion this morning on the St. John situation and I was wondering what technical aspects would determine a decision in favour of a

private station as opposed to public broadcasting?—A. We do not know. We make a recommendation and it goes on to the licensing authorities and they make the decision.

Mr. GOODE: In answer to Mr. Dinsdale's question, Mr. Chairman, Mr. Dunton made a statement—I am quite sure he did not mean it—in which he said the matter would "go back to Dr. McCann". I am quite sure that Dr. McCann, the Hon. Minister would have nothing to do with it.

The WITNESS: I think he transmits it immediately to the Minister of Transport.

Hon. Mr. MCCANN: There are a lot of other things which come before the Department of Transport. When an application comes in and somebody wants to get a license for a television station and they have indicated that they have not anything to finance it with but that they could get the finance if they got a licence, we don't bother wasting time on such a case. In the set-up it is indicated whether or not the applicants are in a financial position to go ahead with the station—or whether they want to hold a licence as a step towards financing themselves.

Mr. HANSELL: Or sell it to somebody else.

Mr. RICHARD (*Ottawa East*): I also think this: that if someone were to apply for a private station in the Ottawa area the Transport department would similarly set aside that application and it would never go before the board.

The WITNESS: That is what I have explained.

Hon. Mr. MCCANN: The regulation is that where there is another station in existence a new one cannot be opened for the time being. Where there is a C.B.C. station there is nothing to be gained, and you only lose time by transmitting such an application.

*By Mr. Goode:*

Q. You said this morning that channel 2 was associated with the Chilliwack area. Would that be considered to overlap CBUT in Vancouver?—A. That is the sort of thing the Transport department would look at. I cannot give you the answer off hand.

Q. The distance by road is only 75 miles.—A. Primarily, as I said, it is technical matter for the Transport department.

*By Mr. Monteith:*

Q. Could Mr. Dunton tell us the number of employees who are working under union agreements?—A. About 3,200.

Q. How many would there be roughly at the end of the fiscal period ended the 31st of March 1954?—A. It is pointed out that at that time we did not have formal agreements with two unions, but I think the proportion of people with those who have since joined those unions would be still about the same.

Q. I notice there has been the salary of an administrative officer added to the staff and I am assuming he will be dealing with some 400 to 500 employees.—A. We have a whole labour relations department or section.

Q. I noticed that, but it mentioned a salary administrative officer and an industrial relations officer.

Mr. OUIMET: The salary administrative officer deals with all salaried positions.

*By Mr. Monteith:*

Q. Covering the unions, more or less.

Mr. OUIMET: The 4,000 employees, including the employees in the union.

The CHAIRMAN: And now do we take "Administration, Board of Governors, Personnel", there are only two items there. We should cover that before adjourning.

Mr. REINKE: That is covered already.

The CHAIRMAN: International service.

Mr. MONTEITH: We do not want to start that today.

Mr. GOODE: Are we only going to have Thursday and Friday next week? This committee has carried on a long time, is it not possible to get a full week in? We are holding up the C.B.C. personnel and I say we hold up their work. Is it not possible to have a room?

The CHAIRMAN: How often do you want to meet? We will have to arrange with other committees sitting.

Mr. GOODE: So far as committees are concerned they are all sitting today. I had six meetings today and I attended this one and let the others go.

Mr. REINKE: Start on Wednesday.

The CHAIRMAN: How about Monday?

Mr. REINKE: No.

Mr. MONTEITH: Should not the steering committee look into that?

Mr. GOODE: Why cannot we sit on Monday? It is understandable that some gentlemen will be busy but there should be enough of us here to go through Monday, Tuesday and Wednesday. Some of the members are here all the time and we want to get this matter completed. I hardly think it is fair to hold the C.B.C. staff week after week.

The CHAIRMAN: Could we sit on Monday night?

Mr. MONTEITH: The only reason is I am particularly interested in finances and you will all be in finance then.

Mr. GOODE: How about Tuesday?

Mr. REINKE: Leave it to the steering committee.

The CHAIRMAN: We will have to find out about the room first and we will take it up with the committee after tomorrow's sitting. Do you want to have the director of international services here tomorrow? To answer detailed questions we need some assistance.

Mr. GOODE: I am sure he will be here, knowing Mr. Fleming.

The CHAIRMAN: He is going to a funeral tomorrow, he will not be here.

Mr. GOODE: I would suggest that you have the director here in any case.

# EVIDENCE

MAY 6, 1955.
11.00 a.m.

The CHAIRMAN: Order, gentlemen.

**Mr. A. Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation, recalled:**

The CHAIRMAN: We are now on "International Service".

Mr. BEAUDRY: Mr. Chairman, yesterday morning I mentioned at some stage of the proceedings I mentioned this matter and with your permission, I would like to ask further questions on some commercial aspects of television. I had to leave around 5.00 o'clock yesterday afternoon and I do not know whether that phase has been covered or whether you would allow me to question on that angle.

The CHAIRMAN: If the committee agrees I am willing to let you go on.

*By Mr. Beaudry:*

Q. I will make it as short as possible. Mr. Dunton, I am thinking particularly at this moment of the French network and your French language station in Montreal, CBFT. I understand that there are requirements of perhaps more availabilities than it is economically sound to secure or physically possible to secure due to the fact that everything done in the French language, or almost everything done in the French language, has to be done live, that you are in fact putting out fewer programs in the French language than you are in the English language, is that correct?—A. As the general manager explained yesterday, the amount of programming on the air is somewhat less in French than in English, the amount of program production is about the same in each case.

Q. Due to the difficulties I mentioned earlier, has it not been a normal conclusion that whereas you have reasonably filled the same amount of time in hours or production, on account of studio difficulties, each of them in the main is of a longer nature and therefore you have fewer programs daily?—A. No, I think the general manager explained that yesterday, that the production efforts and the production facilities are just about the same in Montreal and Toronto. The additional English language programming on the air comes from the fact that there is material available from outside Canada so easily, so readily, but the amount of production facilities used are almost exactly the same.

Q. But, in actual practice; I am referring to a sample week of March 27, 1955; on Sunday, for instance, there are included the test pattern and music fourteen French language presentations and twenty-five English language presentations. There is more time devoted in English because I appreciate there are more resources. I notice that there are six film programs in English whereas there are none in French. I may be wrong on one topic there. On Monday I believe the same would apply with the fourteen different program headings in French and nineteen in English and I believe that is fairly prevalent throughout the week. I am arriving at this point: are you able, in the French language and over station CBFT, to meet the requests of all advertisers

desirous of purchasing time?—A. I think that is one of the situations we were discussing as in Vancouver yesterday. I could not say we were able to meet every request of every advertiser but many situations arise; it may be an advertiser wants to put on the kind of program that we do not think fits into the pattern, or he may not have the money to support or be associated with the quality of program we think should be produced. My understanding is that in Montreal there are very few advertisers, if any, who are anxious to support a program, a production of fair size, who have not been satisfied.

Q. Outside of actual programs, coming to spot or flash announcements or one minute announcements which are highly popular, are you able to meet all the requirements in that respect?—A. Not entirely at the present time and that is partly because the program schedule is rather shorter in French, and we try to keep a reasonable limit on the number of spots inserted during a schedule. With that limitation there are, I think, a relatively small number of advertisers who have to wait a bit to get their spots on. We try to get them all on in time but some have to wait and actually if the schedule could be extended there would be more slots for all these spots to go in.

Q. Am I right in thinking that to the average sponsor advertising in the French language through the medium of sponsored flashes during a live program, the cost would be higher than it is in English? Not necessarily on programs but in the main inasmuch as from some figures supplied we see that English sponsors are able to secure films at a lower rate than the cost of live production whereas those in French, it has been stated, are almost, if not fully, impossible or frequently impossible?—A. Yes, as the general manager said yesterday, there is not much suitable material in French apart from live material and production costs are relatively the same in English or French in Toronto or Montreal.

Q. Would I be able to infer from that that to the average sponsor desirous of going into television the method of doing so at, to him, an accessible price, would be more the method of spot and flashes than that of sponsoring a live production?—A. I do not think necessarily. As you know, there are quite a few advertisers sponsoring a production in French, quite elaborate ones, and as far as I know most of them are pretty happy with the results, even though they are spending quite a lot of money in connection with the production of these programs.

Q. I appreciate that, but is it not true that if the sponsor wants to go into a live television show in French the cost is extremely high in most cases?—A. I would agree the cost of the program tends to be high, it is the same thing that applies right across Canada in English and it applies in French too.

Q. I am thinking of the resources that are at the disposal of many sponsors who could go on the air at a lesser cost than that of a live production.—A. That is one reason in doing spots; we want the money and we try to accommodate those sponsors.

Q. I know from experience in Montreal in French you have a backlog of spot requests which is quite considerable?—A. As I say, our people try to handle it on a revolving basis, take people in order and give them all a chance.

Q. I am thinking of the position in which it places the sponsor who, I would not say through lack of foresight but through lack of proper timing, is handicapped by not being able to advertise within his means while his competitors are in that favoured position.—A. You mean because they have spots?

Q. Because one is on the air, has a block of time for spots whereas his competitors have no time available to them?—A. Yes, in the first place I think naturally some credit should be given to the people who came on earlier, but in addition to that our people try to be fair to the newer people trying to get on; to limit the ones that have been running and give a chance for those who are waiting.

Q. But even in spite of all the fairness that may be shown it at times proves impossible?—A. Oh, to get on immediately, yes.

Q. I refer to some clients, not of mine, who are fiftieth or fifty-fifth on the waiting list, but I am thinking of the basis that puts them on with competitors who at the time are on the air. I appreciate it is an insoluble problem at this moment, but I am wondering whether the solution does not lie in the larger centres in the operation of other stations?—A. Do you want to discuss that?

Q. No, I appreciate that, but I am asking myself out loud because it seems to me the more popular television becomes the more people want to get into it and the time factor is going to be an element which will have to be given some consideration.—A. Well, if you want to raise the question of production of television—

Q. I would like to bring that to your attention, it is important to many sponsors.—A. There are many important factors which could be discussed apart from the view of advertisers who want to get more spots; the point of view of the economy of television across the country; there are a great many factors.

Q. I was viewing the question from the sponsor's point of view, not the agency's point of view, the point of view of those who have certain means to go into television, financial means beyond which they cannot go, and who find it impossible to get on because of the time limits.—A. I think that should be given some consideration, but there are many other factors related to the whole economy and finance right across the country of services in English and French which are very important.

Q. I will not enter that phase now, thank you very much.

*By Mr. Goode:*

Q. That brings me to one more question: is there a waiting list in Vancouver?—A. Not to my knowledge. There may be sponsors who cannot get the sort of thing they want at the time and may be waiting to get it at a certain time, but I think in general there is no waiting.

Q. You mentioned before those sponsors want in on a special period, the people demanding certain times and they would rather stay off the air than not get it?—A. Yes, I think the cases you mentioned yesterday on Bellingham were because they did not get the time they wanted on the Vancouver air or the program they wished to sponsor was not acceptable.

Q. I will not pursue it but it still gives me the impression that there should be an additional outlet for television in Vancouver, C.B.C. economics notwithstanding. The point has been established by you that CBUT is not able to handle the available traffic, there are a number of sponsors that want to get on between 6 o'clock and 10 o'clock at night, the popular times when you are not able to accommodate them. What is the answer? Is the answer that we have to hold off some likely sponsor to the detriment of the advertising business or are we to take the view that another outlet should be permitted to allow those people who have the available money to go on the air? I have not decided it in my mind and you have not decided it for me either.—A. That is one factor in considering the whole question of television; but perhaps when we are considering the financial aspect of television it will be seen what a big financial load in general is arising from the service all across the country through private and public stations, and the production of programming here. I would suggest one thing to you. I would say it should be the general public interest in Canada, not simply the provision of opportunity for a few sponsors to go on the air. We are having difficulty now in having more money provided to support transmitting much better material in Canada.

Q. You mentioned a few, I am not convinced it is a few, but I think there are a lot of big companies throughout Canada who want television time and cannot get it on the C.B.C. I make that statement hoping you can

disillusion me.—A. There are not a lot of companies who are ready or wish it. Those ready to support television production in Canada are nearly all either satisfied; although perhaps a few who are interested are looking ahead to another year. As I have said there are some advertisers at different points who want to put spot announcements on the air and are having to wait for time to get on, but I suggest the spot announcements are not much of a contribution to the viewing public apart from some dollars they may raise.

Q. I cannot agree with that because I said yesterday and I repeat again that there is a lot of money going to the United States stations in my area. It is not just a few cases because I have had it checked; in fact, a letter came back this morning having KVOS checked for one week, that is the Bellingham station, and three nights during the week, outside of a late film, the whole night was taken up by Canadian advertising.—A. Is that advertising in fifteen-minute or half-hour programs? What was the content of the program?

Q. I do not know particularly. I think I mentioned yesterday "Amos and Andy" and "My Hero"—among others— —A. Your inference is that they would be supporting non-Canadian programs.

Q. Do not the Canadian sponsors support non-Canadian programming?—A. Yes, and also a lot of Canadian programming. Under the system which has been developed across the country, one of the main objectives is to support a substantial amount of Canadian production and ensure distribution across the country, both of which are extremely expensive.

Q. You are penalizing some of the advertisers by saying to one company you can advertise on C.B.C. and saying to another company you cannot advertise because we do not have the available time?—A. In a very few instances.

Q. I could not agree in regard to my own territory. I do not know about the rest of Canada, but in my own territory that is true. I think that if you would give it some thought you will find my point is perhaps well taken. We are allowing Canadian money to go to the United States which could go on a private television station in the lower mainland of British Columbia. I do not think that there is any successful argument to that. I do not say that you are wrong but I would say that I do not like to see Canadian money going to the United States stations.—A. I just urge that you give consideration to the other side of the thing, to the need of funds through public channels and from advertisers to support the very big load of program production in Canada and distribution from Victoria to St. John's, Newfoundland. Both those things are extremely expensive operations.

Q. I have not made up my mind yet, but evidence has been given to this committee in former years that it costs a lot of money to set up a private television station. There have been gentlemen who have appeared before this committee who said that they had that money to set up a private television station; whether they are the type of people we would desire to have setting up private television stations I do not know. There are people in British Columbia who say they have the money and wish to have the opportunity of putting private television on the air. We are saying to them—and I do not know whether it is your policy or government policy—but someone because of these facts is penalizing part of the Canadian trade.—A. I will ask you again to think in a total way of the amount of funds that are going to have to come to support the system as a whole, public and private stations, and production and distribution of programs. I think when you look at the picture of the thing you will see the size that load has to grow if we are to have a good job in Canada.

Q. This country has been built on the speculation of private money. We would not have stock exchanges if that was not true. Some people say we are willing to take a chance with many hundreds of thousands of dollars and the C.B.C. say—I do not know whether you can put the onus on the Depart-

ment of Transport—you cannot take a chance with your own money.—A. Anyone having a private television licence in a place like Toronto or Vancouver is not taking much of a chance and will be able to make a lot of money, but most of his programming will be from outside of Canada and of the kind you mentioned as being sponsored by some advertisers on the Bellingham station. I would say that this becomes a very important matter of national policy. You talk about taking risks. If parliament wants television to be on a purely private enterprise basis, all right; but on a purely commercial basis program production in Canada in general does not pay and distribution right across the country does not pay.

Q. You say that these people take no chance of losing money. Is it not true that there are some private television licences now given in Canada which have not resulted in the erection of station transmitters. I have information that there are a couple in the east who have not begun to construct stations who have had permits for some time?—A. Our information is that they are all going ahead except one in Quebec which is held up by difficulties in respect to transmitter site. I understand that the Department of Transport withdraws permission unless they do proceed within a reasonable period.

Q. I think that if people wish to take chances on a large sum of money that we should let them take chances, especially on the basis that you say they do not take a chance?—A. I mentioned that in connection with large centres.

Q. You know I am talking about Vancouver. You say these people do not take a chance. They would be giving the people of the country an opportunity to advertise their products.—A. I suggest that you have to consider whether in accommodating those sponsors you are taking a step which will have its inevitable effect on the whole overall national system of production and distribution.

Q. You are making me say now we are supporting a monopoly?—A. It is a series of monopolies across the country, public and private, all merged together in one overall system which faces an awfully big challenge ahead of it. The challenge in terms of dollars and cents is a very heavy one.

Mr. BOISVERT: I would like to ask one question following Mr. Goode. Do you not think, Mr. Dunton, that we should take it for granted that broadcasting is a public service for the people of Canada and not for the possible advertisers?

The WITNESS: I have been trying to suggest that there are other factors to my mind which are more important than just accommodating the immediate desires of some advertisers, and I have always understood that the most important considerations were service to the public in broadcasting.

Mr. BEAUDRY: I would like to qualify a statement of Mr. Goode's. I do not think I spoke of penalizing the advertisers, I think I referred to accidental discrimination which I think it is.

Mr. KNIGHT: I think a lot of listeners and now viewers, since we are talking about television, are a bit impatient with the advertising that we see or hear and I am wondering about that. There must be some rules in regard to the time of advertising vis-a-vis the time of the actual program and that sort of thing. I do not expect you to tell us all the details but I would like to know something about what those rules are. First of all, as to the rules in regard to C.B.C. stations and also in regard to the private stations over which you have some control. What are the rules and, are they being adhered to rigidly?

The WITNESS: I think we filed for the committee copies of our regulations for sound broadcasting which as I explained yesterday are in practice being applied to television, and you will find those limitations on advertising time in the regulations. They were distributed several meetings ago.

Mr. REINKE: They are there. I have seen them.

The WITNESS: I might say that those regulations apply equally to the C.B.C. and to private stations.

Mr. KNIGHT: And they have been appended to the record?

The CHAIRMAN: I do not think so, Mr. Knight. They are on the bottom of page 3.

*By Mr. Knight:*

Q. I was thinking that this had not been on the record and I was wondering if for the record you could give a very short resume of what those regulations provide—the approximate proportion of time to be given to advertising, and so on.—A. They are really contained in fairly brief form in the regulations—regulation 7 on advertising content. That really covers it pretty well. That is the regulation relating to the amount of time to be devoted to commercials or advertising messages. I think it is quite brief.

Q. May I ask if in the case of the C.B.C. those regulations are rigidly adhered to?—A. Pretty well, I think. If they are not in any case they would be checked up, but I think they are well followed.

Q. And do you get complaints occasionally from members of the public or from organizations that the private stations are overstepping the mark?—A. At times. We have had complaints from members of the public or sometimes from one station about another station.

Q. Have you found that those complaints were justified?—A. In some cases.

Q. What did you do about it?—A. It would be brought to the attention of the station, and I think that in the last year or two, since the regulations were revised, there has been quite a good degree of compliance. Regulation seven was revised a great deal. Considerable effort was made to bring it in line with reality, and it has been quite well followed.

Q. I can understand that the commercial people are concerned on account of the revenue but I think that as far as the general public are concerned advertising is a necessary evil, necessary because in their opinion we have to have the revenue in order that we might have the program. I think that is the general attitude of the public throughout Canada. I do not think anybody ever turns on the radio or television in order to get the advertising and find out where they can buy shoes or soap or hairbrushes. I think the program is the thing; in terms of the drama, "the play's the thing" and this other matter is a preliminary nuisance which one has to suffer so that one may get the program.

I take it now that there are definite rules. You have referred me to section seven of this brief in order that I may find out what those rules are. There are rules, and so far as the C.B.C. is concerned it adheres to them "pretty well"—I think that was your expression.

Thirdly, there have been breaches—you did not say how many or how common they were—on the part of the private stations; and fourthly I think that where those breaches have been brought to your attention you have dealt with them?—A. Yes.

Q. Presumably with some results?—A. Yes, as I say I think compliance with that regulation is quite good now; our regulations division did a lot of work on it.

Q. Since you stated that this document is not being appended—I suppose there is to be no decision on that . . . .

The CHAIRMAN: I think it was said when this was distributed on March 24 that the regulations were a little too long to be printed.

*By Mr. Knight:*

Q. Then I am suggesting that since the whole matter is contained in regulation seven on page 3 that it might be a good idea that as a part of this question and answer between Mr. Dunton and myself that this paragraph seven should be included in that material—in other words if I might ask Mr. Dunton what the regulations are he could reply giving me the information.

The CHAIRMAN: They are contained in paragraph seven, are they not?

The WITNESS: It is as follows . . . .

The CHAIRMAN: Just seven?

Mr. KNIGHT: If Mr. Dunton assures me that paragraph seven covers it, and I think it does. . . .

The CHAIRMAN: Is that right?

The WITNESS: Yes—advertising content.

The CHAIRMAN: Is it agreed that this be printed in the report?

Agreed.

*By Mr. Knight:*

Q. What are the regulations?—A. Advertising content.

7. (1) No station shall broadcast any program the advertising content of which exceeds in time the following:

| Length of Program (Minutes) | Midnight to 6:00 p.m. | 6:00 p.m. to Midnight |
|---|---|---|
| 5 | 1:15 | 1:00 |
| 10 | 2:10 | 2:00 |
| 15 | 3:00 | 2:30 |
| 20 | 3:30 | 2:40 |
| 25 | 4:00 | 2:50 |
| 30 | 4:15 | 3:00 |
| 40 | 5:00 | 3:45 |
| 45 | 5:45 | 4:30 |
| 60 | 7:00 | 6:00 |

(2) No station shall broadcast paid spot or flash advertisements that exceed four in number or three minutes in total time during any fifteen minute period, except that a station may, with the previous consent of a representative of the Corporation, arrange for special announcement programs exceeding these limits with a proportionate reduction in paid spot or flash announcements during other periods. This subsection shall not be operative during the period of a major emergency within the area served by the station.

(3) For the purpose of this section the time of a network program is, in all time zones in Canada, the time of the originating point of the Canadian control point.

*By Mr. Richard* (Ottawa East):

Q. Just to go back to this monopoly question. Is it not a fact that in television it is clear that the C.B.C. has reserved only six areas in the country?—A. Only six have been reserved for us.

Q. And private stations in the same manner under government regulations and policy have the same monopoly in other areas?—A. That is right.

Q. It is true also that if another station were installed at the present time in any of those areas where the C.B.C. now has stations, that it would be at

the expense of the other station because there would not be enough extra advertising in that district to supply two stations at the present time?

Mr. MONTEITH: How do we know?

Mr. RICHARD (*Ottawa East*): I was asking him because he is the expert.

The WITNESS: One cannot be definite in answering that question, but undoubtedly it would affect the revenue or the potential revenue of the existing station.

*By Mr. Knight:*

Q. A private station in any of these areas—established C.B.C. areas—would not be taking much of chance because it would be always assured of the sustaining programs of the C.B.C. and also of the paid network advertising of the C.B.C.?—A. In the case of a station established under the present policy.

Q. So there would not be much of a chance being taken by a private station in areas of the C.B.C.—they would be operating at the expense of the C.B.C. sustaining network?—A. But we could not provide a program service to a second station established in areas where our stations are. There would be duplication of services, which the public would not like, and in present circumstances we could not afford to provide additional programs for such a station.

Q. So there would be very little left for them unless they took C.B.C. advertisers?—A. Such stations would have to operate almost entirely on imported film material.

*By Mr. Goode:*

Q. Surely the C.B.C. are not afraid of competition from a private station? —A. Not competition as such.

Q. The taxpayers of Canada pay 15 per cent on every set which is sold in Canada, and that goes to the C.B.C. They do at least start with that advantage. —A. We are not out to make a commercial profit. Our job is, in cooperation with private stations and with support of money from the television viewing public, to try to provide a television service throughout this country which includes a lot of Canadian production. That is our whole object.

Q. What are we going to do as a parliament of Canada when sales of television sets arrive at a point where the income from those sets does not meet the expenditure of the C.B.C.? Are we continually going to provide money from the parliament of Canada for the running of the C.B.C.?—A. You are getting out of my field.

Q. It is my field and I think the time will have to come when the C.B.C. will have to take a good look at its advertising revenues and say to itself: "we are going to be self sustaining or else".—A. That to my mind is a very important question. It is simply impossible to operate a nationwide television system in this country, using a reasonable amount of Canadian production, on a commercial basis. Economics are all against it. Therefore it becomes a matter for a national decision by parliament whether nation-wide system having some substantial Canadian production is to exist or whether it is not to exist. It certainly cannot exist on a commercial basis because all commercial arithmetic works against program production in Canada and against the distribution of a service right across the country.

Q. I have a great respect for you and for the C.B.C. but I wonder how long the parliament of Canada is going to go on providing millions of dollars for a corporation which says to this committee that they cannot stand competition from private stations.—A. I have not said that.

Q. You intimated it—A. No, I explained what our objectives are. You referred to duplicate stations and I said they would be bound to affect the

economics of the whole national system. I did not say we could not stand up to competition. We have very keen competition, bluntly speaking, in southern Ontario and around Toronto and in Vancouver, and we are not doing too badly. I am not just speaking of the C.B.C. And in spite of the fact that Canada can put much less money into television programs than can the Americans, yet Canadian service, at a fraction of the cost, is not standing up too badly against American programs.

Q. I am very favourable towards the programs you are putting on, but I still have a question in my mind as to why you are afraid of private competition—I do not think you need to be—A. I said nothing about that. I am perhaps thinking more of your problem as a member of parliament, the financing this system in the future, It will cost a lot of money to maintain this national system right across the country. Duplicate stations are bound to draw off some of the support from the whole system, so that is part of the problem of parliament.

Q. That is true in sound broadcasting. I do not think you need to be afraid of the five or six stations in competition with you at the coast. You do a good job, and if I may mention the polls that have been before the committee before you do very well on percentage.—A. We are not afraid. We are just trying to do a job. As I say, I think the committee will see this more clearly when we get to the financial matters, and the economics of television broadcasting which are far bigger than sound broadcasting although they are not more complicated.

Q. And are they any different than when sound broadcasting first started in Canada when the situation was exactly the same?—A. Yes, because the costs run between five and ten times as much—let us say they are seven times as much. All the factors are in favour of importing rather than producing here and are in favour of bringing programs directly from the United States instead of linking Halifax and Winnipeg and Vancouver. These factors work far more strongly in television. With a large cost per head of population for the whole system, I suggest that parliament needs to think pretty clearly about where the resources are to come from to support the system both through public and advertising channels. If you dilute the flow through advertising channels too much, that is bound to reduce the amount of support.

Q. I do not think you will lose any advertising. I think your programs on the coast are of such quality that you will receive all the advertising support you need. That is my frank opinion. You are doing a good job on the coast, and I do not know why you are worried about competition coming in. Perhaps I am putting it wrongly, but I cannot see the principle.—A. I appreciate your comments, but we know the realities of arithmetic and the way it works in this business. There are often sponsors who are glad to be associated with a good Canadian production, but they find the cost is getting too big, and they tend to drop their sponsorship and sponsor an American film. If that goes on too far, there is less and less support from Canadian advertisers for Canadian production and then there is more burden on the funds coming from the public source, or the whole system has to depreciate.

Q. I am afraid you and I do not agree, but perhaps you have more on your side than I have on mine, and I am willing to listen to you before I make up my mind.

*By Mr. Dinsdale:*

Q. I have just one question on this point. Mr. Dunton insists that if private stations moved into the telecasting field on the competitive basis, they will have to resort to imported programs. That argument was used for radio and it has not necessarily applied. Why should it apply any more to telecasting? I realize the economics of the problem, but cannot regulations be laid down insisting on Canadian content?—A. I will try to answer the various parts

of your question in sequence. In the first place, if you examine the logs of most private stations in sound broadcasting you will find the great majority of their program output is actually non-Canadian material—records and transcribed programs—the great majority. In television, as I have said, the economic factors work even more strongly in favour of importing rather than producing here. In sound broadcasting, let us suppose you can put on some sort of production that costs $300 or $400, and to get the rights of a transcribed program it costs perhaps $20 or $30—you are still faced with only an expenditure of $300 or $400 for a local production. But if we get into television, even a minimum of any sort of a real studio production would cost between $2,000 and $4,000. When it costs you about $100 to run an imported film on your station the temptation to do so rather than to produce a program is very strong. Strong as it was in sound broadcasting the factors in favour of importation work even more strongly in telecasting.

Q. Regulations in radio work out a certain percentage of Canadian content— —A. No. We thought of that at one time, and there was such an outcry about it, we did not put it in, and at the present time there is no restriction on Canadian content.

Q. They accept network facilities on radio which is Canadian content, and they must carry the network programs?—A. Not all stations. We have a mutual obligation with those that are affiliated with the network but those not affiliated are under no obligation. As I say, the great majority of the material on the air is not Canadian. I am in no way criticizing the operators of private stations. They just have to face the facts of economic life. They want to make a profit naturally, and in general the way to do that in sound broadcasting is to use a large amount of imported records and transcribed material. Some have a sense of responsibility and do much more in the way of community service or live efforts than others do. In television as we know, the costs are very high, and apart from simple programs of a panel type, brief discussions or the interview kind of thing private stations are doing little production. Some of them thought they would support them before they started, but they find they cannot go into larger productions of creative content. At the present time there is no chance of the basic situation changing and therefore the majority of the material is imported film material that is sponsored.

*By Mr. Monteith:*

Q. I am just thinking out loud now, but I am following up Mr. Goode's point. I am wondering if there has been any thought given by the C.B.C. to having a monopoly in this respect that they now say to a sponsor on the west coast, or on the mainland of British Columbia, "You either pay so much for your advertising through our station, or you do not get on." Now, why should not that person be given the privilege of advertising in another outlet which does bring in a bit of American film only at a cheaper rate. He may find his advertising through your outlet much too expensive.—A. May I say in regard to your first comment that in a crude way it supports what I was saying about additional stations being bound to affect the revenue of stations that are there already. Maybe it would be necessary to reduce rates.

Q. Maybe there will be more room on your station for some who want to get on.—A. It might be, but if the rates are reduced you have not as much support. You spoke of monopoly in television and sound broadcasting. Actually there are monopolies in quite a number of areas in this country where there is only one sound broadcasting station and likely to be only one, and

the same situation arises there. In television, quite apart from any question of licensing policy, there are bound to be monopoly areas as long as we can foresee.

At several places in southern Ontario there is only VHF television channel available for as long as we can see. That situation will be a monopoly, and the same situation applies. There may be other areas where there may be channels available, but the economics of the situation will dictate that for a long time only one station can be supported.

Q. There is another channel, as Mr. Goode has said, which is available in British Columbia, but the economics do not call for another station there now.—A. I have not put it that way. I have been trying to say that the operation of another station there, or a second station to the C.B.C., another existing private station, would be bound to affect the flow of money into the whole national system of Canada. It is a matter of judgment whether it should be allowed to have that effect or not, but it is bound to have that affect.

Q. I claim that it might increase the flow of money into the whole setup. —A. In what way?

Q. In that the private station will pay some money to you.—A. How?

Q. For the use of some of your programs.—A. Let us take Vancouver. Our resources there are fully strained now to "program" that station. The public will not want those same programs going to a private station and duplicating the area. The only thing we can do would be to provide other programs for the station and we have not got the resources for it. It would cost us money and not bring us revenue.

Also, I think it is clear from the returns we filed on the net revenues from the network programs that the C.B.C. as a network organization gets very little money in respect to programs going to its affiliates, very little indeed.

The economic side of television from the point of view of network operation of television is not profitable. The cash returns come in the form of sponsored imported film programs, in spot announcements, and that sort of thing.

Q. These returns have not been explained or discussed in the committee.

The CHAIRMAN: Which returns?

Mr. MONTEITH: The returns which were tabled yesterday.

The CHAIRMAN: I do not think they have been discussed, but they have been tabled.

*By Mr. Monteith:*

Q. I am a new member on this committee and I am rather ignorant of these expressions. I wonder if Mr. Dunton would explain to me what "less 10 per cent frequency discount" means in Item A.—A. You must take it along with the rate card already provided to the committee. The first item "Total Gross Network Station Time" would be made up of the sum of the one hour rates of the various stations on the network which you will see on the card. They are the stations which are used for that particular program, as is usual in broadcasting.

Q. May I be clarified on one point: is this presumed to be a one hour program, or is it a combination of several quarter hours?—A. No, it is a one hour program.

Q. How do we get this $5,080?—A. By adding up the individual network station rates for the stations on the network which are included for that program.

Q. Yes.—A. It is usual in broadcasting, for obvious reasons, to give the sponsor a discount if he takes a number of occasions. For instance, he contracts

in this case for fifty-two weeks in the year. That is very worthwhile from the point of view of the whole system, and he gets the full frequency discount of ten per cent.

The regional is probably a particularly Canadian thing. We, as a matter of policy, want to encourage sponsors with good programs to go on all possible stations, particularly to the private affiliates. Therefore, if they take more than one region, as you can see on the second page, they get a discount for taking the other and extra regions, because they are extending the program across the country; but they must take all the stations in the region, the smaller ones as well as the larger ones. In this case, he gets a 16 per cent discount for the larger English program because that program goes to all regions of the country and to practically all the stations to which it can go.

Q. To all the stations to which it can go in that region?—A. Yes. The particular program in this case is stopped from going to certain stations because it is carried on American stations across the border and the American network in question will not let us put it on certain Canadian stations which are near the border. Nevertheless, he still earns his full regional discount.

In fact, that regional discount comes out of the C.B.C.'s share of what is left, as you will see later. Then there is an advertising agency commission of 15 per cent, and by agreement the net, after this is taken off, is split between the United States network and our network. This, as you know, was the subject of bitter negotiations several years ago, and this was a final compromise. We think that the Canadian share is too little, but it is the best that we have been able to get after very strenuous negotiations.

The private station, no matter how these other discounts are worked out, gets 30 per cent of its gross rate. That is the individual rate on the rate card. It gets that 30 per cent, no matter how the other discounts are worked out. The C.B.C. gets what is left, as indicated here.

*By Mr. Balcer:*

Q. Do you charge the same amount, such as this $5,080; is that the same price as the network in the United States charges to the sponsor?—A. No. These station rates, as I said yesterday, are worked out according to a rough formula to which we agreed with the private stations, and the rates go up as the number of sets in each area increase. In the United States they pay something more than we can pay in Canada, but we think that the Canadian rates are fairly high in comparison with the American rates. However, they will change as the television audience in each area goes up Some American station rates run to $7,000 or $8,000 an hour; for instance, a New York station where they cover as many people as the whole population of Canada.

*By Mr. Monteith:*

Q. What is meant by the C.B.C. production subsidy plans?—A. In the first place, there is no such thing. I think we discussed it at some length yesterday but I do not know if Mr. Monteith was here at the time. I think you are referring to what I was explaining to Mr. Fleming, that all the advertisers pay these same rates whether the program is American or Canadian.

If it is an American program we pay nothing for it because the sponsor provides it. Sometimes it comes from an American network and is probably paid for by his present company, or he may arrange to provide a film. But in addition to that, we produce in Canada programs for the service which we think will go into service in an effort to get funds for the system and we try to get sponsors to associate themselves with certain of these programs.

In addition to all these amounts, we get sums from these sponsors in connection with the production of the program, and that in practice has been run-

ning at between 50 per cent and 60 per cent of the total cost of the program, on a full cost accounting basis taking everything into account such as use of the facilities and so on.

*By Mr. Balcer:*

Q. Mr. Chairman, I have to leave in a few minutes and I wonder if I could ask a question which is not quite relevant to administration, but I was wondering if Mr. Dunton could tell us when we can expect colour television in Canada?—A. We are naturally very interested in this and our people have been watching developments closely in the United States. As I think the committee knows, the United States have adopted official standards and specifications for a broadcasting colour system and there are some broadcasts being broadcast by some networks in colour. Sets are being produced but they are not selling well at all at the present time because the cost of them still runs around $900 to $1,000 and at this moment colour is not moving ahead in the United States or at least is moving very slowly. Our figuring in very general terms is that the sensible time for Canada to move in on colour television is when it is possible for manufacturers here to turn out sets of assured performance at a price at which a good number of people will buy them as they do in the United States, somewhere around $400 or $500.

Q. You are not doing any research at the present time?—A. We cannot afford to do original research but our management is keeping the development of colour television very much in mind and when the time comes and we find it possible we will go ahead. At the present time two networks in the United States are doing it and it is costing a great deal of money to promote and we have not the finances, not just the C.B.C. but the Canadian system as a whole, to support these two or three colour television shows in a week with only a few sets in the country.

Q. I understand it is about $100,000 an hour for colour television shows?—A. There are quite a few not coloured that cost that. Colour does not add much to the actual production of the show but Mr. Ouimet can tell you it adds a lot to the technical cost. That is where it goes.

*By the Chairman:*

Q. Do they have colour television in the States?—A. Oh, yes.

Q. They have the colour in television and we have the colourful program. —A. There were some two or three shows a week which have been reduced lately.

Mr. OUIMET: Do you wish me to explain the additional complications on the technical side in a simple way?

Mr. BALCER: What I was worrying about is this: you hear a lot of people at the present time who are wondering if they should buy a black and white set or wait until the C.B.C. gives them colour television and then invest their money in a colour set.

Mr. OUIMET: Usually we do not give advice, but I think it is pretty well generally recognized by all the people in the industry that black and white receivers will be useful for a long time yet.

Mr. BALCER: I was reading the other day that in the United States—

Mr. OUIMET: To complete my answer, black and white sets can receive any colour transmissions but in black and white, so the same program can be received on the ordinary black and white set. Colour does not render it obsolete except to the extent that the black and white set will reproduce the colour program in black and white but not in colour; but it is the same program, the same information.

Mr. RICHARD (*Ottawa East*): I was wondering if Mr. Dunton has a breakdown of the figures on the Ottawa station that I asked for yesterday?

The WITNESS: I am sorry, it has not been possible to check that yet because the figures are in Montreal where the headquarters of the engineering division is.

*By Mr. Monteith:*

Q. Mr. Chairman, was there any mention before the committee in my absence about how the televising of the opening of parliament worked out? Was it satisfactory to the C.B.C. or not?—A. We had very good comments on it, excellent comment. In some cases schools arranged for sets so the children could see it. We had a great deal of excellent comment, we had people saying, "Well, I had no idea what went on at the opening of parliament." People seemed to think it was interesting and the television viewers saw more of the opening than is seen by people right here because they could see the different scenes inside and outside and the people here had to see only one, either inside or outside. We have few out-of-pocket expenses. It is simply a cost accounting. We had the mobile units (we had to have a lot of equipment for it), but it was all of our own staff and equipment.

Q. In other words, it was generally satisfactory?—A. Yes

Mr. WEAVER: I would like to ask Mr. Ouimet if a colour television set would receive black and white programs?

Mr. OUIMET: Yes, the colour television system which all the countries are considering now and which is being used in the United States makes it possible to receive on black and white sets a black and white picture of the coloured program.

Mr. WEAVER: How about the other way around?

Mr. OUIMET: I am sorry, I misunderstood.

Mr. WEAVER: The colour set, will it receive black and white?

Mr. OUIMET: That is also true, it will receive black and white.

Mr. CARTER: Does it require very expensive changes in your present broadcasting equipment to broadcast colour programs?

Mr. OUIMET: That is one of the problems. For a transmitter to relay a colour program the change is not too expensive, but to produce colour programs or to originate colour programs the changes in equipment are very expensive. The reason is that a colour system is the equivalent of three monochrome systems working on the three primary colours so, in effect, you have a camera for the red colour, a camera for the green or the yellow and a camera for the blue or violet. Not only do you need three tubes but you also need three men instead of one man, so it means about three times the staff, three times the equipment, about three or four times the light. And, having three or four times the light, you need three or four times the cooling in the studio, so that it is much more expensive technically.

Mr. RICHARD (*Ottawa East*): Does that mean you could have relayed a program like "Peter Pan," that could be relayed at a small cost?

Mr. OUIMET: It could be relayed at a smaller cost provided the transmitters were modified for colour and the transmission circuits also, but this is not the most expensive part. Smaller cost in relation to the higher expense of conversion of the production facilities, but still expensive. We are not talking about a few dollars, but of some hundred of thousands of dollars. Conversion of our production facilities involve some millions.

The CHAIRMAN: Any other questions?

Mr. RICHARDSON: Referring to Mr. Knight's observation that the advertising may be said to be a necessary evil, is it a proper statement to say that without

the advertising revenue we should not, throughout the length and breadth of Canada, get as good quality and quantity of broadcasts as we are getting?

The WITNESS: Yes, obviously the advertising commercial business supplies a lot of revenue to the whole system and a lot of support. In very rough terms we figure that advertisers in total spend for television on the whole Canadian television system about the equivalent of what will be spent over the years from the public's side. They have quite a few costs that are not included here; they pay for their commercials which come quite high, live or on film. If they import the program they may or may not have charges and so on.

The CHAIRMAN: Now, shall we go to the "International Service"?

Mr. STUDER: I am interested in the question of transmission. On this yellow sheet take the Regina station and the Saskatoon station, two cities approximately similar with conditions perhaps the same, and we find your radiated video power at Regina is 19,500 watts and audio 10,000 watts, and Saskatoon is video 100,000 and audio 60,000. Why would there be this variation between those two stations and how does it affect the transmission or the extensiveness of the telecast? Would it be too much to ask that?

The WITNESS: It would depend firstly on the applicant's desires as to what they chose to apply for in the way of power and would be probably related to the channels. Generally speaking the lower channels are more effective. The general answer is that they themselves applied for those powers.

Mr. STUDER: Will one of the two stations transmit that telecast a longer distance as a result of that?

Mr. OUIMET: There are three main factors which affect the distance of transmission of a television station: one is the power, but it is only one factor; the second is the antenna height; the third is the geography of the terrain. Therefore, you cannot tell what coverage a station will have unless you discuss those three factors. Also there is a fourth factor which is the channel it uses. Generally the lower the number of the channel, the lower the frequency, the better it is as compared to a higher frequency.

The WITNESS: In this case the station with the higher channel has chosen to put on more power and I would think that the likely results will be fairly similar.

Mr. OUIMET: Depending on the relative heights of the two antennae.

Mr. STUDER: Because Regina is on one power and Saskatoon on another it does not necessarily depend on that, it depends on geography, height of the antenna and the channel?

Mr. OUIMET: Yes.

Mr. STUDER: But one would cost more to operate?

Mr. OUIMET: It depends again. You can get high output, that is high power, either by using a high power transmitter with a low gain antenna or by using a low power transmitter with high gain antenna. The first case it uses more power, the other case uses less power but it concentrates what it has in a narrow beam horizontally and vertically. In that case it achieves the same results by the use of a more expensive antenna rather than more expensive power.

Mr. CARTER: Does that explanation also apply to Moncton? I notice Moncton has 5,000 video and 3,000 audio?

Mr. OUIMET: This is actually a smaller, lower power station. It has a lower power transmitter and I believe a low antenna. This is a smaller station. On your list there are some very large stations and some rather small stations.

Mr. CARTER: How many private stations are there in the maritimes?

The WITNESS: They are all private stations with the exception of Halifax. There are three private stations.

Mr. STUDER: If there are two stations 100 miles apart, one on channel 2 and the other on channel 3, would there be interference?

Mr. OUIMET: 100 miles apart will not bring interference.

*By Mr. Reinke:*

Q. Getting back to Mr. Goode's argument, do you have much competition from the United States from advertisers advertising products other than liquor, beer and wine? We know in Ontario, for instance, we have two Buffalo stations beaming to Hamilton and surrounding districts and the breweries I think in particular are advertising to the extent of perhaps $1½ million a year on those two stations or in stations along the American border. Is this the only competition we have in particular?—A. We have not noticed it in anything else and the brewery advertising does not arise as competition.

Q. I have an advertisement advertising channel 2 Buffalo and it seems to me that the competition there may extend into other fields other than beer and liquor.—A. We have noticed it. Of course there is the competition for the viewers' attention, which is a very important one. From our point of view we are naturally interested in the service and people viewing it in addition to the commercial aspect.

Q. What is our policy on the advertising of beer and liquor commercially in Ontario? I notice in your regulations it is prohibited in any province other than those provinces which allow the advertising of it?—A. Under that regulation it is not allowed in Ontario and that is why this business goes on the American stations.

Q. I have noticed in Ontario that some of the breweries do advertise in the newspapers promoting some type of conservation or some such thing.—A. That is a curious situation which some of the private stations have taken up with us and we plan to look into it. It does seem to be an anomalous situation. They are being allowed to put their name on billboards and so on advertising good citizenship or something. It is a curious position.

Mr. GOODE: I think it should be pointed out in explanation that my point is that Canadian advertisers are advertising Canadian products for sale in Canada over the United States stations. That was the point I made. I hope that we never allow beer and liquor to be advertised on Canadian television, but the point I made was it is Canadian products for sale to Canadians that are being advertised over United States television stations. They cannot sell to the United States. They mention tea and coffee and it is not possible to sell those goods in competition with United States goods. These programs are being put on for viewing by Canadian listeners and not for the American market because it is impossible to sell the products there because of the price if for no other reason.

The CHAIRMAN: We will now start on the "International Service, Voice of Canada".

Mr. MONTEITH: I wonder if we could have a brief general statement. As I said before I am new to this committee and I wonder if the chairman would mind giving us an idea of how this started and its ultimate aims and that sort of thing.

The CHAIRMAN: On "International Service"?

Mr. MONTEITH: Yes.

The WITNESS: Perhaps I could give an explanation and then the general manager could enlarge upon it. In this service the corporation—unlike the case with regard to the national service—is in effect an agent for the govern-

ment in carrying out international broadcasting, that is broadcasting to countries other than Canada or the United States. The funds are provided from government sources by direct vote.

The service was started in the latter part of the war partly to provide broadcasting for Canadian troops overseas and also to broadcast at that time to friends in Europe, in occupied countries and in some neutral countries as part of the war effort, and also to do information work. After the war the service naturally changed emphasis to some extent and was extended to more general broadcasting to a number of Western European countries including Czechoslovakia. A service was begun in Spanish and Portuguese in South America to provide Canadian information there. It developed during the years and finally reached the stage which it has now reached.

The service to most of the Western European countries started with the war. The Dutch and French services, the German, Italian and weekly Finnish services, the Czech service, which was one of the early ones, the Polish service was added—I think I mentioned the Italian service—then the Ukranian part was added to the Russian service fairly recently.

The broadcasts go out from the big transmitting station at Sackville and reach Europe very successfully—the signal received in Europe is as good as any from North America. They reach South America quite well and they can also reach Australia and New Zealand to which countries we have been transmitting weekly broadcasts. That was about the extent of the service last year.

Then a decision was made to reduce the cost of these transmissions, and the services to Western European countries have in the last month or two been reduced at considerable saving. The services to the Scandinavian countries, the Netherlands and Italy are to be reduced to only small services at week-ends. The Finnish service has been dropped. The French and English services have been reduced and the service to the Latin American countries has also been reduced, but the actual time spent in broadcasting to countries beyond the "iron curtain" has been increased and better listening times provided for the services in Russian, Ukrainian, Polish and Czechoslovakian. That is a very quick outline of the service.

*By Mr. Reinke:*

Q. Is there any way, Mr. Dunton, in which the results of these broadcasts can be measured? Have you any indication of the extent to which we are getting our information across or is there so much "jamming" that it is difficult to estimate the results?—A. You mentioned "jamming". As to countries behind the "iron curtain" . . . very little information comes through from Russia, but some does reach us through confidential channels and it is known that in spite of the "jamming" some broadcasting gets through. We know the overseas service has been heard by at least some people in that country, and the Canadian service has certainly contributed to the general British and American effort to get through something to the Russian people. We know from information in our possession that at least a good part of the very wide audience we had in Czechoslovakia before the coup there has been retained. The Polish service was fairly new and there is not much information from that country, although we know we are helping the general effort there.

In other countries this side of the "iron curtain" the evidence we have is through the mail, and the mail to the service has run very high in relation to the other big services. For example, for one period we were getting as many letters as the B.B.C. from Western Europe, and members of the committee will realize that the B.B.C. devotes a much larger expenditure to the service than we do. The mail received last year rose again and was about 35,000 letters. Those are all genuine letters, not just cards.

Q. Letters from where?—A. Letters from Western Europe, but quite naturally there were others from Latin America and miscellaneous countries.

Q. None from behind the "iron curtain"?—A. Yes, a few have still come from Czechoslovakia because people took the trouble and went to the risk of having them smuggled out. We have had a trickle reaching us since the coup —all smuggled letters—asking us to "keep it up" and that sort of thing. In addition to the mail, which is not a scientific poll but which certainly shows that a lot of people are listening—the B.B.C. have had some questions put on listener surveys, and in general we know that in friendly countries in Europe quite a lot of people have listened to the service fairly regularly. We know that in the smaller countries we have had a lot of listeners—probably not relatively as many in France. We have had quite a few in Holland and a certain number in Italy. In England we would not, frankly think we would have a high proportion of the public listening directly, but the service there also acts as a method of relaying programs to Britain. The B.B.C. takes up items which are then broadcast directly.

The CHAIRMAN: What would be the proportion of letters received from France?

The WITNESS: Of the 35,000 letters received last year 2,900 were French. Some other figures which I have might interest the committee. In 1954 5,700 letters were received from Germany, 3,000 from Italy, 5,900 from Sweden—an example of the size of audience we have in Sweden. From listeners to the Spanish programs 3,433 letters were received, and that would be from an audience fairly widespread in South America, and perhaps even from a few listeners in Spain. The Finnish service is a once-a-week service and we had 1,200 letters last year. The Dutch service produced 4,700 letters.

The CHAIRMAN: And the Greek?

The WITNESS: The Greek, 267. That is a relay service.

The CHAIRMAN: Any other questions on that?

Mr. CARTER: Did these letters contain any suggestions as to possible changes in your type of broadcast?

The WITNESS: Quite often people suggest that they would like to hear specific things about Canada in the service. They quite often ask questions and make coments on the service, naming things which they like and things which they don't like. I have a few examples from recent letters here.

Mr. RICHARDSON: Has the corporation got any special officer or little committee to deal with these letters and collect the good ideas and observations from them?

The WITNESS: Oh yes, a section handles them in Montreal and analyses them for use by our people in planning programs.

Mr. MONTEITH: The report mentions that of the requests for information, 73 per cent dealt with programming, 25 with general information on Canada, and 2 per cent with immigration. Those latter were queries, I presume, concerning immigration.

The WITNESS: Yes.

The CHAIRMAN: Are there any other questions on the International Service?

*By Mr. Monteith:*

Q. What department of the government does this come under?—A. It is carried under the original terms of establishment in consultation with the Department of External Affairs, and the policies for the service were set by that department and they check on the carrying out of the policies. But from the point of view of administration, the corporation itself is responsible.

Q. You have mentioned that within the last couple of months there has been a suggestion that you spend less on this particular program?—A. I do not

think it was a suggestion. The estimates were considerably reduced for this year as Dr. McCann explained in the House, and he outlined the decisions on the reduction of the service. I think you will see the estimates for the international service are down about $600,000 this year. It is covered by a direct estimate in the usual form, and the financing is separate from the national service.

Q. And whatever you spend in this department is collected separately?—A. Yes. We can spend only the money voted specifically for this purpose, and our treasurer gets it from the Finance Department.

*By Mr. Goode:*

Q. Have you asked for more, Mr. Dunton?—A. This service is different from the national service. In this case the External Affairs department and the government itself sets the policy including the targets and the extent of the service. We do not determine the policy.

Q. You do not requisition for a certain amount of money—it is allocated to you?—A. There are discussions with us, but the policy decisions are made by the government.

Hon. Mr. McCann: As far as the C.B.C. goes, it is just an agency carrying it on.

*By Mr. Monteith:*

Q. You mentioned that the broadcasts emanate from Sackville?—A. Yes, the headquarters of the service and studios are in Montreal; that is where all the programs are made from.

*By Mr. Carter:*

Q. Did you say the service was reduced by $600,000 for the coming year? —A. Yes, that is the difference in the estimate.

Q. What will the effect of that be—will certain broadcasts be eliminated altogether?—A. I outlined the changes before. There will be a reduction in most western European services of small programs on weekends, the dropping of the weekly Finnish service, and some reduction in the English and French transmissions and in the South American transmissions in Spanish and Portuguese, but the time for iron curtain programs has increased somewhat.

Q. In other words, you are trying to avoid too much duplication of a service that is already rendered by British Broadcasting system?—A. You mean to the western European countries?

Q. Yes. We are concentrating more on the iron curtain countries at the expense of the rest of Europe?—A. The effort to the iron curtain countries has not been reduced, and the time will be somewhat increased actually.

*By Mr. Monteith:*

Q. What proportion of the building in Montreal is occupied by the international service?—A. A fair proportion. The international service has a staff of about 180 people.

Q. How many others will be in that building, roughly?—A. Just over a thousand in the building, I think.

Mr. Goode: We will have the opportunity of seeing the international service if we go to Montreal, will we?

The Witness: We could get that proportion for you for another meeting.

*By Mr. Monteith:*

Q. That is all right for the moment. Is it true that the international service purchased the building in Montreal?—A. Yes, it was bought for the

international service and is owned by the government and not by the corporation. We pay rent for the large part of the building used by our own national service.

Q. That will come up, I suppose, in finance, Mr. Chairman, the amount of rent and so on?

The CHAIRMAN: You will have an opportunity to ask questions about the rent and so on when we are discussing finance on pages 42 and 43. Perhaps you could wait until then for an answer to that question, Mr. Monteith?

*By Mr. Decore:*

Q. I was wondering whether any effort has been made either by the C.B.C. or the External Affairs department to ascertain the laws in countries behind the iron curtain in connection with these broadcasts, that is whether it is considered to be an offence to listen to the broadcasts?—A. Yes, quite a lot of information has been gathered about that. In general, I think the information, as I remember it, is that in most of these countries there is a penalty for spreading false information and that is taken and used or may be used against people who listen and discuss broadcasts, but I do not think we have heard of any direct law against listening itself.

Q. My information is that people can listen to the broadcasts but cannot discuss them?—A. Yes. It is the same thing.

Q. That is, in the U.S.S.R., and I think it is different in Poland. I think the law there does not forbid people discussing the broadcasts who come from Canada or the United States?—A. I am not certain about it; I thought it did.

Q. In any event, have you any information as to the number of receiving sets, and as to whether they are quite extensive?—A. Yes, estimates have been made by authorities who work with these things. It is known that in Russia, for instance, there are quite a lot, because the Russians have to use shortwave broadcasts to some extent for their own internal broadcasting to cover their own large areas. It is known there are a number of sets in Russia, and also there were a number of shortwave sets in Czechoslovakia and Poland before the change in the regime there. It is estimated that a high proportion of these are still operating.

Q. That would be the kind of receiving set capable of picking up broadcasts from Canada and the United States?—A. Yes, with shortwave bands.

Q. And is there any evidence about the effect of the jamming of these broadcasts?—A. It has been studied a lot. It is hard to know exactly, because in general they have to jam relatively small areas at a time with transmitters and so they may jam some important areas—for instance, the whole Moscow area is jammed very heavily—but they may not be able to jam nearly as effectively in some other parts of the country—that is, Russia itself. Therefore in general summary it is known that at least part of the time part of the broadcasts are available in parts of the country. In the satellite countries there is far less jamming.

Q. Is there much evidence within the last few years that jamming facilities have been increasing?—A. Oh yes, they have been increasing steadily right along. In Russia they are putting an enormous effort into jamming, and it is estimated there are over 1,000 transmitters on jamming which would represent a big use of man power as well as facilities.

Q. And there is evidence that the jamming is on the increase right at this time?—A. It is tending to go up although no sharp increase has been noticed in it. I think it is at a very high level, and has been over the last several years.

Q. What is the best time for these broadcasts to go over? When can you be sure the most people will listen to them in the U.S.S.R.?—A. I think anyone can guess what the families over there may be doing. Presumably the

early evening is a good time, although I think quite a lot of this kind of listening is done at times fairly late in the evening. There would be people who would listen to shortwave and who might sit up late getting signals, and perhaps earlier, in the late afternoon would be a good time. You can see from the schedules that our broadcasts run from the afternoon to the late evening.

*By Mr. Carter:*

Q. Do you broadcast on more than one wave length?—A. Yes, we have two transmitters and all the programs go on two different frequencies. These may shift, depending on the technical calculations. In Sackville, for instance, we use 18 different frequencies at different times, but only two at a time because we have only two transmitters.

Q. How long have we been broadcasting to Poland?—A. Since July, 1953.

Q. Since the last time you were before the committee?—A. Yes. The service got under way that summer, I think.

The CHAIRMAN: Have you any answers to give, Mr. Dunton?

The WITNESS: No, I think we are pretty well caught up.

Mr. GOODE: You have some correspondence you were going to refer to me. I wonder when I might expect that?

The CHAIRMAN: Mr. Dunton has the information, Mr. Goode.

Mr. GOODE: He can give me the list after we adjourn? There is no need to put it on the record.

Mr. BOISVERT: Are we finished with international service, Mr. Chairman?

The CHAIRMAN: No. I think Mr. Decore has an important subject to bring before the committee.

Mr. DECORE: I wonder if we could get a few sample copies of effective broadcasts which go to the countries behind the Iron Curtain?

The WITNESS: Yes, certainly.

Mr. GOODE: When are we going to meet again?

The CHAIRMAN: We are to have a meeting of the agenda committee following this meeting this morning, and at that time it will be proposed that we sit on Tuesday morning, Tuesday afternoon, Thursday morning, Thursday afternoon, and on Friday.

Mr. RICHARDSON: It will be hard!

The CHAIRMAN: Altogether there are only three committees sitting on Tuesday.

Mr. BOISVERT: Only three, but they are all at 11 o'clock.

The CHAIRMAN: We have only four members of our committee who will be affected and they can divide, two here, and two in the other committee.

Mr. BOISVERT: What about the third one?

The CHAIRMAN: We will take that up with the agenda committee, and, as you know, we will take up at the same time the trip to Montreal and you will have a notice in due time.

# APPENDIX "A"

TELEVISION SETS-IN-USE—MARCH 1955

TELEVISION SETS-IN-USE—MARCH 1955

BASED ON

*Radio-Television Manufacturers Association Reports*

| *Region* | *Cumulative Total Units* |
|---|---|
| NEWFOUNDLAND | 433 |
| MARITIMES | 45,029 |
| Nova Scotia | 24,178 |
| Prince Edward Island and New Brunswick | 20,851 |
| QUEBEC | 401,794 |
| Montreal Area | 353,818 |
| Quebec | 44,250 |
| Other Quebec | 3,726 |
| ONTARIO | 727,970 |
| Ottawa and Eastern Ontario | 84,139 |
| Toronto | 307,653 |
| Hamilton-Niagara | 135,696 |
| London Area | 50,293 |
| Windsor Area | 94,625 |
| Sudbury | 13,183 |
| Lakehead Area | 3,867 |
| Other Ontario | 38,514 |
| PRAIRIES | 100,536 |
| Manitoba | 46,013 |
| Saskatchewan | 17,967 |
| Alberta | 36,556 |
| BRITISH COLUMBIA | 100,339 |
| ALL CANADA | 1,376,101 |

HOUSE OF COMMONS

Second Session—Twenty-second Parliament

1955

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SPECIAL COMMITTEE

ON

# BROADCASTING

*Chairman:* Dr. PIERRE GAUTHIER

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## MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

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TUESDAY, MAY 10, 1955

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WITNESS:

A. Davidson Dunton, Chairman of the Board of Governors of the Canadian Broadcasting Corporation.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955.

57980—1

SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Dr. Pierre Gauthier

*Vice-Chairman:* Mr. G. D. Weaver

and

Messrs.

Balcer
Beaudry
Boisvert
Bryson
Carter
Cauchon
Decore
Diefenbaker
Dinsdale
Fleming
Gauthier (*Nickel Belt*)
Goode
Hansell
Henry
Holowach
Kirk (*Shelburne-Yarmouth-Clare*)
Knight
McCann
Monteith
Reinke
Richard (*Ottawa East*)
Richardson
Robichaud
Studer

R. J. Gratrix,
*Clerk of the Committee.*

## ORDER OF REFERENCE

TUESDAY, May 10, 1955.

Ordered,—That the said Committee be empowered to meet in Montreal, Quebec, on Friday, May 20, 1955.

Attest.

Leon J. Raymond,
*Clerk of the House.*

## REPORT TO THE HOUSE

MONDAY, May 9, 1955.

The Special Committee on Broadcasting begs leave to present the following as its

### FIRST REPORT

Your Committee recommends that it be empowered to meet in Montreal, Quebec, on Friday, May 20, 1955.

All of which is respectfully submitted.

DR. PIERRE GAUTHIER,
*Chairman.*



57980—1½

# MINUTES OF PROCEEDINGS

Room 118,
TUESDAY, May 10, 1955.

The Special Committee on Broadcasting met at 11.00 o'clock a.m. this day. Dr. Pierre Gauthier, the Chairman, presided.

*Members present*: Messrs. Decore, Dinsdale, Fleming, Gauthier (*Nickel Belt*), Goode, Hansell, Henry, Knight, McCann, Richard (*Ottawa East*), Robichaud, Studer and Weaver.

*In attendance*: From the Canadian Broadcasting Corporation: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, W. G. Richardson, Director of Engineering, H. Bramah, Treasurer, C. R. Delafield, Director, International Service, R. C. Fraser, Director of Press and Information, D. Manson, Special Consultant, J. P. Gilmore, Co-ordinator of Television, M. Carter, Executive Assistant, S. Schnobb, Assistant Treasurer and J. A. Halbert, Assistant Secretary.

The Chairman presented the Third Report of the Sub-Committee on Agenda and Procedure as follows:

"Your Sub-Committee met at 12.55 o'clock p.m. on Friday, May 6, 1955, with the following members present: Messrs. Boisvert, Decore, Knight, Monteith and the Chairman.

Your Sub-Committee agreed that, pursuant to an invitation extended by Mr. Dunton and previous discussion in the Committee, the Chairman seek permission from the House for the Committee to meet in Montreal on Friday, May 20th, for the purpose of visiting the Montreal establishment of the C.B.C.

Your Sub-Committee also agreed to recommend

1. That the Committee meet each Tuesday and Thursday at 11.00 o'clock a.m. and 3.30 o'clock p.m. and each Friday at 11.00 o'clock a.m. until consideration of all matters referred have been concluded.
2. That, due to the unavoidable absence of certain members of the Committee on Tuesday, May 10, should the Committee complete its consideration of the Annual Reports of the C.B.C. to the point where the financial statement is the next item of business, consideration of the said financial statement be postponed until Thursday, May 12.

All of which is respectfully submitted.

Dr. Pierre GAUTHIER,
*Chairman.*"

On motion of Mr. Goode,

*Resolved*,—That the Third Report of the Sub-Committee on Agenda and Procedure be adopted.

The Committee resumed its detailed examination of the Annual Report 1953-54 of the Canadian Broadcasting Corporation. In response to a request by Mr. Decore, Mr. Dunton tabled the following documents:

1. Sample scripts of broadcasts over the International Service,
2. Sources of information available to the Eastern European Sections of the International Service,

and was examined thereon.

Mr. Delafield answered questions specifically referred to him.

Mr. J. A. Ouimet, General Manager, answered a question asked by Mr. Richard (*Ottawa East*) at a previous sitting as to the cost of construction of television stations CBOT and CBOFT Ottawa.

At 12.45 o'clock p.m., the Committee adjourned to meet again at 3.30 o'clock p.m. this day.

## AFTERNOON SITTING

Room 118,
TUESDAY, May 10, 1955.

The Committee resumed at 3.30 o'clock p.m. Dr. Pierre Gauthier, the Chairman, presided.

*Members present*: Messrs. Boisvert, Bryson, Decore, Dinsdale, Fleming, Gauthier (*Nickel Belt*), Goode, Hansell, Henry, Kirk (*Shelburne-Yarmouth-Clare*), McCann, Richard (*Ottawa East*), Studer and Weaver.

*In attendance*: Same as at the morning sitting and Mr. E. L. Bushnell, Assistant General Manager, and Mr. G. Gordon Winter, Canadian Representative of The British Broadcasting Corporation.

On motion of Mr. Goode,

*Resolved*,—That the Clerk of the Committee accompany the Committee to Montreal on Friday, May 20th, 1955.

The Committee resumed its detailed examination of the Annual Report 1953-54 of the Canadian Broadcasting Corporation, the examination of Mr. Dunton continuing.

In reply to a question asked by Mr. Fleming at the morning sitting, Mr. Dunton tabled the following documents:

1. International Shortwave Broadcasting Service—Expenditure and Revenue from 1950-51 to 1954-55 inclusive,
2. International Shortwave Broadcasting Service—Capital Expenditures from 1950-51 to 1954-55 inclusive,
3. International Shortwave Broadcasting Service—Maintenance and Operation, 1954-55 expenditure and estimated expenditure for 1955-56,

and was examined thereon.

On motion of Mr. Fleming,

*Ordered*,—That the said documents be printed as an appendix to this day's evidence. (*See Appendix "A"*).

Messrs. Delafield, Richardson and Bushnell answered questions specifically referred to them.

At 4.55 o'clock p.m., the Committee adjourned to meet again at 11.30 o'clock, a.m., Thursday, May 12, 1955.

R. J. Gratrix,
*Clerk of the Committee.*

# EVIDENCE

MAY 10, 1955.
11.00 a.m.

The CHAIRMAN: Order, gentlemen, we have a quorum. I have the third report of the committee on agenda and procedure.

Your Sub-Committee met at 12.55 o'clock p.m. on Friday, May 6, 1955, with the following members present. Messrs. Boisvert, Decore, Knight, Monteith and the Chairman.

Your Sub-Committee agreed that, pursuant to an invitation extended by Mr. Dunton and previous discussion in the committee, the chairman seek permission from the House for the committee to meet in Montreal on Friday, May 20th, for the purpose of visiting the Montreal establishment of the C.B.C.

Your sub-committee also agreed to recommend

1. That the committee meet each Tuesday and Thursday at 11.00 o'clock a.m. and 3.30 o'clock p.m. and each Friday at 11.00 o'clock a.m. until consideration of all matters referred have been concluded.

2. That, due to the unavoidable absence of certain members of the committee on Tuesday, May 10, should the committee complete its consideration of the Annual Report of the C.B.C. to the point where the financial statement is the next item of business, consideration of the said financial statement be postponed until Thursday, May 12.

May I have a motion for adoption?
Mr. GOODE: I move the adoption of the report.
Agreed.
The CHAIRMAN: Mr. Dunton has several documents to file.

**Mr. A. Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation. Called.**

The WITNESS: I have in response to a request by Mr. Decore brought copies of sample scripts in the eastern European section of the international service for a week—the week of April 24th. This embodies commentary type of material in the eastern European section for that week.

*By Mr. Decore:*

Q. Does that take in all of the transmissions to countries behind the iron curtain?—A. Yes. There was also a request for a list of periodicals available for the use of the eastern European sections. We have that too. The material is all translated into either English or French, mostly into English. The first two items have been translated into French, but most are in English. I think perhaps that the heading on the list should be "periodicals" rather than the one given, "sources of information", because this department has other information coming in from the Department of External Affairs, in addition to the publications.

*By Mr. Goode:*

Q. Who wrote the script on the Canadian Labour Scene and the Fair Employment Practices? Can Mr. Dunton tell me who wrote that and, before

he answers that question, who on the C.B.C. staff would write: "we do have the problem of racial and religious discrimination with us"? Who over a Canadian station would make a statement like that?

The CHAIRMAN: Is it in the first paragraph.

Mr. GOODE: No, the second paragraph.

The WITNESS: That would be a staff item written in a "pool" which provides some of these commentaries. I think that has been explained to the committee before—there is a central "pool" for turning out basic material of this kind for use in the service, and this material would come from that "pool".

*By Mr. Goode:*

Q. Then Mr. Dunton perhaps this should go on the record—just the start of the second paragraph of the Polish portion of the Canadian Labour Scene:

> Now in Canada we don't have a Negro problem for the simple reason that the number of colored persons in this country in relation to the population as a whole is quite small.

And then it goes on to say:

> But we do have—and we speak quite frankly about it—we do have the problem of racial and religious discrimination with us.

Who is the responsible script writer who wrote that?

Q. Some member of your staff must accept responsibility for it.—A. Yes, the international service.

Q. Would you think that that was fair comment to go out to the people behind the iron curtain?

Mr. STUDER: Where is this to be found?

The CHAIRMAN: It is in the script on the Canadian Labour Scene, Mr. Studer.

*By Mr. Goode:*

Q. It is in the Polish portion—the Canadian Labour Scene. What would be the reason for a commentator on the C.B.C. making such a statement to countries behind the iron curtain?—A. I am just looking at the script for the first time now, as you are, and I think the whole of the script should be taken into consideration. It goes on to say:

> Fortunately it is not a problem of very serious proportions and certainly not in human memory has there been a case in this country of mass violence against any racial group.

Q. Are we on the defence or on the attack against communism. I am sure you would not have written that personally, Mr. Dunton.

*By Mr. Fleming:*

Q. I think the sentence which follows should go into the record too:

> But this does not mean that racial or religious antagonisms don't exist as it is unfortunately only natural among a nation which had and still has to assimilate an immigrant population of many backgrounds, nationally, religiously and socially.

A. I do suggest, Mr. Goode, that this has to be taken partly in the context of the people to whom it is being directed. Our people know they are being constantly subjected to all sorts of propaganda about there being very great

religious and racial discrimination in North America, and taking the whole script into consideration I think you may find that perhaps to people like that it would not be too ineffective. It would not simply deny that there was any racial or religious discrimination at all. It would admit that there is some, and then it would go on to say how it is dealt with in this country—by the trade unions, the Fair Employment Practices Act, and so on.

Mr. GOODE: It says:

> In Canada we don't have a Negro problem for the simple reason that the number of colored persons in this country in relation to the population as a whole is quite small.

Mr. ROBICHAUD: It is a fair statement.

Mr. GOODE: The converse is that if we had a large Negro population we would have a Negro problem on our hands. Does any member of the committee wish to agree with that? It is not a Canadian way of doing business.

Mr. ROBICHAUD: It does not say that.

The CHAIRMAN: Are there any other questions on that script?

*By Mr. Fleming:*

Q. Is Mr. Dunton making any comment?—A. No, I have not got any.

Q. Does Mr. Dunton defend a statement of that kind in the first place, and, in the second place, does he support the use of the facilities of the international service to send a statement of that kind from Canada to countries behind the iron curtain?—A. Of which kind?

Q. The kind which we have read here in those paragraphs. The one that Mr. Goode read and the one which I read—the following one.—A. I would suggest again that the script should be taken as a whole. The script has been put out. I think perhaps a little too much has been read into one isolated sentence.

Mr. KNIGHT: There is a statement in the last part of the paragraph, where one would expect to find a conclusion, in which the writer says:

> This does not mean that anti-discrimination legislation is necessarily ineffective. On the contrary. Laws in a democracy are expressions of the will of the community and the branding of racial or religious intolerance as an offence against the community is a necessary prerequisite to the education of the public. It is above all for this reason that the Canadian parliament in 1953 passed a law known as the Fair Employment Practices Act.

I think that to some extent at least that takes the sting from the preliminary remarks which were quoted by Mr. Goode. That is on the record for what it is worth.

Mr. FLEMING: I would like to repeat my two questions, Mr. Dunton. Perhaps the reporter would read them.

The REPORTER (*reads*): Does Mr. Dunton defend a statement of that kind in the first place, and in the second place does he support the use of the facilities of the international service to send a statement of that kind from Canada to countries behind the iron curtain?

Mr. RICHARD (*Ottawa East*): He has answered that. He said you have to take the script as a whole.

*By Mr. Fleming:*

Q. Take it as a whole, or as individual statements; I would still like the answers to my questions, if my friend does not object to my asking them.

—A. I would say that this script was put out by the international service of the C.B.C. and that it was a useful script for the purpose for which it was designed.

Q. Do you approve of the statements which we have heard?—A. Which statements?

Q. The statements contained in the paragraphs which were read this morning.—A. I myself would probably have written it in a different way, if you want to put it on that basis. I have only had the chance of glancing over these pages, but it looks as if the script probably served a useful purpose, taking it all in all. It mentions the Fair Employment Practices Act which was passed by parliament. That presumably had a purpose.

Q. Yes. Then I will recall the statements which have been read particularly this morning, such as:

> We do have—and we speak quite frankly about it—we do have the problem of racial and religious discrimination with us.

And further:

> This does not mean that racial or religious antagonisms don't exist, as it is unfortunately only natural among a nation which had and still has to assimilate an immigrant population of many backgrounds, nationally, religiously and socially.

Do you think it is a proper use of the facilities of the international service to send statements of that kind abroad, particularly to countries behind the iron curtain?—A. I have endeavoured to explain what is the object of this. As members of the committee probably know, the authorities behind the iron curtain place a great deal of emphasis on the charge that there is very serious racial and religious discrimination in western countries. In dealing with a situation of this kind it is perhaps best not to make complete "blanket" denials which probably could be easily proved not to be completely true. Therefore, in scripts of this sort an effort is made to deal factually with this sort of thing and also to show how a western democracy operates. It is better to try to deal honestly with what is happening—though there may be differences of opinion with regard to the accuracy with which this is done—rather than to give complete "blanket" denials which the authorities on the other side of the iron curtain may be able to prove, in certain instances, to be completely wrong, and which may result in your whole information effort being cast under a cloud.

Q. I take it then you do think this program over the international service was justified. I am not trying to obscure the issue. On the contrary, I am trying to understand the position you are taking on it.—A. I just glanced at the script a few moments ago. I have endeavoured to explain the purpose behind it and the reason for which it was done, and a quick glance would seem to show me that the script as a whole would serve a useful purpose, although there may be some difference of opinion about the actual phrases used.

*By Mr. Decore:*

Q. What would you say would be the real purpose of these broadcasts—what are we in Canada trying to tell the people behind the iron curtain in all these broadcasts?—A. I would say, first of all to explain how much better the free democratic way of doing things is than the way things are being done in their countries, thereby to weaken them from their allegiance to their present governments—if they have it—and to their present regimes; to raise questions or doubts in their minds and to reinforce the feeling of people in

those countries who have democratic convictions by providing information and arguments to them. In general the purpose of these broadcasts is to promote the whole cause of the democratic way among those countries and their people.

Q. In other words, people will have a tendency to take the view that we are their friends?—A. Yes, and to reinforce the conviction that the democratic way is the best way, and that they have friends over here who are still doing things in a democratic way and that these methods are successful and working well in the free countries.

Then, I imagine quite a lot of people in those countries are more concerned in living their daily life than in forming any real political convictions. These broadcasts present the case to them, too, that the free way is the better way.

Q. We are stressing that in our broadcasts from Canada?—A. It is being stressed very heavily, and it runs right through the pattern of our transmissions. But there is an important manner of approach. Often the best way of approach is not to get up and reiterate slogans or general all-encompassing statements again and again. It is often much better to try and relate the information and the argument to the interests of the people concerned—to try to build up faith on their part in what is being said on this side—faith that it is honest and accurate and is really a concern of theirs. I think that if in all of the broadcasts from this side we merely made declarations in general terms it would be less effective than if we spoke in specific terms.

This script which we have before us, for example, is part of a continuing effort to present broadcasts on labour, and labour organization in Canada because of the fact that behind the iron curtain the labour organizations have become oragnizations of the state. These broadcasts would show, of course, that in the free world the workers organizations still mean something and operate in a free way. I think that speaking to workers about how labour organizations operate in a democracy can be very effective in its appeal.

Q. You say that recently there has been an increase in the number of hours of broadcasting to countries behind the iron curtain?—A. Yes.

Q. In what countries have these increases been made?—A. The amount of broadcasting to Russia has changed from seven to nine and one half hours; to the Ukraine, from three and a quarter to three and one half hours; to Czechoslovakia from five and a quarter hours to six hours; to Poland from three and a half hours to four and three quarter hours, and to East Germany from five and a quarter hours to six hours.

Q. What is the number of personnel in each of these sections? Can you tell me the number employed in the Czech, Polish, Ukrainian, Russian sections and so forth?—A. The average is eight.

Q. How many people are there employed in the Polish section?—A. There are seven or eight. If we could hold that question, we could get the exact information at a later date. It is about an average of eight.

Q. Each section has a person at the head of it, would that be right? —A. Yes, each section has an operating head.

Q. What are the duties of the heads of sections?—A. Directing the operations of the program to that area. As you know, they have no complete control over everything that goes to those particular areas because a lot of the material comes from central sources and is subject to a check back for policy content to central sources.

Q. Who is at the head of the Polish section?—A. Mr. E. C. Hamel.

Q. I understand Mr. Hamel is doing very good work, but that he is not of Polish origin, is that true?—A. I understand it is true, and that he is doing very good work.

Q. What I wanted to say is this. It seems to me that we are spending a lot of money on these broadcasts, and they are probably the only means of communication we have with countries behind the iron curtain. In order to convey to these people, let us say in Poland, what we have in mind here in Canada, I feel that the head of the section should be someone who is acquainted with the language, history and traditions, the type of thinking and the spirit of the country to which he is broadcasting behind the iron curtain.—A. Naturally many things are taken into consideration in appointments as section heads or to other positions in the service. There is the very important element of general ability in handling these important broadcasts to other countries. I might point out that in a section like this there are a number of people who speak the language and do the work on the air and who presumably have a fairly good knowledge of the country itself. We do not think that necessarily means that the head of the section, taking all the different factors into account, should be a person who does speak Polish and who has lived in Poland.

Q. As I say, from what I hear Mr. Hamel is doing an excellent job, and is very able, but without casting any reflection on him, I still think there are a lot of Polish Canadians in Canada from whom we could choose to be at the head of that section. I think a person can do a much more effective job if he knows the real thinking and the spirit of the people to whom he is broadcasting; especially the feeling in Poland.—A. As I say, our management tries to appoint to these positions the most able people they can taking many factors into account.

*By Mr. Gauthier* (Nickel Belt):

Q. What contacts has this man got with the Polish associations across Canada in order to know the thinking of the people? If people have just come from over there, they have a better idea of what is happening in that country. —A. As I say, the section includes a number of Polish speaking people who have, I think, quite wide contacts with a number of Polish groups and associations. Two of the members of the section were at a conference in Sudbury recently, for example.

*By Mr. Fleming*:

Q. Are there any other heads of sections in the international service who do not originally hail from the countries to which their particular section is engaged in broadcasting? Leaving out of account the case of some South Americans on Spanish broadcasts, what about the European countries to which you are broadcasting? Are there any cases there?—A. The English section—frankly, I do not know if the man happened to be born in England or not. I point that out as an example. I think there are other things to consider in a post as the head of a section besides personal knowledge of a country. After all, the international service is speaking for all of Canada, and it is useful and essential to have many people in the section who are closely familiar with the conditions of the country,—as familiar as is possible these days—but it is also vital to have people who have good knowledge and sound judgment about Canadian things.

Q. Coming to the original question, what heads of sections are not from countries to which their section is engaged in broadcasting? You mentioned the English section.—A. The French: Mr. Marcotte. Also the Ukrainian section; I understand the head was born in Canada.

Q. He is of Ukrainian extraction, is he not?—A. Yes, and of course Mr. Marcotte in the French section is of French extraction. Mr. Craine in the English section is originally of English extraction. The general Latin-American section head. Mr. Octeau was born in Canada, we understand, and was originally of French extraction.

Q. What section is he in?—A. Latin-American.

Q. Is the Latin-American section all one section, or is it broken down by countries?—A. It is one section.

Q. Let us look at the other European sections. What about the Dutch section?—A. Mrs. James was, I think, born in Holland.

Q. She was born in Holland and naturalized here?—A. Yes.

Q. And the German section?—A. There is no head for that section at the present time; it is vacant.

Q. Who is the acting head or the principal person in it?—A. The senior producer is Mr. Pick.

Q. Is he German by birth?—A. Yes, we understand so.

Q. And how recently in Canada?—A. Since the war. He is not the section head, you see.

Q. But his knowledge of Germany is quite recent, and he has had recent personal contact?—A. Yes sir.

Q. And then what about the Danish section?—A. The head has been in Canada a very long time.

Q. He is Danish born?—A. I presume so; we do not even know.

Q. Well, I am told that he is. The Swedish section?—A. By Mr. Persson.

Q. Is he Swedish born?—A. We do not know.

Q. I am told he is. The Norwegian section?—A. Mr. Smith.

Q. Is he Norwegian born?—A. I thought you were going to tell us. I imagine he is but I do not know. I do know that he has been in Canada a very long time.

Q. He is Norwegian born, is he not?—A. I imagine so.

Q. The Finnish section?—A. There is no Finnish section; it has been dissolved.

Q. Completely? Are you doing no broadcasting in Finnish now?—A. No. There may be some occasional relay broadcasts, although there is no regular service.

Q. The Austrian?—A. There is no section, but there are some occasional broadcasts from the German section.

Q. The Greek?—A. There is no section for it; again it is relayed broadcasting.

Q. You are not doing any broadcasting in Finnish, Austrian or Greek?—A. Just some relay programs now.

Q. But the principal persons on the international service staff are related to the Finnish, Austrian and Greek tongues?—A. We are not quite sure about the lady who deals with the Austrian programs.

Q. Is she Austrian born?—A. It is thought so.

Q. And the lady in charge of the Greek?—A. She is not staff; she works on these occasional relay programs.

Q. What about the Russian broadcasts?—A. There is a senior producer, but no section head.

Q. Is he Russian born?—A. Mr. Crippenoff—it is thought that he was born in France.

Q. I am told he was born in Russia, but was naturalized later in France. I understand he is of Russian extraction and hails from Russia. Apparently for Czech. broadcasts behind the iron curtain, you have a section head—Mr. Schmolka; was he born in Czechoslovakia?—A. We understand so.

Q. And your Slovak broadcasts?—A. There is only one section. There is a producer for the Slovakian language generally.

Q. Who is the producer? What is his country of origin?—A. Mr. Schmolka. I understand he is from Czechoslovakia.

Q. Mr. Dunton, do you not think that weight should be given in the appointments, particularly in the very important Polish section, to the fact that we have very large numbers of highly educated and cultured Polish people in this country who have recently come from Poland, who know conditions there, who know the mind of the people there, and who one would think are in a position to be most uniquely valuable in helping to frame the type of broadcasts that might be sent to Poland over the international service if we are seeking to serve the purpose of carrying our way of life to the people behind the iron curtain, and trying to demonstrate that ours is better than the one under which they are suffering?—A. I would like to emphasize that in all the sections there are people with a close personal connection and knowledge of the countries involved, but it has been thought by our management, that in the appointments of the section heads it is not essential to have that personal connection and all the factors have to be considered—the factors of trying to find the best man to supervise the broadcasts, and giving consideration to the different factors including the fact that this is a projection of all of Canada, and not of one part of the Canadian population.

*By Mr. Decore:*

Q. Do you not think in connection with broadcasts to countries behind the iron curtain that the heads of the various sections making these broadcasts should be thoroughly acquainted not only with our Canadian way of life but should have a very solid background of the type of thinking, the history and traditions of the country to which they are broadcasting? One who cannot speak the language or does not know much about the history of the country cannot be expected to do this duty, and without casting any reflection on him I take Mr. Hamel as an example.—A. In the case of broadcasting to countries behind the iron curtain in particular the service in projecting Canada as a whole, and Canadian policy. As I say, the appointments are made by our management who endeavour to get the best organization possible to do that.

Q. You have Mr. Delafield there who is looking after all these groups, and he is doing an excellent job, but I think the heads of these various sections should be people who are acquainted not only with the Canadian way of life, but also with the type of thinking in the countries to which they are making the broadcasts.—A. All these broadcasts are made not just on the basis by any means of the personal knowledge of the section head, but on the basis of the vast store of information, policy and guidance from the Department of External Affairs relating to Canada.

Q. But the person at the head is the motivating force, and he gives guidance and action.—A. He is only one motivating force; particularly in broadcasts to the iron curtain countries there is a flow of material and policy coordination from outside the section.

Q. Is the section head not the main motivating force in that section?—A. I would not put it that way. Naturally he is important in directing the operations, but he directs the information very much as part of an overall Canadian team.

Hon. Mr. McCann: I am not objecting to Mr. Decore's point of view, but is it not a fact that Mr. Hamel, who is the head of the section, has had long service in the C.B.C. or in the international service?

The Witness: Yes, he has wide experience.

Hon. Mr. McCann: Was not seniority taken into account in his appointment?

The Witness: I would say seniority was taken into account to some extent, but I would say even more his experience and ability were taken into consideration.

Hon. Mr. McCANN: And that was a determining factor in making him the head of this section?

The WITNESS: Yes, he just seemed to be suited on the basis of experience, ability and general formation.

*By Mr. Fleming:*

Q. May I ask what position or section he was in prior to this appointment? —A. The "News" section of the international service.

Q. Had he been attached to any particular language or country section before this appointment?—A. No, he was in the news section and the news section covers all the language sections.

Q. At what level are the appointments made?—A. All appointments are made by the general manager.

Q. They do not come before the board?—A. No. New senior appointments come before the board for confirmation, but the general manager makes the appointment.

Q. But this is one that would not come beyond the general manager?—A. No, this one would not.

*By Mr. Decore:*

Q. I do not want to contradict what Dr. McCann has said, but I do not think seniority should play too important a role in such an appointment because we have many outstanding and able Canadians of Polish origin who could perform that type of service if they were given an opportunity, and I think they should be given that opportunity. With all due respect to Mr. Hamel, I think the job could be done much better if there was someone at the head of the section who was thoroughly acquainted with the language, history and traditions of those people.

Mr. FLEMING: And with their thinking in recent years, too.

The WITNESS: I would remind you again that there are a number of them in the sections who have all these familiarities and connections and so on.

*By Mr. Hansell:*

Q. Might I just suggest, Mr. Chairman, that the old slogan applies—"The proof of the pudding is in the eating". I have not had the opportunity of reading all the scripts and I would reserve any general comment, but as I glance through one or two of them, and the one which Mr. Goode brought up a little while ago, I cannot see that there is too much to complain about in them. I remember at a United Nations meeting in Paris two or three years ago I heard Mr. Vishinsky talk of our capitalist system, and he referred to us as having slave labour in the democracies. While this message might be criticized concerning the use of certain phraseology on the whole I think this script would give the lie to Mr. Vishinsky. I was also looking at another one. As I say, I would reserve any overall judgment on them, but I came across this message concerning the federal-provincial conference. When I first looked at the title I asked myself: "Why on earth would the Russian people want to know anything about our federal-provincial conference?" and my first thought was to be critical, but later I read further down on the page these paragraphs which I think are significant;

> (a) No Premier will resign during the conference with a public confession admitting responsibility for unemployment or lack of experience in his position as did Malenkov.
>
> (b) There will be no "thunderous applause and all stand" to any speeches that Premier St. Laurent may make, however popular and

non-controversial his subject. On the contrary, chances are that some of the discussion may well be quite heated.

I think that is a fairly good way of putting it over to the Russian people.

(c) No one will be demoted or jailed or transferred for corrective training to any camp as a result of the conference or in relation to any of the conference proceedings.

(d) There will be no fleets of black escorted limousines escorted by squads of police travelling through Ottawa at high speed to and from the meeting places. On the contrary, it is quite likely that many of the premiers will frequently use the bus or the streetcar, or walk without fear or without escort or protection.

Personally, that strikes me as the proper thing to put over to the Russian people.

Hon. Mr. McCANN: By indicating our democratic way of doing things.

Mr. HANSELL: Yes, and in a very unique and might I say subtle way it criticizes the Russian system.

Hon. Mr. McCANN: Yes, through contrast.

Mr. HANSELL: I am not saying that this is characteristic of all of the scripts, but if it is I would not have too much criticism of them, I am sure.

*By Mr. Gauthier* (Nickel Belt):

Q. Is there someone in the C.B.C. international group setup who receives complaints from the different national organizations in Canada about these broadcasts?—A. Our international service receives quite a lot of comment or correspondence from different organizations.

Q. Do these complaints suggest that we are not broadcasting the proper material to these countries, or do they suggest that we are? I ask that question because I believe the people who have come from Europe in the last four or five years are in a better position to tell us what to advise the C.B.C. as to what should be sent over there than are some people who like myself, have never been over there, and who think we are doing the right thing, when we might not be?—A. I think probably the general tenor of the correspondence could be summed up by saying that in general it is favourable to what is being done, but quite a lot of it contains suggestions for other or additional things, but contains very few comments in the nature of complaints.

Q. Do you seriously consider the suggestions from the different national organizations?—A. Yes, particularly if the source of it is from people who have come recently from the countries in question. I might remind the committee that our service has available to it a lot of direct intelligence or information from the Department of External Affairs in these countries.

Mr. DECORE: You say that you receive complaints. What would be the most common complaint?

The WITNESS: As I say, I cannot think of any complaints, but I just did not want to deny completely that there had been complaints. Most of the comment has been favourable, and in many cases is coupled with suggestions for doing something. If the suggestions are useful they are weighed and perhaps adopted.

*By Mr. Richard* (Ottawa East):

Q. Out of a staff of eight, you have at least six people who are familiar with the language, and some of them were born in Poland and know the thinking that goes on there, and have contacts with the Polish organizations and new arrivals in Canada?—A. Yes.

Q. And regardless of whether the head of that section is English speaking or French speaking or Jewish—regardless of where he comes from—the essential thing is that he should be a man who knows how to organize these programs and direct the service, and he must also be familiar with our way of life in Canada in order that he can be sure the service is being favourably received, and being sent in the right direction as far as our thinking is concerned. It is very important, is it not, that first of all he should understand our way of life in Canada, because he can obtain any other information he wants from the rest of the staff?—A. That is right, and I might emphasize again that the head of the section is dealing to a large extent with a great deal of information and guidance, which comes through the proper official channels such as External Affairs and so on. We feel we need men of wide ability to handle that sort of material and to ensure that it goes on in the form of good operations. We do not think it is essential that the person be of the origin of the country to which he is broadcasting. Sometimes it may be that such appointments are made, but all the considerations are taken into account.

Mr. DECORE: I am not at all sure that I agree with everything Mr. Richard and you have said. I think a man should be of outstanding ability and should first of all be well acquainted with our Canadian way of life, but I think in addition to that he should also be acquainted with the way of life in Poland or whatever country he broadcasts to.

Mr. GAUTHIER (*Nickel Belt*): But he could be supplied with the information.

The CHAIRMAN: Beware of those private conversations because the reporter cannot get them all. Please try to speak louder. Are there any other questions?

*By Mr. Dinsdale:*

Q. Under the heading of the English section, I notice a special reference to the program "I am an immigrant". I would like to ask Mr. Dunton if any attempt is made through the international service facilities to interest Europeans in emigrating to Canada?—A. I might say that any broadcasting of that kind is done only after consultation with the Department of Citizenship and Immigration, and is usually of a pretty factual nature.

Q. What is the purpose of a program such as this—is it to interest Europeans in Canada as a prospective country of emigration?—A. I might say first of all that a program of this type would be designed to give Europeans a picture of the Canadian way of life. Whether or not this particular program had an immigration appeal would depend on consultation with the department. This program, for instance, was not particularly in the form of an appeal or propaganda to attract people to Canada; it was rather thought of as a most effective way of showing the Danish listeners what life in Canada is like in general, as presented by a Danish person who has come here.

Q. Does the Department of Citizenship and Immigration use the international facilities to encourage immigration?—A. I would not employ the word "use". As I say, broadcasts which deal with immigration are discussed with the department first to see if they agree with the general content or the policy. It is not so much a case of their using the broadcasts as it is a case of our people being careful to consult them in the event there might be an immigration slant or perhaps to seek advice as to whether or not there should be an immigration slant to certain broadcasts.

Q. Therefore, any benefit that would derive in that direction would be merely incidental?—A. Yes. I would suggest that the indirect benefit might be quite large, and I would say it has been through the years, particularly in the Scandinavian countries and Holland. In all of those countries we know we

have had a relatively high audience and through listening I think the people get a good picture of Canada. If they choose to come here, that is their decision.

Q. Is this type of program where you have a new Canadian speaking to his former country used very frequently?—A. It has been used quite a lot because it is an effective and practical way of telling people about the life which is lived here, and it is used quite a lot behind the iron curtain too. Where we have someone who has recently arrived in Canada, he can speak vividly of what conditions are like in the two states.

Q. In the Polish section it is stated that there is a fifteen minute daily broadcast devoted to religious talks, life in Canada and accounts of the lives of former residents of Poland in various parts of Canada. I would be interested in knowing, Mr. Dunton, what the emphasis would be in the matter of religious talks. Would it be in line with the policies of the national church of Poland? How do you get over difficulties of that kind?—A. I think there is a sample of one of these talks among the scripts which has been filed. Yes, there is one—two-thirds of the way through the collection—"the Mission of the Apostles" by Father Joseph Ledit of the Jesuit Order. That is probably the only one. I see that there is also, on the Ukrainian service, an account of the new translation of the Bible into the Ukrainian language. In general such broadcasts would not make a direct political appeal based on religious opinion, or direct reference to church organizations, but it is felt that in one way and another we should try to help religious feeling to continue to flourish in countries the other side of the iron curtain, and to remind listeners there that religion flourishes freely and vigorously on this side of the iron curtain, and that there is a bond through religion as through other things. It is usually not expressed in terms of a particular organized church. On special days we put out short services and religious music or short talks related to religious subjects.

Q. More of an inspirational nature than anything else?—A. Yes. A general religious transmission.

Q. Is there any consultation with the churches in connection with these broadcasts?—A. There has not been particularly here, I don't think. Members of the committee know that the Canadian council of churches does not include the Catholic Church and in the case of Poland that would be particularly important. It does not include representatives of the Orthodox Church—I don't think it does. Consultation would be of an informal kind rather than directly with the different religious authorities.

Q. With regard to this broadcast "The Mission of the Apostles". This was directed to Russia, but Russia I believe is of the Byzantine tradition. I am not much of a theologian, but there is a paragraph here on page 2 which says:

> Jesus did not merely bequeath a doctrine. He wanted it to be kept alive and whole by an organization which He called the Church, whose first head was Peter for one day Jesus said to him: "Thou art Peter, and upon this rock I shall build my Church and the gates of hell shall not prevail against it and I shall give you the keys to the kingdom of heaven." The Popes of Rome are the successors of the apostle Peter because Peter came to Rome to die.

I was just wondering how that would be received in Russia which follows the Byzantine tradition.—A. I am not enough of a theologian to answer it.

The CHAIRMAN: Do you think they kept following the Byzantine tradition when the Czar took over the rule in Russia? It happened centuries ago—I am thinking of Peter the Great. I wonder if they still follow the Byzantine tradition?

Mr. DINSDALE: I am wondering myself whether there is a large amount of organized church activity of any kind. I do believe that they allow the Orthodox Church to survive.

The WITNESS: It is believed that there is still a very important undercurrent of feeling for religion in Russia, and we try to recognize this interest in our broadcasts. This particular script was taken as a "straight sample" of broadcasting, and it happened to go out in that particular week. It is one of a series of broadcasts which were done for all the countries of the eastern section, and it happened to fall into the Russian section that week. Members of the committee would find that over a period of weeks there has been other religious talks by different people going over the various sections.

*By Mr. Fleming:*

Q. Who were the others who participated?—A. I am not sure, we have not got the exact names.

Q. That does not matter, because we could have the information this afternoon?—A. I could give you an outline. There was a Polish Roman Catholic Priest from the Czeck side, a Roman Catholic, a Lutheran—there was another Greek Rite of the Catholic Church, I think, and several from the Greek Orthodox Church.

Q. Are those programs going out in all of the languages of eastern Europe?—A. They would all at times be used in the different language services. Sometimes however they would be "voiced" by the section itself.

Q. We are more concerned I suppose with the content rather than with the individual who directly voices the broadcast. Do I understand from your previous answer, Mr. Dunton, that these representatives of the different churches to whom you have referred have prepared scripts which have been read in all of the languages of eastern Europe behind the iron curtain?—A. In general that would be right although we cannot be sure that every script was used in every service. But that has been the general purpose and the general direction.

*By Mr. Hansell:*

Q. Mr. Chairman, there are a number of organizations in the free world who give people in the iron curtain countries encouragement to believe that some day things may happen as a result of which they will again be free. I would like to know if the international service in its broadcasts encourages that principle?—A. The service keeps right within the policy laid down by the Department of External Affairs.

Q. Then must I conclude that if the policy of the External Affairs Department is one of containment, then the broadcasts would be along that line?—A. Yes.

Q. So if we do not agree with it we should criticize government policy rather than the international service?

An Hon. MEMBER: What do you mean by containment?

Mr. HANSELL: The containment of communism within the iron curtain countries.

The WITNESS: I might mention, Mr. Hansell, that apart from containment it is probably right to say that international broadcasting is one of the few ways, and maybe the only direct way, in which the western world is making a real attempt to influence the minds of the people behind the iron curtain. That is why we as broadcasters regard it as extremely important—because it is the one area in which the issue is really being joined, namely in the air.

*By Mr. Hansell:*

Q. I will put my question more explicitly; would you encourage the people in the iron curtain countries to agree with the policy of their communist governments?—A. We do just the reverse. I do not think anything has gone out from the Canadian transmitters suggesting that they should organize a revolution because aid would be closely at hand. But I think through all the material which is going out you will find a steady theme running: "the communist way of doing things is the wrong way for you: the western way is a better way for the world and for you". If you like, that is an indirect way of stimulating and encouraging a belief in the ultimate triumph of the free way.

Q. Would you say that you are creating the hope in the iron curtain countries that some day they may be free?—A. I would say that the broadcasts are showing the fundamental strength of the western way—the free way—of doing things, and also that it is a better way of doing things for mankind. I think that if this is effective it will have an obvious result in the long run.

*By Mr. Studer:*

Q. Are there any comparable organizations in North America—in the United States for instance—which are doing the type of work which the C.B.C. is doing with regard to this—the Mutual Broadcasting System, for example or any of the other private organizations?—A. There is the very big and extensive organization called the "Voice of America" which is government-directed and which is doing the same thing, and of course spending many millions more than Canada is spending, and which broadcasts not only directly from the United States but from transmitters spotted in other parts of the world. Our own service keeps in close touch with the "Voice of America" and with the B.B.C. which undertakes similar activities on behalf of the British government.

Q. I understood about the position in Great Britain. But I was wondering about the situation of the "Voice of America"—it would voice what was said by the government?—A. It is a direct government organization.

Q. They would have to use the private facilities available in the United States?—A. No, they have their own elaborate facilities; they have transmitting plants in the United States and also in other parts of the world which are entirely government-owned and operated.

*By Mr. Richard* (Ottawa East):

Q. Can you name some of these countries?—A. I might say that we understand that there are no shortwave international transmissions operated by private interests in the United States, or at any rate very few.

Q. Is there a transmitter in Japan?—A. They certainly have a relay transmitter in Manilla. Then they have facilities in Tangier and Munich; there is a ship which moves around the world. There are quite a number of these transmitters, and I do not think the locations of all of them have been published; but they have elaborate facilities and a big worldwide network for the transmission of their material and programs.

*By Mr. Fleming:*

Q. You have been asked from time to time about your relations with the Department of External Affairs, and you have indicated that you are guided by the department with respect to these broadcasts on international affairs. Can you tell me about the actual channels of communication between the C.B.C. and the Department of External Affairs?—A. I can probably outline them, and the General Manager or the Director of the service can fill in the picture.

In the first place, in general terms, the Department states the policy and informs the international service about it. In practical terms there is a very extensive flow of material from the department going directly to the service—to the director in Montreal—of information and guidance. Then there is a "flow back" of queries and material, including written scripts for checking and with regard to which consultation is thought to be desirable. The department several years ago set up a special section whose chief duty is to work with the international service, as well as having, perhaps, some other work. We feel that in the last several years coordination between the service and the department has developed greatly and has become very effective.

Mr. OUIMET: I would like to introduce Mr. Delafield, director of the International Service to amplify that reply.

Mr. FLEMING: A very worthy ex-Torontonian.

Mr. C. R. DELAFIELD (*Director, International Service, Canadian Broadcasting Corporation*): I was wondering whether there are any questions, which perhaps members would like to ask. I have nothing to add to what Mr. Dunton has said.

Mr. FLEMING: May I take it that your contacts with the Department of External Affairs with regard to the contents of the programs of the international service are closer than they were previously?

Mr. DELAFIELD: They are very close. They have been very close indeed in the last few years. We have direct contact with them and we meet periodically. We also telephone frequently, of course, and there is this interchange of material with them in terms of guidance on various points and suggestions from us as to what propaganda material should go out, and how it might be handled, and often we take the liberty of sending in drafts of scripts for their comment.

Mr. FLEMING: In what proportion of cases would you submit your draft scripts for review?

Mr. DELAFIELD: It would be hard to say what proportion because it is primarily related to very important aspects of international affairs. It is difficult to say what proportions are submitted because it would be done mainly with regard to major issues which arise, such as the Bandung conference for instance where we are not directly broadcasting to the Orient and where—in our terms—the matter is a little outside our orbit—but where nevertheless we are naturally concerned about the treatment of such a conference in our broadcasting to the Soviet and satellite countries.

Mr. FLEMING: Do you furnish the department with copies of all your scripts?

Mr. DELAFIELD: Copies of all the "iron curtain" scripts.

Mr. FLEMING: Not the others? Do they ever ask for the others?

Mr. DELAFIELD: A lot of the political material used in connection with the broadcasts to "iron curtain" countries is used by the other sections. But the "iron curtain" broadcasts naturally lay heavy stress on political material, and therefore there is more political material in the "curtain" broadcasts.

Mr. FLEMING: We can take it that copies of all your scripts intended for listeners behind the iron curtain go to the department?

Mr. DELAFIELD: Correct.

Mr. FLEMING: But not scripts for use outside the iron curtain unless they are asked for by the department?

Mr. DELAFIELD: That is correct. That is, of course, in the political field which is the area in which the Department of External Affairs is interested.

Mr. FLEMING: Have you any relations with the Department of Citizenship and Immigration?

Mr. DELAFIELD: In terms of liaison, yes, as we have with all other government departments. Again in terms of liaison—information, or new ideas for our service, we let them see scripts on topics closely connected with their operations as they affect immigration.

Mr. FLEMING: You would have nothing to do with the citizenship side of their activities?

Mr. DELAFIELD: I cannot think of anything specific, but certainly we have liaison with them in terms of their public relations officer.

Mr. FLEMING: But your contacts with them would be chiefly on the immigration side?

Mr. DELAFIELD: Yes, they would be chiefly on the immigration side.

Mr. FLEMING: How often are you in touch with them in relation to immigration?

Mr. DELAFIELD: It is primarily in terms of immigration material—where we feel we want some guidance. We naturally know the general lines of policy of the Immigration department in terms of immigrants, but we do not write specific scripts appealing for immigrants to Canada. That is, we feel, not really our field. We do however, use from time to time material supplied by immigrants to Canada in order to show the conditions which prevail in this country as a very graphic way of explaining to the foreign listeners what Canada is like.

Mr. FLEMING: Have you ever been asked by the Department of Citizenship and Immigration to make broadcasts of a more specific nature—broadcasts that might be more directly appealing to intending immigrants?

Mr. DELAFIELD: We have co-operated on several occasions with the department in arranging special broadcasts such as the one carried last year on the B.B.C. in terms of British immigrants in Canada. This was a fairly lengthy broadcast particularly devised for use by the B.B.C. at their request, and the script in that instance was worked out very closely with the department, and we also had their assistance in getting participants for the program.

Mr. FLEMING: What attempt do you make to keep in contact with the programs of The Voice of America to the countries behind the iron curtain?

Mr. DELAFIELD: We do not have any regular close contact, for one specific reason and that is that the political material and the news we transmit day by day is very topical. For a short wave service to be effective it has to be as up-to-date as possible in terms of the listeners on the other side and we have to try to get our material as closely related as possible to the sort of things they are hearing and reading. This is more difficult in the case of the C.B.C. short wave service than it is for the B.B.C. and The Voice of America because the two latter organizations are much closer to the scene in terms of relations and offices to the iron curtain countries than we are. Therefore we do not really get into close touch with them in terms of day to day script material on the iron curtain countries. It would be impossible. Furthermore the two broadcasting organizations in this field which I have mentioned, together with ourselves feel that it is much better for the information organizations to be co-ordinated in terms of general policy as it emanates from the various external affairs branches of the three governments concerned, than in terms of day to day specific material, and in many ways it is perhaps generally better that these three organizations should not be parotting exactly the same thing in their broadcasts. Thus the iron curtain area and the Soviet orbit generally will see that the western world does not necessarily agree automatically on

every single thing, and in that way we are preserving a good approach to the listener, because the listener knows or should come to the conclusion that in listening to our service, as in listening to the service of the other two organizations, he is listening to a program which is put out by that particular country, and not hearing opinions which are all worked out in advance in one place as with Communist broadcasting which would be primarily in Moscow.

Mr. FLEMING: I followed what you said with interest. Apart from the day-to-day trend of broadcasts dealing with events which may be following one another perhaps quite swiftly would every attempt be made to obtain the scripts of their broadcasts, or at least to keep in touch with The Voice of America in order to know what they are doing? How do you know, for example, that your broadcasts are different?

Mr. DELAFIELD: The material is privately developed from our relations with the Department of External Affairs. We do not exchange material directly, generally speaking. We exchange it primarily in terms of the guidance as it is provided by the External Affairs Departments.

Mr. FLEMING: I take it then you have no direct connection with The Voice of America?

Mr. DELAFIELD: We do occasionally circulate material, but it is not the general practice.

Mr. FLEMING: Does the Department of External Affairs obtain copies of all Voice of America scripts?

Mr. DELAFIELD: I do not know if they obtain copies of all scripts, but if there is any exchange it takes place at that level.

Mr. FLEMING: We might find out about that from the department. What co-ordination if any, have you in this field with the B.B.C.?

Mr. DELAFIELD: The same sort of general program co-ordination in terms of the timing of broadcasts, whether to the Soviet Union or to the satellite countries; day to day schedule details and the general exchange of information on the use of transmitters and on the whole technical side of short wave operations; an exchange of information on the monitoring of broadcasts from other broadcasting organizations and a certain amount of general research material and monitoring reports of broadcasts. One of our problems is that we are so far from the iron curtain areas that it is difficult for us to keep in touch on a day to day basis with the sort of material which those countries put out to their domestic audiences. Therefore we have a great deal of information provided to us through the free cooperation of the B.B.C. and The Voice of America in terms of the monitoring services which they perform with regard to the broadcasting services in the iron curtain countries. This gives us the opportunity of keeping in touch with what the radio and the press in Russia and the satellite countries are saying.

Mr. FLEMING: What about the exchange of program information with the B.B.C.?

Mr. DELAFIELD: Generally speaking on a day to day basis there is very little.

Mr. FLEMING: Does it come through the Department of External Affairs?

Mr. DELAFIELD: That is usually the practice but of course officials of the B.B.C. visit Canada from time to time and we naturally discuss general program problems with them.

Mr. FLEMING: May I take it then that apart from such guidance as you receive from the Department of External Affairs, and such assistance as is obtained from contact with the program activities of The Voice of America and

the B.B.C., you are operating in this field of international broadcasting to countries behind the iron curtain quite independently of both The Voice of America and the B.B.C.?

Mr. DELAFIELD: Quite independently, and I would add that it would be extremely difficult for us with our present staff to take the additional time which would be required to read their material and follow their day to day operations. And, of course, there is the time lag.

Mr. FLEMING: It would be a fair statement to say that you are operating quite independently of The Voice of America and the B.B.C.?

Mr. DELAFIELD: Yes.

The CHAIRMAN: Are there any other questions?

Mr. DECORE: With reference to sources of information available to the eastern European sections I would like to ask Mr. Delafield having regard to the material which he has listed—magazines, newspapers and so on—whether there is a central library for all this, or whether each section has its own library?

Mr. DELAFIELD: This material comes to our central reference library. There is also a certain amount of free material which individual sections may receive separately—mainly Canadian and American publications. But this central material is circulated to the individual sections, and as members of the committee will note from this list of bulletins, magazines, newspapers and so on, some of the material is naturally of particular significance to particular sections. Therefore it either goes to that section first, before it is passed to another one, or it comes from the section and then goes back to be retained by that section.

Mr. DECORE: I have heard that there is difficulty experienced by some of these sections in obtaining material from countries behind the iron curtain—material which would be very useful to them.

Mr. DELAFIELD: That is true. We have had some difficulty in getting subscriptions continued to certain Russian and Ukrainian material and publications from some of the satellite areas. We have tried to make sure of it by ordering it through New York. Sometimes the subscriptions start and the material comes in for a period of time and then suddenly stops. We have taken the opportunity of getting the assistance of the Department of External Affairs to see if the subscriptions cannot be placed locally at the particular point from which we want the material and that has helped I think. In the case of the Ukrainian section in which you are interested, I believe, we have followed that practice in connection with the two publications mentioned on the second page. I refer, of course, to two Ukrainian publications. It is certainly a difficulty sometimes in getting this material from the other side.

Mr. DECORE: There is a lot of material which I understand would be very useful and which you would like to have but for the reasons you have pointed out it is not—

Mr. DELAFIELD: There is another aspect to this, of course, and it is that we do have to consider the costs and also the amount of material which individual people can digest and still carry on with their own work. It is important for their work I agree but we have to make sure that it is spread very equally among the iron curtain areas. If you have any particular suggestions at any time, Mr. Decore, do not hesitate to bring them to our attention.

*By Mr. Richard* (Ottawa East):

Q. What is the total budget this year for the International Service?—A. Just over a million six for 1955-56.

Q. The B.B.C. must have a very extensive budget. I understand they have voted about $18 million for the International News Service?—A. It is much higher than ours and I think that would be about right. I have not seen the last figures.

Q. You cut your budget last year?—A. The estimates were reduced.

*By Mr. Fleming:*

Q. I have some questions which I was going to ask about the budget, Mr. Chairman. Mr. Dunton, do you have handy the figures of expenditures say for the last 5 years?. I am just asking for the totals and I refer to the International Service.—A. The totals year by year?

Q. Yes. I am not asking you for the details of the past years at the moment.—A. We could have that information this afternoon.

Q. Perhaps I should indicate to you the nature of my questions so that you will have an opportunity of looking up one or two other things. I was going to ask if you could give us first of all the total expenditure through the International Service say for the last 5 years, year by year? Second, would you give us the breakdown for the fiscal year 1954-55 and then the breakdown for the present fiscal year 1955-56? Also, I would like to ask you some specific questions about the effect of the proposed reduction in the budget for this current year in the light of that information. Perhaps you could tell us that now but if you prefer to answer the question this afternoon we will leave it. I propose to ask you a question in regard to the draft budget you submitted for this service to begin with and whether the cuts were made by the Treasury Board or under the direction of the government?—A. I think I can explain that right away—the last part. The service is carried on subject to government decisions.

Q. Oh quite. This is a government service.—A. Yes.

Q. You are just an agent for the government?—A. Yes, and the government decisions were indicated to us before the budget had been drawn up.

Q. So you did not prepare and submit to the government a budget of proposed expenditures for the fiscal year 1955-56?—A. No, that is not the way it works. The decisions are made and we are informed of them. The figure is agreed on in view of the decisions. It is a policy decision.

Q. What was before the government that came from the C.B.C. when this decision was made was simply last year's figures?—A. Yes, that is all they would have and the estimates for 1954-55.

Q. That is last year?—A. The votes for 1954-55.

Q. Yes. So you submitted to them nothing for the fiscal year 1955-56?—A. No.

The CHAIRMAN: Do I understand, Mr. Fleming, that you are asking these questions so as to be able to discuss this matter when we reach a discussion of finance?

Mr. FLEMING: I think it probably belongs here because it has nothing to do with the C.B.C.'s own financing in general. It is simply a separate service, which they operate as agent for the government, and we vote this money in the House by direct vote.

The CHAIRMAN: Yes, but before we take the consolidated balance sheet, we have two other pages, numbers 40 and 41, which we must discuss. Do I understand we are through with the International Service?

Mr. FLEMING: I think not. Mr. Chairman, because the questions I am asking do not arise out of the balance sheet of the C.B.C., nor do they arise out of its statement of operations such as we have on pages 44 and 45.

The WITNESS: You will notice that on page 50 there is a statement of the expenditures of the International Service.

Mr. FLEMING: That is the kind of breakdown I had in mind for 1954-55, and 1955-56.

The CHAIRMAN: I want to know if we are through with International Service?

Mr. DECORE: Coming back to the question of Polish broadcasts and the head of that section, I wish to make one comment. I wonder if Mr. Dunton would give consideration to the advisability of getting someone there who is equally as capable as Mr. Hamel, and who is equally well acquainted with the Canadian way of life, but who in addition knows the Polish language, and the way the Polish people think in Poland today?

The WITNESS: I am sure our management will give consideration to what has been said this morning.

The CHAIRMAN: Are we through with International Service, or are there any more questions?

Mr. FLEMING: I will probably have some questions when I see the figures for which I am asking. My questions will be in regard to their direct effect on programs.

The CHAIRMAN: This afternoon we will continue with the discussion of International Service.

Mr. RICHARD (*Ottawa East*): Did you obtain the information concerning the television station in Ottawa for which I asked?

The WITNESS: Yes, Mr. Ouimet has that information.

Mr. OUIMET: I will now read the figures:

Estimated Cost

Of Ottawa TV Stations

CBOT and CBOFT

| | |
|---|---|
| Land and land improvement | $ 45,000 |
| Building | 520,000 |
| Tower, antennae and transmission lines | 320,000 |
| Transmitter, studio and mobile equipment | 825,000 |
| Total | $1,710,000 |

The CHAIRMAN: We will adjourn until 3.30 this afternoon.

## AFTERNOON SESSION

TUESDAY, May 10, 1955.
3.30.

The CHAIRMAN: Gentlemen, I see a quorum.

Mr. GOODE: Mr. Chairman, in connection with the trip to Montreal on May 20, may I move, seconded by Mr. Fleming, that the Clerk of the Committee accompany the committee to Montreal on Friday, May 20.

Mr. FLEMING: I think that has been customary in the past. The Clerk has always accompanied the committee on this trip of inspection and I think it is highly desirable for him to be there if the committee is going.

The CHAIRMAN: Is that agreeable?

Some Hon. MEMBER: Yes.

Mr. GAUTHIER (*Nickel Belt*): He can go in my place; I will not be going!

The CHAIRMAN: We will now continue with questions on the subject of International Service. Have you any further questions, Mr. Fleming?

Mr. FLEMING: Mr. Dunton promised to gather some figures for me.

**Mr. A. Davidson Dunton, Chairman, Board of Governors of the Canadian Broadcasting Corporation, called:**

The WITNESS: Mr. Chairman, the officials who were working on these figures have not arrived as yet, but I think I could summarize the information Mr. Fleming wants.

Mr. FLEMING: I would like to see the figures and if it is a matter of waiting for them to arrive here we could go on with something else.

The WITNESS: Yes, they are on their way over.

The CHAIRMAN: Are there any further questions concerning the international service?

*By Mr. Fleming:*

Q. Mr. Dunton, looking at the figures you supplied us in the form of the recapitulation of the number of employees at three dates, March 31, 1953, March 31, 1954 and March 31, 1955—I am dealing now simply with the international service—the figure at March 31, 1953 was 180 employees. A year later the figure was 194 and a year later at March 31, 1955 the figure was 203 employees. What does the proposed reduction in the appropriation for the international service mean for the new fiscal year, 1955-56?—A. It will bring this number from 203 down to about 182 which is approximately what it is at the moment. I think it was smaller on April 1 than it was on March 31.

Q. It is simply a reduction of 21 employees?—A. Yes, but the reduction was already taking place.

Q. What was your maximum?—A. 232.

Q. Therefore your reduction in the appropriation for this new fiscal year means a reduction in staff of 50?—A. Yes.

Q. What is becoming of them? Are they being absorbed elsewhere?—A. I think our management as a whole has done a very good job in this respect. Quite a few of the employees have moved into other positions in the C.B.C. as they opened up. In some cases positions that fell vacant simply have not been filled in recent months. The management also helped some people to get positions outside the C.B.C., especially people with special language qualifications. All in all, I think just a handful—perhaps three or four employees—were left without something to go to.

Q. Perhaps while we are waiting for the other figures to arrive, Mr. Chairman, I could ask some other questions about the same tables, the recapitulation of the number of employees. I notice that the total, Mr. Dunton, has moved up and at March 31, 1953, it was 1,947; at March 31, 1954, it was 2,621; and at March 31, 1955 it was 3,973. I take it that there had been some reduction in the international service prior to that date, and you probably reached your maximum about the first of this year—a figure somewhere around the 4,000 mark?—A. I would not say that, because the television staff and staff due to television has been continuing to rise, so I could not tell you whether or not there was a maximum at that stage. If the international service had been going down over several months the general staff has been rising because of television.

Q. Is the rise in the television staff still continuing?—A. Yes.

Q. I can understand a rise in television in this period, because in March 31, 1953, you were in the early stages of your television operation. Between March 31, 1953 and March 31, 1954 you had added 351, and then you had this very large increase in the next year—an increase of about 1,040—in your staff on television. But what did surprise me somewhat was that your total number of employees on the national service has also increased in the same period. At March 31, 1953 it was 1,431; at March 31, 1954 it was 1,740; and at March 31, 1955 it was 2,045. That is an increase each year of about 300?—A. Yes. I would like to explain that. The first column should probably be properly labelled "sound service and integrated services"—the same heading you will find on our statements. You will remember that the C.B.C. started as a sound service only, and then television was added. Of course, a very considerable number of staff who work only on television can be counted as that and are charged of course to television alone. But for reasons of economy and efficiency a great many services are kept as common to both television and sound broadcasting, such as the treasurer's department, the administration, general engineering supervision, the general manager and myself, and so on. The sound service being the basic service, it has grown at the present moment to what is more than a sound service. It is sound plus what we usually call integrated services. By far the greater part of the increase you will find under the heading here called "national service" is due to television. It is because of increased activity in the treasurer's department and in administration and so on, due to television, but it is kept on this staff. As you know from our financial statement you will find a very considerable amount of money charged against "television" and credited to "sound" to pay for the television share of those various common services.

Q. Yes, that is what was running in my mind. You have the cost of operating those integrating services broken down as between sound broadcasting and television in your operating and financial statements, but I gather from what you say now that this recapitulation of employees has not followed that pattern?—A. As you can see, it is not possible to do it just by persons—

Q. You cannot, for instance, divide Mr. Bramah in half and allocate half of him to sound and half to television, eh?—A. But the question arises how much time is he spending on each. What happens in regard to a staff member for that kind of function is that he is taken on in the common service, and then our management from time to time have estimates made of the extent to which that service is being used for television and sound, and the charges are made accordingly. As I say, a great many of these individuals cannot be labelled as individuals for either sound or television and as the service has built up they stay in sound and integrated services.

Q. Looking at the recapitulation as at March 31, 1955 and leaving the international service employees out of the consideration, you show 1,725 employees engaged in television, and 2,045 engaged in national service. I take it that there has been an increase of 600 in the national service in the last two years most of whom should be allocated to television?—A. Yes, and the cost for most of whom is charged back to television.

Q. Yes, but I gather then that really more than half of your employees on that basis are engaged in television rather than sound now?—A. Yes, more than half of the man hours of work would be related to national service, and more than half would be related to television.

Q. And more than half of your employee cost is allocated to television now, rather than to sound?—A. Yes.

Q. I do not want to trespass on the field of finance because we will be coming to that later in the week, but can you tell me now, or bring at some later date an estimate of the proportion and be specific on that?—A. Yes.

Q. My questions on the international service will depend on the statement for which we are now waiting. I have some questions which I could ask which were left over from last week—questions with regard to television.

The WITNESS: I am sorry that this information is taking time to get. I have one sheet here which is simply a summary of the total expenditure on the international service. Perhaps this information will serve as a basis for Mr. Fleming's questions.

The CHAIRMAN: Yes, I think it will be useful information for the committee.

The WITNESS: Going backwards—taking the net operating expenditure of the international service—this was for the year 1953-54, $1,917,000 in round figures. The figures I am giving represent the operating expenditures less earned revenue. Net operating expenditures.

*By Mr. Fleming:*

Q. What was the source of revenue of the international service?—A. Chiefly the rental of Radio Canada. Therefore this is a true net figure of the expenditure of the international service.

The corresponding figure for the year before was $1,854,000, and the corresponding figure for 1951-52 was $1,821,000. For 1950-1951 it was $1,598,-000. To bring this more up to date, the estimate voted for 1954-1955, as I remember it, was I think just over $2,200,000, to correspond with the figures I have given.

The officials will be here with the latest figures as soon as possible, but we know the expenditure for 1954-1955 will be somewhat below that amount because the reduction started before the end of the year. On the other hand there were some increases during the year arising from the results of collective bargaining—that is, there were salary increases.

Q. Those figures which you have been giving to us relate simply to maintenance and operation; they do not include the construction or acquisition of building works land and equipment?—A. No. I have been giving the net operating costs.

Q. But you have the figures with respect to the other items?—A. Yes. And then, looking ahead, as you know the estimates for 1955-1956 are reduced to just over $1,600,000.

Q. Yes. $1,614,625. And may we have the other figure, Mr. Dunton, on the construction and acquisition of buildings etc.—A. Yes. In 1953-1954 $67,000; in 1952-1953 $92,000; in 1951-1952 $177,000; in 1950-1951 $618,000. That figure would reflect the sum of the costs of the Radio Canada building.

Q. Do you know what your approximate position will be for the fiscal year ended 31st March, 1955?—A. That is the figure which we shall be providing soon.

Q. Pending its arrival can you indicate to us in any further detail what this reduction in expenditure is going to mean, Mr. Dunton? I think it has been made clear that there is no reduction in the service to countries behind the iron curtain. We are increasing our broadcasts in Polish. As I understand it, however, some reductions are being made in the broadcasts to countries outside the iron countries.—A. Yes, I went over that situation on Friday.

Q. The notes were a little tardy in arriving.—A. I can go over it quite briefly I think. First, the Finnish service which was a weekly service has been dropped; the following services have been reduced from a daily service to a brief service at weekends—the three Scandinavian services, the Dutch

service and the Italian service. In addition, the general English and French services have been somewhat reduced, the Latin American services have been reduced in time by about half.

Q. Do you expect these reductions to result in any serious impairment of the international service within the policy that has been followed with respect to it?—A. As I understand it—I am not sure whether you were here—this is a government policy decision.

Q. I was not here on Friday morning.—A. Decisions about the areas to which we broadcast and the relative amount of effort which goes into them are made by the government, and decisions were made to reduce, or in one case to cut out the effort being spent on these various broadcasts.

Q. The government takes the responsibility for saying where the services should be reduced?—A. It has always been understood that part of the area covered by the policy decisions lay in the determination of where the broadcasts should be directed and the relative amount of effort which should go into these broadcasts.

Q. So you had no recommendation to make as to where this reduction of $584,000 should be made?—A. We act very much as agents in this matter. Of course the question was discussed with us.

Q. Did you make any recommendation?—A. Not directly as recommendations. I think it is quite obvious that as broadcasters we tend to give a good deal of emphasis to what broadcasting can do—but the decisions were made to reduce expenditures by reducing the service in the way I have outlined.

Mr. HANSELL: While we are waiting for the information to be supplied to Mr. Fleming, Mr. Chairman, may I ask—if this subject has not been covered before—whether the board has any way of assessing the value of the C.B.C.'s international service with respect to the iron curtain countries?

The WITNESS: I am sorry I do not quite follow that.

Mr. HANSELL: Is there any evidence as to the effectiveness of the international service to countries behind the iron curtain?

The WITNESS: As I have explained before there cannot be the usual form of a survey of listeners, and so on, but there are several means by which we can form a conclusion as to the effectiveness of the service. For instance in the case of Czechoslovakia we have continued to get some information by direct mail—letters which some people have smuggled out of Czechoslovakia at their own risk. But most of our information comes from confidential sources—that is, our information with regard to listening in the iron curtain countries and in Russia. More information is available with regard to the satellite countries than to Russia, but even with regard to Russia there is a certain amount of information available.

Shall we have these statements distributed, Mr. Chairman?

The CHAIRMAN: Yes, if you wish, Mr. Dunton.

The WITNESS: I might explain that there may be some slight differences between the figures I gave and these figures as presented. I gave the figures on the basis of C.B.C. statements which are on an accrual basis at the time each year. These new figures are done on the straight government cash basis which means there may be a slight difference for some years at the year's end, but of course it all amounts to the same thing through the years.

Mr. FLEMING: Mr. Chairman, I suggest that we put these three statements on the record as part of the proceedings today.

The CHAIRMAN: Is it agreed by the committee that we put these statements in the record?

Agreed.

(See Appendix).

*By Mr. Fleming:*

Q. Mr. Dunton, looking at the statement "Maintenance and Operation" which gives us the figures of actual expenditure for the year 1954-55, and the figures based on the estimate for the current fiscal year ending March 31, 1956, your big reduction is going to be on salaries and performers' fees, is it not?—A. Yes, those will be the big reductions. As you can naturally imagine when you cut operations of that sort those are the chief places in which savings are made.

Q. I cannot make out the second last heading. This copy is blurred. I believe it is "Pool Services".—A. As between sound and television in Montreal, there are between the International Service and the other service certain functions that are carried on in common, and for which the International Service is charged and have worked out on a cost accounting survey basis.

Q. These are services to both International Service and others?—A. Yes.

Q. I do not quite follow why there is an increase there as against these reductions on most of the other items?—A. I think that increase would chiefly arise from the general increase in cost rate to us arising from salary increases, coming in turn from collective bargaining.

Q. I notice in the sixth item, "Printing of Publications", you are budgeting for a reduction from $75,000 to $40,000. What publications are being reduced? —A. The chief one is the "Voice of Canada", the program schedule with which I think the committee is familiar, which is being now put out every 2 months and has been reduced to one edition covering both European and Latin American services. Formerly for obvious reasons it was done in two separate editions. Again, because the language service is cut it is possible to make economies in the schedule.

Q. I am going to turn to the capital outlays under the International Service for the current fiscal year. According to the estimate it is going to be $193,200 which represents something of a reduction from last year. What are the capital expenditures that you are budgeting for this year?—A. It is mostly carrying out work already started of renewing the elevator system in the radio Canada building.

Q. Is that being pro-rated with other services?—A. No. That is part of the operation of the building, covered by the rent. That is done by the landlord. The tenant, the national service—the domestic service—continues to pay rent.

The CHAIRMAN: Mr. Goode.

Mr. GOODE: Mr. Chairman, referring back to this maintenance and operation sheet which we have there is almost $47,000 in telegrams, telephones and teletypes. Could Mr. Dunton break that down?

The WITNESS: I think the director could outline the various services that are necessary in the operation of International Service.

Mr. C. R. DELAFIELD (*Director, International Services, Canadian Broadcasting Corporation*): Telephone, teletypes and telegrams cover the normal operating expenses of program service in terms of getting program material from other parts of the country or making arrangements with other broadcast organizations to carry certain relays, and the general operation of a broadcasting service. It is difficult to break it down. I am just wondering what sort of information you had in mind?

Mr. GOODE: The question is simple. It seems like a lot of money to me for a service of that kind without any explanation whatever. Perhaps it is quite proper in your mind to spend $47,000, but it is our job to question whether it is. I would like to know something about the expenditure?

Mr. DELAFIELD: That includes teletype services for the provision of the various news services which we buy which is included separately as news services up above, but the actual transmission of the news to the C.B.C. International Service in Montreal is included in that figure under teletypes. There is also further teletype connection between Montreal and Ottawa for the day to day exchange in policy matters and other affairs.

Mr. GOODE: Tell me how much you spent on telegrams? Have you that information there?

Mr. DELAFIELD: I do not think we have it at this moment.

The WITNESS: We could get that a little later.

Mr. GOODE: I would like this broken down into simple figures of how much you spent on telegrams, telephones and telegraphs.

The WITNESS: That could be done.

Mr. GOODE: And can you give me the figures in the next item on travelling; how much was spent by the employees of the International Service on travelling? And could you continue from there by telling me what travel was involved, and what they did in regard to the expenditure of this money. Those are all the questions I have.

The CHAIRMAN: Are there any other questions on the International Service?

Mr. DINSDALE: Under maintenance and operation, recording blanks and tapes, does that apply to recordings which are distributed on an exchange basis to these other countries?

The WITNESS: That was for blanks; perhaps Mr. Delafield might explain it to the committee.

Mr. C. R. DELAFIELD (*Director of International Service*): Yes; the item regarding blanks and tapes, and the item regarding records and transcriptions covers the cost of transcribed programs made for use by other broadcasting organizations outside Canada. The item covering blanks is the cost of the materials used; and the other items cover the discs and pressings. In some cases the first item covers the preparation of programs in other parts of Canada for use in Montreal. The item for records and transcriptions covers, generally, the music transcription service which we have. Music, generally speaking, is not broadcast by us in the form of short-wave concerts, but we do use music in spots between our various items in broadcasting.

Generally speaking the presentation of Canadian music in other countries is done by means of transcriptions and tapes which are shipped out so that they can be played on the domestic service of other countries. The music thus received is much better than it could possibly be received in terms of prime shortwave listening. This music transcription service has been something which has developed over the last five or six years to such an extent that now we have over one hundred different programs, quarter hour and half hour in length, on disk for distribution non-commercially to other radio organizations for their sustaining use, that is, for their non-commercial use.

These programs comprise all types of Canadian music, serious Canadian music and lighter material ranging from folksongs and barn dance material to more popular Canadian material, and also more classical material played by

Canadian artists. In every case these musical programs are done by Canadian artists, and it is a very effective way of presenting Canadian music and music from Canada to various audiences.

Mr. BRYSON: Are any of these programs beamed behind the Iron Curtain from, let us say, Great Britain?

The WITNESS: Oh yes.

Mr. BRYSON: All yours?

The WITNESS: No. I might say that I think the B.B.C. itself is very anxious to use all the transmitters which it has available. It arranges for the Voice of America to use some of them, that is, all that are available, and I think you will find that they are very much occupied by themselves. We have some programs which are released to Germany and Czechoslovakia on B.B.C. transmissions, but it happens that their time to Eastern Europe is very thoroughly used up. Usually our transmission to Eastern European countries is made simultaneously with that of the B.B.C. and the Voice of America, which helps to make the jamming more difficult. Therefore it would not be any use to use their transmittors for our programs.

Mr. DINSDALE: Does the International Service negotiate all international exchange programs?

The WITNESS: Since you ask me a more general question I would say that the International Service in general deals with most of the exchange to the more distant countries. In the case of Britain, some would be transmitted through them; but there may be arrangements made directly between the National Service and the International Service; actually both have the same representative in London; we have the one C.B.C. office there and he will work with the National officials. Exchange arrangements with the United States are not handled by the International Service. I think it would depend on circumstances and convenience, but in most of those countries we have mentioned the International Service would be handling the exchange and making the programs available.

Mr. DINSDALE: Is there a tendency to use transcriptions and recordings for other than behind the Iron Curtain countries, rather than beaming shortwave on the International Service?

The WITNESS: That is part of the decision to reduce the regular daily service to those countries. It was also decided at the same time that more efforts should be put into developing programs and recordings for relay. So more effort, especially in the last few months, has been put—and very successfully—into developing programs for relay.

Naturally, you get more listeners if a program is broadcast on the National Service of another country, so you do not get the same effect with a direct appeal broadcast from Canada. That is why recording, or the effort to get records has increased it somewhat.

Mr. DINSDALE: Shortwave listening in Europe is more prevalent than it is on this Continent?

The WITNESS: Yes, in most countries it has been. It is known that in many countries over there there always has been quite a lot of shortwave listening, such as Czechoslavakia, Poland, and Germany—not as much relatively in Britain or France—but in smaller countries, perhaps because there is not as great a variety available. There has always been a lot of shortwave listening, and on the whole continent a great deal more in general than there has been in North America. There are not so many of what we would call standard band frequencies available in Europe.

Mr. BRYSON: Does the C.B.C. attempt to jam any programs beamed to Canada, or would that come under the Department of Transport?

The WITNESS: We are broadcasters, not suppressors of broadcasting; and to our knowledge no country in the west is trying to jam other peoples broadcasting. It is only the Iron Curtain countries who are doing it, and in doing it they are violating the whole spirit of the international agreements on the use of frequencies.

The CHAIRMAN: Are we through with the International Service?

Mr. BOISVERT: Would Mr. Dunton kindly explain what is meant by supervision charges?

The WITNESS: Yes. The International Service from the point of view of the C.B.C. operation is a major division of the corporation. But apart from the staff directly under the director of the service who reports to the general manager, a number of services are performed for the International Service by the corporation as a whole; the general manager for instance pays a lot of attention to it, the treasurer's division, and other people do too; there is general supervision of engineering matters, and a number of things like that; and there is a charge against the International Service going to the corporation as a whole, which is really a management fee for running the International Service.

Mr. BOISVERT: Thank you.

Mr. DINSDALE: Is there any International body to which this question of jamming could be submitted for consideration, or is the problem just ignored?

The WITNESS: I think that some of the bitterest international conferences in the post war period have been with relation to the use of radio frequencies. There is an international body to deal with it, the International Telecommunications Union; but I think it is accurate to say that at the moment there are no international accords in effect to which all the countries have agreed because the Iron Curtain countries in particular have refused to come to an agreement in the last few years, although the other countries are still observing the spirit of anterior arrangements, and taking them as still in effect, although they are not signed agreements.

Mr. DINSDALE: Do the Iron Curtain countries attend these gatherings?

Mr. RICHARDSON (*Director of Engineering, Canadian Broadcasting Corporation*): They attended the Atlantic sittings and the Mexico City conferences, and they came to the conference in Italy, but only stayed a few days and then walked out.

The CHAIRMAN: Now we are through with the International Service. Mr. Fleming was called out of town on Friday, and he asked me if it would be possible, with the consent of the committee, for him to revert to television and ask a few questions on that subject.

Mr. GOODE: And you will allow other questions too, will you not?

The CHAIRMAN: Surely.

*By Mr. Fleming:*

Q. Thank you. Mr. Dunton, I would like to go back to something which is not new and I am sure you would be disappointed if I did not raise it, namely, the television broadcast on Christmas Eve in which Mr. Brock Chisholm participated when the sensibilities of many people at that particular season, youngsters particularly, on the matter of Santa Claus and the relationship of Santa Claus to Christmas were offended. Where did the idea of that particular broadcast originate, Mr. Dunton?—A. I think it originated in various people's minds, it was an idea that misfired. It was on December 23 and I think the original idea dealt with by different people, some in Vancouver, some in Toronto and some in Ottawa. The original idea had been sort of a

joke, having an unknown Santa Claus come on and it turned out in a humorous way to be Brock Chisholm, who has been known to express views on Santa Claus. It somehow got off the rails and the participants got into serious discussions and it was not a successful broadcast.

Q. Well, surely that sort of thing is not likely to happen again? I do not want to spend time going over something that is a closed book.—A. We would hope it would not happen again.

Q. Very well. Mr. Dunton, you gave us some figures on the Hamlet program, which cost $30,000 for production; have you any other programs that you could give us some figures on to provide some basis of comparison? I repeat now what I had to say about costs. There is no reflection on the quality of the performance which I think have been accepted with a great deal of appreciation, but I am interested in getting some comparison of costs.—A. I think I explained that at the opening of the committee that in general we have to count on the cost for a studio production of about $10,000 an hour or $5,000 a half hour. That is a production using talent and some real performances and creative effort in it and those costs include everything, they are on a full cost-accounting basis including charges for the facilities used and that sort of thing, they are not just out-of-pocket costs. That is about the magnitude of the way our costs run for studio productions. Some have been running above that, some below, a bit below $5,000 for a half hour, some have been somewhat above $10,000 for the hour and some a little below. As I pointed out before, that compares with the ranges of cost of American networks of $25,000 to $30,000 for, in many cases, a half hour, fairly "run of the mill" network show.

Q. Well, can you give us any other programs? Have you had any other of the longer programs which would show a comparable expenditure to the one you cited, or does it rank as extraordinary?—A. We have had one or two, for instance, "Der Fliedermaus," the opera, about a year ago and it was about the same, a bit above $30,000. Those are for two-hour programs, so we are getting an average cost of about $15,000 cost an hour for these programs as against averages running around $10,000, so the extra effort in cases like this does not mean any great deal in comparison with the more regular programs.

Q. Are there any other comparable examples you could give us?—A. I cannot think of any other major ones, we have so far not tried many of the two-hour length programs. As I say, most studio programs of an hour run $10,000 to $12,000.

Q. Yes, well what are your programming plans in this regard in the future? Do you intend to increase the number of two-hour major programs or have you reached any conclusions in the light of the experience you have gathered thus far?—A. We will be trying to weigh the effect and value you get for money spent. I would think from the light of experience, next year the C.B.C. will probably try several major efforts of this kind because the money is probably just as well spent as on two more ordinary programs of an hour's length and costing $10,000 to $12,000 each.

Q. I quite agree with that, but I take it this means an increase in the number of two-hour programs?—A. We expect so and hope so and we also think there is a pretty good chance of getting advertising association next year which will cut our net cost very greatly.

Q. Did you have any sponsorship revenue on the Hamlet production?—A. No, but I think arising from that there will be a much better chance of getting sponsors for productions next year. There have been discussions in those terms already.

Q. On your revenues from sponsors, what are the major sources; where have you been most successful in listing sponsors for your programs?—A. As you probably know, we make the most money from spot announcements, and through what are known as spot programs, that is from networks coming directly to our stations on film. We make much less from American network programs coming through; and, as you know, taking everything into consideration, we usually do not make money on programs we produce in Canada and have sponsorship for. I think our people have been pretty successful in getting the advertising sponsor for quite a wide variety. There are three drama shows, network shows that are being sponsored now, about half a dozen variety shows. I think it is interesting that we have sponsorship for three drama shows in English and some of the very good efforts on the French network are being sponsored. The range on the type of program for which we have sponsors is very broad and we are very happy about it.

Q. You have not found that the sponsors lean to the lighter type of program?—A. They usually do. I think the sponsors tend, to a great extent but not entirely by any means, to the cost per thousand of getting their advertising message across, and in general it looks as if it costs less per thousand for a lighter or more popular type of program. In some cases we have been able to interest sponsors in some programs such as our drama on Tuesday and I think we might do better in the year or two ahead following some of the performances this year in getting sponsorship for programs of a more creative type.

Q. No doubt the advertiser is looking at listener interest?—A. Yes.

Q. Now, in the light of your services, say over the last year, where do you find your principal listener interest lies among the different kinds of television programs you are conducting? I think the principal interest lies in sports programs and that they have the biggest following among all the programs going over the C.B.C. television facilities.—A. Naturally we tend to get the biggest audiences for the big expensive light entertainment programs.

Q. More so than the sports?—A. Sports have been very high, things like hockey and football have been pretty well comparable but, of course, they do not go on all during the year, but the big sports events in Canada certainly draw just about as much as most of the expensive entertainment programs from the United States.

Q. I would think that more people in Canada saw the television broadcast of the Grey Cup last fall than have ever seen any other program in Canada?—A. They very likely did. That was a special case and we would like to have some more programs of that kind.

Q. Or Grey Cup matches?—A. Yes. We find, too, quite large audiences for things like good drama; that the television news has a very big audience here, also the Tabloid or Almanac type of program and the news draws very well.

*By Hon. Mr. McCann:*

Q. Have you had any offers to sponsor the news or would you expect any?—A. It has been our policy so far not to have the news sponsored.

Q. What would be the objection of a short announcement that somebody sponsors it?—A. It has always been our thought that there should be no suspicion at all that any sponsor or anyone in any way dictates the slant of the news. It is entirely impartial.

*By Mr. Goode:*

Q. Has there ever been any suspicion of sound broadcasting with a sponsor supporting the news broadcasts on a private station dictating the attitude of

the news broadcasts? I certainly have never heard of it.—A. I would not like to be specific but certainly in broadcasting in general on the continent there have been cases where it has been a subject for discussion.

Q. I do not know that I will argue with you on that. However, it is your policy to have non-sponsored news. The only thing is: it is my impression that you are coming to a period within the next three or four years of diminishing returns and this policy cannot be too fixed because you are going to have to look for income from sponsors; you have no other place to get it unless you go to the parliament of Canada and you may have to change that policy later on. In regard to that, what is the C.B.C. expectation of income from the 15 per cent over the next five to ten years, you must have considered that?—A. We have some guesses.

The CHAIRMAN: I think you are going over—could you wait for the financial statement?

Mr. GOODE: Yes, of course. There is one other thing. I have here, because it was just curiosity on my part, the situation of British Columbia in regard to CBUT and the United States station beaming in Canadian broadcasts. They mention here that the CBUT total local business is approximately $300,000 a year; would you like to confirm that figure. I am not on the financial statement because this is not mentioned there.

The WITNESS: Yes, the revenue accruing in respect of that station itself would be about that right now.

*By Mr. Goode:*

Q. From local business, from British Columbia business only?—A. No.

Q. How much would the local business bring into CBUT?—A. I would have to check that.

Q. Could we have that checked, and I would like to reserve any further questions on this until it has been checked?

The CHAIRMAN: Very well. Any other questions?

*By Mr. Dinsdale:*

Q. Just before we leave TV, Mr. Chairman, I was wondering what the reaction was to the covering of the opening of parliament. I imagine that was fairly popular, was it?—A. Yes, I think I said before we got very good reaction to it and almost entirely favourable. It seemed that a great many viewers watched it and we had a lot of comment and a lot of it was along the line of, "I had no idea what it was like before." One thing, the television viewers saw more of what went on than anybody has been able to see before because they could see outside, in the corridors, in the Senate chamber and various things which usually you cannot see because you cannot move around and see everything. Some schools set up sets especially and were very interested.

Q. Has the success of this particular program established any precedent; are there plans to have regular coverage?—A. We would hope to.

Q. Of a parliamentary event of this kind or even a further explanation and coverage of parliamentary activities?—A. We are always interested in covering things that seem to be interesting to the public.

Q. Was the film or the program "Parliament at Work" a C.B.C. project or the National Film Board?—A. The National Film Board.

Q. You were collaborating with them, were you?—A. No, in cases like that we have agreement that they cover it and we buy the first Canadian television rights, but they produce it on their own. We collaborate to the extent of paying them for the use of it.

Q. But you have not purchased the rights for this particular one?—A. No.

Q. I suppose you cannot say whether there is any possibility of salvaging a film like that for C.B.C. television?—A. No, I cannot.

*By Mr. Richard (Ottawa East):*

Q. There was no extra expense in respect to the transmitter network for Hamlet, was there?—A. Well, it is part of our distribution system. There is no extra expense because we are always paying something, there is always an expediture for a kinescope recording when it is projected or shipped.

Q. Nothing for the actors?—A. No, because in all these cases we had originally paid for the one-time Canadian rights across the country. In other words, we can play it once across the country.

Q. Is that good for a long time?—A. It will last physically for a long time but our rights last only for sixty days.

*By Mr. Goode:*

Q. When does that go over Vancouver? When will Hamlet be shown over station CBUT?—A. I think it was shown two weeks after the showing in Toronto. It all goes out by recording as part of our general national service to them.

Q. Do you charge the private stations for it?—A. No, the whole thing goes to private stations free of charge and if it is a commercial program they get revenue from it.

*By Mr. Dinsdale:*

Q. Has there been any interest in having provincial legislature activities or the activities of local councils covered?—A. I have not yet heard of any.

Mr. BUSHNELL: Subject to correction, I believe that we have covered the openings of parliament in Manitoba and Nova Scotia on film.

The WITNESS: But none of the actual proceedings.

Mr. BUSHNELL: I did not understand that was part of the question but if that was the case, the answer is no.

Mr. DINSDALE: I was asking about any kind of provincial legislative activities.

Mr. BOISVERT: I should like to ask one question of Mr. Dunton with respect to news broadcasts. Do the private stations accept sponsorship for news broadcasts?

The WITNESS: As a rule, yes.

Mr. BOISVERT: Thank you.

The CHAIRMAN: Any more questions? If it is agreeable to the committee, we will now adjourn until Thursday at which time we will discuss finance which begins at page 40. Is that agreeable?

Some Hon. MEMBERS: Agreed.

Mr. BOISVERT: Mr. Chairman, on Thursday the committee on procedure is meeting at 11 o'clock.

The CHAIRMAN: Then we could sit on Thursday afternoon and evening.

Mr. BOISVERT: Yes, it would be agreeable.

Mr. FLEMING: Could we start at 10 o'clock on Thursday?

The CHAIRMAN: And finish at 11 o'clock?

Mr. BOISVERT: There is another committee, capital punishment, which meets at 10 o'clock, and the External Affairs committee meets at 11. It makes it very difficult—

The CHAIRMAN: There is not a meeting of the committee on external affairs.

Mr. BOISVERT: The votes and proceedings indicates that we are going to have a committee on external affairs.

The CHAIRMAN: It is not on this list.

Mr. GOODE: In order to meet the hon. members convenience, would it not be satisfactory to sit in the afternoon and evening on Thursday, as you originally suggested, Mr. Chairman?

Mr. FLEMING: It takes us out of the House too much.

The CHAIRMAN: Yes, but we have a long way to go as yet, Mr. Fleming, if we are to finish our work.

Mr. FLEMING: Let us call the meeting on Thursday for 11.30 instead of 11 o'clock. I do not know how long we will be on that committee on procedure. but if the committee goes on beyond 11.30 we will have to choose to be in one place or the other. It is most difficult with all the committees that are sitting now.

The CHAIRMAN: On the motion of Mr. Boisvert, the committee will now adjourn until Thursday morning at 11.30.

Some Hon. MEMBERS: Agreed.

## APPENDIX "A"

1. Canadian Broadcasting Corporation, International Shortwave Broadcasting Service Expenditure and Revenue from 1950-51 to 1954-55 inclusive.

2. Canadian Broadcasting Corporation, International Shortwave Broadcasting Service, Capital Expenditures from 1950-51 to 1954-55 inclusive.

3. Canadian Broadcasting Corporation, International Shortwave Broadcasting Service, Maintenance and Operation, 1954-55 Expenditure and estimated expenditure for 1955-56.

### No. 1

CANADIAN BROADCASTING CORPORATION

INTERNATIONAL SHORTWAVE BROADCASTING SERVICE

EXPENDITURE AND REVENUE FROM 1950-51 TO 1954-55 INCLUSIVE

| | *Maintenance and Operation* | | |
|---|---|---|---|
| | *Expenditure* | *Revenue* | *Net Expenditure* |
| 1950-51 | $ 1,678,235 | $ 79,835 | $ 1,598,400 |
| 1951-52 | 1,924,581 | 101,532 | 1,823,049 |
| 1952-53 | 1,998,246 | 159,770 | 1,838,476 |
| 1953-54 | 2,088,870 | 179,492 | 1,909,378 |
| 1954-55 | 2,254,625 | 168,730 | 2,085,895 |
| Total | $ 9,944,557 | $ 689,359 | $ 9,255,198 |

### No. 2

CANADIAN BROADCASTING CORPORATION
INTERNATIONAL SHORTWAVE BROADCASTING SERVICE
CAPITAL EXPENDITURES

| | |
|---|---|
| 1950-51 | $ 806,631 |
| 1951-52 | 226,391 |
| 1952-53 | 127,065 |
| 1953-54 | 80,402 |
| 1954-55 | 43,697 |
| Total | $ 1,284,186 |

**No. 3**

## CANADIAN BROADCASTING CORPORATION

## INTERNATIONAL SHORTWAVE BROADCASTING SERVICE

## MAINTENANCE AND OPERATION

| Details by Objects | 1954-55 *Expenditure* | Submitted *1955-56* |
|---|---|---|
| Salaries | $ 988,125.95 | $ 786,000.00 |
| Performers' Fees | 193,328.80 | 140,000.00 |
| Superannuation—U.I. | 42,131.36 | 37,500.00 |
| News Services | 61,152.39 | 50,000.00 |
| Postage | 56,819.02 | 35,000.00 |
| Printing of Publications | 75,732.52 | 40,000.00 |
| Printing & Stationery—Gen. | 45,409.46 | 40,000.00 |
| Rental of Accommodation | 3,739.14 | 2,500.00 |
| Telegrams, Telephones, Teletypes | 46,679.42 | 35,000.00 |
| Travelling, Removal & Duty Ent. | 50,206.07 | 34,000.00 |
| Transmission Lines | 21,270.54 | 15,000.00 |
| Power, Water Rates, etc. | 53,998.33 | 51,000.00 |
| Freight, Express & Cartage | 17,362.47 | 15,000.00 |
| Montreal-Sackville Line | 41,672.98 | 41,000.00 |
| Improvement to Leased Properties | — | — |
| Fuel | 15,935.35 | 18,000.00 |
| Recording Blanks & Tapes | 46,926.35 | 45,000.00 |
| Advertising & Publicity | 11,196.89 | 10,000.00 |
| Records & Transcriptions | 27,609.52 | 20,000.00 |
| Maintenance—Technical | 21,230.78 | 17,000.00 |
| Maintenance—Buildings | 24,887.82 | 10,000.00 |
| Maintenance—General | 96,589.47 | 88,000.00 |
| Audience Research | 326.22 | 1,000.00 |
| Professional & Legal Expenses | 2,270.00 | 1,500.00 |
| General Operating Overhead | 15,668.46 | 10,000.00 |
| Pool Services | 186,992.76 | 200,000.00 |
| Supervision Charges | 107,363.10 | 87,125.00 |
| | $ 2,254,625.17 | $ 1,829,625.00 |
| Revenue | 168,730.00 | 215,000.00 |
| Net Expenditure | $ 2,085,895.17 | $ 1,614,625.00 |

HOUSE OF COMMONS

Second Session—Twenty-second Parliament

1955

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# SPECIAL COMMITTEE

ON

# BROADCASTING

*Chairman:* Dr. PIERRE GAUTHIER

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## MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

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THURSDAY, MAY 12, 1955

FRIDAY, MAY 13, 1955

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WITNESS:

A. Davidson Dunton, Chairman of the Board of Governors of the Canadian Broadcasting Corporation.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955.

57982—1

**SPECIAL COMMITTEE**

**ON**

**BROADCASTING**

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*Vice-Chairman:* Mr. G. D. Weaver

and

Messrs.

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Gauthier (*Nickel Belt*)
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Henry
Holowach
Kirk (*Shelburne-Yarmouth-Clare*)
Knight
McCann
Monteith
Reinke
Richard (*Ottawa East*)
Richardson
Robichaud
Studer

R. J. GRATRIX,
*Clerk of the Committee.*

# MINUTES OF THE PROCEEDINGS

Room 118,
THURSDAY, May 12, 1955.

The Special Committee on Broadcasting met at 11.30 o'clock a.m. this day. Dr. Pierre Gauthier, the Chairman, presided.

*Members present*: Messrs. Balcer, Beaudry, Boisvert, Decore, Dinsdale, Fleming, Goode, Hansell, Henry, Knight, Monteith, Reinke, Richard (*Ottawa East*), Studer and Weaver.

*In attendance*: From the Canadian Broadcasting Corporation: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, Mr. E. L. Bushnell, Assistant General Manager, W. G. Richardson, Director of Engineering, H. Bramah, Treasurer, R. C. Fraser, Director of Press and Information, G. Young, Director of Station Relations, D. Manson, Special Consultant, M. Carter, Executive Assistant, J. P. Gilmore, Coordinator of Television, S. Schnobb, Assistant Treasurer and J. A. Halbert, Assistant Secretary.

The Committee resumed its detailed examination of the Annual Report 1953-54 of the Canadian Broadcasting Corporation, the questioning of Mr. Dunton continuing.

Mr. J. A. Ouimet, General Manager, made a short statement on the accounting system and procedures followed by the Corporation and was questioned thereon.

The Annual Report 1952-1953 of the Canadian Broadcasting Corporation was tabled and copies distributed to members of the Committee.

Mr. Dunton tabled a letter dated October 23, 1952, addressed to him as Chairman of the Board of Governors, from the Assistant Auditor General, dealing with the books of account of the Corporation.

*Ordered*,—That the said letter be incorporated into this day's evidence. (*See evidence*).

Reference having been made to a report requested by the C.B.C. from P. S. Ross & Sons, Chartered Accountants, as to methods of improving the accounting system and procedures of the Corporation along the lines recommended by the Auditor General, and a discussion arising as to whether or not the said report should be tabled,

Mr. Monteith moved,

That the report of P. S. Ross & Sons, Chartered Accountants, having reference to the accounting system and procedures of the Canadian Broadcasting Corporation, be tabled.

After further discussion, Mr. Reinke moved in amendment thereto that all the words after "that" of the main motion be deleted and the following substituted therefor:

"That Mr. Dunton consult with P. S. Ross & Sons, Chartered Accountants, during the luncheon recess, to ascertain whether or not the said Company has any objection to the production of their report".

After discussion, and the question having been put, the said amendment was resolved in the affirmative on the following recorded division: *Yeas*: Messrs.



57982—1½

Beaudry, Boisvert, Decore, Hansell, Henry, Knight, Reinke, Richard (*Ottawa East*) and Weaver. *Nays*: *Messrs.* Balcer, Dinsdale, Fleming and Monteith.

Mr. Goode abstaining.

The motion of Mr. Monteith as amended was adopted.

At 12.55 o'clock p.m., the Committee adjourned to meet again at 3.30 o'clock p.m. this day.

## AFTERNOON SITTING

Room 118,
THURSDAY, May 12, 1955.

The Committee resumed at 3.30 o'clock p.m. Dr. Pierre Gauthier, the Chairman, presided.

*Members present:* Messrs. Balcer, Beaudry, Boisvert, Bryson, Dinsdale, Goode, Hansell, Knight, Monteith, Reinke, Richard (*Ottawa East*), Studer and Weaver.

*In attendance:* Same as at the morning sitting.

The Committee resumed its detailed examination of the Annual Report 1953-54 of the Canadian Broadcasting Corporation.

Mr. Dunton informed the Committee that, as instructed at the morning sitting, he had communicated with P. S. Ross & Sons as to the production of their report on the C.B.C. accounting system and procedures and stated that they had no objection to its production before the Committee.

Thereupon Mr. Boisvert moved,

That the said report be tabled.

The motion being agreed to, the said report was tabled and copies distributed to members of the Committee.

It was agreed, in order to give members an opportunity to peruse the said report, that its examination be postponed until the next sitting of the Committee.

The examination of Mr. Dunton on the Annual Report was continued, Mr. Ouimet answering questions specifically referred to him.

At 4.10 o'clock p.m. Mr. Weaver, Vice-Chairman, took the Chair.

At 4.20 o'clock p.m., the division bells having rung, the Committee adjourned to attend the division in the House.

At 4.40 o'clock p.m., a quorum having again assembled, the Committee resumed the examination of Mr. Dunton on the Annual Report, Dr. Pierre Gauthier presiding.

*Members present:* Messrs. Beaudry, Boisvert, Bryson, Dinsdale, Goode, Hansell, Henry, Knight, Monteith, Reinke, Richard (*Ottawa East*), Studer and Weaver.

The examination of Mr. Dunton was continued, Messrs. Ouimet, Bramah and Schnobb answering questions specifically referred to them.

At 5.30 o'clock p.m., the Committee adjourned to meet again at 11.00 o'clock a.m. Friday, May 13, 1955.

Room 118,
FRIDAY, May 13, 1955.

The Special Committee on Broadcasting met at 11.00 o'clock a.m. this day. Dr. Pierre Gauthier, the Chairman, presided.

*Members present:* Messrs. Beaudry, Boisvert, Carter, Dinsdale, Goode, Hansell, Knight, McCann, Monteith, Richard (*Ottawa East*), Richardson, Studer and Weaver.

*In attendance:* From the Canadian Broadcasting Corporation: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, E. L. Bushnell, Assistant General Manager, W. G. Richardson, Director of Engineering, H. Bramah, Treasurer, S. Schnobb, Assistant Treasurer, M. Carter, Executive Assistant, J. P. Gilmore, Coordinator of Television, D. Manson, Special Consultant, R. C. Fraser, Director of Press and Information and J. A. Halbert, Assistant Secretary.

Mr. Ouimet answered a question, asked by Mr. Goode at the previous sitting, as to the total amount of television equipment bought from the United Kingdom.

Mr. Dunton in answer to a question, asked by Mr. Dinsdale at the last sitting of the Committee, tabled the following documents:

1. Press and Information Expenditures by Object, Sound Broadcasting and Common Services, from 1st of April 1953 to 31st of March 1954.
2. Press and Information Expenditures by Object, Television Broadcasting, from 1st of April 1953 to 31st of March 1954,

and was examined thereon.

Ordered,—That the said documents be printed as an appendix to this day's evidence. (*See Appendix "A"*)

Mr. Ouimet was examined on the P. S. Ross & Sons, Chartered Accountants, Report on study of accounting system and procedures of the Canadian Broadcasting Corporation, tabled at the afternoon sitting on May 12, 1955.

The Committee resumed its detailed examination of the Annual Report 1953-54 of the Canadian Broadcasting Corporation.

The examination of Mr. Dunton was continued, Messrs. Ouimet, Carter and Bramah answering questions specifically referred to them.

The Chairman brought to the attention of the Committee the fact that in all likelihood the Committee would complete its detailed examination of the Annual Report of the C.B.C. at the first sitting on Tuesday, May 17, and that at the last meeting of the Sub-Committee on Agenda and Procedure it had been agreed that Mr. C. W. Browne, Controller of Telecommunications, Department of Transport, be the next witness.

The Committee agreed that Mr. Browne be called for the afternoon sitting on Tuesday, May 17.

At 12.45 o'clock p.m., the Committee adjourned to meet again at 11.00 o'clock a.m. Tuesday, May 17, 1955.

R. J. Gratrix,
*Clerk of the Committee.*

# EVIDENCE

MAY 12, 1955.
11.30 a.m.

The CHAIRMAN: Gentlemen, I see a quorum. We are to discuss finance; any questions?

**Mr. A. Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation, called:**

*By Mr. Goode:*

Q. I would like to ask Mr. Dunton one question. Has there been any role assigned to television in regard to Canadian civil defence?—A. Not specifically.

Q. The question is not particularly mine, but I noticed in one of the papers this morning that television in the United States is taking a major role in their overall civil defence picture, and I wondered if the C.B.C. had been working with the government on such an idea?—A. There have been discussions both at the federal level and with regional civil defence authorities about the part of broadcasting in civil defence.

Q. Are you talking now about sound broadcasting or television?—A. Both.

Q. Nothing has been decided?—A. Nothing specific, no.

Q. That is all.

*By Mr. Monteith:*

Q. Mr. Chairman, I wonder if we could have a brief outilne of the accounting setup in the corporation; I mean, how many are in it and how many have accounting duties and so on?—A. The general manager will answer your question.

Mr. J. A. OUIMET (*General Manager, Canadian Broadcasting Corporation*): I will start, and then I will ask Mr. Bramah to give you more detail than I could give you myself.

We have accounting offices in different locations but the head office of the accounting division, that is the treasurer's division, is located here in Ottawa with the other head offices of the corporations. We also have a major accounting office in Montreal, and we have a major accounting office in Toronto. We are at the moment in the process of decentralizing some of our accounting activities and we will have accounting offices in all the major studio points in Canada.

Our main system of bookkeeping or accounting—the main books of the corporation—are kept in Ottawa on what is called a cash system. In addition, we keep for control purposes an elaborate system of bookkeeping for the control of capital projects on a commitment basis, and also for the control and accounting of television operations on a commitment basis, and we are right in the process of establishing a similar system for sound broadcasting. In other words, we are extending to the sound operation the same system we already have for television. Therefore we have two systems; one on a commitment basis for control purposes and one on a cash basis for the main

books of the corporation, but this cash system is extended every year to provide an annual statement on the basis of accruals so our annual report is on an accrual basis.

Mr. MONTEITH: I am just wondering, Mr. Chairman, about some of these things which are mentioned in the Auditor General's report. I wondered what procedure you were going to follow in dealing with the finances. Will we take the Auditor General's report as being an overall coverage of the finances, and then take the balance sheet and operating accounts and so on? I had some questions concerning this accrual basis, which comes later in the Auditor General's report, so I wondered if it would be all right for Mr. Ouimet to continue now and ask questions later?

The CHAIRMAN: I think the committee will agree with that.

Mr. OUIMET: Do you want to ask me a question?

Mr. MONTEITH: No, just carry on.

Mr. OUIMET: All right. You were asking specifically, I think, about the size of this accounting operation of the corporation. We have about 120 employees here in Ottawa, and about 120 in the field.

Mr. MONTEITH: That includes Montreal and Toronto?

Mr. OUIMET: That is right.

Mr. MONTEITH: The statements, I presume are drawn up by the staff of the C.B.C.?

Mr. OUIMET: That is correct.

Mr. MONTEITH: For the audit by the Auditor General?

Mr. OUIMET: That is correct. You are speaking of the annual statement?

Mr. MONTEITH: Yes.

Mr. OUIMET: That is right.

Mr. WEAVER: Mr. Chairman, I am not quite sure what Mr. Ouimet means by "commitment basis", and I wonder if he would enlarge on it?

Mr. OUIMET: There are three major systems of accounting, each one with variations so that there are quite a number of shadings in between each system. The "cash" system of accounting is a system where you record your paid invoices, your payments or your cash receipts. When you work on an "accrual" system, you record your invoices and when you work on a commitment system, you record the commitment at the stage you commit the organization to a purchase, may be on the basis of a contract or a purchase order. Therefore the commitment system is one that goes further in the control in the sense that it records every commitment even if the invoice has not been received while the accrual system will record the invoice itself whether or not it is paid. The cash system records only the payment.

Now, as I said before, our annual statement is on an accrual basis. Our control for management purposes is on a commitment basis, but our main books are on a cash basis, during the year.

Mr. MONTEITH: There is no copy of the Auditor General's report with the 1951-52 statement; why is that? There is with the 1952-1953 and the 1953-1954, but not for the 1951-1952 report?

The WITNESS: I think that had to be published before we had the Auditor General's certificate which we have now, of course.

Mr. GOODE: Has there not been a meeting of this committee since 1951-1952, Mr. Chairman?

The WITNESS: Oh yes.

Mr. GOODE: That report would have been considered at the meeting of this committee?

The WITNESS: Just before the 1953 committee.

The CHAIRMAN: Yes, 1952-1953.

Mr. MONTEITH: I wonder if there is an extra copy of that report available—with the Auditor General's report for 1951-1952?

The WITNESS: I think we could get it, and I know you would find it in his general report to parliament in the public accounts.

Mr. MONTEITH: I could not find it there. Perhaps I am crazy, but I could not find it. In the 1952-1953 report, for instance, he refers to certain things which are mentioned in the 1951-1952 report.

The WITNESS: Yes. We have it on page 53 of the Public Accounts of Canada for the year ending March 31, 1952.

Mr. FLEMING: Could you just read it into the record; is it long?

The WITNESS: It is about the usual length—a page of the usual small type.

Mr. MONTEITH: I would like to hear it.

The CHAIRMAN: Do I understand that you want this information put on the record?

Mr. GOODE: Which one are we asking for, Mr. Chairman?

Mr. MONTEITH: 1951-1952.

Mr. GOODE: Why do we ask for that report?

Mr. MONTEITH: Because there are references in the 1952-1953 report to items mentioned in 1951-1952.

Mr. GOODE: I have great respect for my hon. friend, but how far are we going back? This thing was discussed in 1953. We now have Mr. Sellar's report dated 1954. How far are we going back on the investigation of this thing? I am quite sure Mr. Monteith has some reason for asking for this, but are we going to start discussing the 1951-1952 financial report at this time? Surely we have enough to do now.

Mr. MONTEITH: I do not particularly want to discuss the financial statement of that period, but I would like to get on the record certain information and I would like to find out exactly what was in the Auditor General's report because in the 1952-1953 report he makes references to his 1951-1952 report.

Mr. FLEMING: The fact of the matter is that the Auditor General's report that is now mentioned for the year 1951-1952 was never before the committee as such. It has never been considered or drawn to the attention of the committee and apparently there were some observations made by him in that report to which he draws attention in later reports such as the one that is now before us. Therefore it is obviously incumbent upon this committee to look back upon what he said at that time, because it has not engaged the attention of this committee previously.

The WITNESS: I would just like to point out that this was certainly available to the 1953 committee. I am not arguing the point, but it certainly was available at that time.

Mr. GOODE: Was it discussed by the 1951-1952 committee?

The WITNESS: I remember certain references to some subjects.

Mr. GOODE: So do I. I am not going to object to it being put in here. I am quite sure we could rely on the discussion of Mr. Fleming and Mr. Monteith, but I think there should be a limit somewhere on how far we are going back in our investigation.

Mr. MONTEITH: If it is set out on page 53 of the Public Accounts with all the details, I shall not insist that it be read in because I can always go back to the Public Accounts, but I just could not find it.

The WITNESS: It is on page 53 of volume II of the Public Accounts.

Mr. MONTEITH: I guess that is where I missed out. In the 1952-53 report the Auditor General mentions: "In recent years audit verification of moveable assets was impracticable as no stocktakings had been made. However, it was noted in the 1951-52 report that one was then in progress. This was completed during the 1952-53 fiscal year, and it was found that there were items on the books to a value of $91,931, which were not reflected in the stocktaking. An investigation of the discrepancy, commenced by the corporation, had not been completed at the close of the audit." I am wondering what explanation there might be for those items which were on the books, but for which there was nothing reflected in the actual stocktaking?

The CHAIRMAN: Would you indicate the page from which you are taking this information for the benefit of the reporter?

Mr. MONTEITH: Page 51 of the 1952-1953 report.

Mr. GOODE: If this is going to be question, Mr. Chairman, I would ask that the committee be supplied with copies of the 1952-1953 report as there may be some questions which others would like to ask.

The CHAIRMAN: Can you supply us with copies of this report?

The WITNESS: I think we have some available and we could have them sent over.

Mr. GOODE: I would like to be in the same position as Mr. Monteith.

The WITNESS: We could have the reports in ten minutes.

Mr. MONTEITH: Would you care to comment on that item, Mr. Ouimet?

Mr. OUIMET: This paragraph in the Auditor General's report deals with the two sets of accounts of bookkeeping; first of all, the set of inventory cards kept by the engineering division in Montreal, and secondly the main books of the corporation kept in Ottawa. For a period of about 15 years there was no reconciliation attempted between the two sets of records because they were used for different purposes. One was purely for the control of the fiscal inventory and that was done in Montreal by the engineering division. The other was the main system of books of the corporation kept here in Ottawa. As we grew we found it necessary to go further into our accounting practices, and we started to attempt a reconciliation of these accounts. After 15 years you can imagine the problems involved in dealing with some $10 million of assets. The reconciliation was a lengthy process, and at the time the Auditor General came there were items in the amount of $91,000 which had not been reconciled. This is not to say that there were items missing of that amount. It was simply a matter of reconciling the two sets of books which had been kept independently over a long period of time. This work is now nearing completion and the amount has been reduced to some $7,000.

Mr. MONTEITH: It is still not completed, I take it?

Mr. OUIMET: It is a question of deciding whether we will call it quits at $7,000 or whether we will spend more money in an attempt to bring it down to the last cent. You are dealing here with a reconciliation of large amounts over a period of many years. For example, it may be a question of differences in coding, and differences in the accounting practices of two independent sets of books, one kept for the purpose of keeping control of the physical inventories and the other for the purpose of keeping a record of the assets of the corporation as part of the main books of account.

Mr. MONTEITH: I wonder if Mr. Ouimet could tell us if any interim audit is conducted on the books of the C.B.C. I understand the Auditor General does go in periodically to various other departments and corporations of the government and I just wondered if that situation applied to the C.B.C.?

Mr. OUIMET: We have no audit outside of the one conducted by the Auditor General from outside the corporation, but we have our own department of internal audit.

Mr. MONTEITH: You have your own internal auditors who go around independently?

Mr. OUIMET: But the Auditor General's representatives do come in and out during the year.

Mr. MONTEITH: They do? That is what I meant.

Mr. OUIMET: Yes. It varies from year to year, but they are in quite frequently.

Mr. MONTEITH: In the 1952-53 report there is a reference to the allowance for depreciation and obsolescence. The Auditor-General says: "In the 1951-52 report it was suggested that when stocktaking was completed action be taken with respect to rates of depreciation and obsolescence, since the appropriateness of the accumulated allowance was open to question for the reason that the rate used through the years had never been scientifically established nor consistently applied." Then he adds: "The comment still applies."

Now, in the 1953-54 report he says: "Still applicable is the comment in previous reports to the effect that the appropriateness of the accumulated allowance for depreciation and obsolescence is open to question for the reason that the rates used through the years have never been scientifically established or consistently applied." Has the corporation done anything about that comment?

Mr. OUIMET: Yes, we have. We believe we now have a system of depreciation which can be properly labelled "scientific" and this is being recommended to our board for approval.

Mr. MONTEITH: Could we have those rates?

Mr. OUIMET: Yes. These are still in the process of recommendation and are not approved by the board as yet. I do not have a copy of this, so I will read it.

Mr. MONTEITH: How many different types of rates do you have?

Mr. OUIMET: When you come to the so-called scientific process of determining those rates, things get more complicated. There are about 23 different items and rates.

Mr. MONTEITH: I do not think we need the details of that at the moment, but I would like to know why the preparation of this recommendation took so long in order to arrive at those suggested rates and so on. Apparently the comment was made in 1951-52 and was repeated in 1952-53 and again in 1953-54, and the recommendation has still not actually been made to the board.

Mr. OUIMET: These rates will apply to next year, and will take care of anything in the future. The reason it has taken time is simply because we have been going through a period of great development within the C.B.C. With the advent of television we doubled and nearly tripled our activities and had to use our staff for the most urgent things, the most urgent being the setting up of a new television system on a proper basis. Then as soon as we could we gave time to these other questions.

Mr. MONTEITH: Well, it seems to me, Mr. Chairman, that prompt attention should be given to this sort of thing. Depreciation, after all, reflects the true

picture of profit and loss and unless you have a proper set-up for depreciation and obsolescence you do not actually show the true profit.

I would like to read another comment from the 1952-53 report: "Books of account. The accounts are kept on a cash basis except at the year end when accruals are entered in order that the annual financial statement may be prepared. The reason given by the corporation's officers for not maintaining the books on an accrual basis, as is generally the practice in corporate accounting, is that the cash basis better serves the corporation's internal administrative requirements." I can only comment that I have known small corporations—such as a cross-corner grist mill or something of that nature—keeping their books on a cash basis, but I cannot understand a corporation the size of the C.B.C. doing that.

Mr. OUIMET: If we were keeping them solely on a cash basis, I could agree with your suggestion, but we have a complete system of control independent from this cash basis of accounting which serves the purpose of management for control. I would not really like to defend too much one method against the other because this again is in the process of being studied and we feel, frankly, that we should go even further than suggested by the Auditor General and put our system on a commitment basis. Already it is two-thirds on a commitment basis, but we have to decide whether or not we are going to put the whole thing on a commitment basis.

Mr. MONTEITH: In accounts receivable for customers and so on—broadcasting time sold, etcetera, is that on a control basis?

Mr. OUIMET: What do you mean?

Mr. MONTEITH: Is it on a control basis?

Mr. OUIMET: Yes.

M. MONTEITH: When a billing is made there is some master account to which the total billing for a certain day goes and that sort of thing?

Mr. OUIMET: As far as control goes, I believe I can say we are going even further than any other company of which I have knowledge. I believe the Auditor General's remarks refer to the question of whether or not the main books of the corporation should be prepared on a cash basis or an accrual basis. As you know, amongst bodies similar to the C.B.C.—public utilities, civic bodies and federal bodies, whether in Canada or in other countries—and I believe the government departments themselves have to use a system of commitments and cash and do not use the accrual system.

Mr. MONTEITH: I do not know of any corporation which does that.

Mr. OUIMET: A commercial corporation generally uses the accrual system and we are trying to determine at this stage—and we have had some consultants to advise us in this respect—whether we should go to the full system which would be the triple system of commitments, accrual or cash, or whether we can serve our purposes best by having a modified commitment basis, or a modified cash basis which would give us the same thing as having the complete three-way system.

Mr. MONTEITH: Did I understand you to say you were having some consultants advise you in this regard?

Mr. OUIMET: We have had some.

Mr. MONTEITH: They have advised you on that matter?

Mr. OUIMET: Yes.

Mr. MONTEITH: This is aside from the Auditor General's department?

Mr. OUIMET: Yes. Of course all these questions have been discussed with the Auditor General and it was felt after the discussions that it would be in the interest of the corporation to have consultants.

Mr. MONTEITH: Who are the consultants?

Mr. OUIMET: P. S. Ross and Sons.

Mr. MONTEITH: Did you consult the government before consulting P. S. Ross and Sons?

Mr. OUIMET: We do not consult the government in matters of internal policy.

Mr. MONTEITH: The following reference appears on page 51 of the 1953-54 report:

> Weakness having been noted in the accounts, this office wrote to the Chairman of the Board of Governors on October 23, 1952 with supporting details and concluding with the words: ...it is suggested that the system be carefully reviewed, and appropriately revised and co-ordinated so that there may be no need to qualify the audit certificate in this regard. Subsequent action by the Corporation not having been of a nature to remedy the situation, the manner in which the accounts were kept during the fiscal year ended March 31, 1954 was not found to be conducive to satisfactory audit.

Is there any reason why we should not see this letter of October 23, 1952?

The WITNESS: I do not think so.

The CHAIRMAN: A question was put in the House about these letters, and it was not answered in the affirmative. I believe it was asked by Mr. Fulton.

Mr. FLEMING: I think his question was much broader and had to do with an exchange of all correspondence.

The CHAIRMAN: But Mr. Monteith is now asking for a letter, and I would like to have the opinion of the committee on that.

Mr. FLEMING: Obviously the original letter is in the hands of the C.B.C.

The CHAIRMAN: I would like to have the opinion of the committee just the same.

Mr. RICHARD (*Ottawa East*): Has Mr. Dunton expressed an opinion on it as yet?

The WITNESS: We would not see any objection since it is referred to in the public report of the Auditor General.

The CHAIRMAN: There is no objection?

The WITNESS: No.

The CHAIRMAN: Does the committee agree?

Some Hon. MEMBERS: Agreed.

The WITNESS: We have some copies right here, Mr. Chairman.

The CHAIRMAN: I believe you must have anticipated that question!

The WITNESS: Everyone has to do some guessing at times.

Mr. FLEMING: Could it be put on the record at this time rather than just inserted as an appendix, because it would make better reading in the sequence of questions.

The CHAIRMAN: It is agreed that the letter be placed on the record at this point?

Some Hon. MEMBERS: Agreed.

Mr. MONTEITH: I wonder if we could have it read?

The CHAIRMAN: Mr. Monteith asks that the letter be read by Mr. Dunton. Is it agreeable to the committee that the letter be read at this point?

Mr. MONTEITH: I do not have a copy of the letter.

Mr. FLEMING: I think Mr. Dunton might give Mr. Monteith a copy since he has been asking questions about it.

The WITNESS: I have an extra copy which he may have.

The CHAIRMAN: You are a good boy.

The WITNESS:

Ottawa, October 23, 1952.

A. D. Dunton, Esq.,
Governor and Chairman,
Canadian Broadcasting Corporation,
Ottawa, Ont.

Dear Sir:

Part VIII of the Financial Administration Act having been proclaimed effective as from October 1, 1952, the auditors of Crown corporations now are required, by Section 87, to report more extensively than before. Among other things, they are to report whether proper books of account have been kept. I now write as you may wonder what is the position in so far as the C.B.C. is concerned.

At present the accounts do not conform with accepted corporate accounting practice. They are on a cash, rather than an accrual basis. In consequence, they do not show month by month the financial state of the assets and liabilities, neither do they correctly disclose what are the to-date revenues and expenditures for the year. Furthermore, information provided monthly for the guidance of management, which normally would and according to accepted accounting practice should be available from the books of account, is assembled in memorandum records not controlled by the books subjected to audit by this office.

An interim test-audit for the five months ended August 31, 1952 revealed several unsatisfactory features as exemplified by the following:

(1) It is the practice at the close of each fiscal year to credit accounts payable with the invoices then unpaid and to charge the relative expense and asset accounts. In effect, this places the accounts on an accrual basis at the year end. Therefore, to return them to a cash basis, it is necessary at the beginning of a new year to make a reversal of this entry. At the time of the audit such a reversal had not been made. As a result, the balance shown as owing for accounts payable included accounts paid several months ago.

(2) Claims made over several months for reimbursement of expenditures for the International Short-wave Service were not entered; consequently, the repayment received from the Government appeared as a liability of $272,050.

(3) Although more than $4,800,000 had already been received, no revenue from radio license fees was reflected in the accounts; instead the amount was incorrectly shown as a liability to the Department of Transport.

In view of the foregoing and because the accounts do not provide adequate internal control, it is suggested that the system be carefully reviewed, and appropriately revised and co-ordinated so that there may be no need to qualify the audit certificate in this regard.

Yours faithfully,

(sgd) J. Hopkinson
Assistant Auditor General.

Mr. MONTEITH: Under what date were P. S. Ross and Sons requested to come in?

Mr. OUIMET: In the fall of 1954.

*By Mr. Monteith:*

Q. In the autumn of 1954? Approximately two years have elapsed since the date of this letter pointing out in some detail why this cash system does not work satisfactorily. The fact that two years have elapsed before the matter has been gone into does not look to me to be sound practice.—A. May I comment on that? You will remember that the fall of 1952 was the beginning of television. Our treasury department was heavily loaded with work in connection with television. In addition there have had been a great deal of extra work caused by collective bargaining involving things like overtime payments and bi-monthly cheques instead of regular cheques. In addition, as the general manager has said, our management was instituting a much more complete and complex system of control over television expenditures which, as he explained, went a good deal further than what was suggested by the Auditor General. It went right to the recording and reflecting of commitments and not just of accrued accounts payable.

In view of that, there was some discussion between officials of the C.B.C. and the Auditor General's office. It was understood that the matter was not urgent in view of all the other circumstances but that it should certainly be considered and gone into. That was the view our board took. We felt we should certainly go ahead and look into the question of accrual—although in our opinion not only on an accrual basis. Consideration was also given to going even further to a full commitment system perhaps right through the corporation as well as for television.

Q. It still seems to me that in the light of what is set out in this letter and the fact that you ultimatedly did hire P. S. Ross and Sons to come in the fall of 1954 that they could well have been on the job considerably earlier with a view to correcting this situation as set out by the Auditor General?—A. As I say, there were discussions at the time with officials of the Auditor General's department and it was understood—and perhaps it was a misunderstanding—that it was not an urgent matter or it was not considered urgent. After all, the books had been kept on this basis since the inception of the corporation. In view of all the other pressures and the much more complete measures taken—they wanted to see how the more full controls would work—it was decided that it would be satisfactory not to go into this complicated question of the formal books going on either an accrual or perhaps a commitment basis for a limited period of time. Hind sight is better than foresight, and it probably would have been better in spite of the other things to have gone ahead with the added complication of the study of the methods, but it was thought by the management and board at the time and it was understood by them that the important thing was to make sure our management had a chance to develop really effective control in the complicated field of television and concentrate on that rather than contemplating a possible change in the formal head office books of accounting.

Q. Was this situation as set forth in this letter discussed with the minister responsible for the corporation?—A. There is no such minister. We have certain relations under the Act with the minister of the Crown who is Dr. McCann, but the corporation has its own responsibility to parliament.

Actually the question of the accrual basis was discussed with a number of authorities in the financial and account fields around Ottawa and I might say a number of different opinions were expressed about the relative merits of a theoretical and practical basis of cash versus accrual or commitment formulae of accounting, and that was another reason that swift action was not taken.

There seemed to be a difference of opinion and it was felt we would have to wait for a thorough study of the matter. It was thought that a study would be much more valuable after the television set up had been working for a while with the much more complete system of full accounting.

Q. It does seem to me that valuable time has been lost and I do not think I could agree with any of the opinions which might have been expressed as to the cash basis continuing.—A. I do not want to go into it formally, but there were quite a number of opinions. I might point out that the corporation is not a straight profit and loss kind of commercial company, as you seem to indicate.

Q. But it is a corporation that should have good solid accounting?—A. I perfectly agree with that, but I think consideration should also be given to the methods of revenue and of expenditure. The revenue, as you know, comes from two main sources; through public channels and through commercial channels. We cannot make the strict comparison between the cost of sales and proceeds of sales—in other words, profits. However, we have to have and we do have complete control over expenditures relating to the television side of the corporation. An example of the complications which arise is this. As you know, we are not an ordinary corporation, and we have an international service. The government insists that our accounting to them on that be on a cash basis.

Q. That is perfectly all right—all you need is an accounts receivable . . .—A. That is the way it works; it is not an insurmountable obstacle.

Q. All you need is an accounts receivable control rather than a separate set of books to distribute the information?—A. We show our year end statement on the accrual basis for our international service, but our dealings with the government are on a cash basis.

Q. The authorities in Ottawa with whom you discussed the matter—were they governmental sources?—A. Yes, but I would not really rely on them because—

Q. I would not either!—A. Well, as I say, we decided last fall to engage a consultant and our management went to P. S. Ross and Sons to ask for a study. As you can see, there is already a difference of opinion between that expressed by the Auditor General and that indicated by the results so far of the study of the chartered accountants, who are inclined to think our concentration on commitments is good and that we should consider after further study a more complete concentration on commitments.

Q. Have there been any interim reports from Ross and Sons?—A. Yes.

Q. Could they be produced to the committee?—A. I do not know the views of the committee.

The CHAIRMAN: What are the views of the committee on the question asked by Mr. Monteith that the interim report of Ross and Sons be produced before the committee?

The WITNESS: Perhaps I might give our view about this matter. I think it would be unfortunate if it were taken that any report the corporation had made for it would necessarily be made public. It might present difficulties and we might not get the kind of report or memorandum from the different people which we would like to get. In this case it is a study of a general system of accounting, and it does not, of course, go into particular transactions or anything of that nature. We have not consulted the firm but I do not imagine they would object. We have no particular objection in this instance.

Mr. BEAUDRY: I submit that an interim report would not necessarily be conclusive, and I fail to see the use of an interim report being studied at this time.

Mr. FLEMING: I take it, Mr. Chairman, that the members of the committee know the difference between interim and a final report and could assess it as such.

The WITNESS: It is not a question of an interim or final report. They were asked basic questions concerning cash, accrual and commitments and so on, and I think it is right to say that they gave their answers to the questions. However, a number of questions arise from carrying that out, and our management would want further opinions from them as to the practicality and the cost and the method of carrying out some of their recommendations. There was also a recommendation concerning the difference in the opinions expressed in brief form by the Auditor General and what chartered accounts say.

Mr. GOODE: I would take the position that Mr. Fleming took, that most of the committee would know how to assess these reports. Most of us have had experience on some of these things and can assess values. This is an interim report and although it is perhaps strange coming from me, I would suggest we should not have an interim report but should wait for a complete report.

The WITNESS: I perhaps did not make it clear that this is not an interim report. This is simply a report in which they answer questions asked by us. We are going to ask for further information, advice and study from them, arising out of certain suggestions they have made in their first report.

Mr. BOISVERT: Were they asked to give their opinion on certain matters referred to them?

The WITNESS: Yes.

Mr. BOISVERT: So it is a matter if opinion then and it is not a matter of an examination of the accounting of the corporation?

The WITNESS: No, it is not a matter of seeing where the last dollar went. It is a matter of looking into the question raised by the Auditor General concerning the system and the widely different opinions expressed by various accounting authorities.

Mr. RICHARD (*Ottawa East*): It is not an interim report but is an answer to certain questions you put to them? It is something on which you could change your opinion later. I would be worried about having an interim report produced because it might be the basis for a final report and often times in the light of further information accountants could say, "We were mistaken; now we have the whole picture." Is that not so?

The WITNESS: They gave their opinion; I do not think chartered accountants change their opinions in regard to what they are asked to do, but as they and our management know, a number of practical suggestions may arise from their recommendations. In addition, some of their answers do not seem to jibe with the opinion of the Auditor General and there are further considerations with regard to the cost of carrying things out. They might make further recommendations which would constitute modifications of the more general comment set out in the first study.

*By Mr. Fleming:*

Q. You are now in a position to give us your observations in regard to the recommendations so if there are any thoughts the C.B.C. has in this connection or any reservations which attach to the views expressed by Ross and Sons you are in a position here to make them known, are you not?—A. Yes.

Q. Therefore I do not think you need to be too concerned about that. Mr. Dunton would be given a full opportunity to make comments on these recommendations. In cases of this kind where recommendations are given to a

corporation, the corporation which receives them must review them and some consideration must be given to putting the recommendations into effect.—A. A very practical question arises in some cases not only as to the theoretical desirability, but as to the cost of doing things and we have to wait in some cases to discover if the cost of further controls are worth it and as to whether we might spend more money on extra control than might be saved which is a thing our management has to work on.

Q. I think the matter is quite clear, Mr. Chairman. The committee should receive these recommendations and Mr. Dunton would be allowed the full opportunity to make whatever observations he wishes as to the practicality of implementing the recommendations as the management of the C.B.C. views them.

The CHAIRMAN: I asked for the views of the committee because Mr. Dunton expressed a certain amount of doubt about the advisability of presenting the interim report.

Mr. FLEMING: I do not think he did.

The WITNESS: Not very much doubt. I am not suggesting that every report the corporation receives would be a suitable one to produce, but in this particular case we see no objection and we understand the firm would not object although we have not consulted them about this.

Mr. GOODE: You do not have to argue this matter in the House of Commons, and I do not want to see any arguments there based on a report that is not complete. Mr. Sellar says in part in the 1954 report. "The financial statement—the balance sheet—and the statement of income and expense, respectively, give a true and fair view of the state of the corporation's affairs as at March 31, 1954." Those words appear in the certificate of Mr. Sellar.

Mr. MONTEITH: "Subject to the foregoing."

Mr. GOODE: But just a moment. I do not think the committee should accept the interim report about the new type of bookeeping. My concern is cleared considerably by the fact that Mr. Sellar says that he has a true and fair picture of the affairs of the C.B.C. I think Mr. Dunton has given a reasonable explanation why this has not been put into effect and I think we should allow this firm of accountants employed by the C.B.C. to complete their work and then let us look at it.

Mr. WEAVER: I think it is more or less up to Mr. Dunton at the present time, and if he wishes to present it it would be in order for him to do so. However, I do not think at this time the committee should ask him to present it. If the committee later on were to hear the Auditor General and the Auditor General were to say he was satisfied that everything was in order, there would be no occasion to present it. If he were to say he did not think it was in order that would be the proper time for the committee to ask for it, but this is not the time.

Mr. FLEMING: Has the Auditor General seen this report of P. S. Ross and Sons, Mr. Dunton?

The WITNESS: I do not think so.

The CHAIRMAN: You mean the interim report?

Mr. FLEMING: Mr. Dunton has said it is not an interim report.

Mr. MONTEITH: It is answers to questions.

The WITNESS: No, he has not seen it.

Mr. FLEMING: How many reports of P. S. Ross are there?

Mr. OUIMET: How many copies?

Mr. FLEMING: No, how many reports?

Mr. OUIMET: Just one.

Mr. FLEMING: Do we understand, Mr. Dunton, that this is not an interim report, but is a report in answer to certain questions submitted to that firm by the C.B.C.?

The WITNESS: Yes.

Mr. BOISVERT: What is the date of the P. S. Ross report?

Mr. OUIMET: February 7.

Mr. FLEMING: 1955?

Mr. OUIMET: Yes. This report is complete, but we are still discussing matters with the same firm which have to do with the practical application of some of the recommendations. We are considering particularly the costs of putting these recommendations into effect, and that has been our main concern all along. Regardless of whether they are improvements suggested by the Auditor General, or the consultant, or improvement which we have thought of ourselves, we must consider the cost.

Mr. FLEMING: That is practical, naturally. I do not know why all the fuss is being made because it is quite clear it is not an interim report. It is a report in which P. S. Ross and Sons give their considered answers to questions submitted to them by the C.B.C. We have Mr. Dunton and Mr. Ouimet before us, and both are perfectly capable of acquainting us with the kind of consideration that the C.B.C. is applying to the recommendations of P. S. Ross and Sons as to the practicality and the economic value of implementing these recommendations. Surely we are not going to be denied the opportunity of considering this report and hearing what the C.B.C. has to say about it.

Mr. RICHARD *(Ottawa East)*: But we are going beyond the financial report of 1953-54 when we look into matters which occurred in 1955. The report of Ross and Sons was made in 1955.

Mr. FLEMING: But it deals with the whole system which has been in effect throughout the years. We are also dealing with a report of the Auditor General with respect to the fiscal year ending March 31, 1954 which is presented in the certificate attached to the report before us. I cannot understand why all the fuss is being made.

Mr. RICHARD *(Ottawa East)*: I do not see any real objection in view of the reservation made by Mr. Dunton that no conclusions can be reached as to the practicality and the cost of the opinions—however, subject to that I see no real objection if these are simply answers to questions except as to the practicality and the cost.

Mr. HANSELL: Mr. Chairman, do I understand that Mr. Dunton has no objection to the report being produced?

The WITNESS: As far as we are concerned, and in this particular case, we have not.

Mr. HANSELL: I do not see any reason why it should not be produced. May I make one observation? On two occasions this morning, the suggestion has come from members that we should not go back too far in our investigation of certain matters. I hope we do not establish a principle of that nature here this morning because there is nothing in the terms of reference which confines us to the last year or the last two years. Furthermore, if we are to do our work properly, we should be able to go back as far as we wish—100 years if neccessary. If we establish the principle which has been suggested our hands will be tied in respect to other matters. We may not be able to go back and discuss, for instance, the Aird report of some years ago. I make this observation because this principle is very serious. I think we should be able to go back and discuss whatever we wish at any time and on any subject.

The CHAIRMAN: Any other questions?

Mr. BEAUDRY: I would like to suggest that we are discussing a report which contains some comments of the Auditor General to the effect that the system should be reviewed and coordinated. There is a further statement to the effect that subsequent action of the corporation has not been forthcoming as at March 31, 1954. Further to that, Mr. Monteith and Mr. Fleming say to Mr. Dunton, "Have you done anything further since then?" And the answer has been "Yes." This "something further" occurred later than March 31, 1954 which I submit is the limit of our present examination.

The question was, "Have you done anything further," and the answer was "Yes, we have dealt with P. S. Ross and Sons." The negotiations with P. S. Ross and Sons are finalized to a point in February 1955 which I submit is not within the scope of our present examination beyond the statement, "Yes, we have done something further."

Mr. FLEMING: Mr. Chairman, I am going to make a comment on that. I think that is the most outlandish statement I have heard in this committee to date. Look at the terms of reference—where on earth does Mr. Beaudry get the weird idea that we stop at March 31, 1954, a period 16 months ago. We are examining the period 1953-1954.

The terms of reference do not contain any date at all. There is no suggestion about a cut-off date, and I would remind Mr. Beaudry if he looks over the exhibits already received since the committee began to sit six weeks ago, that we have had a number of statements about things which have happened since the end of 1954—lists of programs, statements of policy, and everything under the sun. This is a brand new notion about cutting off dates, and I do not know why such a fuss is being made when Mr. Dunton has indicated he has no objection to producing it. This is in no way an interim report as was suggested earlier. It appears there is an invincible allergy on the part of some members and the moment a report is mentioned they are against anything being tabled. I respectfully suggest to them that is drawing attention to something that might very well be allowed to take its natural course. Nobody is suggesting that this report should be received as final. The suggestion is that this is a report which the C.B.C. of its own decision decided to obtain. It has obtained it, and it does not accept all of it. The C.B.C. has its own views as to the practicality and the economic value of the suggestions. As a committee, in receiving the report, we are not going to assume that the report is absolutely valid in all respects and unanswerable. We are here today to hear what the C.B.C. has to say about it. In all fairness we should hear their views and give the C.B.C. an opportunity to make any statement they like as to what they are doing to meet the strictures passed on their accounting system by the Attorney General. If they can give us good answers as to the course they are following, then I think the committee would be failing in its duty if it failed to receive the report. From my knowledge of these gentlemen, I might say they are only too anxious to give this committee as representing the House of Commons a full statement of what they are trying to do to meet the strictures passed on their accounting system by the Attorney General. I think it would be a gross injustice to the C.B.C. if they are denied the opportunity of giving the full information to the committee which they should do.

The CHAIRMAN: As I usually do, Mr. Fleming, I asked the committee concerning the production of the report. Every time something is to be produced in the committee I invariably ask for the thinking of the committee. I did not make any fuss about it but I simply asked the committee if they were agreeable to the production of the report.

Mr. FLEMING: My remarks were not made upon your comments but upon some of the other things which have been said here this morning. Your conduct has been perfect.

The CHAIRMAN: The committee is all powerful because I am in their hands if they want the report produced.

Mr. FLEMING: My observations were made with a view to putting this thing in a fair light. The only fair course is to let the C.B.C. put the report before us and make their own comments on it.

The CHAIRMAN: But you understand that others have different opinions.

Mr. GOODE: My opinion is based entirely upon this statement contained in the terms of reference: "That a select committee be appointed on broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies and aims of the corporation and its regulations, revenues, expenditures and development, with power to examine and inquire into the matter and things herein referred to—" That is all that the terms of reference say. Perhaps I am the last one who should ask for something to be kept out of this report, but I do attempt to stay within the terms of reference as passed. While talking about fair comment, I must point out there has been some suggestion in this committee that there has been a political interpretation of some of the things the C.B.C. has done. Mr. Monteith this morning on two occasions brought up the fact that there could have been some doubt as to whether Mr. Dunton conferred with the minister with regard to the internal affairs of the C.B.C.

Mr. MONTEITH: There was nothing political about that. I simply wanted to know if he had gone beyond his own board.

Mr. GOODE: Mr. Monteith made some comment about political sources and I am still going to question Mr. Dunton on that matter, but our terms of reference have been set down and we should stay within them. How far are we going to go with the thing? We will be here for six months if we keep this up.

Mr. WEAVER: In view of what Mr. Fleming has said, Mr. Chairman, I do not see that there is any inconsistency with his point of view, and the situation at the moment. The committee certainly should be ready to accept anything that Mr. Dunton wishes to present to it, and should allow the C.B.C. to express its point of view. If he wishes to present this report in order to express the point of view of the C.B.C. at the moment, the committee would receive it. I do not think the committee should at this time say, "You must show it to us." This is not the time for the committee to say, "We want to see it whether or not you want to show it to us—" but if Mr. Dunton wishes to present it we should receive it.

Mr. GOODE: I cannot agree with Mr. Weaver. The solution to the whole report of this committee is not fought on this committee floor at all, but in the House of Commons where I am quite sure Mr. Dunton will not be present to answer questions. We will have to discuss this report and our findings in the House of Commons where some of us have had some experience and know that if this report is an interim report—or call it by any other name—

Mr. MONTEITH: That sounds like a political inference!

Mr. GOODE:—and I think the report should be complete. I object to it being brought up.

Mr. FLEMING: So you would deprive the C.B.C. of the opportunity of fully reporting to this committee on what it has been doing to put into effect or to meet the strictures of the Auditor General and you would cut off the C.B.C. as at March 31, 1954 and not permit them to tell this committee what it has

done since or why it has not done certain things? I think it is a very serious injustice to the C.B.C. to deny them this opportunity.

Mr. GOODE: Again following Mr. Fleming's words, he said, "if they could fully report." My understanding is that they cannot. Some of the things have been discussed and some have not been brought in so they cannot fully report on it.

Mr. FLEMING: But wait a moment; I think my friend has missed what I said. May I recapitulate what was said by Mr. Dunton for my friend Mr. Goode.

Mr. GOODE: I am talking about what you said—

Mr. FLEMING: Mr. Dunton and Mr. Ouimet stated that this is not an interim report. Mr. Dunton made it very clear that it is not an interim report but a report submitted to the C.B.C. by P.S. Ross and Sons containing the answers of that firm to questions submitted to them by the C.B.C. for their information. Surely we want them and we want to know what the C.B.C. thinks about them and whether they are in favour of them or against them and the reasons for it. It is only in fairness to the C.B.C. Surely members at the other table would like to hear expressed the views of the C.B.C. in regard to what they are doing to meet the strictures of the Attorney General. The C.B.C. is trying to tell us this morning that they have done something about it. They engaged the firm of P.S. Ross and Sons last fall. Surely the matter is not going to just die there. They should have the chance to tell us—as they should do—what they have done in completeness in the light of the strictures of the Attorney General.

Mr. BOISVERT: I would just like to say a few words. First, I think it is up to the witness to declare whether or not he is in favour of the production of the documents and secondly I do not think the witness is able to do so without having the consent of P.S. Ross and Sons.

Mr. REINKE: Exactly.

Mr. BOISVERT: That is the position I am taking this morning. I do not like to hear some of the expressions we have heard this morning. We all cannot share Mr. Fleming's opinion and views and in not doing so we are not fussing because there is no fuss. We are entitled to an opinion of our own without being accused of fussing. I do not think it reflects the attitude that we are taking before this committee. We are trying to throw as much light on the subject as is possible and I think Mr. Fleming should try to restrain from those expressions which sometimes slip from his tongue. That is all I have to say. I do not think Mr. Dunton can produce the report without the consent of P. S. Ross and Sons.

Mr. MONTEITH: I think that is ridiculous—I never knew of any accountants' report which would not be made public. The only qualification is that it must be published in its entirety.

Mr. BOISVERT: A lot of matters are confidential between the accountant and his client and between lawyers and their clients and this report may be of that type which was given confidentially to the corporation.

Mr. FLEMING: But that is not what Mr. Dunton said.

Mr. RICHARD (*Ottawa East*): I did want to speak right after Mr. Fleming and to indicate that I am familiar with his wanton use of adjectives. It is just a habit with him and I no longer pay any attention to it. I think Mr. Fleming should have added, however, in making his remarks that those were answers to certain questions—that Mr. Dunton did say also, "I am not in a position at this time to say how practical those things are which they have mentioned or if they can be adopted in view of the cost and I will be able to answer certain questions in that regard."

Mr. FLEMING: He did not say that at all—

Mr. RICHARD (*Ottawa East*): Yes he did.

Mr. FLEMING: No, he said they had certain reservations about the practicality and certain views about whether the implementing of these recommendations would be justified by the economics but he did not say he was not in a position to make comments on the practicality.

Mr. KNIGHT: I have not said anything yet and I would like to play the part of the old peacemaker. If some people object to the report being published and Mr. Dunton on the other hand agrees to discuss some of the maters in it, why not have him tell us about some of the matters in it without producing the report? We could then ask Mr. Dunton what was one specific matter upon which he approached the experts and what did they have to say about it and what does he think about it. Could we do that? I think that would meet Mr. Goode's objection. I think a certain amount of stubborness has developed in this committee.

Mr. GOODE: I will not object.

Mr. KNIGHT: I can see there has been developing in this committee a sort of grim stubborness on both sides. Let us get to the meat of the matter, otherwise we might as well go and have lunch.

The CHAIRMAN: Well?

Mr. FLEMING: On that basis Mr. Knight will ask, in recommendation number one for the views of the C.B.C. and I will ask for the views of the C.B.C. with respect to recommendation two, and Mr. Monteith will ask for the views of the C.B.C. on recommendation three and so on down the line; so we might just as well put it in now and do it in an orderly and sensible way.

Mr. REINKE: Between now and the time the committee meets this afternoon I suggest that Mr. Dunton get in touch with these people and find out if they have any objection to this report coming before the committee, and we can deal with it this afternoon.

Mr. FLEMING: We have fifteen minutes yet before the normal hour of adjournment. The report is now prepared, and it must be received before use is made of it.

The CHAIRMAN: Mr. Dunton is not opposed to the production of this report, but I think that some members of the committee would like to have some definite answer on whether we wish to have it.

Mr. FLEMING: It is perfectly clear!

The CHAIRMAN: It is not clear in the minds of all the members.

Mr. FLEMING: It is quite clear that Mr. Dunton has no objection to the tabling of this report.

The WITNESS: Subject to what I said before about this particular report, and subject to the fact that I think I said we had not consulted the firm about the publication of it; but I do not think they would have any objection.

Mr. BOISVERT: That is what you said.

Mr. REINKE: The report is not complete, and I think they should be consulted.

Mr. MONTEITH: It is complete as far as it goes.

Mr. REINKE: I suggest that we adjourn.

The CHAIRMAN: Do I understand that we should have a vote on it?

Mr. GOODE: Yes. Take a vote on it.

The CHAIRMAN: Mr. Gratrix will poll the members.

Mr. BOISVERT: What is the question?

The CHAIRMAN: Whether or not we table that report.

Mr. BOISVERT: We have nothing.

Mr. REINKE: What about my suggestion that we give them a chance to consult with P. S. Ross & Sons, and we can deal with it this afternoon?

The CHAIRMAN: I will ask Mr. Dunton if he needs to do that. We have no motion to table it. We would have to have a motion, and find out if the committee is opposed.

Mr. REINKE: There is no motion?

The CHAIRMAN: Yes.

Mr. MONTEITH: I move that the report be tabled.

Mr. REINKE: I move an amendment that Mr. Dunton confer with P. S. Ross & Sons between now and our next meeting.

Mr. KNIGHT: I second the amendment.

The CHAIRMAN: There is a motion from Mr. Monteith that the report be tabled now, and an amendment to the motion from Mr. Reinke that Mr. Dunton have an opportunity to confer with P. S. Ross & Sons before tabling the report. Now we shall vote on the amendment. Those in favour of the amendment will please raise their hands.

Mr. FLEMING: I thought we were going to have a polled vote.

The CHAIRMAN: Do you want a polled vote?

Mr. FLEMING: Yes. I think we had better do it that way.

The CHAIRMAN: You want to have a recorded vote on the amendment.

(At this point a polled vote of the committee was taken.)

The CLERK OF THE COMMITTEE: The result of the polled vote is nine to four in favour of the motion as amended.

The CHAIRMAN: The result of the vote is nine to four in favour of the amendment. I take it that the motion of Mr. Monteith as amended is adopted, so Mr. Dunton will be able to resolve his conscience with the accountants. I think we had better adjourn now.

Mr. BEAUDRY: I move we adjourn.

The CHAIRMAN: Mr. Beaudry has moved that we adjourn. The steering committee will remain behind, please.

## AFTERNOON SESSION

May 12, 1955,
3.30 p.m.

The CHAIRMAN: Order, gentlemen, I see a quorum. I think Mr. Dunton has a few words to say about what what was going on this morning, about that report.

**Mr. A. Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation, recalled:**

*By the Chairman:*

Q. Mr. Dunton, did you get in touch with Ross and Sons?—A. Since then the general manager has consulted P. S. Ross and Sons and they have no objection to the production of the report.

Q. Then you are ready to table the report?—A. If the committee wishes, yes.

Mr. GOODE: I am not going to object any more.

The CHAIRMAN: Very well.

The WITNESS: At the moment we only have a few copies of it available but in the event it was to be tabled we arranged for it to be stencilled and it will be over shortly from the office.

The CHAIRMAN: You have only a few copies now?

The WITNESS: Yes.

Mr. MONTEITH: If the other copies are going to be along very shortly perhaps we could go on with one or two other things and take this after.

The CHAIRMAN: It is agreed the report be tabled?

Mr. BOISVERT: I will move the report be tabled.

Mr. BALCER: There was a motion before.

The CHAIRMAN: By Mr. Monteith.

Mr. BOISVERT: That motion was superseded by the amendment so this afternoon I am making a new motion to have the report tabled.

The CHAIRMAN: Mr. Boisvert is moving that the report be tabled. Then, if you want to wait until all the copies are available or have you some questions on other matters?

*By Mr. Monteith:*

Q. I have a couple of questions on this report on the 1952 statement which I finally found in volume 2 of the Public Accounts, which has to do with the accounting. There is one statement to the effect—I will read it:

> The operating surplus of $3,691,779 from Sound Broadcasting and the $369,225 deficit from Television Broadcasting may not be regarded as strictly correct, because
>
> (*a*) the $14,813,598 income of the Corporation and
>
> (*b*) the disbursement of $243,353 for loan interest are related in the statement to Sound Broadcasting only, although pertaining to both Sound Broadcasting and Television.

These is nothing to say about these remarks other than that situation has since been corrected, I am assuming these statements and these allocations are properly set out in future statements?—A. That is right. As I think the committee is aware, in that fiscal year there was very little work being done in television, no operations had started.

Q. Yes. The next item mentioned is:

> The correctness of the Corporation's liability under the Pension Plan for past service of employees, reflected in the books by a final payment of $109,255, has yet to be established.

Where would that be charged in the accounts?

Mr. GOODE: Would Mr. Monteith put on the record from what document he is reading?

Mr. MONTEITH: I am reading from the Auditor General's report of July 18, 1952, having to do with the 31st of March, 1952, statement and comments made on later reports.

The WITNESS: I think that was simply this; most of it was for additional past services and this was a question of the Auditor General's office not having completed their check of this amount, and, therefore, not being, at this stage, to certificate without that reservation.

*By Mr. Monteith:*

Q. That apparently has since been straightened out to the satisfaction of everybody?—A. Yes.

Q. Where would that amount appear in the expenditures under administration? It says:

> . . . reflected in the books by a final payment of $109,255 . . .

Where would that appear in the statement?

Mr. OUIMET: In the item shown against various departments where the salaries are included, superannuation and salaries are shown against each main division; you have engineering, programming and administration, etc.

Mr. MONTEITH: I see, it would be subdivided according to the subdivision of the salaries?

Mr. OUIMET: That is correct.

*By Mr. Monteith:*

Q. Then, the next item is:

> Included as an expense of the year is a charge of $12,000 for the estimated full cost of a deferred pension in favour of the Chairman, in respect of the period November, 1945, to December 31, 1951. It was indicated that the matter was still under review, but as the records now are, doubt must necessarily be entertained as to the power of the Corporation
> (*a*) to absorb the cost without contribution by the Chairman;
> (*b*) to vary the approved Pension Plan without the concurrence of the Governor in Council.
>
> Should it be that the action taken is in conflict with section 3(7) of the Act, a situation would result which would be unsatisfactory alike to the Corporation and the Chairman. The matter is accordingly drawn to the notice of the Board of Governors.

The question is, has it subsequently been found that this action did agree with the Act?—A. This was discussed at some length, I think in 1953. The arrangement for the pension plan for the full-time members of the board, that is for the chairman, myself, were only completed following an amendment to the Broadcasting Act in the calendar year 1952. In this case our management had included a contingent liability, without having had time to establish the exact amount, the plan itself had not been fully worked out and approved by order in council.

Q. The whole thing now is set up under the Act?—A. Yes, there was full debate and it went through all the approvals necessary, but at that time there was not the full approval for an exact amount.

Q. I do not think I have any further questions on that, Mr. Chairman.

The CHAIRMAN: No more questions on finance?

Mr. MONTEITH: Oh, yes indeed. If we are just putting in time until the other report comes, I have a question. I feel it varies with Mr. Ouimet's thinking that it is not possible under the unusual basis which has been in effect that the true monthly picture can be taken off from month to month to see what progress is and so on. Now I believe the Auditor General simplifies the matter in this letter of October 23, 1952, and comments to that effect also. I will just leave it there and ask Mr. Ouimet if he would care to comment?

Mr. OUIMET: This may be covered in the report when we have copies, but you will see when you get the report that our system is much more than cash books you are referring to. Our statements for control purposes is the

case of television are all on a commitment basis. In the case of radio service they are on a modified cash basis in order to give us a more complete picture and we are putting them now on a commitment basis also. I am not disagreeing with what you suggested. I think you will find from the report that we are going further than what you suggest.

Mr. MONTEITH: Well, we can leave it until we get the report, I suppose. Mr. Chairman, I have not any more general questions at the moment.

The CHAIRMAN: Are there any other questions from other members?

Mr. GOODE: Perhaps, Mr. Chairman, I could put the question that I put yesterday. I think it comes under sound broadcasting and I asked Mr. Dunton yesterday what would be the expectation of income from the sale of television sets, radio sets and record players over the next five years and the next ten years.

The WITNESS: We cannot guess that far ahead, Mr. Goode.

*By Mr. Goode:*

Q. Then, could I put the same question again: we have a surplus of some $6 million odd, what is the expectancy of the corporation, to ask the parliament of Canada for more money to continue for the next two years?—A. It is a hard question to deal with in a quick answer. The estimate of how we shall come out in the year 1954-55 might be of assistance. In very rough terms in sound broadcasting the estimate is for an operating deficit after allowance for depreciation, of $560,000. In television according to these estimates, which were put together about two weeks ago and do not yet reflect the final information which will be used in making up the books completely for the end of the year, as near as can be given on the basis of the information available at that time, the operating surplus for television for that financial year, namely 1954-55, would be just over $3½ million.

Q. What do you mean by "operating surplus" Mr. Dunton? You have said in the committee that your expectancy of commercial income in relation to costs with regards to sponsored programs is 50 to 60 per cent. How do you justify a surplus in regard to monies provided to the corporation by the parliament of Canada?—A. We have two forms of revenue coming to the corporation, one which is provided by parliament which comes to us by law, not by rates or proposals of the government each year; and the other consists of commercial revenue.

Q. What is the expectancy of commercial revenue for the year 1954-55? —A. In which, sound broadcasting or television?

Q. Television. I am interested only in television at the moment.—A. From commercial revenue in television, just over $3,800,000.

Q. How much of that six and quarter million dollars from the parliament of Canada do you allocate to television?—A. Of that six and quarter million dollars, none. Not a dollar.

Q. Do you think that the C.B.C. television service as presently constituted is going to be self-supporting over the next five years?—A. It will depend on what you mean by "self-supporting" and on what parliament says should be done.

Q. May I explain that: if you get a dollar you are going to spend it, but you are not going to get more than a dollar.—A. If you mean by covering all expenditures just on commercial broadcasting, no. Perhaps I might clarify the picture by stating that if parliament turns around and tells the C.B.C. to operate and make a profit on a commercial basis, the C.B.C. can do it, but it would be a very different type of national system which you would have. There would be very little production of Canadian programs, and no question

of a national network across the country; little distribution of programs through private stations and C.B.C. stations in the way of linking Canada across the country. You keep using the phrase "self-supporting" Mr. Goode and you speak of making money on a commercial basis. The C.B.C. would be perfectly capable if told to do so of operating on a commercial basis and making a profit on a cemmercial basis, but the television picture in Canada would be a very different one. As we understand it we have one source of revenue from buyers of television sets to enable the corporation, as the chief component of the national system, to ensure a really worthwhile program of production in Canada and its distribution on a fairly equitable basis right across the country.

Q. We are going to be faced with a continued expense to the taxpayers of Canada as long as we continue the present policy. Is that correct?—A. Certainly we have made no secret at all in our estimates. We have made it perfectly clear according to our estimates that it is necessary that there should be very subtantial sums of money provided in ways other than through commercial advertising if the country is to continue to have a national system of broadcasting in terms of national distribution and a certain amount of Canadian production.

Q. I cannot understand why we should have a dfferent policy in television to that which we have in sound broadcasting. So far as my province is concerned you have 13 stations in British Columbia that are part of a national network. The system works very well and is most satisfactory as far as sound broadcasting is concerned, I cannot get through my head why we cannot gte a television network in British Columbia on the same basis. You have said to me a number of times in this committee that we have got to maintain Canadian culture in television.—A. I do not think I have said that at all.

Q. You intimated it.—A. I think you are misinterpreting my remarks.

Q. I still cannot understand and I should like you or someone else to explain to me why we cannot put this same system into being with private television stations in opposition to yours in the larger centres, and C.B. or some private stations in the cities which you do not perhaps go into, like Calgary and Edmonton—you have a private station at one of these towns, I believe, which is working very satisfactorily. You have one in Sudbury also, I believe, which is paying very well. Why cannot we establish a television network in Canada even, if you like, on the C.B.C. network, with a connection to private stations; in the large centres doing business against you, in the small centres, wth you.—A. Mr. Goode, the facts, that the systems of sound and television are basically the same. In each case you have the C.B.C. carrying on a national job in terms of production and the distribution through its facilities and through private stations. I imagine that you are referring to the question of whether there should be two television stations in some areas instead of one.

Q. In the larger centres.—A. That raises the question of which are large centres and which are not. There are some private stations covering larger centres—

Q. Stay with Vancouver. I cannot see why we cannot have a private television station in opposition to the C.B.C., keeping that money out of the United States and still forming part of the network you propose to put into being.—A. One question I think you are interested in is whether in addition to this system developing at the moment, there should be some additional stations at some places. That is a decision which is made by other people. It is not up to the C.B.C. I have pointed out certain inevitable effects which would result from having such a situation. That certaindy does not mean

that there will not be such a situation, or that there will be. I have merely indicated the factors which certainly should be considered—the effects of such a situation on the economics of the national system. It is simply a question of factors and effects, and those will be weighed by other people eventually.

*By Mr. Bryson:*

Q. There is no question in mind that the C.B.C. has not investigated every angle of this kind of revenue.—A. We have done an awful lot of thinking about revenue.

Q. I know it is hard to make comparisons with other systems, but I have in mind at the moment the system used in Australia which might be compared with our own as well as that of any other country. I understand that in Australia the private stations which are served by a skeleton program from the Central Broadcasting Corporation not only pay a small fee annually to the Australia Broadcasting Corporation, but are charged one-half of one per cent in any year in which they made a profit in the previous year. That one half of one per cent is levied on their gross profit in any one year when in the previous year they showed a profit of any kind. I would like to ask what is the difference between their system and ours which would seem to justify that charge in their case?—A. I am a little confused because my understanding is that the way things work in Australia is not quite the way you have outlined.

Q. According to their annual report, if a private station makes a profit in, say, 1954, then this year the Australia Broadcasting Corporation could levy one-half of one per cent upon the gross earnings of that station during the previous year.—A. That may be so, but frankly we do not know about such details. In general I think you will find that the Australian system differs quite a bit from ours. In sound broadcasting the private stations would carry only a very small proportion of A.B.C. material. There are Australia broadcasting commission stations and private stations but the latter are not used very often in A.B.C. programs, I believe, and it is only in some of the more isolated stations that they carry some A.B.C. programs. I think that in general they operate quite differently from the way in which we operate in Canada.

Mr. OUIMET: That is correct, Mr. Dunton, and with respect to the suggestion about a percentage on the gross profits of a station at the rate of ½ of 1 per cent, that would mean, say, that on a profit of $100,000, $500 could be levied. I do not know what that would be used for, but I imagine it would probably pay for the licence of the station. It is a small amount in terms of the total.

The WITNESS: I think perhaps the obvious difference between the Australian system and our own is that in Canada both in sound and television the public and private organizations work together in providing a national service while in Australia, generally speaking, they work separately.

*By Mr. Bryson:*

Q. I understood that they worked together?—A. I think not.

*By Mr. Dinsdale:*

Q. Does that mean the private stations there have their own networks?—A. Yes. They have some direct connections, but some programs are circulated by transcription.

Q. The national system does not necessarily supply the basic program?—A. No, in general it does not. In general there are two quite distinct operations. Here, as you know, the two team very closely together. In television it runs right across the country. We carry on a joint operation.

Q. Do both systems in Australia operate on a commercial basis?—A. The A.B.C. operates on an entirely non-commercial basis.

*By Mr. Monteith:*

Q. What is their basis of revenue collection? Is it somewhat on the same lines as our own?—A. It is related to gross revenues of the stations. I think it is according to the classification of revenue—not the exact percentage of that amount.

Q. It would be based on revenue from $50,000 to $75,000 say, and from $75,000 to $100,000?—A. Something of that nature.

*By Mr. Reinke:*

Q. Mr. Dunton, in answer to Mr. Goode you spoke about certain factors and views you might have expressed about the "pros and cons" of having additional competition to your television stations. What were those views? What were your ideas as to whether we should have competition in the larger centres or not?—A. We do not use the word "competition" in perhaps quite the same way. As I have tried to explain here, we were pointing out the tendencies which would result from the establishment of such stations.

Q. That is what I want to learn. What were the results or the probable results which you have referred to?—A. In the direction of holding down moneys coming into the national system as a whole across the country, that is, in the provision of programs in Canada and the distribution of programs across the country; not only tending to hold down revenues but to weaken general support in Canada from commercial sources for Canadian produced programs. One thing the committee can see clearly in general terms is that further competition in a general way of programs of imported material will tend to weaken the suport for Canadian produced material. It is a question in general terms of how much parliament wants that kind of pressure to develop and grow. There is plenty of it now.

Q. The competition would not be so much from a commercial standpoint —that it would reduce your commercial revenue—but rather that it would have a tendency to give the people programs which might not be as good as the C.B.C. should produce or which we feel that people should listen to?—A. I would not say it was a question of what we thought were good programs or not. I tried to say it would weaken or dilute potential support for Canadian produced programs; it would open up opportunities very much more widely for the use of imported program material, and the pressure is all for the importation of programs, from the point of view of commercial arithmetic, as against their production here in Canada.

*By Mr. Goode:*

Q. How can you justify that when you have said to the committee that you cannot handle any more commercial programs in your station at Vancouver from 5 to 11?—A. I have seldom heard of a station doing any commercial business of which it was not being said by some sponsors that they could not get time or programs when they wanted to have it. I think it finally comes down to a question of how one considers the whole matter of television in Canada. If you think of it purely as a commercial question—a question of business and the possibility of sales and profits—it is natural that if there are more television stations in any area there will be more opportunities for that, and parliament might decide along those lines. I am merely pointing out that if parliament wants to have a national system in the sense that it maintains a good amount of Canadian production and distribution in the country we think it should take into account the fact that further duplication of stations will weaken the support of commercial activities for these national purposes.

Q. I rather go along with you half way, but I have got a schedule of sponsors in front of me relating to the United States station appearing in

Vancouver and your own station in Vancouver. Their rates are 50 per cent of yours and may be still lower. If it is right for you to refuse advertising business in British Columbia and if it is right that $140,000 should be going over to the United States from strictly Canadian sponsors I cannot see why we should not allow another station in that area so that we might be able to keep Canadian money in Canada. You have not said anything yet to my mind that would justify our having to send money to the United States to sell Canadian goods.—A. I can see your point of view, based on the purely commercial consideration of dollars and profits. May I point out to you however that a great deal of money is flowing out of Canada now in relation to both sound broadcasting and television—it goes to American sources in large amounts for program material coming into this country. The actual amount which advertisers would pay for time on a station would be only a small fraction of the money which goes out to the United States in return for program material. That is a very big amount.

Q. I do not want anyone to think that I do not think the C.B.C. is doing a good job on television. I have said before I think your station in Vancouver is the best of the five we have, but when British Columbia money is going to the United States while we have two channels available, I cannot agree with your attitude.

Mr. HANSELL: Do they have programs available?

Mr. GOODE: Evidently the United States has programs available to be able to take $140,000 out of the city of Vancouver. If some of that money was going to sell Canadian goods to United States customers I would not have an argument.

The VICE CHAIRMAN: We seem to be getting away from finance into the field of policy. Can we have some more questions on the purely financial aspect?

Mr. GOODE: I understood we are waiting for those lists.

(*The Committee rose to attend a division in the House.*)

The meeting resumed at 4.40 p.m.

The CHAIRMAN: Order, gentlemen.

Mr. MONTEITH: Could we have the copies of the report of P.S. Ross and Sons distributed, Mr. Chairman?

The CHAIRMAN: Yes, they will be distributed now.

Mr. MONTEITH: I have been glancing at this and it appears to be rather a formidable document which will probably require some study. I wonder if we could come back to this tomorrow morning after we have had an opportunity of reading it over?

The CHAIRMAN: I am ready to accept it; does the committee agree?

Some hon. MEMBERS: Agreed.

Mr. MONTEITH: Shall we continue with the balance sheet now?

The CHAIRMAN: Yes.

Mr. MONTEITH: On page 42 of the report, I notice the cash on hand and in bank is $5 millions odd. I assume that cash on hand is merely imprest funds or something of that nature, is that right?

Mr. OUIMET: This is really cash in the bank. There would be a small amount as far as imprest funds are concerned.

Mr. MONTEITH: I suppose each office would have an impressed fund?

Mr. OUIMET: Yes, but it would be a relatively small amount.

Mr. MONTEITH: What is the general practice; I suppose it is to deposit all receipts every day?

Mr. OUIMET: I should like to ask the treasurer, Mr. Bramah, to answer that question.

Mr. BRAMAH: We instituted a series of accounts such as travelling expenses and petty cash, and things of a similar nature. That is the aggregate of all the accounts throughout Canada, but the $5 million amount is on the last date of the fiscal year when we happened to receive a loan of $4,750,000 which accounts for the large balance at the end of the year.

Mr. MONTEITH: Can you tell us off hand what the total of all these impressed funds amounts to?

Mr. BRAMAH: I do not think it is more than a quarter of a million dollars in total.

Mr. MONTEITH: I do not mean the bank balances, I just mean the total of the impressed funds?

Mr. BRAMAH: That is what I mean.

Mr. MONTEITH: You operate each branch on an impressed fund. Do you keep so much there and reimburse them for their expenditures?

Mr. BRAMAH: Yes, we reimburse them as they submit their claims, but in Toronto and Montreal they pay the artists from those various points.

Mr. MONTEITH: The accounts receivable are probably mostly commercial?

Mr. BRAMAH: Mostly commercial, yes sir.

Mr. MONTEITH: What else might there be?

Mr. BRAMAH: There might be balances but they are mostly commercial accounts.

Mr. MONTEITH: I am making some comparisons so I am using the years 1952, 1953 and 1954 and I notice that commercial broadcasting revenue in 1952 amounted to $2,456,431 and the accounts receivable at the 31st of March, 1952 were $721,301. Now, this is just slightly under one-third of the entire year's business which is still owing at the end of the year. This seems like a fairly sizable portion to me.

Mr. OUIMET: There is a difference between the two in that the revenue is net and the accounts receivable are gross. Furthermore, the peak of our business takes place really during the winter months and we have more business at that time than we have in the summer.

Mr. MONTEITH: Perhaps I had better come up to the current year, 1953-54, the income from sound is $2,471,488; TV $1,334,765, a total of $3,806,254. Now, the accounts receivable at the end of the year were $739,370 in sound; TV $753,142, and a total of $1,492,512. In other words, here again it is over one-third of the year's business. Now, you say that the revenue is net. Can you give us a breakdown of the gross revenue, before commissions are deducted?

Mr. OUIMET: We will look it up and give you an approximation of the figure.

Mr. MONTEITH: Can we go on with something else in the meantime? I just wondered how your bank interest was handled; do they pay you on a monthly balance or what?

Mr. SCHNOBB: We have certain accounts; we get the interest charges on the savings account annually.

Mr. MONTEITH: You have not checked it?

Mr. SCHNOBB: Every six months.

Mr. MONTEITH: This would be some proportion of six months that you had not received yet, the amount of $2,431?

Mr. SCHNOBB: That is correct.

Mr. MONTEITH: In the investments I notice at the end of 1952 you had $5,608,250 book value. Where would the income from those investments appear on the statement?

Mr. BRAMAH: It would be in the miscellaneous income of the profit and loss statement.

Mr. MONTEITH: All right. Now, in the year 1952-53 under Sound the investments were $5,428,350 and the interest was $133,961, that is a rate of approximately 2·47 per cent. In TV you had $102,400 investments and investment income of $62,422. Now, there must be some explanation for this, but I am just wondering what it is because there is $62,000 income and $102,000 investments.

Mr. BRAMAH: Most of the loans are for television. If I remember my figures correctly, investment in sound broadcasting was $3,225,000 and the rest was television, so therefore you would have a bigger income from your bonds in the television service.

Mr. MONTEITH: Then they are not properly distributed, are they?

Mr. BRAMAH: Yes, sir.

The WITNESS: Which year?

Mr. MONTEITH: 1952-53.

Mr. BOISVERT: We went through these matters last year.

Mr. MONTEITH: No, this statement has not been done.

The CHAIRMAN: We did not sit last year.

Mr. MONTEITH: Under the television service, on page 46, you have got investments of $102,400 and then on page 48, interest on investment, you have got $62,422; there must be some explanation but I cannot see what it is.

Mr. SCHNOBB: The explanation is the interest should not be related to the investment at the end of the year. Throughout the year television has had a considerable amount of investment and from that fund we had to acquire the dollars we needed, so the effect is that the figure for the end of the year does not relate to the amount invested during the year.

Mr. MONTEITH: They may have had $5 million two months before?

Mr. SCHNOBB: Yes, exactly.

Mr. MONTEITH: I presume the same took place in 1953-54. The investment rate on the investment at the end of the year is only ·5 per cent.

Mr. SCHNOBB: That is right.

Mr. MONTEITH: So the converse would be true in that year?

Mr. SCHNOBB: That is correct.

Mr. MONTEITH: The reserve for bad debts at the end of 1952 is $5,000; there was $2,000 charged in 1952-53 increasing the reserve to $7,000. In 1954 it was increased further by $3,000, coming to a total at the end of 1954 of $10,000. How is the reserve arrived at; I mean, do you try to cover specific accounts or is it a percentage basis or what?

Mr. BRAMAH: We do not have very many bad debts but at the end of the year we review those considered in the doubtful class and put in the reserve to cover that.

Mr. MONTEITH: Where are your bad debts that are written off during the year charged?

Mr. BRAMAH: They are written off to expenses.

Mr. MONTEITH: In other words, you are increasing the reserve from $3,000 to $5,000. Is that supposed to cover bad debts from prior years or it is in the current period?

Mr. BRAMAH: It would be in the particular period but in the particular year of 1954 we did not have very many bad debts that were written off; I think we only had $533.

Mr. MONTEITH: But there was $3,000 in that year which was questionable?

Mr. BRAMAH: They were considered questionable at the time.

Mr. MONTEITH: As a matter of accounting should they not be charged to expense too?

Mr. BRAMAH: They may be all right later.

Mr. MONTEITH: They would then go into the year in which they are collected; would you adjust your reserve?

Mr. BRAMAH: That is possible too.

Mr. GOODE: Were they collected later?

Mr. BRAMAH: That I could not tell you offhand.

Mr. MONTEITH: What is your experience in write-offs; you mentioned $500 in the last year; what were they for the year before?

Mr. BRAMAH: They have been comparatively small.

Mr. MONTEITH: How old are the oldest accounts which you retain on your books?

Mr. BRAMAH: Usually three to four months.

Mr. MONTEITH: If you do not collect them you put them off the air, is that it?

Mr. BRAMAH: Well, we have done on occasion, sir.

Mr. MONTEITH: Have you got that other information now?

Mr. OUIMET: Yes, the gross revenue for sound was $4,580,000 and the gross revenue for television was $2,318,000, that is nearly double the net.

Mr. MONTEITH: Well then, it would appear that you had about 15 per cent of your accounts at the end of the year, which were not collected. What is your billing, how do you bill?

Mr. BRAMAH: We bill every month, but we may be a little delayed in the television.

Mr. MONTEITH: Why?

Mr. BRAMAH: Just from lack of time to get around to it.

Mr. MONTEITH: Do you find your billing when it is at all late is more difficult to collect?

Mr. BRAMAH: No, it is not difficult to collect, I think the trouble at the moment is the preparation of the cost sheets, with two or three sponsors on one program it gives a little trouble to prepare the cost sheets and that automatically delays the billing.

Mr. MONTEITH: I can understand that. How long does it delay it?

Mr. BRAMAH: It was delayed for about six weeks at one particular time, but we are caught up now; it is a question of the time element that comes into these things.

Mr. MONTEITH: What is the period now?

Mr. BRAMAH: Now, we are getting around to doing them the month following.

Mr. GOODE: What is the C.B.C. policy on overdue accounts, Mr. Dunton, do you charge an interest rate on them?

The WITNESS: Our policy, of course, is to collect everything we can. I think probably the treasurer can say it better.

Mr. BRAMAH: We do not wait too long to collect accounts, we hand them over to Dunn and Bradstreet. We go as far as we can and then hand them over to Dunn and Bradstreet for collection.

Mr. GOODE: You use them as a collection agency?

Mr. BRAMAH: Yes.

Mr. GOODE: Since we went into the television, how much could you charge to bad debts not collected?

Mr. BRAMAH: I do not think it would be over $1,000.

Mr. GOODE: I would not expect these people would be very big sponsors, but, of course, these people you would not do business with again?

Mr. BRAMAH: That is right, sir.

Mr. BOISVERT: One question, when you do not succeed in collecting through Dunn and Bradstreet do you take judgment against these people?

Mr. BRAMAH: No, I do not think we have ever had a case in point where we have had jugment against them.

*By Mr. Monteith:*

Q. On your superannuation fund, would you mind giving the committee some information concerning that? I see it is the first time this item has appeared in the balance sheet.—A. I think I can explain this item that appears here because it relates to me. This was a special fund set up apart from the employees' fund for legal reasons because it was only made possible legally in 1952. Under this fund, which has exactly the same terms as the employees' fund, the corporation will be liable to this amount if I stay ten years with the corporation; if I do not that money reverts back to the corporation since it will not be needed and that is why it appears on both sides of the balance sheet. I suppose it could be called a contingent liability.

Q. Has there been any criticism by the Auditor General at any time concerning the superannuation fund aside from what I quoted from before, I mean as to the handling of the fund or anything like that?—A. I do not think so at all. As you are probably aware it is not a funded pension scheme, it is an annuity type, it works on the purchase of annuities.

Q. I was not aware of that. On the fixed assets, at the end of 1952 the total in sound is $6,373,064 and in the year 1953 there was an increase including work in progress of $472,273. Now that is labelled "Additions less write-offs," what is meant by "write-offs"?

Mr. OUIMET: Write-offs? In our business there may be some unit of equipment which becomes obsolete and may be dismantled to use the parts.

Mr. MONTEITH: Before they are fully depreciated?

Mr. OUIMET: Oh, yes, the depreciation is a guess ahead of time determined as "scientifically" as possible.

Mr. MONTEITH: You mean it is recommended that it be?

Mr. OUIMET: In any case, whether it is "scientifically" determined or not it is still a matter of assuming how long an article will actually be used and an article may be used longer or for a lesser period than estimated. It may be dismantled or it may be in such a state that it is of no use to us. It may have to be sold and if it is sold we may get some revenue but not the total revenue. Those write-offs cover all such cases. In some cases something may be broken beyond repair.

Mr. MONTEITH: In 1954 there was an increase including work in progress of $1,025,280. Is there any breakdown of the major items going to make up these amounts.

Mr. BRAMAH: You are talking about sound at the end of March, 1954?

Mr. MONTEITH: Yes?

Mr. BRAMAH: Yes, there is a breakdown of them if you want them, there are many items. The main items are the CBF transmitter at Vercheres, $225,000; the Winnipeg studios, $407,000; the Moncton transmitter, $114,000; $63,000 to the Toronto studios, and $40,000 for the Hornby transmitter, those are the main ones.

Mr. MONTEITH: In TV the increase in 1954 is $3,323,283. What are some of the main items there?

Mr. BRAMAH: The Jarvis street studio in Toronto, $462,000; the Yonge street studio in Toronto, $537,000; Vancouver studio, $505,000; the Vancouver transmitter, $327,000.

Mr. MONTEITH: How much was that?

Mr. BRAMAH: $327,000; Radio Canada Building, $267,000: those are the main items. There are various small items and the total comes to $3,323,283.

Mr. MONTEITH: The Radio Canada Building, was that new equipment or what was it?

Mr. BRAMAH: That would be the new annex that we added that particular year.

Mr. MONTEITH: I understand that the international service originally bought that Montreal building.

Mr. BRAMAH: The Radio Canada Building, yes, sir.

Mr. MONTEITH: Since then this annex has been purchased by C.B.C.?

Mr. OUIMET: In the case of television we built a building, a completely separate building, adjoining the Radio Canada Building but still a separate building which was charged to television because it is used for television only.

Mr. MONTEITH: What rental is paid, if any, on the building by C.B.C.?

Mr. GOODE: Mr. Chairman, may I again object? At the moment I take it that Mr. Monteith is questioning under the estimates, items 56 and 57, that is at present being given to the Committee on External Affairs, as I understand it, and I wonder whether we should question on this matter when it is before another committee.

The CHAIRMAN: Are you speaking on the question put by Mr. Fleming in the House?

Mr. GOODE: Yes.

Mr. MONTEITH: Well, I am inquiring as to the rent paid by C.B.C., I think that is an expense of this corporation and I do not see why we could not have an answer to it.

Mr. GOODE: I do not want to argue, but I thought perhaps you might not know that these items on Radio Canada are before External Affairs.

Mr. MONTEITH: I did not know, that is fine, but I still would like this information because it is an expense of the corporation.

Mr. GOODE: I just wondered whether we have the right to question on it, I do not object to it, is a matter of procedure, that is all.

The CHAIRMAN: I will allow this question providing there are no more questions asked.

Mr. GOODE: I only spoke for your guidance.

Mr. MONTEITH: That is fine.

Mr. OUIMET: I will have the amount we paid in 1953-54 in a minute. As shown in the statement on page 50 the amount is $168,954.20, but this may not be the exact amount for rental

Mr. MONTEITH: Where is that?

Mr. OUIMET: On page 50 of the report.

Mr. MONTEITH: Oh, yes.

Mr. OUIMET: I am not absolutely sure whether that is all rental, but the very greatest part is rental.

Mr. MONTEITH: I notice there are apparently items of expenditure charged to the reserves for depreciation. How do you differentiate between what you are going to set up as capital and what you are going to charge to reserve for depreciation?

Mr. OUIMET: Would you repeat that, please?

Mr. MONTEITH: Yes, to illustrate, at the end of 1952 the sound reserve, that is according to the statement, is $3,201,690; the amount charged in the accounts for that year is $445,244. Now that should, unless there were some charges paid, be added to the opening amount coming to a reserve for depreciation at the end of the year, of 3,646,934, but according to the actual statement the reserve appears as $3,333,853.

Mr. OUIMET. There was equipment written off that year. Would you give more details, Mr. Bramah?

Mr. BRAMAH: That is about all I can say. During the year there were certain write-offs and they were charged against depreciation, so it would not be the total of the year previously plus the amount of depreciation for the next year, it would be an extra item of a deduction for a write-off.

Mr. MONTEITH: You are taking the write-off out of assets and the reserve setup comes out of the reserve in that case?

Mr. BRAMAH: That is right.

Mr. MONTEITH: I am just trying to think this out. You have added $472,000 less write-off; you have got a discrepancy in the reserve of $313,000 so I am assuming that your actual expenditure would be about $313,000 at least. More than $472,000 because you have deducted the write-offs from the assets; you have taken $313,000 out of the reserve. You must have taken that amount at least out of the assets.

Mr. BRAMAH: We had a fire at Vercheres, I believe.

Mr. MONTEITH: So you wrote off the depreciation that had been setup against that construction?

Mr. BRAMAH: Yes.

Mr. MONTEITH: I notice that your write-off account in 1954 in sound is $64,226. That would be a plain write-off during that year?

Mr. BRAMAH: Yes. A plain write-off during that year.

Mr. MONTEITH: In other words you would scrap at least that amount of equipment during the year—equipment of that kind which had been on your books.

Mr. BRAMAH: That is correct.

Mr. MONTEITH: Just what are the expendable stores, Mr. Chairman.

Mr. OUIMET: The expendable stores are of different types. In our business we use a lot of things which have a limited life, for example tubes. These burn out after they have been used for a certain number of hours. There are other

types of technical stores which have a limited life, so they are expendable. Of course there are also other expendable items such as stationery and ink or wire, etc.

Mr. BRYSON: Mr. Chairman, does the corporation buy any particular brand of equipment or does it buy different kinds of equipment?

Mr. OUIMET: We buy all kinds of equipment. If it is a large piece of equipment such as a transmitter or something which is fairly costly it is bought usually on a tender basis. We call for price quotations. If it is something which involves much smaller expenditure then we will simply shop for the best possible price. But in many cases even when the expenditure involved is of the order of only $1,000 or $2,000 we call for prices in order to get the best possible bargain and we buy from any manufacturer who can meet the specification.

Mr. BRYSON: Have you got any British equipment?

Mr. OUIMET: We have quite a good deal of British equipment in television. Again, we bought this equipment on a competitive tender basis.

Mr. GOODE: Do the British manufacturers of television equipment compare in their prices with manufacturers in the United States and in Canada? Can you buy better in Britain than in the United States?

Mr. OUIMET: Any time we have bought British equipment it is because British goods have been cheaper.

Mr. GOODE: How do the usual prices for British equipment compare with prices for comparable goods sold in the United States?

Mr. OUIMET: They have done very well in television.

Mr. GOODE: Have you any idea what you have bought from Britain in the last two years? A rough figure will do.

Mr. OUIMET: It would be a large amount. It would be over a million dollars.

Mr. GOODE: You have bought some equipment from the United States. Would it have cost the same amount or less?

Mr. OUIMET: We buy a lot of Canadian equipment of course from Canadian companies who are affiliated with American companies. Some of their equipment is made completely in Canada; some is assembled here from parts which come in from the United States. It would be difficult to separate it.

Mr. GOODE: The fact remains that you buy a million dollars worth of goods from Britain in a year.

Mr. OUIMET: Oh, that was not in a year.

Mr. GOODE: How long a period?

Mr. OUIMET: Since we went into television, the total would be more than a million dollars. If we go back right to the start it would be more than that but I would like to check before giving you the exact amount.

Mr. GOODE: I think it would be interesting to have the figures of what the C.B.C. are doing with regard to Canadian and British trade, and I think we should put those figures on the record. If you can just get the sum in round figures I shall be obliged.

Mr. OUIMET: Yes, I would be glad to do that. I may point out that a lot of the original television studio equipment was bought from British manufacturers who were successful in tendering.

Mr. BOISVERT: Does the quality of British equipment compare with that of Canadian and American equipment?

Mr. OUIMET: Yes. All three countries make very good equipment.

Mr. MONTEITH: What type of charge comes under prepaid expenditure?

Mr. BRAMAH: Insurance is the main item. We have premiums which we pay and the majority would come under the prepaid heading according to the year in which they are paid.

Mr. MONTEITH: What would the "other charges" consist of?

Mr. BRAMAH: Improvements to leased properties. We spread that over a number of years.

Mr. MONTEITH: What is your policy with regard to writing that off?

Mr. BRAMAH: It would depend on the number of years. We write improvements to leased property off in five years under the new system we have now.

*By Mr. Dinsdale:*

Q. I am interested in the item on page 48 under the heading "press and information"—$430,000 and some odd dollars for sound broadcasting and $52,251 for television, making a total of $483,000. I wonder if Mr. Dunton would give us some breakdown of that item?—A. Yes, I will mention some of the things it covers. It covers the putting out of practically all the material published by the corporation, which includes the various editions of the C.B.C. Times. It also includes other printed material related to specific programs such as the school broadcasts or other special series in which people may be interested. It covers all the work of providing information for press and publicity organizations interested in the C.B.C.; it covers receptionists at various points and people who dial telephone calls for information about the C.B.C. It also covers the handling of general listener material, and general enquiries or general comments about the C.B.C. This department handles the libraries of the corporation—it has a long list of activities, but I think I have covered the principal functions.

Q. Would the revenue from the sale of the C.B.C. Times be offset against this account?—A. No. The revenues would appear under "miscellaneous revenues" because we cannot offset it here. It would be gross expenditure subject to some net income under miscellaneous revenue.

Q. You have not got this item broken down into such categories as "entertainment of the press" and so on?—A. I can give you some of the main headings of the breakdown if you wish:

Recording discs, $1,500; advertisements $6,750; photography and art work—which would of course include a lot of work for the different publications which are put out—$33,000; printing of publications and so on—the various ones which I have mentioned—$98,000; salaries $196,000, superannuation $11,600—the item with regard to salaries covers, as I have explained, more than the personnel who are exclusively occupied with public relations, etc; for example it covers the salaries of people who are responsible for dealing with the general audience mail, apart from public or press relations officers who are comparatively few.

To continue the list: printing and stationery $21,000; duty entertainment, $3,200; and travelling, $4,800. Those are the main items in the breakdown. I should mention again, perhaps, that the table for this department is perhaps not quite right, because many kinds of activity are handled under this heading. Looking after visitors who come down is one of them and many other functions are performed as I have explained.

Q. Does the item with regard to libraries cover all your library services?

Mr. OUIMET: That is correct.

Mr. DINSDALE: The people producing information for broadcast background are covered by this?

Mr. OUIMET: That is correct.

Mr. DINSDALE: Do you contribute anything to the publication of such pamphlets as "Citizens Forum", "Farm Forum", etc.?

The WITNESS: Usually each year the C.B.C. puts out a general pamphlet relating to such programs but the detailed work for the material on the individual programs is done by the Canadian Adult Education Association. We neither pay for this material nor do we compile it. It is the same in the case of "Farm Forum". We put out a schedule of yearly programs, but the material for each is handled by the "Farm Forum" people themselves.

Mr. DINSDALE: Is it possible to get an itemized statement of how this figure is broken down?

The WITNESS: Yes, we could give you a statement which would include small items other than those which I have mentioned.

Mr. DINSDALE: I would appreciate it if that could be done.

The WITNESS: Very well.

Mr. GOODE: Mr. Dunton was going to give the television income from CBUT.

The WITNESS: It is at the rate now of just a little over $300,000 a year.

Mr. REINKE: I move we adjourn.

The CHAIRMAN: We have a motion to adjourn by Mr. Reinke. Tomorrow we shall meet at 11 a.m. sharp.

# EVIDENCE

May 13 1955.
11.00 a.m.

The CHAIRMAN: Order, gentlemen, we have a quorum. I understand that Mr. Goode asked a few questions, Mr. Dunton, about the value of the British equipment which the C.B.C. has purchased. Can you answer that?

Mr. OUIMET: I have the answer regarding television equipment purchased from British manufacturers since the start of television in Canada. I can give only an approximate figure, and it is of the order of $2-1/2 million.

Mr. GOODE: What has been the total amount of television equipment bought by the corporation in the same period, in round figures? Can the corporation give me an estimate of the percentage of British television equipment which that figure represents?

Mr. OUIMET: I would say that it is less than half—probably around one third.

Mr. GOODE: What about the other two thirds—how do you divide it up? Does the larger part of that come from Canada or the United States?

Mr. OUIMET: Practically all of it would come from Canadian suppliers but as I said yesterday the Canadian suppliers may manufacture the equipment here in whole or in part, or they may in turn import from the United States.

Mr. KNIGHT: Is this direct importation by ourselves?

Mr. OUIMET: Direct importation by the Canadian companies who act as agents and instal the equipment.

Mr. GOODE: In any event most of these purchases are made on tender?

Mr. OUIMET: You could say that practically all of it is.

**Mr. A. Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation, called:**

The WITNESS: We have some information in answer to Mr. Dinsdale's request for a breakdown of Press and Information Division expenditures.

The CHAIRMAN: Have you copies for distribution?

The WITNESS: Yes there are two sheets—one for sound and common services, the other for television.

The CHAIRMAN: Would you like this information put on the record?

Mr. DINSDALE: Yes.

The CHAIRMAN: Does the committee agree?

Agreed.

*By Mr. Goode:*

Q. With regard to the sheet on sound broadcasting Mr. Dunton. Item 441, reads: "Telegraphs and Cables $2,376." That seems a tremendous amount. What would that be for?—A. At times this division has to transmit information by wire—information of various sorts which is urgently needed.

Q. Where to? In Canada?—A. Yes, I think everything would be in Canada. Information relating to quick program changes for the C.B.C. Times, and that sort of thing.

Q. Yet the same charge under television is only $43. Would there be no quick changes in that?—A. As was said yesterday the expenditure under sound broadcasting really covers both sound and common services. The item we have down for sound would cover all the editions of the C.B.C. Times across the country, and that of course contains both television and sound information. The small amount under the heading Television would only apply to matters specifically related to television.

Q. Is there any policy as far the C.B.C. is concerned about the use of telegraph companies? Do you use the goverment telegraph company, or both? —A. Both are used.

*By Mr. Monteith:*

Q. What is the difference between "duty entertainment" and any other kind of entertainment?—A. It is the only kind we have in the C.B.C.

Q. I am just wondering why the Press and Information Service should be eight times as expensive in sound broadcasting as in television. I thought everything was much more expensive in television.—A. I think, as we explained yesterday—and it applies particularly in this case—this heading "Sound Broadcasting" should be "Sound Broadcasting and Common Services". This really covers the general activities of the corporation.

*By Mr. Dinsdale:*

Q. Let me refer to item 411; "Salaries—$196,000"; as you explained yesterday that includes librarians and so forth. Is it not rather a misnomer to have those salaries included under Press and Information?—A. As I explained, perhaps the misnaming occurs in the naming of the division. Perhaps we should have some other name. As I explained yesterday the division groups a lot of services which are not strictly concerned with information. The department is responsible for many activities inside the corporation and it is just a convenience that it should be regarded a division specializing in narrower range of services. As an example of one of its activities I would mention that it is estimated we receive about half a million letters a year and of these some 50,000 require a really thoughtful answer, and to provide such answers investigation is needed. In addition I think we receive some 100,000 telephone calls of the same sort, raising questions or wanting information, and that sort of thing requires a fairly large staff to handle properly.

Q. It seems to me that Item 313—Photographic and Art Work—could be placed in the same category. I take that that concerns the actual preparation of your programs?—A. No, it would not be that. It would be photographs and that sort of thing largely for our publications. In addition the division sends out some material—mats and the like particularly—to weekly papers which request such a service. This is largely the promotion of Canadian artists.

Q. What about items 293 and 223 concerning the rental of equipment and the rental of buildings or floor space. Would the item with regard to rental of equipment imply equipment for programs?—A. The small item with regard to equipment—or the several items—relates to the displays. The division has put on displays and set up booths at various exhibitins such as the Canadian National Exhibitions and some of the winter fairs and ploughing matches and the public displayed a great deal of interest in them. Quite often programs have been put on from some of these exhibitions so that people can see what the operation looks like, and there have been some charges for equipment in connection with that.

*By Mr. Goode:*

Q. You have items here of $20,000 for advertising. Do you use an agency, or does your own staff do the work?—A. It goes through an agency.

Q. Through one agency?—A. At the present time one agency has been doing this work. As you see this is rather a small amount of advertising. But we are not tied in any way exclusively to one agency. We have over the years used more than one agency, but just recently one has been used.

*By Mr. Monteith:*

Q. What type of advertising would this be?—A. It is largely related to program informtaion. For example some advertisements were published at the beginning of last year in the Toronto area announcing the new program schedule and telling the public what it was going to be like. Sometimes advertising will draw attention to special transmissions such as the Coronation broadcast; or when one of our new stations is to open there are advertisements drawing attention to the service that will be supplied. We do not carry on any regular promotion campaign through advertising.

*By Mr. Dinsdale:*

Q. Item 433—Postage and Excise. Are the postal charges involved in connection with the international service included under that item?—A. No. This is an entirely domestic service and we of course as a corporation pay postage.

*By Mr. Monteith:*

Q. I am assuming that the travelling expenses are distributed over various departments in the same way as salaries. The same explanation would apply to travelling?—A. Yes. You can imagine the sort of travelling which has to take place. At times the people employed in this division must meet together; the head people from different areas would naturally meet to discuss both sound and television matters.

Q. And, for arguments sake, there would be travelling in some of these other categories—engineering for instance?—A. There is travelling involved in every department.

Q. This is more the executive type of travelling?—A. Press and Information Division travelling. For instance, Mr. Frazer quite often and quite properly has to visit Montreal and other centres and do a certain amount of travelling around the country. The item in respect of those expenses would appear here.

Q. Travelling in connection with general administration would appear elsewhere under general administration expenditure?—A. Yes. Under administration.

*By Mr. Dinsdale:*

Q. Mr. Dunton, I assume that Mr. Frazer is not responsible for all those activities itemized in these two lists here. Is he responsible, for instance, for the internal library and information service?—A. His division is, yes. It comes under him.

Q. It is not a part of programming?—A. No. As I say, it has been found more convenient to have that handled by his department. As you can see, it is a form of information. They arrange for subscriptions to all periodicals which are needed; there is a certain amount of background information, but a lot of it is current information. Unfortunately we cannot afford to keep up a big reference library on general subjects.

Q. Mr. Frazer supplies that information to the organization, internally, for program purposes as well as supplying information outside the organization? —A. As I was saying, a lot of the work of the division is concerned with making information available inside the corporation—helping to keep the different parts informed of what is going on—which is not related to the public.

*By Mr. Boisvert:*

Q. Mr. Chairman, I wonder if Mr. Dutton would tell us what type of displays and exhibits are covered by item 312?—A. As we explained we have had exhibits in the Canadian National Exhibition and other big fairs, winter fairs and plowing matches because we have found that the public are interested in getting some idea of how the C.B.C. works.

Q. How about item 313, "Photographic and Art Work"?—A. That would be related to the photographs and that sort of material for publications and some of that goes out to weeklies particularly "mats" and photographs of Canadian artists such as appear in the annual report; for instance, the cost of the annual report is in here and all publications put out by the corporation.

Mr. BOISVERT: Thank you.

The CHAIRMAN: Are there any other questions on this presentation?

*By Mr. Monteith:*

Q. I wonder if we could have a summary of the total travelling expenses summarizing the travelling items under each of these headings as well as the duty entertainment and salaries; total salaries, total duty entertainment and total travelling?—A. Yes, we can have that done.

The CHAIRMAN: Do you have any questions on this report of P. S. Ross and Sons, chartered accountants? I understand you wished to ask some questions on that.

*By Mr. Monteith:*

Q. I just have one or two questions, Mr. Chairman. I notice that they finish up in their letter with the words: "We shall be pleased to supply you with any further information you may require relating to the foregoing". I am assuming that there are further requests going to them or something of that nature and that they are progressing further in their investigation?

Mr. OUIMET: That is correct. We have asked them to look into the practical problems of applying some of their suggestions in order to decide whether or not we will accept them. It comes down to a question of verifying first of all the need for what has been suggested, and secondly the cost of doing it; furthermore of assessing the practicality of carrying out any major change at a time when the whole accounting machinery has a very heavy load to take care of because of the advent of television. We are actually getting into some of the more practical problems now. I have not had any discussions with our consultants recently on the matter but I expect to have and will decide then how much further we will go. Their work is finished as far as their survey of the system is concerned as to whether or not the system should be modified. They have made suggestions and now we want more detail about those suggestions.

Mr. MONTEITH: Am I right in assuming that your budgeting, as in the past, has been drawn up more or less with the idea of deciding your cash requirements rather than budgeting on a straight profit and loss as one would in a private corporation?

Mr. OUIMET: You see, in a corporation such as ours, we have to make a general plan at the beginning of the year to determine what our program schedules will be and whether we will extend service. Then while this plan is being carried out according to a budget determined at the beginning of the

year, there is a question of making sure that we are staying within that plan in terms of program performance or technical operations and also within the terms of the money made available to us. Our type of business is far from being a routine business because every program changes every 15 minutes every day in every week. On the other hand, the cost of the programs remains pretty well the same from week to week. Many of our charges are fixed charges. We know exactly how much it costs to run a transmitter. We have a certain staff,—except in the case of television where it has been growing very rapidly; but in the case of radio it is fairly stable. The variable elements are with respect to programs which vary individually, but even out in total, week to week and month to month. At the beginning of the year we set out our budgets and allocate amounts for each division and each point. Then it is a question of making sure to give the best possible program service within that amount. If something happens during the year where commercial revenues drop below provisions, we may have in business where the trade goes up and readjustments as you would have in business where the trade goes up and down fluctuating, if not from day to day, certainly from week to week. Where you have more materials to buy if your sales are greater. Our operation lends itself to long term planning.

Mr. MONTEITH: I can understand that, but is not the thinking in the back of your minds when you are preparing this budget more what your cash requirements and cash spending are going to be?

Mr. OUIMET: Yes.

Mr. MONTEITH: Rather than from a straight profit and loss angle?

Mr. OUIMET: Quite right. We have to consider though the same problem of whether we are going to budget for a surplus, a deficit, or come out even.

Mr. MONTEITH: For instance, in your budget you take into consideration capital expenditures which eventually end up as an asset?

Mr. OUIMET: Yes.

Mr. MONTEITH: So you must be budgeting for a cash expenditure and it is not an expense item?

Mr. OUIMET: That is right.

The WITNESS: In our general thinking we have to be quite a lot different from a private organization or government department. If we see, as we have in several past years, the possibilities of considerably more cash we do not raise our expenditures up to that amount at all. We are working in terms of a general plan and policy over a number of years and we may, as we have done over several years, plan to spend a good deal less money than we see coming in that year. We are looking ahead.

Mr. MONTEITH: The fact that you had so much more money this year had no effect on your expenditures?

The WITNESS: No, that is a good example of it.

Mr. OUIMET: We may budget for a deficit or a surplus at the beginning of the year.

Mr. MONTEITH: Cash-wise?

Mr. OUIMET: Cash-wise or otherwise. All these things are related whether on a cash or on any other basis.

Mr. MONTEITH: I do not think I have much more on this report. P. S. Ross and Sons point out on page 1 of their letter:

> In particular we have considered whether the corporation's system of accounts should be maintained on a "cash" basis or on an "accrual" basis or whether some other basis should be used.

Then they come along and they recommend the commitment basis.

Mr. OUIMET: That is correct.

Mr. MONTEITH: Then they say in the last paragraph on the first page:

> The form of presentation of the annual financial statements is not followed in the monthly financial statements submitted to the management of the corporation.

I can see your thinking on it, but my thought is that in the last analysis the figure at the end of the page showing a profit and loss is the one that counts. That is why I think the accrual basis should be very seriously considered.

Mr. OUIMET: It was the opinion of the people we consulted that we were getting all this information in any case through our system.

Mr. MONTEITH: Yes, but I would say in that respect that your present system is open to a fair degree of error.

Mr. OUIMET: In control?

Mr. MONTEITH: Yes.

Mr. OUIMET: We have very close control of every phase of operation in terms of our budget allocations, cash and commitment system. We know the exact position, particularly in television, and are extending it to radio. When we started television we knew it would be a very complex operation and we set up the commitment system immediately. We know beforehand how much each program will cost, with detailed estimates. Each sub-department has to work within strict allocations and all expenditures are controlled under a very strict system of cost accounting where we know the exact cost, even to that portion of my salary which should go to a particular program. It is a very complete system.

Mr. MONTEITH: Even though you do not immediately bring your invoices under control because the end of each month you accrue those in a lump sum? Is that not right?

Mr. OUIMET: We know more than that. The invoice to us is only one of the stages in the process of a commitment to the point of liquidation. We control the commitment at the time the order is made. If we order a transmitter we may not have the invoice for six months but the important thing is we have spent $175,000 and it should not be committed for anything else. We know that very accurately. Then later on in the process we get the invoice. The invoice has got to go through to be certofied and approved. Take the case of a transmitter; before it is paid, even if it is delivered, we have to make tests which might take 2, 3 or 4 weeks before we decide we will pay and are sure the goods are acceptable. We have the control at the commitment end and at the cash end and can at any time make a quick check to see what invoices are in or are not in. Furthermore, the only difference between our present system and the accrual system would be a few days gain in the financial process towards liquidation because once the invoices are in the hands of the treasurer after certification it is just a matter of a few days before they will get paid so the cash system is perhaps a week or two weeks behind the accrual. It depends on the type of invoice. But generally it is a relatively short interval in the total gap between the times of commitment and payment and we have control at both ends.

Mr. MONTEITH: If you have such a complete control why should the Auditor General in his statement then say the system is not conducive to satisfactory auditing?

Mr. OUIMET: I think myself it is not conducive to the quickest or most satisfactory audit from their point of view. If they come in at any time

they might find it more difficult to audit our system and take more time than if it was kept on the basis you suggested, but that does not affect our control.

Mr. RICHARD (*Ottawa East*): Are you saying that the system you are using is very satisfactory to you from the point of view of operation, but it may be more complicated for the man who wants to make an audit?

Mr. OUIMET: That is true, definitely true!

Mr. BOISVERT: Did the corporation give any consideration to the opinions expressed by P. S. Ross & Sons? Page 3, paragraph 1 of their letter reads as follows:

> In our opinion the most effective control can be exercised only through the proceedures of recording commitments against appropriations and we suggest that consideration should be given to an extension of the commitment accounting procedures to the records pertaining to the sound service and the international service.

Mr. OUIMET: As this paragraph says, we already had instituted the commitment system on the television side, and we were waiting for the results of our own experience before extending it to the sound and international service. Even before we received this report, instructions had been given to start the delegation of authority and the decentralization of some of the accountants to permit accounting on the commitment basis. When you work on a cash basis, you can do that centrally from headquarters, but for control purposes, on a commitment basis, you have to decentralize to the operating points, and this was in process even before this recommendation was made. Therefore the report only confirmed what we were doing.

There are certain things at the end of the report where it is recommended that we go still further. These are some of the things we have yet to consider. My own impression of these accounting recommendations is very much the same as it would be of engineering recommendations. You can do it the perfect way, but usually the perfect way costs a little more than the practical way.

Mr. MONTEITH: I will go along with you there. I do not think I have any other questions.

The CHAIRMAN: Are there any more questions?

Mr. GOODE: The tone of this report is very favourable to the C.B.C.; and the facts brought out by Mr. Monteith in his very able questioning have proven that point. While most of us are not accountants, we can certainly understand common sense when we hear it, and speaking for myself I am quite satisfied that the C.B.C. have everything under control.

Mr. MONTEITH: I think there is some question however of delinquency in getting that situation corrected.

Mr. CARTER: Is this report to be part of the record, Mr. Chairman?

The CHAIRMAN: No. Are there any other questions?

Mr. DINSDALE: At page 48 of the report—apparently Mr. Monteith has some further questions to ask on the balance sheet.

Mr. MONTEITH: I have just one or two questions on the liability side, and that will clear up the balance sheet. Getting back to the superannuation fund, I notice there is an expenditure charged of $30,000 for amortization of pension expenditures. Where was that set up? Was it in the deferred assets? How much is still unamortized?

Mr. BOISVERT: Would you please indicate the page in the report you are referring to?

Mr. MONTEITH: Yes. I am referring to page 48 of the annual report, at the bottom of the page where it mentions "Amortization of Pension Expense, $30,000". Now I go back to the balance sheet.

Mr. BOISVERT: Is that in the last report?

The CHAIRMAN: Yes, the last report, the annual report for 1953-54.

Mr. MONTEITH: On page 48 there is shown "Amortization of Pension Expense, $30,000." I am assuming that it is in other administrative expenses some place; but when you originally paid out the amount you are now taking as $30,000 in this particular year, you took it out of deferred assets and charged it to expenditures. Am I right?

Mr. OUIMET: That is correct.

Mr. MONTEITH: How much is there still to be amortized?

Mr. OUIMET: I understand that there is only one more year to go to amortize the past services, and the amount would be in the order of $20,000.

Mr. MONTEITH: That would clean up the past services?

Mr. OUIMET: Yes.

Mr. MONTEITH: Yesterday Mr. Dunton mentioned that this was an annuity type of pension. What did he mean?

The WITNESS: I meant that it does not operate through its own fund. The annuities are purchased first from the government, and those in excess of the government limit are purchased from insurance companies.

Mr. MONTEITH: They would be purchased annually, and you would pay the government and the insurance companies for them annually, for the current contributions?

Mr. OUIMET: May I ask Mr. Marcel Carter, one of our executive assistants, to give you some more details of the pension scheme.

Mr. MARCEL CARTER (*Executive Assistant*): Contributions for the pension fund are deducted from the salary of the employee. Some contributions are deducted monthly from the salaries of employees and are turned over to the annuities branch of the government and to the insurance companies. The corporation periodically—I believe every three months—meets the total of the contributions of the employees.

Mr. MONTEITH: Through the same source?

Mr. MARCEL CARTER: Yes; and an annual statement is made on each individual account.

Mr. MONTEITH: At the end of 1955 all the past service will be paid up, and annually there after you will be on a current basis?

Mr. MARCEL CARTER: Yes.

Mr. MONTEITH: All these accounts payable are for trading accounts, I presume. What are your terms of payment? How do you pay? Is it on the fifteenth of the following month, or on the thirtieth of the following month?

Mr. H. BRAMAH (*Treasurer of the Canadian Broadcasting Corporation*): We have no set day, but we do try to get everything paid within thirty days provided we have the information available. Sometimes invoices do not get to us and of course we cannot pay them.

Mr. OUIMET: I gave you an example in the case of the transmitter equipment which had first to be checked and tested.

Mr. MONTEITH: In respect of the loans from the Government of Canada I notice that at the end of the 1952 year the total sound loan was $3,250,000, which remained the same right up to the end of the 1954 year. At the end of 1952, under television, you had $6 million. You borrowed an additional $2 million in 1953, and an additional $4,750,000 in 1954.

I notice you also have your investments on the assets side, and you have government of Canada loans to an amount of $16 million; some of those interest rates are up as high as four per cent. What are you receiving on your investments on the assets side?

Mr. OUIMET: Generally I can say that it varies with the kind of issue that we can buy; some are at 3 per cent, 2¾ per cent and 2¼ per cent.

Mr. MONTEITH: Is it particularly sound business to have these investments, and to be paying the government four per cent?

Mr. OUIMET: I wish there was another way of doing it.

The WITNESS: This is cash being held for capital commitments which we are going to make; therefore we have to buy very short term issues in order to hold this cash, knowing we are going to need it fairly soon. For that reason we cannot get the same rate of interest that is charged by the government. They charge us at a long term rate of interest.

Mr. MONTEITH: Are you going to spend $9 million this year up to the thirty first of March, 1955 on capital expenditures?

The WITNESS: No, not this year, but over the next two or three years ahead.

Mr. MONTEITH: You will spend $4,750,000 by the end of March, 1955?

Mr. OUIMET: This $4,750,000 will cover various projects which are under way, and it is sometimes difficult to say whether they will take eleven months or thirteen months, and that is enough to put you into the next fiscal year. But these loans are for specific projects which are under way, and it will not take three or four years to spend that money.

Mr. MONTEITH: At the same time you had $9 million invested at from anywhere up to three percent. Let us say, for the sake of argument, that you are piling up money a year ahead of your actual requirements.

Mr. OUIMET: No, no. There is an overlap between years, due to the fact that we have to get this loan at particular times during the year; there may be overlap between two years, sometimes between three years; but the total amount we borrow is never more than, of course, what we need, because we have to pay interest on these things, as you can see. Furthermore we have to reimburse the principal sum, starting, I believe, this year.

Mr. MONTEITH: You have got $5 million cash, and $9 million invested, making a total of $14 million.

Mr. OUIMET: We need quite a bit of cash as working capital.

Mr. MONTEITH: All right, but that would not be more than a couple of million, would it?

Mr. OUIMET: It is around that order.

Mr. MONTEITH: Let us say two or three million; and if you take two or three million off, that still leaves you $11 million or $12 million which you have actually available in cash or bonds. Why would you borrow that $4,750,000 from the government since, on your requirements, you do not need it in the whole year 1955?

The WITNESS: If we are going, as we have gone, into big capital expeditures for television equipment across the country, we cannot do it any other way and be absolutely certain that we have a loan from the government with which to carry out these projects.

Mr. MONTEITH: The loan is authorized, but you do not have to take it.

The WITNESS: You have to take it from the government in the year in which it is authorized, otherwise it lapses, and then where would we be left? Somebody points out that we are getting right back to this "cash" question.

We have to take the loan in the year it is authorized, otherwise it lapses and we are left with big capital commitments and no money in sight.

Mr. MONTEITH: I never knew of a private corporation which was financed quite as easily.

Mr. OUIMET: We may want to start on a project which may cost $2 million. Before we start it we want to be sure that we have the money. If we do not take the money, the loan lapses, and we are no longer sure of getting it. Nevertheless the project is committed. We could not operate in that way. If we attempted to do so we would be taking too great a risk, and we might not be able to pay.

The Hon. Mr. MCCANN: As you know, they cannot go to the bank at any time and borrow.

Mr. MONTEITH: I appreciate that; but I cannot see why there should be $16 million on the liability side for which they are having to pay four per cent, and there is $14 million on the asset side on which they are getting very, very much less.

The WITNESS: I think it is less than four.

Mr. MONTEITH: The average loan is either four or up to four.

Hon. Mr. MCCANN: It is four or higher.

Mr. OUIMET: We would be glad to get a lower rate on our loans.

Hon. Mr. MCCANN: You get the same rate on your loan from the government as is given to other corporations to whom we loan money. There is well established policy on that.

Mr. MONTEITH: You made a profit last year of some $6,500,000; and when you went into this year, 1954—that is ending 1954—I am arguing that you did not know how your year was going to finish up. You did not know what television sales were going to be; and as a consequence you did not know what your income was going to be.

Mr. OUIMET: We budgeted for a surplus, but not that much. The interest of the Canadian people in buying television was even greater than the most optimistic expectations.

Mr. GOODE: And a good share of it came from British Columbia!

Mr. DINSDALE: Hear, hear, Tom!

Mr. MONTEITH: Is it assumed on account of this profit that has accumulated that it will be used for some future capital expenditure instead of making special votes for it?

Mr. OUIMET: That is correct.

Mr. MONTEITH: Are you going to undertake to pay off any of the old loans you have made?

Mr. OUIMET: We are starting to pay next year the first payment of principal on the first loan, and then we have some 23 years of fairly large payments to make.

Mr. MONTEITH: I think you are going to have 23 years of pretty easy going if this keeps up.

Hon. Mr. MCCANN: May I ask you a question, Mr. Monteith? I am not an accountant; you are. Is it properly called a profit?

Mr. MONTEITH: No, it is tax money that the Canadian citizens are paying.

Hon. Mr. MCCANN: That is right, that is where it came from,—taxes—but it is not an operating profit.

Mr. MONTEITH: Well, it would be run better on a straight business-like basis, I would think.

Mr. BOISVERT: But it is.

Hon. Mr. MCCANN: I do not think there is anything there that is not business-like.

Mr. MONTEITH: I am referring to the profit—it is a profit in that year.

Hon. Mr. MCCANN: Call it a profit if you want, but it is not an operating profit.

Mr. MONTEITH: Well, it comes from the taxpayers, that is true.

Hon. Mr. MCCANN: All the money in the country comes from the taxpayers.

Mr. OUIMET: In connection with this matter one point which must not be forgotten is that all our expenditures, both operating and capital for new projects and development, finally come from our annual revenues. This is because the loan we have to make if we do not have enough money to meet capital expenditures must be repaid out of operating revenue in future years. Thus in the average we must always make operating surpluses from year to year if we are going to finally pay for all our capital development.

Mr. MONTEITH: Yes. Your reserve for depreciation is presumed to look after paying off the loans—the money is there which was actually spent on the capital projects; that is the theory of depreciation. You are supposed to provide money to pay it off.

Mr. OUIMET: If you fund it, or if you can borrow on your assets, yes. But in our case our assets will just keep going up unless depreciated at a very fast rate. Since we cannot borrow on our assets, our surplus is going to increase as we build new things with money coming from our operating revenue. You see, it is an entirely different thing from the usual commercial company.

Mr. MONTEITH: In my opinion it is still a business project.

Mr. OUIMET: It is run on a business basis, but under conditions which are not usually found in a normal business.

Mr. MONTEITH: I still do not see why you have to borrow so much money, however—

Mr. GOODE: Mr. Monteith, maybe you and I can look forward to the time when we get a commitment from the C.B.C. to the government of Canada that they would be willing to accept less money from us than they are receiving now.

Mr. MONTEITH: That will be the day! Under devaluation of investments you just automatically adjust that every year to bring it down to the market value?

Mr. BRAMAH: Yes, sir, that is right.

Mr. MONTEITH: And this reserve for Capital Development at the end of 1951-52 was $3,000,000, was unchanged in 1952-53 and an item of $1 million was charged to surplus in the year 1954. What is the capital development and why was it increased a million in the last year?

Mr. OUIMET: It is simply because we foresaw that we would have to do more things capital-wise than had been foreseen the previous year and we allocated part of our operating surplus to that reserve.

Mr. MONTEITH: You have to spend more money on capital than you have been authorized to do under the special loan, is that it?

The WITNESS: You will notice that comes from the sound broadcasting balance sheet. That is really an accumulated surplus in sound which is ear-

marked for use on capital. We have not borrowed any money for capital development in sound for a long time. That is earmarked by the corporation for capital needs in sound.

Mr. MONTEITH: I think that is all I have to say about the balance sheet, Mr. Chairman.

*By Mr. Carter:*

Q. I wonder if the witness could tell use what his predictions are concerning the sale of television sets for the coming year, and how it compares with last year? Do you expect your revenue for the current year to be the same as the revenue for the previous year, or do you expect it to be lower or higher? —A. It is very hard for us to estimate that accurately at all, as we can do with our own operations. This is a guess as to the radio and television sets which the Canadian public will buy, and the price which they will pay for them and so on. Our guess is that the revenue on the television side will be down a little from the past year which was extremely high because of the great rush to buy sets as the general manager pointed out. We find it particularly difficult to estimate concerning radio sets although we think it may be down a little bit again this year. However, it may be about the same as for 1954-55.

Q. Have you given any thought to long-term predictions for periods of perhaps three or four years ahead as to what likely would be the trend in television?—A. We have tried to do some guessing and it is difficult for us to see that there will not be a considerable drop in the yield of the excise tax on television sets simply because such a high proportion of the public will have bought television sets. It is difficult to predict with any accuracy but as we see the percentage in areas served by television or shortly to be served growing it simply means there are less potential customers left, and therefore the figure is bound to come down.

Q. Are there any figures on the average price of the sets which the public buy?—A. Our people have done some work on it, but it is difficult to do and they have not been able to come up with any really accurate figure.

Mr. OUIMET: The important factor there is that it has been coming down; the average price has been coming down considerably over the years.

Mr. CARTER: With lower prices and lower revenues.

Mr. OUIMET: A lower revenue per set.

Mr. CARTER: The point I am trying to make is this; even if the number of sets sold keeps up, there will be a drop in revenue because of the tendency toward lower prices?

The WITNESS: That is right.

*By Mr. Goode:*

Q. That does not cover the situation entirely because the more private stations which are set up in Canada the more sets are going to be sold and the more money the C.B.C. will get?—A. In a number of areas in Canada where there is only one station, sales of sets have been greater than in corresponding areas in the United States where there may be more than one station.

Mr. BOISVERT: Have you any idea of the number of sets in operation at the present time?

The WITNESS: It is around 1,400,000.

*By Mr. Studer:*

Q. I understand that television facilities are available to 75 per cent of the people now?—A. Just about that number.

Q. That would be an indication of what the prospects are for the future, would it not? Only 25 per cent of the people are now left without any service.

That figure would indicate the prospect for the future.—A. In general of that 75 per cent who are now served about 50 per cent are estimated to have bought sets, making this a question of how high that percentage will go. We think it will rise very high—to 80 or 90 per cent at least; and then there are some more areas to be covered. But the potential market is not as big as it was two years ago by any means.

Mr. OUIMET: If you take the total number of homes in the country—about 3,800,000 homes—and if you take 75 per cent of that number within the coverage area of transmission it comes to something of the order of 2,800,000, and we have about 1,400,000 sets now, so we are at the 50 per cent mark. As far as those areas covered by television are concerned, obviously it is easier to cover the first 50 per cent than it is to cover the last; as a matter of fact you will never attain complete coverage or complete saturation of those areas. So in terms of sales, obviously volume has to ease down—I would say possibly in the next few months.

*By Mr. Goode:*

Q. Then what would be the position of the C.B.C. when this source of incoming monies is exhausted? It will have to come back to the government of Canada for more money than it is getting now. That is the position is it not? —A. It looks to us as if it is inevitable that the yield of the excise tax will go down somewhat.

*By Mr. Dinsdale:*

Q. On this point I am curious to know if the C.B.C. has done any preliminary thinking in connection with this "pay as you see" approach to television?—A. We have done quite a lot of thinking and studying on it.

Q. Have you drawn any conclusions with regard to your television problems?—A. We cannot see how it can apply to national television in Canada. All sorts of questions would arise. In some areas free television would be available from the United States. It would be an extremely expensive thing to put in all across the country—to equip every set with it. There are other considerations, such as the question of whether the public would be interested at all, bearing in mind the great nuisance of having to buy cards or put money into a set before programs could be received. So far we have thought that the complications are real enough to prevent any practical consideration of it in relation to national television in Canada.

Mr. STUDER: While the corporation is publicly financed we would have a double "pay as you see" situation.

Mr. DINSDALE: I would gather from your remarks that you have done considerable thinking about this.

The WITNESS: Yes, but I do not say any of our thinking has led to any final conclusion. We have watched with great interest what has been done in the United States, but we have not seen how it can be applied here.

Mr. OUIMET: In the United States "pay as you see" television has been discussed for years. All along they have had the same problems, and the same questions have arisen in their minds as to just how it would work out. It just happens that right at this moment the matter is finally being studied by the FCC and it will be very interesting to see just how long it takes to put "pay as you see" television into operation. And, if they do decide to introduce it, to see whether in practice it has the merits which people claim for it. It is a new thing which reminds me of some of the other developments in electronics or television over the years—usually it takes a long time before they come to a really practical application.

Mr. BOISVERT: Is the Bell Telephone Company not studying the question too?

Mr. OUIMET: They may be, but it would be in connection with one particular system of "pay as you see" TV where the facilities of the telephone company are used to send signals to a receiver for "unscrambling". But there are other systems being used where this would not be necessary.

The WITNESS: The thinking in the United States about "pay as you see" television is largely related to getting the equivalent of admission fees for special performances—big and striking events. There has not been much done about relating it to a general service.

Mr. KNIGHT: If the standard of television in the United States goes on deteriorating I think there will be a lot of people prepared to pay in order not to see it. I myself think there should be a way by which you could pay a little extra and get the thing to stop. I am quite serious about this because I have noticed that a good many organizations in the United States are getting together in order to try to protect themselves against television.

Hon. Mr. MCCANN: If you are still able you can turn it off.

Mr. KNIGHT: Maybe you are in a favourable position. Some members of the committee may still have control of their own sets, but men who have families from the ages of seven to eight up to between nineteen and twenty would probably be prepared to confess that they have not got too much control of the television sets in their own homes.

Mr. DINSDALE: I noticed, Mr. Knight, that the B.B.C. is taking television off the air at certain hours of the day in order to assist parents in controlling their children. Has the C.B.C. contemplated taking similar measures?

*By Mr. Carter:*

Q. Could Mr. Dunton tell us at what time in the future he sees capital expenditure on television levelling off? It has been moving gradually upwards over the past few years.—A. You are referring to capital expenditure?

Q. Yes, to your total cost. Your capital expenditure.—A. With regard to capital the rate to which we must look forward each year will not be increasing, but with respect to the operating costs we will have to contemplate a considerable increase as we proceed to "fill out" the operations of the system as planned now.

Q. Do you contemplate an increase every year?—A. For several years because there are facilities which have been authorized or which are under construction now and as these come into operation the costs in respect of these facilities will increase.

Q. But at the end of that development period, say in four or five years, your expenditure should be uniform year after year?—A. That would depend on general public thinking and policy at the time. As far as we can look ahead now we contemplate the filling out of the system as at present planned.

Q. How long do you think that process will take—to fill out the system as planned?—A. About four years, probably. Again that will depend on circumstances at the time. For instance, in three years we will have the network complete across the country from coast to coast—from Nova Scotia to British Columbia. But by that time additional private stations may have come in in the more outlying areas, and there will be a question of extending the network to them. More of our own stations may be required. We cannot tell exactly what the situation will be.

Q. It will be limited to some extent by the number of channels which are available. There are only a certain number of channels, and when they are used up you cannot go beyond that.—A. That does not really relate to our

problem. In most cases there are plenty of channels available in outlying areas which would cover people who have not got television at all now. If it were decided that the C.B.C. should put in the relay type transmitters which we were discussing earlier in this committee, then of course, additional operating cost would result.

Q. Assuming that your total expenditure for television levels off after four years from now, it will not start to surge up again until colour television comes in?—A. I should have put a *caveat* in all this. What I have said is apart from the question of colour. At some point—I do not think anyone knows when—colour may start to develop fast. It may develop rapidly in the United States and there will undoubtedly be a demand for it here, and the question will then arise whether we should start colour television in Canada. That would depend largely on the question of the production of sets and their cost, and it would of course involve fairly heavy additional expenditures on an operating basis.

Hon. Mr. McCANN: It should be pointed out to Mr. Carter—and I am only suggesting it to Mr. Dunton—that even where we have facilities perhaps we have not looked far enough ahead with reference to capital expenditure. I think that if we are in this business at all we ought to look ahead twenty-five to fifty years. Last year I visited the west and took the opportunity of seeing all the C.B.C. stations. We have a good station in Vancouver and another in Winnipeg, but I do not think we have anything like the facilities, capital-wise which are going to be demanded within a very short time.

Mr. MONTEITH: They have been demanded for Vancouver in this Committee.

Hon. Mr. McCANN: I am glad to hear that. In Vancouver, although we have a splendid property, it lacks sufficient room for studios, and other property round there will have to be bought and extensions made. I am basing that statement on the experience in Toronto. We built a splendid building there on Jarvis Street. We have a grand property which houses both sound radio and television. Before we got through with that we put another two stories on it. Even at that we have had to rent quite a bit of property in Toronto for C.B.C. use. My ideal conception would be that all our facilities should be located within the one block. We have room enough on Jarvis Street if we had the money to proceed. But you have got to do one thing at the time, or at least only a few things at a time. We cannot concentrate all the expenditure in Toronto at the expense of other cities.

I would say that one of the cities which is well equipped with reference to both sound radio and television with respect to capital and facilities is the city of Montreal. We have got as fine a studio in Montreal as there is anywhere in the world. We have not as good studios in the other places I have mentioned—studios which will meet the requirements with reference to operating and capital expenditures which we are going to need within a very few years. So that capital expenditure, I do think, over the next few years, is going to be extensive. Would you agree with me on that, Mr. Dunton?

The WITNESS: Yes, I am glad you said it, too.

Mr. GOODE: I, too, am very pleased that the Hon. Minister said that because it gives me the opening to tell Mr. Dunton that the cost of property in Vancouver is mounting very rapidly and that there is a part of the lower main land of British Columbia called Burnaby where you can buy property and get it at a much more reasonable price than you would have to pay for land in Vancouver, and I am sure that the reception obtained from a station there would be better. I cannot understand why you are buying expensive property down town in the city of Vancouver where I would think the facilities are much more limited than they would be on the eastern boundary of Vancouver. You could buy or build property in Burnaby at a much more favourable location and at perhaps a third of the cost you are going to put in the next few years.

The WITNESS: I think the location we have in Vancouver is a pretty good one, and we were able to purchase economically the shell of a building which is just right for our purposes, and if it is to be extended further I think the cost of land will be relatively small with respect to the total cost.

Mr. MONTEITH: Does this not get back to the point that after all this is not a producer organization in that the money comes from all the taxpayers of Canada and as a consequence all these capital projects and so on have to be considered in the light of just how far the taxpayers will go.

The CHAIRMAN: Are you addressing the question to me, Mr. Dunton or Mr. McCann?

Mr. MONTEITH: Perhaps Dr. McCann.

The WITNESS: I have been suggesting at different times pretty much the same thing. Through the years we think in general the national service will be as good as the television public wish to make it by their contributions plus what we can put into it by work and by commercial activity, but it cannot under Canadian conditions be more than made possible by the means provided. I think it is worth mentioning almost all the funds so far have come from the purchase of television sets apart from the loans, and presumably all the loans will be amortized, if we continue on the same basis, from the television public.

*By Mr. Carter:*

Q. Following up Mr. Goode's thinking, Mr. Dunton, could you tell us how many millions of dollars of expenditure you foresee in Vancouver in the next 2 or 3 years?—A. That would depend on the other circumstance we have been mentioning. We have a plant costing about $1¾ million there now. Our biggest problem is not the capital expenditures but annual operating costs for operating facilities each year. What we will do in Vancouver 2 or 3 years from now will depend on the funds available to the whole system for producing and distributing programs. I would think it would be desirable to have greater facilities in Vancouver in a fairly short time—highly desirable. Whether we will have the funds to build them and then to operate them we do not know.

Q. If you do have the funds what expenditures do you have in mind?—A. The obvious thing is another studio, and very important is additional space for offices and the general administration work. For instance, there will be some distribution down there. It is an important point in the system.

*By Mr. Goode:*

Q. Where are your offices situated in Vancouver now? Are they in the Hotel Vancouver?—A. The regional offices are there.

Q. Why do you keep offices in a very expensive hotel when other facilities might be available or be built perhaps in an outside area like Burnaby—if I might use that name?

Mr. OUIMET: We have found they are not the expensive locations which one would be inclined to think. Over the years the cost of our arrangements in Vancouver, considering the convenience and advantage, has been less than if we had been in some other location.

Mr. GOODE: How much do you pay the Hotel Vancouver?

The WITNESS: It is a good deal lower than we would have to pay now for office space in the larger cities anywhere in Canada.

Mr. GOODE: How much?

Mr. OUIMET: We prefer not to give exact figures on any of our dealings in commercial arrangements.

Mr. GOODE: I think this committee is entitled to know the cost of rental of your office and some studio facilities in the Hotel Vancouver. I am trying to point out—rightly or wrongly—that you could save money in the city of Vancouver. I could be wrong. How much does it cost? I do not want to know exactly to the dollar.

The WITNESS: Mr. Chairman, this is a question which has come up many times and I think that the committee has always granted that it could handicap the corporation if we gave exact figures. We would be glad to give it to Mr. Goode privately.

Mr. GOODE: No. I could not accept it privately because I would want to use it perhaps in this committee. Perhaps I should leave it the way it is. I have some confidence in the C.B.C.

Mr. STUDER: Before the money is all spent in Vancouver would this be an opportune time to ask in relation to that 75 per cent of the people who are in a position to have service from television, either the C.B.C. or some other station, what the plans are in regard to the areas that are not now serviced, or that other 25 per cent of the people that one would think should have the same right to expect facilities? They are taxpayers the way other people are and there may be areas where they would be demanding some service. If it could not be supplied by a private television station they would be expecting the C.B.C. to supply it. Are there any plans in respect to that being advanced or in the making and if so how would it apply? Supposing there was an area of 100,000 people or more, or whatever it might be, who could be supplied television through a C.B.C. station, would it be in their rights that they could apply for service the same as Vancouver applies for service, or Winnipeg or some cities? Those fringe areas I think should have consideration and no doubt have had consideration in your contemplations, but I am living in an area in southwestern Saskatchewan where we have a mountain much higher than that mole hill of Burnaby and we could cover a very extensive area in the Cyprus hills area of the southwestern part of Saskatchewan; a station there would cover over 100,000 people. I was wondering if there are any arrangements where, if it can be shown there are 100,000 or 60,000 or 200,000 people, whichever would be the minimum, whether the C.B.C. at some time would accept an application from the people in that area for service? Perhaps I have not been explaining myself very well.

The WITNESS: I think I understand.

The CHAIRMAN: Have you a particular area in mind?

Mr. STUDER: I would say any area if there was the required minimum number of people, say 100,000; would they have the right to get the service? I have a particular area in mind I can assure you, but I do not want preference to that area or any other. But I think there will be people demanding this service in areas such as my area which has a height of land between 3,000 or 4,000 feet covering a very extensive area for telecasting where perhaps they might have a little more preference over some other.

The WITNESS: Under the present licensing policy areas, other than those in which there are present public or private stations, are open for private applications. Secondly, the C.B.C. is authorized now only to have stations in those six areas. We have no further authorization.

We ourselves think that it would be desirable at some point in the future to help to fill out the coverage in Canada through publicly owned facilities where it has become apparent that others would not be built. But doing that

would depend on our being licensed and authorized to do it, and also very much on the funds which we would need to operate those facilities.

Naturally enough, probably a number of areas would express interest if we had the authorization and the money in sight, but we would then have to consider in what areas we could do the best job; and we would naturally try to bring the service to the most people with the least amount of money.

Let me put it this way: that our general thinking is to serve all possible Canadians with television service as well as with sound broadcasting to the extent to which it can be done through public or private channels, and that it would depend chiefly on the financial resources available.

Mr. STUDER: As far as private services are concerned, one would come to the conclusion, I imagine, that private television would be more interested in places like Vancouver than in other places; and they would hesitate to extend their activities into what might be called the fringe areas. I wonder if in a place where great population is centered it would not be more advisable to leave it to private television to cater to the people there, and have our C.B.C., which is publicly owned and operated, extend its facilities to people who have just as much right to it in those areas where private interests would not enter? One thing must follow another. Perhaps I do not make sense, but there are people who are interested in this matter.

The WITNESS: We need facilities in main regional areas in order to be able to produce programs. But apart from that, the services are being extended now through a great many private stations in areas with populations of different sizes, some pretty big and some a good deal smaller. However, there would still be a cost on the national system whether it was done through private stations or through our own facilities. And we think it is desirable, if possible, to extend the coverage over the country as widely as possible.

Mr. BOISVERT: May we not go back to the financial statement and try to see if we can finish with it today?

The CHAIRMAN: The delay was because of these improvements. I think Mr. Dinsdale has a question.

Mr. DINSDALE: On page 48; I started out a short time ago but perhaps it is now too late to carry on this morning.

The CHAIRMAN: Mr. Carter has a question.

Mr. CARTER: I wanted to make sure that I understood the answer which Mr. Dunton gave to me. He said that the facilities at Vancouver cost around $1¼ million.

The WITNESS: Yes.

Mr. CARTER: A second studio there would cost about the same order?

The WITNESS: Not as much as that.

Mr. OUIMET: No, not as much; let us say, three-quarters of a million dollars.

Mr. CARTER: You say three-quarters of a million dollars, and that would be just for the facilities alone. I would like to ask this one question. It may be that it has already been answered. Mr. Dunton mentioned that coloured television would be the next big climb in expenditure. Has the C.B.C. done any experimenting on it?

The WITNESS: No, because experimenting and research in colour is very expensive. We have not the funds to do it and we do not feel we need to because people in the United States, as well as some others, are putting a great deal of money into it and we study their results.

Hon. Mr. MCCANN: Three years before we started television at all, along with certain members of the Board of Governors I visited New York. We

found at that time that Columbia, Dumont, and National Broadcasting had spent $50 million on experimental work, even before black and white television was anywhere near the stage it is now.

The advice I gave—perhaps it was proper advice—to our directors, was: we have not got that type of money over in Canada; and while we might be accused of hanging on to the apron strings of the United States, we saved this country from $10 million to $20 million on what would have been experimental work. There was the freest interchange between the United States and Canada. There is no tariff on knowledge and scientific development.

Mr. DINSDALE: That is a wonder!

Hon. Mr. MCCANN: They acted more than courteously and honourably with us in making available to us every bit of information there was. The experimental work was done by them and not by us, and it saved us an enormous amount of money.

I was in New York a year ago last fall when I had an opportunity of checking the more recent developments in colour television. A colour TV set at that time was worth about $2,000 or $3,000. But how many people in Canada are in a financial position to purchase a set at that price? There would be just about the same relationship as there is between those who purchase Cadillac cars and those who purchase Fords and Chevrolets. It would depend on the number of people who would be prepared to spend the money. Therefore until we get to the position where colour television sets can be offered to the public at reasonable prices, we will have to get along with black and white.

Mr. MONTEITH: That seems reasonable!

Hon. Mr. MCCANN: That is true; and I figured that the saving to Canada was enormous. Had we been in experimental work—this was all talked over a long while before Dr. Frigon died; and when he retired as General Manager, we kept him on as an officer who was doing planning and giving advice; and it was at that stage that Mr. Ouimet and other officers whom we have in the television field, visited the old country; they visited Italy, France, and the United States; and we sent fellows to New York to attend schools. They went at their own cost in order to learn something about what was entirely a new development in this country. You could not pick up anyone at that time who knew about it. People had to go away and take the training. Then they were given positions with us. That was the time, and Mr. Ouimet was probably better versed in television than any other man in Canada. He went to the old country and made studies and investigations. I thought this would be of interest to the members of the committee. That is why I have related it.

Mr. BOISVERT: I am glad the minister has made that statement. It is a very important one and I think it should be known throughout Canada.

The CHAIRMAN: We have worked quite well this morning, and I must ask the committee if they are through with finances?

Mr. BOISVERT: Yes.

The CHAIRMAN: In the last report of the agenda committee we mentioned the possibility of asking Mr. Browne of the Department of Transport to be here next week. If we finish with finances at the morning sitting on the 17th, we could call Mr. Browne in the afternoon. Do you think we could deal with the financial question in one sitting?

Mr. MONTEITH: Yes.

The CHAIRMAN: Very well. We shall call Mr. Browne for Tuesday afternoon.

Mr. GOODE: We will be here.

# APPENDIX "A"

1. Canadian Broadcasting Corporation—Press and Information Expenditures by Object, Sound Broadcasting and Common Services, from 1st of April 1953 to 31st of March 1954.

2. Canadian Broadcasting Corporation—Press and Information Expenditures by Object, Television Broadcasting, from 1st of April 1953 to 31st of March 1954.

**No. 1**

## CANADIAN BROADCASTING CORPORATION

### PRESS AND INFORMATION EXPENDITURES BY OBJECT

### SOUND BROADCASTING AND COMMON SERVICES

### 1ST APRIL 1953 TO 31ST MARCH 1954

| | *Description* | *Amount* |
|---|---|---|
| 115 | Manuscripts & Plays | $ 780 00 |
| 223 | Rental—Buildings or Floor Space | 749 48 |
| 292 | Blueprints | 15 57 |
| 293 | Rental of Equipment | 116 00 |
| 311 | Advertisements | 6,712 76 |
| 312 | Displays and Exhibits | 9,572 36 |
| 313 | Photographic and Art Work | 33,020 94 |
| 314 | Printing of Schedules, Publications, Etc. | 98,374 98 |
| 315 | Mailing and Handling Charges | 6,547 95 |
| 411 | Salaries | 196,692 33 |
| 412 | Casual Wages | 3,415 11 |
| 413 | Honoraria | 200 00 |
| 414 | Professional Fees and Legal Expense | 138 00 |
| 421 | Traveling Expense | 4,877 70 |
| 422 | Duty Entertainment | 3,203 92 |
| 423 | Removal Expense | 3,275 37 |
| 424 | Membership Fees | 168 34 |
| 425 | Superannuation | 11,688 47 |
| 426 | Unemployment and Group Life | 1,378 02 |
| 428 | Local Transportation | 181 51 |
| 429 | Meal Allowance | 323 75 |
| 431 | Donations and Prizes | 180 50 |
| 432 | Papers, Periodicals and Magazines | 4,469 42 |
| 433 | Postage and Excise | 21,051 78 |
| 434 | Printing and Stationery | 4,627 72 |
| 439 | Incidentals | 1,030 93 |
| 441 | Telegraphs and Cables | 2,376 20 |
| 442 | Telephones | 2,147 86 |
| 512 | Bank Charges | 74 76 |
| 517 | Overhead and Supervision | 13,433 12 |
| | | $ 430,824 85 |

No. 2

## CANADIAN BROADCASTING CORPORATION

PRESS AND INFORMATION EXPENDITURES BY OBJECT

TELEVISION BROADCASTING

1ST APRIL 1953 TO 31ST MARCH 1954

| | *Description* | *Amount* |
|---|---|---|
| 122 | Rental of Halls and Studios | $ 35 00 |
| 293 | Rental of Equipment | 172 82 |
| 311 | Advertisements | 13,123 69 |
| 312 | Displays and Exhibits | 6,650 03 |
| 313 | Photographic and Art Work | 5,923 24 |
| 314 | Printing of Schedules, Publications, etc | 649 66 |
| 411 | Salaries—Personnel Only | 22,341 75 |
| 414 | Professional Fees and Legal Expense | 24 00 |
| 421 | Travelling Expense | 95 60 |
| 422 | Duty Entertainment | 840 72 |
| 424 | Membership Fees | 10 00 |
| 425 | Superannuation | 1,068 22 |
| 426 | Unemployment and Group Life Insurance | 207 60 |
| 428 | Local Transportation | 106 20 |
| 429 | Meal Allowances | 24 40 |
| 432 | Papers, Periodicals and Magazines | 40 04 |
| 434 | Printing and Stationery | 603 35 |
| 439 | Incidentals | 116 13 |
| 441 | Telegraphs and Cables | 43 85 |
| 442 | Telephone | 175 69 |
| | | $ 52,251 99 |

HOUSE OF COMMONS

Second Session—Twenty-second Parliament

1955

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# SPECIAL COMMITTEE

ON

# BROADCASTING

*Chairman:* Dr. PIERRE GAUTHIER

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## MINUTES OF PROCEEDINGS AND EVIDENCE
## No. 8

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## TUESDAY, MAY 17, 1955

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WITNESSES:

A. Davidson Dunton, Chairman of the Board of Governors of the Canadian Broadcasting Corporation.

G. C. W. Browne, Controller of Telecommunications, Department of Transport.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955.

58101—1

SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Dr. Pierre Gauthier

*Vice-Chairman:* Mr. G. D. Weaver

and

Messrs.

Balcer
Beaudry
Boisvert
Bryson
Carter
Cauchon
Decore
Diefenbaker
Dinsdale
Fleming
Gauthier (*Nickel Belt*)
Goode
Hansell
Henry
Holowach
Kirk (*Shelburne-Yarmouth-Clare*)
Knight
McCann
Monteith
Reinke
Richard (*Ottawa East*)
Richardson
Robichaud
Studer

R. J. Gratrix,
*Clerk of the Committee.*

# MINUTES OF PROCEEDINGS

Room 118,
TUESDAY, May 17, 1955.

The Special Committee on Broadcasting met at 11.00 o'clock a.m. this day. Dr. Pierre Gauthier, the Chairman, presided.

*Members present:* Messrs. Boisvert, Bryson, Carter, Cauchon, Fleming, Gauthier (*Nickle Belt*), Goode, Hansell, Henry, Holowach, Knight, McCann, Monteith, Reinke, Richard (*Ottawa East*), Richardson, Studer and Weaver.

*In attendance:* From the Canadian Broadcasting Corporation: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, E. L. Bushnell, Assistant General Manager, W. G. Richardson, Director of Engineering, H. Bramah, Treasurer, S. Schnobb, Assistant Treasurer, R. C. Fraser, Director of Press and Information, D. Manson, Special Consultant, R. E. Keddy, Secretary of the Board of Governors, M. Carter, Executive Assistant, J. P. Gilmore, Coordinator of Television and J. A. Halbert, Assistant Secretary.

Mr. Dunton, in answer to a question asked by Mr. Monteith at the previous sitting, tabled the following documents:

1. Sound Broadcasting and Common Services Expenditures from April 1st, 1953 to March 31st, 1954.
2. Television Service Expenditures from April 1st, 1953 to March 31st, 1954,

and was questioned thereon; Messrs. Ouimet and Bramah answering questions specifically referred to them.

*Ordered,*—That the said documents be printed as part of this day's evidence. (*See Evidence*).

The Committee resumed its detailed examination of the Annual Report 1953-1954 of the Canadian Broadcasting Corporation, the examination of Mr. Dunton continuing thereon. Messrs. Ouimet and Fraser answered questions specifically referred to them.

Mr. Dunton tabled a copy of *"C.B.C. Times"*, copies of which were distributed to members of the Committee, and was examined as to the cost of production and distribution.

A breakdown of the expense items shown in the statement of income and expenses for 1953-1954 of both sound broadcasting and television were ordered and the Clerk of the Committee directed to distribute copies when available to members of the Committee.

In reply to a question asked by Mr. Dinsdale at a previous sitting, Mr. Dunton tabled the following document:

Cost Breakdown for Typical One Hour
C.B.C. Television Drama,

Mr. Ouimet being examined thereon.

*Ordered,*—That the said document be printed as part of this day's evidence. (*See Evidence*)



58101—1½

Pursuant to a decision of the Committee at the previous sitting, it was decided, although the Committee had not completed its detailed examination of the Canadian Broadcasting Corporation Annual Report 1953-1954, to hear Mr. G. C. W. Browne, Controller of the Telecommunications Division, Department of Transport, ordered to appear before the Committee at 3.30 o'clock p.m. this day.

At 12.55 o'clock p.m., the Committee adjourned to meet again at 3.30 o'clock p.m. this day.

## AFTERNOON SITTING

Room 118,
TUESDAY, May 17, 1955.

The Committee resumed at 3.30 o'clock p.m. Dr. Pierre Gauthier, the Chairman, presided.

*Members present:* Messrs. Boisvert, Bryson, Carter, Dinsdale, Fleming, Goode, Hansell, Holowach, Knight, McCann, Monteith, Reinke, Richard (*Ottawa East*), Richardson and Weaver.

*In attendance: Messrs.* G. C. W. Browne, Controller of Telecommunications, C. M. Brant, Superintendent of Radio Regulations, W. B. Smith, Senior Radio Regulations Engineer and F. K. Foster, Radio Regulations Inspector, all of the Department of Transport; and Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, R. C. Fraser, Director of Press and Information, W. G. Richardson, Director of Engineering, R. E. Keddy, Secretary of the Board of Governors and Donald Manson, Special Consultant, all of the Canadian Broadcasting Corporation.

Mr. Browne was called and made a short statement on the administration of the Radio Act and tabled the following documents:

1. List of broadcasting stations in Canada in operation, April 1st 1955.
2. List of changes in Canadian broadcasting stations during the period April 30, 1953 to May 13, 1955.

Copies of the said documents were distributed to members of the Committee and the witness was examined thereon.

Mr. Smith answered questions specifically referred to him.

Mr. Browne tabled copies of application forms for sound broadcasting and television stations.

*Ordered,*—That the said documents be printed as appendices to this day's evidence.

(*Application forms for sound broadcasting—Appendix "A"*

*Application forms for television—Appendix "B"*)

At 5.35 o'clock p.m., the Committee adjourned to meet again at 11.00 o'clock a.m., Thursday, May 19, 1955.

R. J. Gratrix,
*Clerk of the Committee.*

# EVIDENCE

MAY 17, 1955.
11.00 a.m.

The CHAIRMAN: Order, gentlemen, we have a quorum. Mr. Monteith asked for some figures at the last sitting and I understand Mr. Dunton is ready to table them this morning.

**Mr. A. Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation, called:**

The WITNESS: I think Mr. Monteith asked for a breakdown of expenditures under certain headings by divisions and we have those for both sound broadcasting and common services, and for television.

*By Mr. Monteith:*

Q. Have you copies to circulate?—A. Yes, we have enough copies to circulate if you wish.

The CHAIRMAN: There are two sets of figures?

The WITNESS: Yes.

Mr. FLEMING: Will these be put on the record, Mr. Chairman?

The CHAIRMAN: Does the committee agree to have the figures given by Mr. Dunton placed on the record?

Some Hon. MEMBERS: Agreed.

Mr. FLEMING: It might be convenient to have them put on the record at this point as there will be questions following, rather than having them put in as an appendix.

The CHAIRMAN: Yes, we will put them in at this point.

## CANADIAN BROADCASTING CORPORATION SOUND BROADCASTING AND COMMON SERVICES

EXPENDITURES APRIL 1, 1953 TO MARCH 31, 1954

| | Salaries and Casual Wages | Travelling Expenses | Duty Entertainment |
|---|---|---|---|
| Administration | $ 559,975.83 | $ 36,366.36 | $ 11,607.73 |
| Engineering | 2,016,032.85 | 40,402.80 | 430.41 |
| Programs | 2,877,542.90 | 153,396.74 | 8,522.57 |
| Press and Information | 200,107.44 | 4,877.70 | 3,203.92 |
| Commercial | 186,414.95 | 8,793.54 | 875.70 |
| | $ 5,840,073.97 | $ 243,837.14 | $ 24,640.33 |

## CANADIAN BROADCASTING CORPORATION TELEVISION SERVICE

EXPENDITURES APRIL 1, 1953 TO MARCH 31, 1954

| | Salaries and Casual Wages | Travelling Expenses | Duty Entertainment |
|---|---|---|---|
| Administration | $ 17,836.20 | $ 3,193.60 | $ 66.59 |
| Engineering | 947,802.76 | 24,387.57 | 40.86 |
| Programs | 1,579,786.43 | 41,661.79 | 608.56 |
| Press and Information | 22,341.75 | 95.60 | 840.72 |
| Commercial | 20,232.01 | 507.75 | 155.05 |
| | $ 2,587,999.15 | $ 69,846.31 | $ 1,711.78 |

Mr. MONTEITH: Mr. Chairman, in referring to the income and expenditure statement do you wish to start at the top and come down each item in order?

The CHAIRMAN: All right, if you can do it.

Mr. MONTEITH: I suppose we might consider the two statements presented this morning first?

The CHAIRMAN: Yes, that would be in order.

*By Mr. Monteith:*

Q. Why is it, Mr. Chairman, that the entertainment in administration for sound broadcasting is $11,607.73 while in television it is only $66.59?—A. Mr. Chairman this first sheet includes sound broadcasting and common services, and as we explained before, that covers not only direct expenditures for sound, but general corporate expenditures which would not necessarily be charged directly to television. As you know, on the income and expense statement there is a charge back from television to sound covering a share of some of these common expenditures. That is why a heading like administration duty entertainment would be general on behalf of the corporation as a whole.

Q. These are 1954 figures, how are they arrived at?—A. In the first place some services which are common are surveyed by the management from time to time to see what proportion is being used for sound and television and then in addition there is a general overhead charge against television and to sound.

Q. Is it done on a percentage basis?—A. It was worked out last year for that general one as 10 per cent, and it is being resurveyed again for the coming year.

*By Mr. Goode:*

Q. I think before we go into too many figures we should know what duty entertainment means in relation to those figures because anyone reading the record will be astounded at a figure of some $24,000 or $25,000 if they do not know what the item means. Can you tell us in a few words what duty entertainment means?—A. Mr. Chairman, it is any entertainment done on behalf of the corporation. A lot of it would be lunches and that sort of thing paid for by staff members of the C.B.C. for business purposes. Occasionally there would be ceremonies or receptions which the corporation arranges when stations are opened or when there is some important new development. This would cover any expenditure of that sort, but of course would not include travelling.

Q. I do not wish to interrupt the questioning from the other side, but I do wish to say that $24,000 seems like an awful lot of lunches to me, Mr. Dunton.—A. I would say this amount in relation to the size of the corporation as a broadcasting organization is extremely small.

Mr. REINKE: I do, too; I agree with you.

The WITNESS: I know that entertainment always sounds like a dangerous and unnecessary expenditure, but we know from our experience in Canada and in other countries a lot of business and useful discussion in broadcasting is carried on over the lunch or dinner table. I might say from observation that our friends in broadcasting in both private stations in this country and the big American networks with whom we work, and publicly owned organizations in other countries do much more of this sort of thing than we do at times. We have quite a number of visitors from broadcasting organizations from other countries and out of courtesy and usefulness to the organization modest entertainment is provided for them. I know some of us are embarrassed a little bit when we visit some of the friendly organizations elesewhere and find that they do things on a much more generous scale. I am not suggesting we should increase our expenditure for entertainment but it is watched carefully and is all done in the interests of the corporation and not in the interest of fun.

Mr. STUDER: I can almost top that figure just being a member of parliament and not a corporation!

Mr. REINKE: Just go to one of the Speaker's parties!

*By Mr. Monteith:*

Q. Aside from lunches and dinners and so on are there conventions that you attend and do you arrange entertainment for that sort of thing?—A. It would not be very lavish. We usually send representatives for business purposes to conventions of the association of private stations, but at these affairs we do no elaborate entertaining as some organizations do; however, there is a small amount. I cannot think of any other conventions which we hold. Some organizations arrange elaborate entertainment at conventions. At times, for instance, when we meet affiliated stations or people who are doing business with us, we will arrange a reception of some sort, and occasionally when the board of governors has met outside of Ottawa and is desirous of getting to know the problems of an area we have arranged receptions to meet people in the area. We do not do it in Ottawa.

*By Mr. Fleming:*

Q. Leaving out of consideration the matter of conventions and the luncheons and dinners you referred to, Mr. Dunton, you spoke about visitors. We know you do have some of them. What proportion of this amount would go on entertainment of visitors—that is, beyond the luncheon and dinner variety?—A. Visitors from outside of Canada?

Q. Whoever they may be. I did not intend to confine the question. You spoke of entertaining visitors.—A. Yes, it is still that form of thing.

Q. What proportion of it would be spent in that way? Can you just give us some idea of what it amounts to?—A. It would be hard to do so although it could be done. It would be a matter of going through all the vouchers.

Q. But can you be more explicit? What is the type of entertainment and who are the people for whom you arrange entertainment other than lunch or dinner?—A. It would usually be lunch or dinner. I do not want to be too personal, but sometimes when there are senior members or heads of the B.B.C. visiting here an entertainment is provided although it is not elaborate. It does, however, afford an opportunity for him to meet people in Canada and for us to repay some of the hospitality we have received over there. I think it is very useful in relations between the two corporations.

Q. What I was getting at was the type of entertainment you have arranged for under those circumstances?—A. In some cases it has been a lunch or a dinner or in some cases a reception.

Q. I take it you have not brought people here and entertained them on the basis, we will say, of tours or putting them up here for extended periods? —A. No. I think there were two cases when officials were brought here really, I think, arising from discussions at the last Commonwealth Broadcasting Conference. For instance, the head of the Pakistan broadcasting organization was invited to come here for a time to provide information for our International Service particularly and to some extent to our national service about broadcasting in relation to other countries and to the commonwealth and in that case part of the expenses—although just part—was paid.

I cannot think of any other instances when whole tours were paid for for visitors, but when they are here we provide some form of entertainment for them as a courtesy.

Q. What are the instructions given by the corporation with regard to entertainment, and I am concerned particularly to know how far down the official scale entertainment is permitted?—A. We would say it is subject to very careful checking and I would ask the general manager to comment on that.

Mr. OUIMET (*General Manager*): It varies a great deal with the type of business that we have to deal with. This is all duty entertainment or business entertainment and some groups, as you can see on the list, will do less than others. For example, engineers generally have fewer duties of this type than people who would be more in contact with the public. There is no way of setting a definite rule except to have people ask permission to entertain, and that is the way we control it. I mean, you cannot write a verbal description or a specification of the type of entertainment that can be done. They have to ask permission before they commit the corporation.

Mr. FLEMING: How far down in the official scale is entertaining permitted?

Mr. OUIMET: I would say generally it would be restricted to fairly senior officials such as heads of divisions and heads of departments, and anything else would be considered as a special case.

Mr. FLEMING: Any entertainment done in connection with programs would not be regarded as giving entertainment—that would go into the expense of the program?

Mr. OUIMET: No. It would still be called entertainment.

Mr. FLEMING: But there is some entertaining done in connection with the preparation of programs?

Mr. OUIMET: That is correct, but whoever was giving it would have to ask for permission.

The WITNESS: It would be included in this breakdown.

Mr. FLEMING: Do I understand that an official who is presenting a program would have to obtain permission before he undertakes any modest entertainment?

Mr. OUIMET: It would depend on what we are speaking about in terms of the scale of the entertainment. If somebody wanted to hold a dinner for ten in connection with a program he would have to have permission.

The CHAIRMAN: They are keeping good control.

Mr. OUIMET: Mr. Bramah tells me it simply does not happen.

Mr. FLEMING: What does not happen?

Mr. OUIMET: The example I have given is not a very good example because it does not happen.

Mr. FLEMING: This entertainment for ten?

Mr. OUIMET: Yes. These figures must be related to the size of the corporation. We are dealing here with the total duty entertainment expenses of the corporation for all our 22 operating points and our 4,000 employees. I imagine that for the year under consideration the total expenditure was of the order of $25 or $30 million.

Mr. BOISVERT: Did you compare your duty entertainment expenses with the amount spent on entertainment by some other corporation, such as a Crown corporation or some corporation outside?

Mr. OUIMET: No, we have not compared it with other corporations here, but as the chairman has said we have compared it with that of other broadcasting organizations and we know that the scale of what we permit with respect to entertainment is much more modest than the sort of thing other broadcasting organizations seem to be ready to dispense.

Mr. CARTER: Is there any special reason why the C.B.C. does not give receptions in Ottawa? I think it was said that certain receptions were not given in Ottawa.

The WITNESS: It is just because the board meets here more often, and I presume that they have had more chances to meet people here. It has happened on two or three occasions, but by no means on every occasion. When we go to Newfoundland or to Vancouver there is usually entertainment provided for the board and the officials, and it is very useful in many cases to have a reception and meet civic officials and other local people and usually very useful discussions arise at that sort of affair.

Mr. HANSELL: Many years ago an item of this sort was brought up under a previous management and there was some serious criticism levelled at the management at that time and I recall that in that committee the treasurer of that day gave evidence, and was asked if he considered the amount out of line, and I recall that he stated that it was not out of line when it was compared with the expenditure of similar institutions in other corporations. I bring this up only to indicate to you that the criticism from some sources at that time went rather seriously against that previous management. I do not know whether this is out of line or not, but I am saying now that Mr. Dunton's statement would be similar to that of the treasurer some years ago and I hope criticism does not reach the proportions that it did in those days because I believe the management are trying to do the right kind of a job in their public relations, and an item of this kind comes under public relations.

Of course there is another thing which I am concerned about: if we are too harsh in our criticisms, when we go down to Montreal next Friday they may give up porridge for dinner.

The CHAIRMAN: I do not think there is any danger of our having only they may give us porridge for dinner.

Mr. GOODE: I have had quite a lot to do with duty entertainment in one corporation. This figure works out—I am going on a basis of 365 days a year—at about $71 a day. It seems like a lot of money if you consider only the total, but when you get it down to that and take into account the number of the divisions which Mr. Dunton is controlling, I rather think the corporation is keeping the expenditure down to a very reasonable figure. Frankly, if I were trying to criticize this I would have a very difficult job to do it successfully.

The CHAIRMAN: Are there any other questions?

*By Mr. Monteith:*

Q. With regard to travelling expenses, Mr. Chairman, I notice that program travelling costs more than any other category. Travel in relation to engineering

comes next, and Administration follows. Take the heading "Programs". Just what does it mean? Does it represent travelling between here and Montreal, or out to Vancouver?—A. I think this arises basically from the fact that we have to cover the whole of Canada in our programs and Canada is a very big country. A high proportion of this expenditure would represent program operating travel. We have, as members of the committee know, many "actuality programs" in the country. There are many sporting events, many farming activities which go on in different parts of the country and in many of the programs which relate to these activities travelling is the chief item of expenditure because a crew has to go out to get the program. Then there are programs which by their very nature move round the country—talent programs, for example, such as "Opportunity Knocks" which gives amateur talent a chance to appear. A small group of people has to travel around on that program to different parts of the country. Some of the expenditure relates to bringing people in to take part in programs. If it is necessary, for instance, to bring a certain person in for a panel program his expenses have to be paid. Coverage of the coronation would have involved a fairly big expenditure this year. Again this year in such a program as "Pick the Stars", for instance, the travelling expenses involved were fairly high. So a very considerable part of this expenditure would concern travel directly related to the production of programs.

Q. If Mr. Dunton does not know the actual accounting procedure with regard to paying both travelling and duty entertainment expenses, perhaps the treasurer would give us an account of what the procedure is.

Mr. BRAMAH: They are quite separate, Mr. Monteith.

Mr. MONTEITH: I appreciate that.

Mr. BRAMAH: Before a person travels anywhere he has to submit a requisition with respect to that travel in advance. This is considered by the head of the department or by the director of programs, and if it is over $200 it goes to headquarters for special permission to travel. Duty entertainment is separate also, and as Mr. Dunton has mentioned any excessive amount would be specially reviewed; any amount over $100 we would consider very exceptional.

Mr. MONTEITH: What is the procedure if someone has a travel advance—would he actually be given a cheque or cash for, say, $100 as an advance?

Mr. BRAMAH: Yes, and then he would submit a claim in respect of that later.

Mr. MONTEITH: Are any of these advances outstanding all the time?

Mr. BRAMAH: No. There is no permanent standing advance. Each trip has to be accounted for and each trip is settled separately and claims have to be submitted within ten days of returning to base.

*By Mr. Goode:*

Q. This item amounts to approximately $860 a day. That is a little different from the other amount and I admit it is spent for a different purpose but it does seem to me that it is an awful lot of money for travelling expenses. I am working this out on a basis of 365 days a year, though I doubt whether people are in fact travelling every day of the year . . . —A. I would say that every day of the year at least quite a number of the corporation would be travelling.

Q. It amounts to $860 a day and that is an awful lot of money.

Mr. FLEMING: That figure represents the expenditure with regard to sound broadcasting, of course—$240,000. Television expenditure amounts to $70,000.

*By Mr. Goode:*

Q. Yes, this only covers sound broadcasting. I do not know how the television expenditure works out per day, but the combined figure will be

approximately $1,000 a day.—A. It arises from the size of the country which we are trying to cover. I would guess that the B.B.C. has a far smaller proportion of travel expenses because they are operating in a small country. Take for example the British Empire games which the C.B.C. covered last summer. The C.B.C. gave the event big coverage in both sound and television which went all over the world, and I think it was excellent publicity for this country.

Q. For Vancouver it was teriffic publicity. Always put that in.—A. I was relying on you to do that, Mr. Goode.

Q. In order to cover that event 110 people had to go out to Vancouver and live there for some time.

Hon. Mr. McCann: And, for the coronation, we had no mobile wagons in Ottawa, and they had to be brought along with a big staff in order to operate. They had to be here a day previous to the coronation and it took another day or two to get back.

Mr. Goode: We can take it then that it will be an exceptional case where your travelling expenses would be $1,000 a day. What was the figure previously? Have you got it here?

The Witness: A little later, maybe, I shall be able to produce it.

*By Mr. Fleming:*

Q. I was going to ask for the totals of the travelling expenses over two or three years, and for the same information with regard for duty entertainment. What was the total for the two years before this—this year and the two previous years? Will there be much difficulty in getting that information?—A. It could be obtained quite quickly.

*By Mr. Goode:*

Q. When you took a crew from Ottawa to Vancouver, for instance, to cover the Games—did the crew travel on a pass or did you have to pay the railroad fare?—A. We have no passes. We have to pay everything.

Mr. Fleming: And no franking privilege.

The Witness: No, we pay our own postage and our own fares. As I said, we not only have to cover the whole country, but we have to operate across it, and as members of the committee know our two main operating points are Montreal and Toronto, with our head office established by law at Ottawa. We have other fairly big operating points from St. John's to Vancouver and each of these points is part of a whole national organization that is supplying broadcasting to the people in that area. To have an organization that is "live" there should be quite a fair amount of travelling within the organization.

One example which comes to mind is this: we are often criticized about the pronounciation used by announcers on the air. We have one expert in this field and in order to do his work with the announcers he has from time to time to travel across the country to various points. The same thing applies to agricultural broadcasting. The head of that division, if he is going to do his job properly, must from time to time visit the main agricultural regions of the country. The board feels that other senior officials too, should try to get away more often to see what work is being done in the field—get out to the various areas, see the problems there and become familiar with the operations at those points and with the opinions held there. It is also inevitable, unfortunately, that there should be a fair amount of travelling between Montreal, Ottawa and Toronto because the two main operating points and the head office of the corporation are situated in these cities and consultations must take place on all sorts of subjects. Quite a few senior C.B.C. people would be very happy if they could travel less. It is not a question of wanting to travel more.

Mr. OUIMET: We would do a better job if we travelled more, but we have not got the time.

Mr. FLEMING: Would you elaborate on that, Mr. Ouimet?

Mr. OUIMET: Some of us are so busy and so tied up with urgent problems that we have not got the time or the opportunity to visit some of the outlying points as often as we should.

Mr. FLEMING: You are thinking now of supervision—of administration.

Mr. OUIMET: I am thinking of supervision at management level.

Mr. FLEMING: You are thinking of administration?

Mr. OUIMET: Administrative questions generally—management.

Mr. FLEMING: You are not suggesting that more travelling is required for programming, or engineering, or in relation to Press and Information, etc.?

Mr. OUIMET: Some of the senior people in the various divisions could do a little more travelling.

Mr. GOODE: How many times were you in Vancouver during the period covered by these expenses?

Mr. OUIMET: In 1953-54 I was there once, I believe, but I have not been there since.

Mr. MONTEITH: Suppose somebody has to take a taxi cab in Montreal or Toronto. No travel advance would be made with regard to that. How is that expenditure accounted for?

Mr. OUIMET: That is local transportation.

Mr. MONTEITH: Is that separate from travel, or is it included under travelling?

Mr. OUIMET: It depends. In certain cases we have our own vehicles for operating purposes. If crews of men have got to make a local outside broadcast in the city of Toronto, for instance, we would provide a vehicle to carry the men and the equipment to the job, and we will not use a taxi if there is some way out of it. The decision with respect to this is simply made on the basis of what is the most economical way of handling the assignment. In certain cases they must have permission; in other cases where journeys have to be made more frequently people may have authority to go ahead, and then it is checked after it is done.

Mr. MONTEITH: Would that money be paid out of the petty cash fund in the head office concerned?

Mr. OUIMET: Yes.

Mr. CARTER: Can they use deluxe trains?

The WITNESS: If they can afford it.

Mr. FLEMING: I presume we can go back to this subject if there are any further questions that may arise out of the information which Mr. Dunton is giving.

The CHAIRMAN: Yes.

*By Mr. Dinsdale:*

Q. Mr. Dunton referred to the expenditure involved in covering the coronation broadcast. Did we originate the entire coverage with the C.B.C., or did we cooperate with the B.B.C.?—A. No. In television the B.B.C. did what we call the "pick-up," with their cameras, which picked up the whole thing. Our problem was to get it from their control room to Canada and to the screens of Canadian homes as quickly as possible. That involved a very intricate

operation and we had to make arrangements for recording the material in London. A crew went over with recording equipment and made all the complicated transportation arrangements.

Q. They did the actual picking up?—A. Yes.

Q. And they made use of jet aircraft and so on?—A. Yes.

*By Mr. Goode:*

Q. What are the instructions from the executive level in regard to using the government railroad for travel, in preference to the other one, when both railroads serve the same point? Suppose Mr. Ouimet had to go from Ottawa to Vancouver?

Mr. OUIMET: I have not taken the train from Ottawa to Vancouver for quite a long time. The last time I went, I went by plane.

Mr. GOODE: There was no pass?

Mr. OUIMET: No pass!

The WITNESS: There is no policy as to which should be used.

Mr. GOODE: I was hoping that a lot of this $300 thousand would come back to Canada in another way.

Mr. FLEMING: I hope there will be no discrimination against the Canadian Pacific Railway. After all, that company pays taxes.

Mr. GOODE: No one mentioned discrimination. I thought we should help to pay for the Canadian National.

Mr. FLEMING: It is my view that there should not be any discrimination as between the Canadian Pacific and the Canadian National.

The CHAIRMAN: A lot of people who travel from Ottawa to Vancouver take the Canadian Pacific going and the Canadian National coming back. There is no discrimination there.

Mr. HANSELL: They claim that for business men, counting time and everything, it is just as cheap to fly as it is to take the train.

Mr. MONTEITH: It is agreed, as Mr. Fleming suggested, that we can come back to these items when we receive later information?

The CHAIRMAN: Yes.

Mr. MONTEITH: On the over-all picture in sound, commercial broadcasting in 1952 was—

The CHAIRMAN: What page?

*By Mr. Monteith:*

Q. This is in 1952; it was $2,456,431. In 1953, it was $2,513,714. That is an increase of over $900 thousand.

In 1954 it drops back—pardon me that was an increase of over $90,000. I said $900 thousand; in fact, it is an increase of $57,000 roughly.

In 1954 it drops back again to $2,471,000; and at the same time your expenses are continually going up. In 1952 they were $10,674,000 odd; and in 1953 they were $11,389,000 odd; and in 1954 they were $12,531,000 odd.

I am speaking purely of the fluctuation in commercial broadcasting. I am not taking into consideration any funds received by statutory grant or any other form of taxation. I am just wondering what justification there is for the continual increase in expenses over the last few years, being a total of $1,900,000 over the last three years, while there has actually been a slight increase in one year, and a falling back in the next year in commercial revenue.—A. On the commercial revenue side the reduction or tendency toward reduction arises from the development of television. Any increase in expenditures is accounted

for first and primarily from an increase in cost rates to us; for instance, an increase in wages and salary rates arising from collective bargaining. That has been the major item of increased expenditures over the last several years. In addition we have—and this is referring to sound broadcasting—opened a few new facilities in the last two or three years, such as the French network to western Canada, the French language station in Moncton, the studios in Regina, and quite a few low-powered repeater transmitters—about thirty—in the last two or three years, involving increased operating expenses for wire lines.

This is an example of how we have to run a national service. We cannot directly relate expenditures each year to commercial income although, of course, we take it into account. But we have tried, so far as the matter of policy is concerned, to maintain a sound service just as good as it was over the years you stated. There is still some necessary development being carried out to a small extent; but at the same time we simply could not step up our commercial broadcasting revenue with the development of television and with the policy restrictions recommended by the Massey Commission on local commercial business.

*By Mr. Monteith:*

Q. Do you presume that the sound commercial broadcasting revenue will continue to decrease somewhat.—A. We think it will, yes, partly, because in sound broadcasting all across the continent it is network business, nighttime network commercial programs particularly, which have been most severely hit as television has developed, since ours is mainly a network operation. Our commercial revenues have been under a specially heavy pressure. In broadcasting, general daytime business and non-network business has stood up best, but that is just the kind of business we have very little of in sound.

Q. Do you expect this trend towards a drop in commercial revenue to continue?—A. As a matter of policy we forsee, taking all the circumstances into account, that we probably should pretty well be putting a ceiling on the development of sound operations, and unless this committee—or unless it becomes more financially possible—we cannot do some of the extensions of coverage which have been recommended or mentioned here and asked for in various parts of the country; but apart from that, there is at the present time, from last year and the year ahead, some increase arising again from the increased cost rates to us. For instance, as you know, we made a settlement with a technical union several months ago; we are in for another five per cent increase dating back to August; and a settlement on the same rough terms has been negotiated with one of the other main unions, so we have to count roughly on another five per cent for half of last year and for the full twelve months of the coming year pretty much through our whole structure.

Q. I am assuming that with an overall increase in expenditure you would make some effort to increase your revenue, apart from the revenue you get from taxes, and so on and the grant; is there any effort made to increase your broadcast revenue?—A. Yes. Our management is doing quite a lot to try to get sound broadcasting business for the networks. In terms of potential dollars of net income we are extremely handicapped by the general policy and recommendations of the Massey Commission which said that in general we should keep out of non-network business, and that is where the money comes from in broadcasting, in local or non-network spots.

Q. Have you got any particular project in mind which would continue to increase the expenditure of the sound end of it?—A. No, we have not, although we know there are quite a few things which would be desirable. Mr. Carter mentioned one on the south shore of Newfoundland; and we still get a good

many requests from different areas of the country, such as the interior of British Columbia, northern Ontario, parts of northern Canada, parts of northern Quebec, and parts of New Brunswick for increased coverage. But as it stands at the moment we are having to take the position that we simply cannot envisage further committments in operating expenditures because we cannot see the money in sight. I know that several of these things are desirable. Whether we will be able to do them or not we do not know; but we have not at the moment any actual plans to put them into effect.

*By Mr. Fleming:*

Q. You mentioned the Massey report. Does the corporation consider itself bound to follow the recommendations in that report?—A. Not completely. There is nothing legal about them. But I think this policy for sound broadcasting of not taking non-network business has been established for some time and discussed at earlier broadcasting committees.

Q. Undoubtedly parliament put at your disposal certain revenue in the light of the recommendations in the Massey report. I suppose the opinion of the Board of Governors is that they have to take the bitter along with the sweet.—A. That would be part of it.

Q. In other words, the obligations along with the benefits?—A. That would be part of it, yes.

Q. But in general I take it the board as a matter of policy, has sought to give effect from day to day to the recommendations in that report?—A. In general, yes.

Q. Are there any which the board has run counter to in its operations?—A. I cannot think of any.

Mr. MONTEITH: Mr. Chairman, I wonder if we might have a breakdown over the last two years in the matter of interest on investment and miscellaneous. There are both under income. Would interest on investments include bank interest and bond interest?

Mr. BRAMAH: Just bond interest.

Mr. MONTEITH: Where does your bank interest appear?

Mr. BRAMAH: Under miscellaneous.

Mr. MONTEITH: That is all bond interest, interest on investments?

Mr. BRAMAH: Yes sir.

*By Mr. Monteith:*

Q. All right then. Let us have miscellaneous?—A. I think we can have that in a minute or two.

Q. Very well.—A. I can give it to you now, if you wish, for 1953-54; this is a breakdown of the miscellaneous item; supervision of international services, $99,000. Would round figures be sufficient?

Q. Yes.—A. Sale of program schedules, $27,000.

Q. How much was that again, please?—A. $27,000.

Q. Right.—A. Interest and bank exchange, $5,000.

Rental on dwellings, $3,600.

Cafeterias; rental on cafeterias, $3,400. I am sorry; there are two rentals, cafeterias, $5,500, and sale of booklets, $635.

Q. That $5,500 is rental on cafeterias?—A. Yes.

Q. And for the sale of booklets?—A. $635; and miscellaneous, $8,800.

Q. What is meant by the sale of program schedules?—A. Mostly the "C.B.C. Times", which is sold, and is placed on the expenditure side, and the gross expenditure is put in. This represents revenue from the sale of the "C.B.C. Times".

Q. You would not happen to have a copy of it with you, would you?—A. The "C.B.C. Times"? Yes; we have some copies here.

*By Mr. Fleming:*

Q. I have a question or two about the "C.B.C. Times" in particular. What is the circulation of the "C.B.C. Times"?—A. I think I gave it to you the other day.

Q. Just in round figures?—A. I think I said it was 26,000.

Q. 26,000; and what are you charging for it?—A. $2.

Q. $2 a year?—A. Yes, for most of the editions, but one edition sells for $1.

Q. You derive then about $50,000 a year revenue from that publication? —A. No. $26,000.

Q. But you said that the circulation was 26,000 and that it sold for $2 a year.—A. I have the figures before me. The total paid circulation—this would be for last year—was 19,600; and the free circulation would amount to $6,200.

Q. In general, who are the people who are purchasing or subscribing to it? Who are the paid subscribers for the "C.B.C. Times", and who are the people on the free list?—A. The free list is made up in general of people who used to get the various printed schedules which we put out free.

Q. Would they be just interested individuals, or people in the business? —A. The free list includes mostly people who are in the business such as newspapers, publications of various sorts, advertising agencies, affiliated stations, and people who are in some way connected with us in a business way. I think it has been offered to members of parliament. The paid circulation comprises simply people who have themselves asked to subscribe. It is occasionally mentioned at exhibitions and so on, and people are told that they can subscribe if they wish to do so.

Q. What is the total cost of that publication to the C.B.C. against which you have received some revenue?—A. About $75,000 as a gross cost.

Q. You say that the gross cost is about $75,000. Does that include administration as well, or is that just the printing and publishing cost?—A. Printing, publishing, and direct salary cost.

Q. There is nothing in there for overhead or anything like that? What would be fair to allow for that as well?

Mr. R. C. FRASER (*Director of Press and Information*): Ten per cent has been suggested as a probable figure; but it is difficult to separate it because the people engaged on the "Times" do so many other things.

*By Mr. Fleming:*

Q. Suppose we add ten per cent to it, making $82,500; what is your revenue in the year?—A. For this year we mentioned $27,000.

Q. So your net loss on this is about $55,500 in a year. Is it necessary in your opinion, Mr. Dunton, to put out as elaborate a publication as this which is costing an out of pocket net of about $55,000 a year?—A. It has been thought so until now. Studies were being made and an experiment was going to be tried of making it somewhat bigger but with less expensive paper. However, this serves a number of different purposes. As I have explained to earlier committees, we used to have to put out quite a variety of printed material for newspapers for use inside the corporation and for affiliates and so on. This serves the purpose that was served by all the printed material which used to be published. It has to be a little more elaborate in order to do that job. Naturally we would like to get more revenue for it, but the expenditure is very well made in view of all the uses to which it is put.

Q. I recall the exposition in earlier meetings of the purposes of the publication, and if I remember rightly, the publication at earlier stages was much less elaborate and a less expensive looking publication than it is now?—A. I do not think so. I believe it is better turned out, but I think it is the same grade of paper, and the same type of printing and so on. Unfortunately, I believe the printing costs have gone up a good deal.

Q. You have been sending this publication to me and I look it over each time it arrives. You have explained previously the necessity of having this information available to people who require it, but it strikes me that here you are incurring an annual loss of $55,000 on it, which I believe is a formidable loss that calls for some examination of the extent of the publication and some resolute measure to reduce that loss. There is another angle that has been drawn to my attention. This in effect is a subsidized publication which brings you, I am told, into direct competition and necessarily on an unfair basis because it is subsidized, with some others who put out publications of a similar nature—private organizations?—A. I would suggest there is not much competition as I can think of no other publication which is doing the same job. This deals solely with C.B.C. programs. Any other publications I have seen deal with all sorts of different programs. This is solely for people interested in C.B.C. programs.

Q. You do not have to cover exactly the same field to compete unfairly on a subsidized basis with people who may be in the field. There are some publications in this field, are there not?—A. There have been at different times; I am not sure I know of any at the moment.

Q. I have been told of one in particular, the Western Television—a monthly magazine which has been published since October, 1953.—A. I do not think it gives schedules and that is the prime purpose of this publication, to give schedules and information about programs. I must say, it has never been suggested to us that the C.B.C. Times was competing with any publication.

Q. I am told that they find this publication directly competitive with them?—A. That certainly has not been suggested to us that I know of.

Q. If it were suggested here, would you examine the question?—A. We would consider it, but we would also have to consider it on the basis of the different purposes it serves for the corporation. It is the one compilation we have of information about programs going out. It serves an extremely useful purpose and we do not lose money on the additional copies made available to the public.

Q. But you have your mailing charge?—A. Yes, but as I say, the subscription cost covers the cost of turning out and sending additional copies to subscribers, so when we take on a new subscriber we are not losing money. We do not get back from subscribers the cost of the original work of putting the magazine together, but the work would have to be done anyway in order that we would have in one place a compilation of information about the programs.

Q. What would your mailing cost be per copy?—A. It would be on a poundage rate, and would be very low. I suggest it would be too bad to think that the C.B.C. were to have to refuse to make available to people who will pay for it at a sum of $2 a year in order to get information about our programs when the information has to be compiled and printed in some form in any case.

Q. If it were simply on the basis of a house organ, Mr. Dunton, through which you were giving necessary information concerning your own programs to others that would be one thing—A. What else is it doing?

Q. I have been reading it for some years, and I think that you are going beyond that in quite elaborate form. It strikes me that this is one place where if there is a will some reduction could be made without neutralizing the essential purpose that this was originally intended to serve of giving your program information to the people who require it?—A. On the other hand, we find that quite a lot of people are interested in programs, but if you want to get $2 a year for that, you have to give them something relatively attractive—

Q. —all the pretty pictures?

*By Mr. Bryson:*

Q. Does the C.B.C. publish a western region schedule?—A. There is a prairie edition, a British Columbia edition and a French edition which is called "La semaine a Radio-Canada."

*By Mr. Carter:*

Q. Mr. Chairman, I was just reading a letter in the eastern edition where a subscriber asks who handles complaints about interference on the radio, and the reply says it is the responsibility of the Department of Transport. I wondered if you would have the appropriate official visit our offices and find out what is causing the interference on the radio in the House of Commons?—A. I think Mr. Browne will be coming. If it is a question of the actual sets, perhaps one of our technical men could have a look at the problem.

*By Mr. Fleming:*

Q. Mr. Dunton, coming back to this question again of the C.B.C. Times, do you not advertise the magazine with a view to enlarging the number of subscribers?—A. It is announced on the air and has been mentioned at displays we have had at exhibitions and that sort of thing.

Q. And in these air announcements—which are advertising spots, are they not?—is their value at ordinary rates, included in the figures you have given as to the cost of putting this magazine out?—A. No.

Q. Why are those not included in the cost?—A. In the first place, we do not sell spot announcements on the network.

Q. But while you do not sell them, you tell us you do use them to advertise this particular publication?—A. I would not use the word "advertise"; it is rather a case of informing listeners it is available for them if they wish to have it. I think it is part of our job as a corporation to let listeners know there is material available about programs on the national system which they may have if they pay for it.

Q. What would be a typical spot announcement in this respect?

Mr. R. C. FRASER (*Director of Press and Information*): We might decide for a week or so to offer sample copies. I believe we would say, "To obtain your free sample copy write to . . ." or we might say, "Read the C.B.C. Times regularly for up-to-date information on programs . . ."—something like that—just general spot announcements.

Mr. FLEMING: How frequently do they come?

Mr. R. C. FRASER: That will vary a great deal depending on our ability to handle the requests which come in. We do not have large staffs to handle the floods of requests. For instance, in an average month we might put on in any one region, let us say in the western region, perhaps 30 spot announcements.

Mr. FLEMING: Is there any region where you have been "pushing" the C.B.C. Times more strongly than in other regions?

Mr. R. C. FRASER: No.

Mr. FLEMING: The policy is uniform everywhere?

Mr. R. C. FRASER: Fairly well. As I say we are not equipped to handle any large influx of queries or requests for the Times.

Mr. FLEMING: And those 30 you spoke of that would be over the network?

Mr. R. C. FRASER: No, that would be placed on an individual station basis.

Mr. FLEMING: Would those be C.B.C. stations or affiliates?

Mr. R. C. FRASER: C.B.C. stations only.

Mr. FLEMING: Over how long a period?

Mr. R. C. FRASER: Approximately one month, and that would include three stations.

Mr. FLEMING: That is an average of one a day of the three?

Mr. R. C. FRASER: No. An average of ten per station for the month. But they can vary.

Mr. FLEMING: Would it be about the same for British Columbia?

Mr. R. C. FRASER: It would vary from time to time. I cannot just generalize on it. They might use two a day for a period of two weeks, and then stop for two weeks.

The WITNESS: The problem, I think, is this: throughout the years we have had a lot of requests from listeners saying "I would like to know what C.B.C. programs are available. I find the information given in the newspapers is very sketchy and I would like to know in more detail what I can hear or see during the week." At one time we used to consider meeting some of these requests by sending a free schedule, but that was expensive. On the other hand it seems poor service if an organization such as ours is not able to let listeners know more fully what programs are available to them, so we developed this C.B.C. Times which serves all the other purposes which I have mentioned; and if the listeners want to have this information they pay the extra cost of getting it to them. It would be too bad if the C.B.C. were either to give away program information free—we cannot afford that—or if it were to say "we won't sell you anything either—we won't permit you to subscribe to a permanent schedule."

Mr. FLEMING: I am not pressing this point at the moment, but it strikes me on the whole that this is a place where there could be some further effort made to bridge the very wide gap between cost and revenue.

Mr. MONTEITH: I am quite sure this information is available—it is a matter of duplicating it or compiling it in such a way that it is available. These items of expenditure—from Programs, Engineering, Station Networks and so on down to Interest on Loans, which I think is self explanatory—I wonder if we could get a breakdown showing us the expenditure in greater detail?

The CHAIRMAN: Are you reading from the report?

Mr. MONTEITH: Yes.

The CHAIRMAN: On what page?

Mr. MONTEITH: Page 48.

The WITNESS: You are asking for a breakdown under what sorts of headings?

*By Mr. Monteith:*

Q. Whatever headings you have in your ledgers. Undoubtedly you have got salaries, duty entertainment, cost of travel, and all the other items which go to make up, for example, that one item headed Programs and amounting to $7,575,164, as well as for engineering, station networks and other administrative expenditure. I think you did give the information with regard to Press and Information and the commercial division.—A. Yes, that could be done.

Q. Could it be done for two years—1953 and 1954?—A. A lot of work would be involved but it could be done.

Q. May I ask that as soon as this information has been compiled it should be mailed to us so that we would have a chance to look at it before coming into the committee? I imagine there would be quite an amount of information given there, and we would then have an hour or two to look over it.—A. If the committee wishes, we could give the information to the clerk.

The CHAIRMAN: Give it to Mr. Gratrix and it will be mailed to every member.

*By Mr. Dinsdale:*

Q. Mr. Chairman, from time to time during this session of the committee Mr. Dunton has referred to the cost of programming television, and I am wondering if it would be possible for him to give a breakdown of the costs involved in a typical television program?—A. Mr. Dinsdale kindly tipped us off that this question might be coming and we have such a breakdown ready right now.

The CHAIRMAN: Have you got copies for members of the committee?

The WITNESS: Yes, we have copies.

The CHAIRMAN: All right. You will have the information now.

The WITNESS: This will be a cost breakdown for a typical one-hour television dramatic program.

The CHAIRMAN: Would you want this put on the record Mr. Dinsdale?

Mr. DINSDALE: Yes, I think so. Let us have a look at it.

## COST BREAKDOWN
### for Typical One Hour CBC Television Drama

| | COST | | DETAILS |
|---|---|---|---|
| Operators ..... | $ 1,087.50 | | Crew of 20 for 14·5 hours @ $3.75 per man hour |
| Master Control .. | 83.37 | | 14·5 hours @ $5.70 |
| Studios ..... | 739.50 | | 14·5 hours @ $51.00 |
| Production Staff. | 1,175.75 | | 14·5 hours @ $38.00<br>Producer<br>Production Assistant<br>Script Assistant<br>Staff Announcer<br>29·75 hours @ $21.00<br>Producer<br>Script Assistant<br>Production Assistant (½ time) |
| Stagehands .... | 491.00 | | 177·5 hours @ $2.70 plus $11.75 for Special Effects |
| Total Facilities | | $3,577.12 | |
| Artists* ..... | 3,590.00 | | 12 Principal Artists<br>2 Bit Players<br>9 Supernumeraries |
| Script ..... | 500.00 | | |
| Total Direct Programme Costs | | 4,090.00 | |
| Designer ..... | 334.25 | | 95·5 hours @ $3.50 |
| Make-up | | | |
| Labour .... | 67.50 | | 13·5 hours @ $5.00 |
| Material .... | 5.00 | | Outside Purchases only |
| Costume | | | |
| Labour .... | 124.80 | | 48 hours @ $2.60 |
| Material .. | 26.15 | | Modern play—hence low costume cost |
| Paint Shop | | | |
| Labour .... | 317.38 | | 135 hours @ $2.30 plus sales tax as applicable |
| Material .. | 51.81 | | Purchases, stock, sales tax |
| Carpenters | | | |
| Labour .... | 490.98 | | 137·5 hours @ $3.25 per hour, plus sales tax as applicable |
| Material ... | 245.48 | | Purchases, stock, sales tax |
| Titling ..... | 83,25 | | 18·5 hours @ $4.50 |
| Properties | | | |
| Labour .... | 521.70 | | 111 hours @ $4.70 |
| Material ... | 345.37 | | Outside Purchases and rental only |
| Total Design and Staging ..... | | 2,613.67 | |
| Film Inserts .... | | 80.00 | |
| TOTAL COST. | | $10,360.79 | |

*Principal Artist hours average 31 including rehearsal and broadcast.
Bit Players hours average 17 including rehearsal and broadcast.
Supernumeraries hours average 14 including rehearsal and broadcast.

N.B. All rates shown above are departmental, including all items of expense generally associated with the term "overhead"; such as rental, lighting, heat, sundry supplies and staff costs.

*By Mr. Monteith:*

Q. Actually I was thinking of sound broadcasting only when I made my request a moment ago. Would it be too difficult to include the figures with regard to television?—A. It could be done. All the information is available.

Q. I know it is creating some work but I think that in order to get the proper picture of these accounts the information will be very useful. If you can have it prepared it will be greatly appreciated.—A. Yes, it can all be done.

Q. I presume you are going to discuss this matter of program costs in a moment but there is just one matter to which I would like to refer with regard to the statement on income and expenditure. I notice that in 1953 there were legal fees of $17,610, and in 1954 of $13,147. I would like to ask two questions about this: have you any "legal lights" on your staff, and secondly what type of legal expenditure would this involve?

Hon. Mr. McCann: What is the necessity of going back to 1952 when that report was under examination in the committee two years ago?

Mr. Monteith: It has not been under examination.

Mr. Fleming: It was not before the committee two years ago because it was not available at that time.

Mr. Monteith: The 1952 report was, but not the 1953 report.

Mr. Fleming: The report for the year ended March 31, 1953 was not then available.

Hon. Mr. McCann: I was going to suggest that probably a lot of the answers could be found by going over the records on the committee.

The Chairman: The committee has allowed this to be done for the purpose of making a comparison between the two reports.

The Witness: With regard to the enquiry about legal staff, I can say in general that we have to have most of our major legal work done by outside counsel. That may involve work on questions of copyright, legal work in connection with the acquisition of properties, in connection with the pension fund and so on. Once or twice we have needed advice in relation to possible suits because of programs, or cases involving programs or rights. Exactly what was involved this year I would have to check back and see.

*By Mr. Fleming:*

Q. Can you give us a breakdown of the fees paid to counsel and solicitors for this two-year period?—A. You wish to have them by name?

Q. Yes.—A. That raises again, Mr. Chairman ...

Q. It is standard practice in the House.

The Chairman: Has such a request been made already in this committee?

The Witness: I don't remember one.

The Chairman: If the committee is ready to accept the request of Mr. Fleming to be given the names of the counsel working for the C.B.C. ...

The Witness: To my knowledge this particular request has not come up. I thought the committee has not made us produce particular details of other business arrangements.

Mr. Fleming: The rule you have set up in some circumstances is that you do not want the right hand to know what the left hand is doing, but that obviously apply in this instance. The payment has been made, and the rate is not necessarily uniform at all. We get information in the House from time to time of the amounts paid by various departments to various firms of solicitors whom they have retained, and I think it would be appropriate to have similar information here. It would not be very difficult in regard to an amount of this size to show the committee what payments make it up.

Hon. Mr. McCANN: There could not have been many employed for that amount of money.

The CHAIRMAN: Is it the wish of the committee that those names be produced? I would like to have the opinion of the members on the question.

Mr. RICHARDSON: What would be the purpose of producing it? What use will it be to the committee? As a mere member of the committee I ask what use will it be?

Mr. FLEMING: I am not prepared to guess in advance what the information may be or what it may convey to us. I know we get this information in the House when it is asked for.

Mr. RICHARDSON: Just because the Houses wastes time I do not think that we should.

Mr. FLEMING: There won't be any time wasted if we do not discuss it here interminably. I have some questions to ask about the selection of counsel.

Mr. BOISVERT: You are not asking for the pictures of the lawyers?

Hon. Mr. McCANN: There is no objection as far as I can see except that of precedent. Many difficulties might arise with regard to expenditure if you gave away business that was of a competitive nature.

Mr. FLEMING: There is nothing competitive in this matter.

Hon. Mr. McCANN: Except that some lawyer might come along and say "so you paid so and so $2,000—I could have done that job for $1,000".

Mr. RICHARD (*Ottawa East*): I have no objection to the names being given, but we are here to inquire into these accounts—to find out whether they are reasonable, and whether the money is well spent. If we know that a certain man has charged $3,000, for example, for work on a copyright case and in the course of its preparation and so on, I think we should be satisfied that he has charged such a fee—the only other information, the knowledge for example that Mr. Fleming got $5,000—will not give the committee any satisfaction at all. In fact we may just be jealous. I do not think anyone here is going to dispute whether it should have been Mr. X or Mr. Y who did the work. It does not give us any information. It is the amount spent which is interesting.

The CHAIRMAN: I understood Mr. Fleming to tell me that he wanted to know the names of the lawyers in order to be able to ask questions on the selection of the lawyers.

Mr. FLEMING: That is another matter. But on this question of the information which I have requested, I say that this is information which we should have. I presume the C.B.C. was satisfied that the amount charged was fair and proper, or they would not have paid it. This is not a question of reviewing the fairness of the charge in each case. I think we are entitled to know where the money was spent. There may be questions as to the particular work done. I am not forejudging that.

Mr. RICHARD (*Ottawa East*): I do not think you answered the question about whether you had your own legal staff—have you one lawyer or more permanently engaged?

Mr. OUIMET: We have two lawyers by profession in the corporation, and they do other work also in addition to legal work. Obviously we get their advice on legal questions, but as I say they also do other work.

Mr. FLEMING: There does not seem to be any objection from the commitee with regard to my request for that information.

The CHAIRMAN: I am in the hands of the committee.

Mr. WEAVER: It does not seem to me to be the type of information which we should be asking for, Mr. Chairman.

Mr. FLEMING: Why not? We are here for the purpose of getting information which is made available from the departments—why not from the C.B.C.?

Mr. WEAVER: I cannot recall any names being mentioned so far with regard to people working for the C.B.C.

Mr. FLEMING: We have had hundreds of them—people employed in a multitude of capacities on these programs—hundreds of them.

The CHAIRMAN: Well? What does the committee wish to do?

Mr. WEAVER: Has it ever been done before? Is there any precedent?

The CHAIRMAN: I do not recall any instance where this has been asked.

Mr. FLEMING: After some initial reluctance several years ago the C.B.C. gave us information about the payments made to the press services—CP, BUP and Reuters—and this is the sort of information which is always given in the House with respect to departmental expenditure, that is to say, information on solicitors' accounts. It is routine information.

The CHAIRMAN: Shall I have to ask the opinion of the committee through a vote?

Mr. FLEMING: Is there any objection raised?

The CHAIRMAN: I am asking the committee that question. As soon as the committee gives me the "green light" I am ready to accept it.

Mr. RICHARDSON: As a member of the committee I am not averse to the information being given, but I question its usefulness and I propose to vote against it.

Mr. FLEMING: This is information which is given as a matter of routine by all government departments. We do not necessarily foresee all the factors in its usefulness. That strikes me as a matter which arises when the information is in the hands of members of the committee. It is the duty of members of the committee that they should review the financial statement.

Mr. RICHARDSON: I take my duties seriously; I regard myself as being a responsible member and I say I do not need this information to discharge my duties.

Mr. HANSELL: If we were going to vote on this I am inclined to vote for it and for this reason—that any information we ask for is not only for the benefit of this committee but for the benefit of the people of Canada so that they may know how their corporation is administered. I go so far as to say that this is a wrong principle. Why should financial information not be divulged. The taxpayer has the right to know how his money is being spent. It is true there may be a lawyer who has received $3,000 for certain work and another lawyer may say "I would do that for $2,000." But he has a right to know why they paid $3,000 to one man for work which he could do for $2,000. He knows what is paid for other things. He knows how much he pays. I see no reason for withholding any information. However the question we have now to decide is not how much they were paid, but who was employed, and I think we should have the information.

Hon. Mr. MCCANN: There is a good deal of difference between fees and salaries. I think that the board have been quite justified in not giving to the committee what salaries certain people are paid, because that would put others in a position to say—for example, private stations could come along and say: "You are only making $6,000 but if you come with us, we will give you $8,000."

I would not object to it, because I do not want Mr. Fleming to be in a position to say that he requested certain information but could not get it. For that reason I am not objecting to it if he wants that information. They have had

it in the House with reference to salaries and fees which have been paid in other departments, and the only objection that I have ever heard in the House was not related to the amount of the fees which the legal people got, but the objection that they were members of a particular political persuasion. and nothing has ever come of that to my knowledge.

The CHAIRMAN: Is the committee ready for the vote, or is it agreed that the information be given? It is agreed!

Hon. Mr. McCANN: I am sorry to have taken a stand which was the opposite to that of a very good legal counsel.

Mr. DINSDALE: On this sheet, Mr. Chairman—

The CHAIRMAN: Excuse me, I wish to say to the committee that I understood at the last meeting that Mr. Monteith thought that the discussion on finance would be finished this morning; but I do not think we are finished yet. We have called Mr. Browne, of the Department of Transport, to be here this afternoon.

Mr. FLEMING: Is Mr. Browne bringing with him a statement, and if so could it be made available to us?

The CHAIRMAN: He has been preparing his documents to bring here.

Mr. FLEMING: They are not available yet?

The CHAIRMAN: He will probably have them with him when he comes.

Mr. FLEMING: I think we should adhere to the arrangement to hear Mr. Browne this afternoon. Some of the things Mr. Dunton has been asked for this morning will take a little while to produce anyway.

The CHAIRMAN: Are there any further questions before we adjourn?

Mr. DINSDALE: We have this sheet before us and I think it could be dealt with very briefly.

The CHAIRMAN: Very well then. Please proceed.

*By Mr. Dinsdale:*

Q. I presume that the rates for the production staff are hourly rates and that they are standardized?—A. Yes. These are not just hourly rates. They are rates which are arrived at on a cost accounting basis and they reflect overhead and facilities and so on.

Mr. OUIMET: All our costs are included in these rates. This is the complete cost of that department, per individual producer, per operator, per studio including heating, rent, supervision and so on.

Mr. DINSDALE: Does the studio item refer to extra studios rented, or to your own studios?

Mr. OUIMET: Just our own studios.

Mr. DINSDALE: You pay a rental charge?

Mr. OUIMET: That is included in the cost of the program. Suppose a production uses one of our largest studios; it would cost $51 per hour for the use of that studio and its equipment; so that the total cost to the corporation for this production using 14½ hours, wiuld be $739.50.

Mr. DINSDALE: In connection with the design of the studio, is it the practice of the C.B.C. to design their costumes, or do they rent them where possible?

Mr. OUIMET: Whichever is the cheapest. If we can rent a costume at a lower price than we can alter an old one or make a new one, then we rent it. But if you have to use the same costume a number of times, you might as well have it, because it would cost you more to rent it; we do both.

Mr. DINSDALE: You do have your own wardrobes?

Mr. OUIMET: That is correct.

Mr. DINSDALE: And you do have some stage properties?

Mr. OUIMET: Yes; in the case of stage properties we have to build our own scenery. There is no other way of dealing with our requirements, because the scenery has to be built in constant consultation with the producer, and it would be very difficult to have this work done outside of the Corporation.

Mr. DINSDALE: Under film inserts, does the C.B.C. own its own library of documentary films, or films which would be used for insert purposes in production?

Mr. OUIMET: This is what we call stock shots. We have a library of stock shots which we built up ourselves from our own photographic work that we have to do anyway in connection with our newsreels and news service. In the case of film inserts of this type, I see from this table that the amount is not very large. It varies with individual programs. In certain cases you have to reproduce particular scenes on film and introduce them into the program itself, while in other cases there may be no film inserts used.

Mr. DINSDALE: Have you a large library of this kind, or do you depend on the National Film Board and on private resources?

Mr. OUIMET: I would not say that we have a large library, but it is one which is growing simply because every time we have some material which can be used for that purpose it is put in the library. However, we also depend on others outside if we do not have the material.

*By Mr. Holowach:*

Q. As far as I am concerned, one of the most revealing breakdowns which we have received is this little white sheet which indicates the cost breakdown for a typical one hour of C.B.C. television drama. I do not know, but some of the information seems to me to be of a hair-raising kind. The little taxpayers of this country would be interested in getting this information. For example, we have a breakdown which indicates that the make-up material costs $5, yet the labour amounts to $67.50.

The CHAIRMAN: That is not surprising.

Mr. HOLOWACH: Carpenters material cost $51.81, yet the labour cost $490.98. Doesn't that seem unreasonable? I think these prices are fantastic.

Mr. OUIMET: In the case of the carpenters labour and material you quoted the wrong figures, Mr. Holowach. The labour is $490.98 while the material is $245.48. You were quoting the material for the paint shop.

Mr. HOLOWACH: Even so, I think that is very high.

Mr. OUIMET: This is a sample case of cost of material for television. We use some of the old material over and over again as much as we can. We will paint the same flats over and over again and we will use the same lumber as long as it will stand it.

Mr. HOLOWACH: Does that mean that the cost of the next television program which might come on would be less, or is this typical?

Mr. OUIMET: This is a typical example of the cost. It averages out—the first one might be more expensive, but it is a typical charge for the full cost of the scenery, if it is going to be used again.

Mr. HOLOWACH: Let us take the paint shop with a labour cost of $317.38 and a material cost of $51.81.

Mr. OUIMET: May I suggest that some of the items would be clearer to you after you visited our paint shop in Montreal.

The CHAIRMAN: That is right.

Mr. HOLOWACH: I cannot imagine somebody spending $317.38 for labour on material which cost only $51.81, and for a one hour program.

Mr. OUIMET: This is not like painting a house.

Mr. HOLOWACH: Even so, that is pretty expensive. What type of artists do you employ?

Mr. FLEMING: Speaking of painting, may I direct your attention to the makeup item?

Mr. OUIMET: There is another thing which should be stressed. This is really not the rate of the individual, but the rate of the department. This is complete with the overhead and the space, the heating, the lighting, and the amortization. This is to show our full cost. We pay our painters and our carpenters according to prevailing rates on the basis of negotiated agreements.

Mr. BOISVERT: The hourly rates are the same as for regular employees, such as carpenters?

Mr. OUIMET: They are regular.

Mr. HOLOWACH: I think that it is fantastic to spend $10,360.79 for a typical one hour television drama. I am sure you could engage the services of a top notch artist to perform for one hour at probably one-third of that cost.

Mr. OUIMET: I suggest that you might see this picture better after you have become familiar with television operations.

Mr. HOLOWACH: Even so; I realize the basis of which you have spoken; but as I said before, I believe that the people of our country would be astonished if they went through this sheet and saw some of these prices.

The WITNESS: Perhaps you were not here when we made some of the comparisons. The ordinary rate for an ordinary show on the American network runs from $25 thousand to $35 thousand for a half-hour show. That would be for a fairly small variety show. On the other hand this $10 thousand per hour is for any sort of real studio production; and it is much, much lower than the usual costs, as they are running in the States for network shows, or in a country like England. Broadcasters in other countries are amazed that we can do the one hour drama that we are doing at $10 thousand, and they cannot understand how we can do it.

Mr. HOLOWACH: I appreciate your remarks, Mr. Dunton, but I do not think it is fair to draw a comparison. I consider that type of expenditure is extremely high.

The WITNESS: I think we made it clear in the opening session of the committee that this is the sort of cost that has to be envisaged in Canada. If Canada is to have any real live television production of a studio kind, we have to think in terms of a range, let us say, of $10 thousand per hour. It then becomes a question, if you like, whether this country wants to have its own television production or not.

Mr. RICHARD (*Ottawa East*): I think that Mr. Holowach does not get the picture correctly.

Mr. HOLOWACH: I am sure that I do!

Mr. RICHARD (*Ottawa East*): It is all very well to say that you can hire an artist for so many thousands of dollars for a one hour program; but this matter involves a number of artists, and they have to perform in a studio and have a transmitter with operators and all kinds of facilities, which are charged against the production on a cost accounting basis. On the other hand, if you want to provide a free room, and a transmitter and everything and hire a couple of artists, the cost would be very low, but such a cost would not include the cost of operating that program.

Hon. Mr. McCANN: You have to take into account how many stations it goes to and how many homes it goes to. If you figure it out on a per capita basis, the cost would look very small—figure it out on the number of stations that apply to this. It is not a case of $10,000 a station. It might go to all the C.B.C. stations eventually, and a lot of stations to which it is fed, and on that basis the cost would be very reasonable.

Mr. WEAVER: I was wondering if Mr. Holowach saw the film which was shown, "Ten Seconds to Hamlet" which showed the work required to produce a program like this?

Mr. HOLOWACH: Yes, I did.

Mr. FLEMING: Mr. Chairman, Mr. Ouimet said they were not painting the side of a house. I would like to ask him about the makeup item. I realize what you told us, Mr. Ouimet, about adding in costs other than your direct labour costs, but I would like to know what items enter into the figure of $5 per hour for the labour allowance for the make-up artist which does not include the material?

Mr. OUIMET: It is $5 per production hour. In other words, it is not $5 per hour of work of the man or specialist on make-up, but it is $5 in the average per production hour which increases the amount considerably.

Mr. FLEMING: Shall we call these people makeup artists? Are they on a salary basis?

Mr. OUIMET: They are on salary, yes, and it may take hours—perhaps not hours, but let us say an hour and a half—to make up an artist for a program.

The CHAIRMAN: And it is not long.

Mr. FLEMING: And others would take less?

Mr. BOISVERT: Would you like to know the name for yourself, Mr. Fleming?

Mr. FLEMING: On my one television appearance on "Press Conference" it did not take them very long to make me up!

Mr. HANSELL: The carpenter wages are set out at $3.25 per hour; is that the union rate?

Mr. OUIMET: No. As we say at the bottom of the page all the rates shown are departmental rates including all items of expense generally associated with the program overhead such as lighting, heat, sundry supplies and staff. In other words, it includes the man plus his tools plus space plus the lighting of the shop and so on.

Mr. HANSELL: In other words this includes the depreciation cost of the equipment, building and everything?

Mr. OUIMET: Yes, it includes everything. When we get this cost it is the total cost of the program including even the salary of the people you see here before you.

Mr. HANSELL: You show figures for a typical one-hour program; is it a specific program?

Mr. OUIMET: Yes.

*By Mr. Hansell:*

Q. Which program is it, do you know?—A. I think it was agreed we would produce figures for a typical program. This is one of the regular one-hour television dramas, and for obvious reasons we prefer not to label the exact program because there is a question of sponsorship interest and so on.

Q. This is an average one?—A. Yes, taken from an actual example—the account for an actual example.

Q. You do not like to give us the actual name?—A. No, because of bargaining questions which will come up particularly next year among different advertisers and so on.

Mr. MONTEITH: I wonder if we could have somewhat in detail just exactly how the studio cost of $51 per hour is arrived at. I know it is a question of cost accounting, but I am interested in cost accounting.

Mr. OUIMET: We will have to get this information for you.

Mr. BRYSON: I wonder if we could have a little explanation concerning the nine supernumeraries who were engaged?

Mr. OUIMET: These are the extras.

Mr. BRYSON: How do you engage these people; what procedure do you use?

Mr. OUIMET: They are engaged according to the type of people wanted.

Mr. BOISVERT: Or needed. I will now move the adjournment.

The CHAIRMAN: If it is agreeable to the committee we will now adjourn. This afternoon Mr. Browne will be here, and I would like all the members of the committee to be present.

## AFTERNOON SESSION

TUESDAY, May 17, 1955.
3.30 p.m.

The CHAIRMAN: Order, gentlemen, I see a quorum. We have with us this afternoon Mr. G. C. W. Browne, Controller of Telecommunications, of the Department of Transport. Mr. Browne is going to make a short statement and present his officials. Then he will have certain documents to circulate to the members of the committee.

**Mr. G. C. W. Browne, Controller of Telecommunications, Department of Transport, called:**

The WITNESS: Mr. Chairman, this statement will be much shorter than such statements used to be because I have been relieved of the function which used to be the main cause of my appearance here at previous radio committee meetings. I would like to say that I have with me Mr. C. M. Brent, Superintendent of Radio Regulations, Mr. W. B. Smith, who is senior radio regulations engineer, and Mr. F. K. Foster, who is the radio inspector who deals with the detailed work of preparation in connection with this presentation to the committee.

I suppose everyone here on the committee is familiar with the function of the division, but perhaps I should explain that the Minister of Transport, through the Department of Transport is responsible for the administration of the Radio Act which covers the licensing of all classes of broadcasting stations, sound, television, as well as the numerous other classes of stations.

I have prepared a statement for presentation to the committee. First of all, we have the "List of broadcasting stations in Canada in operation on April 1st." That list includes all classes of broadcasting stations, both sound as well as television.

I have also another statement which embodies a complete list of all changes in Canadian broadcasting stations made during the period April 30, 1953 and May 13, 1955. It is an up-to-date list and, in other words, contains a complete statement of all changes since the last radio committee met.

We decided that would be the best way to present it; so with your permission, Mr. Chairman, I would like to distribute these lists.

The CHAIRMAN: Very well.

Now, are you ready to start questioning Mr. Browne? Do you think we should take the two items in the report for 1953-54 at pages 23 and 24 under "Technical Development in Broadcasting Regulations," or have you other opinions?

Mr. FLEMING: What about these documents which Mr. Browne has submitted to us?

The CHAIRMAN: You may ask questions on them too.

*By Mr. Fleming:*

Q. I notice that part 1 of your first booklet lists the AM standard band broadcast stations. I am concerning myself at the moment with power. According to my calculation there are seven C.B.C. stations with a power of 50 thousand watts, while among the privately owned stations there are just two which have a power of 50 thousand watts; they are CFRB in Toronto, and CKLW in Windsor. Is that correct?—A. From my personal knowledge I believe that to be correct, Mr. Fleming.

Q. And the next strongest station in terms of power is 10,000 watts and there are a good many of those?—A. Yes.

Q. What is the policy of the department with reference to the raising of any station to a strength of 50,000 watts—either an existing station or the licensing of a new station?—A. I believe that the requirement is that an application of this type would be processed in the usual way. It would be referred to the C.B.C. for a recommendation in accordance with the statutory requirement. It would be passed on by our technical people. If it were in order, if it were within the terms of the treaty from an engineering standpoint, if a higher power were allowable on the frequency which the station was using or if the station submitted an application for transfer to another frequency on which power of a higher order could be used, it would be passed to the C.B.C. for a recommendation in the usual way.

Q. I take it then that there is no government policy against the licensing of stations to a strength of 50,000 watts provided they qualify on other grounds and there is no contravention of the treaty.—A. I do not think there is a hard and fast government policy in that regard laid down at the moment. I am just guessing, now. I could not tell you without looking up the files but I don't believe there is.

Q. If there is anything in those files to the contrary no doubt you will communicate that to us, Mr. Browne, but I think we can proceed now on the assumption that your recollection is correct. Have you had in the last two years any application by any stations to raise their strength to 50,000 watts, because I see in the second statement which you have submitted to us any changes in power have not carried any station beyond a strength of 10,000 watts. —A. I cannot recall any such applications in the last two years.

Q. Of the seven C.B.C. stations and the two private stations which have the 50,000 watt strength, how many are on channels that are rated class A under the Havana Treaty?—A. They are all on clear channels. I am not sure that they are all on class 1A channels.

Q. I am not sure at the moment what importance should be attached to any qualification of your answer in that respect, but perhaps you could check that and let us know if there are any of them which are not on class A channels under the treaty.

In this same booklet, Mr. Browne, you have listed also the television broadcasting stations, and on page 24 are given seven stations of the C.B.C.,

with their strength, and then on pages 25 and 26 we come to privately owned television stations. There seems to be quite a bit of variety in the strength of these stations measured in their wattage. Is there any particular policy in that respect or are you limited by geographical factors in reference to the strength for which you will license a station?—A. There are laid down in the agreement with the United States certain "ceilings" as to power depending upon the part of the band or bands in which the channels are situated. Then of course there are limitations which arise out of the application of the single service coverage policy, in some cases to prevent overlapping in the contours.

Q. Are those all the factors that enter into the strength of the station measured in wattage?—A. Of course, the applicants themselves decide what power they will apply for. The height of the masts enters into it—the type of antenna they propose to use, and the power of the transmitter.

Q. In all of those stations mentioned on pages 24, 25 and 26—can you tell us whether any of them applied for a greater strength than that for which they were eventually licensed?—A. The Windsor station is one example. It was necessary to restrict the power there in a certain direction in order to meet with United States requirements, that is, the Federal Communications Commission's requirements.

Q. In other words, station CKLW television was given a lower strength than it applied for because there would have been some complication over the treaty otherwise?—A. That is right.

Q. Are there any other cases here where the applicant was licensed for a lower wattage strength than he applied for?—A. I am not quite sure whether you mean a lower strength or a lower strength in any given direction.

Q. I will come to the matter of directional antennae later but I am speaking now about the wattage strength.—A. In the basic transmitter, you mean?

Q. Yes.—A. No, I don't think so.

Q. That is one case, the Windsor station?—A. Windsor and possibly Kitchener, yes. I believe it is more a question of the direction than the actual power.

Q. I was going to come to that. Where is Kitchener on that list?—A. Page 26.

Q. CKCO-TV. The third one. It applied for 16,000 and 8,450. Did it get all the wattage it applied for?—A. In terms of power yes.

Q. I ask you the same question with regard to any restrictions of any nature, whether with regard to a directional antenna or otherwise, that were imposed upon the applicant in the license issued to him?—A. There were discussions between the department's engineers and the engineers of the applicant at the time the station was applied for and it was pointed out I believe that they would have to conform with certain directional antenna requirements in order to fulfill the policy laid down.

Q. Is that the single service coverage policy you referred to?—A. Yes.

Q. Can you tell us which one of those stations was limited in that way in obedience to that policy?—A. I recall immediately Hamilton and Kitchener. I cannot recall any others at the moment without consulting the records.

Q. Let us take then the Hamilton station CHCH-TV on page 25. Will you tell us about the directional antenna that was required in pursuance of this policy of single service coverage?—A. Actually when the application was first filed I believe there was some question whether it would in its initial form have violated the single service coverage policy. This was taken up I believe with the applicants and they agreed to modify the antenna pattern which they had proposed and that modification as I recall it resulted in pushing a better signal down into the Niagara Peninsula.

Q. Did it not also have the effect of keeping the signal out of Toronto?—A. If it did that was a secondary effect. Naturally if you push more in one direction you have to take it away from another.

Q. Do you know yourself, Mr. Browne, whether or not the purpose of requiring the construction of a directional antenna on the part of station CHCH was to prevent its signal reaching Toronto?—A. I do not know that it was to prevent a signal reaching Toronto, as Toronto, but rather to prevent the violation of the single coverage policy.

Q. Is that because station CBLT was already in operation in the Toronto area—to keep the signal of station CHCH in Hamilton from impinging on the area covered by CBLT in Toronto, for which reason it was required to use this directional antenna?—A. It was to ensure that the policy laid down was being complied with.

Q. I am asking you to elaborate on that a little. Was not the application of the single service coverage policy in this instance made with a view to keeping out of the area served by the signal of station CBLT the signal of station CHCH of Hamilton?—A. In that way, yes. There was already a station in Toronto. But whether there was a station or not the effect would have been the same—you would still have to adhere to the policy laid down by the government.

Q. I do not know that I can follow you in the addition you made to your answer. I am trying to explain the situation simply, if it is simple. Correct me if I am wrong, please, Mr. Browne. I am asking if the reason for modifying this signal of CHCH-TV was that there was already in Toronto the signal of the station CBLT?—A. I cannot give you any better answer, Mr. Fleming, than to tell you that it was to prevent the degradation of government policy. It also resulted in a much better signal in the Niagara Peninsula area which was, after all, I may say, the intent of the government at that time, namely to give the greatest possible coverage to areas not being covered.

Q. I understand that Mr. Dunton told us about that service in the Niagara Peninsula, but I was going at it from the other geographical side of the picture —keeping the signal out of Toronto.

The other station you mentioned was Kitchener. What was done there by way of obliging the applicant to limit his signal?—A. Quite a good deal of negotiation must have been carried out by the engineers on this subject, and perhaps I might ask Mr. Smith to reply to that question. Have I your permission, Mr. Chairman?

The CHAIRMAN: Yes, by all means.

Mr. W. B. SMITH, *Senior Radio Regulations Engineer:* The problem there, Mr. Chairman, Mr. Fleming, was that prior to the application of Kitchener there was in existence a station in London, and a station in Toronto, and one had been authorized for Hamilton. The interpretation we have placed on the government's single service policy is that the A contours—that is, the grade A service contours—would not overlap in any case, and that the grade B contour of a new station would overlap the A contour of an existing station to a minimum degree. Those criteria were set forth to the consultant who, as a result, brought up the directional pattern which was subsequently authorized for Kitchener, and it complied very closely with the spirit and the letter of the single service coverage policy.

Mr. FLEMING: And it was in pursuance of that policy that some modification was applied to the Kitchener station to keep its signal out of Toronto—because the strength of the station would otherwise have been adequate to send a signal into Toronto?

Mr. W. B. SMITH: No sir. Not to keep it out of Toronto but to keep it from tangling with London and Hamilton.

Mr. FLEMING: I see. One further question Mr. Smith. Have you had any indications over the past two years of any modifications in that single service coverage policy or are you applying that policy in precisely the same way now as you were before two years ago?

Mr. W. B. SMITH: Mr. Chairman, Mr. Fleming, I can only say this: that we have had a number of enquiries from applicants as to how they might render a better service and still comply with the policy, but so far we have actually applied the policy, to the best of my information, precisely as it was laid down and as we have been doing over the last two years.

Mr. FLEMING: That policy is directed to keep a signal out of any area now served by a station?

Mr. W. B. SMITH: No, sir. That is not my interpretation of it. My interpretation is that you take the available power that can be put into a station and make it cover as wide an area as possible that does not already receive primary coverage.

Mr. FLEMING: Quite, but I am going a step further, perhaps, with the effect of that policy. In applying the policy do you attempt to keep a second signal out of an area which is now served by a signal?

Mr. SMITH: We try to keep the grade A contour of the proposed new station, or a new application, from overlapping the grade A contour of an existing service and that means that only a single primary service within the grade A contour of any station would be provided in any one area.

The CHAIRMAN: Are there any other questions?

Mr. RICHARD (*Ottawa East*): I want to ask Mr. Browne or Mr. Smith, out of curiosity whether in the case of Hamilton there would be any interference from a signal on band 11 through Toronto, which is two?

Mr. SMITH: No sir, there would be no interference at all. Interference occurs only on the same channel or in cases where the signals are adjacent.

Mr. RICHARD (*Ottawa East*): What about the reception in Toronto from the Hamilton station? If the signal was not directional would it be received very well in Toronto?

Mr. SMITH: I doubt very much whether there would be much difference from the point of view of the viewer whether the signal from Hamilton was operating directionally or not. It would be possible, of course, to measure the variation in the field strength with a suitable instrument, but as I say, from the point of view of the viewer I doubt very much if he would see much difference. I know that Hamilton is received quite well in Toronto.

*By Mr. Monteith:*

Q. I gather the department feels that the line from Toronto to Windsor including Hamilton and Kitchener—the part of Ontario within that area—is fairly well covered at the moment with grade A coverage, and that any place in the district I have mentioned would be well provided for in this A category.—A. There is a small area according to the small scale map I am looking at, Mr. Chairman, which does not seem to receive grade A coverage. It is south of Sarnia between London and Windsor. There is a small area there which does not enjoy grade A coverage.

Q. How about the position in the northern part around Owen Sound—the area north of Kitchener and London?—A. No, there is neither grade A nor grade B coverage in Owen Sound.

Q. Has any coverage been considered for that area—or rather I should say have there been any applications?—A. There is an application now before the department for a station at Wingham.

Q. Is that the only application in that territory which you have before you for consideration at the present time?—A. That is all at the moment.

*By Mr. Bryson:*

Q. Up to the moment, Mr. Chairman, we have been discussing interference between one station and another, but there are many parts of Canada which are anxious to get any signal at all, and my question is this: from general observation it would appear that the antenna that they are using at CFQC in Saskatoon is a radical departure from the conventional type of antennae. Is it only a radical departure from the physical standpoint however, or is it really able to disperse television signals more effectively? I wonder if there is any information about what the field strength readings have been in connection with that?

Mr. SMITH: Mr. Chairman, I cannot answer the question precisely because I have forgotten at the moment just what type of antenna is in use at the CFQC television station in Saskatoon, but I can say that all the television antennae used at the present time produce patterns which are very nearly circular. So far as the public is concerned I doubt if they would be able to distinguish much difference. It is possible sometimes to measure a two and a half to one ratio if accurate field strength meters are used, but as I say so far as the listeners are concerned the patterns are very nearly circular.

Mr. RICHARD (*Ottawa East*): I would like to ask a question on the subject of interference. As members of the committee know the passing of an aeroplane overhead upsets the picture appearing on the television screens. Is that interference due to the aeroplane, or to something passing in front of the wave?

Mr. SMITH: The answer I can give to that question is rather a complicated one because the wave from a television station behaves very much like a ray of light. It travels a path which is very nearly a straight line. Ordinarily the wave from a television station proceeds in a straight line directly to the antennae of the receiver set. If however, an aeroplane is passing overhead, some of the radiation from the television station strikes the aeroplane and is reflected back. That wave will arrive at the receiving point either in phase or out of phase, so it will either add to or subtract from the picture according to the relative length of the path between the transmiter, the aeroplane and the receiver, and that is really what causes the flutter in he image on the screen.

Mr. RICHARD (*Ottawa East*): Thank you, Mr. Smith. I understand you were in charge of "Flying Saucers" around here for a while.

Mr. SMITH: That is correct.

Mr. RICHARD (*Ottawa East*): Do you think flying saucers are interfering with our television?

Mr. SMITH: No, I do not think you can blame them for that.

Mr. GOODE: Mr. Smith, you said in answer to Mr. Fleming's question that television from Hamilton is received very well in Toronto. That means that this private station in Hamilton is received in all of Toronto?

Mr. SMITH: That would depend largely on the type of antenna used at the receiver. If you have an elaborate antenna there will be no question about getting it. If you expect to pick it up on "rabbit ears" half of Toronto would probably get very poor service.

Mr. GOODE: But it is true according to what you told Mr. Fleming that Toronto in general is receiving two television programs.

Mr. SMITH: Two stations. I cannot vouch for the programs.

Mr. GOODE: Two stations will be the better phrase. So this policy, Mr. Smith, is not working out too well. May I bring to your notice a comparison in Vancouver? I have been trying on behalf of British Columbia to get a private station in there. I can take it now that there is one policy for Toronto and another for Vancouver. Is that right?

Mr. SMITH: I do not interpret it that way.

Mr. GOODE: In which way do you interpret it?

Mr. SMITH: You cannot put a copper curtain around a television signal. Radio waves do not behave that way. They fade and become weaker and weaker. In order to have some common yardstick by which to measure the strength of these transmissions we have set certain signal levels which we call grade A and grade B. In general a grade A service is one which can be received with a minimum of antenna; a grade B service requires a more elaborate antenna, and a fringe area service requires a first-class antenna installation in order to be received with any success. All we are interested in under the single service coverage policy is in seeing that grade A services are not duplicated.

Mr. MONTEITH: Is there any figure in miles which relates to these grades you have mentioned?

Mr. SMITH: The distance to the contours is a function of the transmitter power times the antenna gain; it is also a function of the antenna height, so that installations having the same nominal power would not necessarily have the same coverage contours unless their antennae were the same height. Then again reception depends on the intervening topography. If there are a number of high hills they cast shadows, whereas if there is a wide open space the contours are further from the transmitter.

Mr. FLEMING: May I bring the committee back to the interesting question of the flying saucers?

The CHAIRMAN: I remind you that we are discussing television broadcasting; however, I do not bar the question.

Mr. FLEMING: How long did you carry on this operation before you decided that this was causing no interference with television or radio reception?

Mr. SMITH: Well, the operation was not carried out for that purpose. It was intended to gain any knowledge that might be available to us; it was not necessarily for television or radio.

Mr. FLEMING: I appreciate that, but when was it that you decided that it did not interfere with television or with radio broadcasting?

Mr. SMITH: We operated a station for making certain measurements out at Shirley's Bay from August of 1953 to about the same time in 1954, and on the basis of our measurements, which were nil, we came to the conclusion we had very little data of any nature to go on.

Mr. FLEMING: When was the decision taken to close that station, and why?

Mr. SMITH: We were not getting anywhere with it. In the beginning we thought we would run it for a year, but we got nowhere with it, so we closed it down.

Mr. FLEMING: The closing down came in the fall of 1954?

Mr. SMITH: That is right.

Mr. GOODE: When you or someone established a policy for the Hamilton station, was it known by your department that the station would be received in Toronto? You have told Mr. Fleming that a change in the antenna in this station was proposed so that the Niagara Peninsula would get more power. Did you know when you created that station that Toronto would receive the Hamilton station?

Mr. SMITH: I think the only answer I can give to that question is that we were aware of the grade A and grade B contours which the Toronto station was establishing, and it was necessary for the Hamilton applicant to direct the power of the Hamilton station in such a direction as to provide additional rather than duplicate service. So, after fairly lengthy discussions with their consultants, the present pattern was worked out which did meet the necessary criteria.

Mr. GOODE: That being true, I think this committee can take it that you now thought some of this power from Hamilton was going to be received in the Toronto area. Was the licence which was granted to Hamilton first presented to the C.B.C.?

Mr. SMITH: No sir. The applications are always filed with the Department of Transport.

Mr. GOODE: It says here, and perhaps I should direct this question to Mr. Browne, that applications—I will get it in a moment—that applications are usually submitted to the corporation before they are granted. I think if you will refer to Mr. Browne's evidence in 1953 you will find that is right. He mentioned there that eight applications for television stations were referred to the C.B.C., and at the time Hamilton was referred to.

Mr. SMITH: Hamilton was referred to the C.B.C.

Mr. GOODE: So, with your technical advice, you would know that some of the Hamilton programs would be received in the Toronto area.

Mr. SMITH: I think that would be unavoidable.

Mr. FLEMING: What applications for licenses for TV are now pending, and on what dates were they received by the department?

The CHAIRMAN: Do you want all the applications, Mr. Fleming?

Mr. FLEMING: Yes, all the pending ones.

The WITNESS: I think it would be better, Mr. Chairman, if we were to prepare a list and bring it to the next meeting if that would satisfy Mr. Fleming. The list would state the position with regard to all these applications.

Mr. FLEMING: Thank you; that will be quite satisfactory; and will you include in it the name of the applicant, the area, and the strength of the station applied for, the date of the application, and what disposition if any has been made of it, whether it has been referred to the C.B.C. or held pending, or not yet referred for any reason, or whatever the reason may be for the application being in whatever position it is in at this time.

*By Mr. Monteith:*

Q. Do you ever receive any inquiries which you do not consider as applications as at that moment? Do you get inquiries about territories being opened and that sort of thing which might eventually result in an application, but which do not result in such up to a certain stage?—A. Yes, we do. We receive inquiries of that type from time to time from various areas.

*By Mr. Dinsdale:*

Q. In regard to television applications, do you prefer to have the same party operating in the radio field to move into television? For example, if there were two applications for television privileges before the department, one from a party already operating in the radio field, would the fact that they were already in the radio field give them any preference over a newcomer?—A. The department has no preference in that regard. We take the applications as they come in, in accordance with the statutory requirements and refer them to the C.B.C. for recommendation if they are in order from a technical standpoint.

*By Mr. Knight:*

Q. Does your department grant licenses to the C.B.C. itself for television stations?—A. The applications for licenses for C.B.C. stations are forwarded to the department with the recommendation of the C.B.C. in the same way as are private station applications.

Q. I asked Mr. Dunton the same question the other day, about the present television set-up in Newfoundland. My understanding was that the C.B.C. had made an application to open a station on that island. Is that correct?—A. I do not think that the department received an application for a station in Newfoundland from the C.B.C.

Q. You are answering, "I do not think", Mr. Browne. I do not want to be too critical.—A. I can have that checked for you.

Q. Would you let us know?—A. I think the recommendation which the department received from the C.B.C. was to the effect that if the government did not authorize the C.B.C. itself to establish a station at Saint John's, they recommended that the license be granted to the present licensee.

Q. When you say "the government" you mean the Dominion government, the Government of Canada?—A. The Dominion of Canada, yes; because the granting of a licence for a new station involves the issuance of an order-in-council.

Q. You say: "if the government did not wish to grant a licence to the C.B.C.", then this other alternative should be followed?—A. Yes.

Q. What I am trying to get at is this: do you represent a government department which would grant this licence, or was this the government's decision as such?—A. It would be a government decision, sir.

Q. The government's decision was that the C.B.C. should not have a licence in Newfoundland, and under those circumstances the C.B.C. recommended that the licence should be given, in that case, to the company which at present holds the CJON licence, which previously operated a radio station?—A. I believe the recommendation of the C.B.C. suggested two alternatives, either that the C.B.C. station—or in the event that the government did not approve the granting of a licence to the C.B.C., then they recommended that a licence be issued to the Newfoundland Broadcasting Company Limited.

Q. I am not finding any fault with the fact that the licence was granted to this particular company, which I am sure is doing a good job and all that sort of thing, as many of the private stations are; but I ask if it is a matter of fact and record that the government recommended that the C.B.C. should not be licensed on that island?—A. If they did, we do not know anything about it. We simply had a directive to issue the licence to the Newfoundland Broadcasting Company Limited.

Q. Could you suggest any reason why the government refused that particular application?

The CHAIRMAN: I do not think you should ask Mr. Browne to discuss the policy of the government.

Mr. FLEMING: He cannot discuss its merits, but he can discuss its application.

The CHAIRMAN: He will come to the merits in the discussion of the application.

*By Mr. Fleming:*

Q. There was no application.

Mr. KNIGHT: Who had the decision in the matter? That is what I was trying to find out. If it was a government decision, then this is not the place to talk about it.

I have a letter from the owner of the present station. He says this:

> The reason the C.B.C. did not come in here was because the government did not see that it was justified in spending the money to put in a C.B.C. television station, when a private station was willing to put in the same service, at no cost to the taxpayer . . .

Where would this gentleman get that information? We have not had it here, and Mr. Browne does not have it. I suppose Mr. Browne cannot be responsible for that. Of course, if you follow that argument to its logical conclusion we would not have any public television at all, Mr. Dinsdale. It says that the reason the C.B.C. did not come in here was because the government did not see that it was justified in spending the money to put in a C.B.C. television station.

And this gentleman says, further down, that we—meaning his own company and largely himself, I take it—we put in the only application; or, he put it in other terms, there was no other application.

All I wanted to get from you was this: if you had had any application from the C.B.C. as such? Mr. Dunton said that they applied, and Mr. Dunton said that he was disappointed; and Mr. Dunton was not able to give me the reasons why the government did not grant the application. I asked him if the reasons which the government gave him were good and sufficient, and he laughed it off, as if he was not qualified to answer the question.

Mr. RICHARD (*Ottawa East*): What Mr. Dunton had in mind was probably that the C.B.C. have to ask the government for approval before they established a station. If the Corporation made a direct application to the government requesting permission to erect a station at Saint John's and were told that they would not, then the Corporation would not make a formal application to the Department of Transport. That is how I see it.

Mr. KNIGHT: I am getting somewhere now. I am being told now that they were told that they could not. Is that correct?

Mr. RICHARD (*Ottawa East*): That is what I would understand from it.

Mr. KNIGHT: You understand that the C.B.C. was told by the government that they could not make an application. Is that official?

Mr. RICHARD (*Ottawa East*): I am trying to find out, because Mr. Browne said there was no other application.

Mr. KNIGHT: I do not want to re-open this matter.

Mr. RICHARD (*Ottawa East*): I think you ought to ask Mr. Dunton.

Mr. KNIGHT: I did attempt to get the information from Mr. Dunton. Now I am trying to get it from the Department of Transport and I do not seem to have any luck anywhere.

Mr. FLEMING: You are probably having more luck with Mr. Richard.

Mr. KNIGHT: Mr. Richard has some of the information, and the owner of the station has some of the information, but nobody else has any.

Mr. RICHARDSON: What is the question which Mr. Knight wants to have answered? What is the question at the moment?

Mr. KNIGHT: I have been putting them, if you had been here this afternoon.

Mr. RICHARDSON: I have been here!

Mr. KNIGHT: Did or did not the C.B.C. apply for a television licence in Newfoundland for Saint John's. This is the question to which I cannot get an answer. Mr. Richard informs me that they were told they could not.

Mr. RICHARD (*Ottawa East*): I did not say that. I said that in my understanding of the matter the C.B.C. requested the government for permission to establish; but that is different from an application to the Department of Transport for a licence. That is a different position.

Mr. KNIGHT: I take it that the C.B.C. did apply for a licence from the Department of Transport?

The WITNESS: If you are speaking of applications in the form in which they are received from private applicants, I would say that the answer would be in the negative.

Mr. FLEMING: We were told that the C.B.C. does not do that.

*By Mr. Knight:*

Q. Has the C.B.C. on other occasions asked for a licence of any sort from the Department of Transport either for a television or for a radio station? —A. On other occasions?

Q. Outside of this occasion.—A. That is, for the stations which are in existence?

Q. I mean: when the C.B.C. wants to open a television station somewhere, does it apply to the Department of Transport for such a licence?—A. I believe that applications are filed with all the necessary engineering and technical data.

Q. If the C.B.C. does apply to the Department of Transport in such a case, has any such application ever been refused by the licensing department of the government, namely the Department of Transport?—A. I do not think—no, I am quite sure that no application made in the usual form, that is, with an engineering brief and so on, on which the application is based—when made by the C.B.C. has been refused.

Q. You can see the reason for my curiosity in regard to this one in particular; if in fact there was an application from the C.B.C., and if in fact it was turned down, you can see the reason for my curiosity in wondering for what reason it was turned down.

Mr. RICHARD (*Ottawa East*): Mr. Browne just said there was no application. He answered in the negative.

Mr. FLEMING: Mr. Dunton said that the C.B.C. does not make application in the ordinary way, and that they have the right to ask the Department of Transport at any time for a licence. They do not fill out an application in the same way that a private applicant does.

Mr. KNIGHT: I have the record before me. I do not know if it has been printed yet or not; but I call upon my colleagues to witness that when I asked Mr. Dunton if the C.B.C. had applied to open a publicly owned television station in Newfoundland that he said "Yes".

Then I asked him, when such an application was turned down, what were the reasons given, and he said: "Yes, Mr. Knight, the usual reasons were given". And then I said: "Were the reasons for your being turned down in this particular instance satisfactory to yourself?" That may not be a verbatim account, but it was essentially the conversation between myself and Mr. Dunton. Someone can correct me if it is not.

Mr. FLEMING: I think you are quite correct.

Mr. KNIGHT: Here is a bit of mystery and I cannot get to the bottom of it.

*By Mr. Goode:*

Q. I wonder if I could ask Mr. Smith or Mr. Browne what would be the position of this directional signal on Vancouver island if a station was set up there? I am interested in directional signals at the moment, or directional antennae. What would be the position on Vancouver island if a station was established there? How would you confine it?—A. At what point?

Q. Let us say at Victoria, because that is where you sent the applications. May I remind you that in 1953 in answer to me you said that you had sent out sixty applications for television broadcasting station licences, and I asked you how many went to British Columbia, and you said nine, and included in that

nine was one to William Rae Junior, CKNW, and one to the Vancouver *Sun*, Victoria. How can we go along with that policy if you are going to establish a television station on Vancouver island? Are you going to allow television to go into Vancouver with a second station, or are you going to confine it to Vancouver island? I was referring to page 460 of the 1953 report.

Mr. SMITH: Mr. Browne requested that I attempt to answer here. It is very difficult to give an answer to a question posed in that manner because we are used to dealing with actual contours which are proposed for station coverage, and unless we can see what the applicants actually propose, it is very difficult to say whether or not it is compatible with our single service coverage policy.

I have before me a small map on which is plotted the grade A and grade B contours of Vancouver. Some parts of Vancouver island including the city of Victoria are not covered by grade A service.

To establish a station at Victoria which would provide television service to Victoria would mean almost certainly—unless the station was extremely low powered—an overlapping between this grade A and the grade A contour established by CBUT. The same would apply to Nanaimo, which is actually within the grade A contour of CBUT.

Mr. GOODE: You know that Victoria receives Vancouver very well; yet in 1953 the department sent out two applications to Victoria. I am trying to establish where this policy starts in one part of the country and where it finishes in another. Here we have a decision of the department involving applications from Vancouver island which are going to overlap into the city of Vancouver, and yet we refuse, on the lower mainland, a private television station apart from Vancouver entirely.

Mr. SMITH: When anyone writes in to this division and asks for an application form, or intimates that he wishes to apply, unless we have very good reason to believe that he is intending to file an application in an area which is already covered, we certainly send him an application form and full information. Where we think it is a borderline case, we warn them that before making any commitments, they should have their consultants discuss the matter with us with regard to contours.

*By Mr. Goode:*

Q. I wonder if I might ask Mr. Browne at a future meeting if he will look up the copies of these applications for these two Vancouver stations and let the committee have the correspondence which was attached to those applications when they went to Vancouver island.—A. I would be glad to do that. I believe that at the time—I think the answer is that we perhaps considered at the time they might be borderline cases, and that the applicant might be able to come up with some kind of proposition which would satisfy the conditions laid down. I might say that the Vancouver station of the C.B.C. was not in operation at that time, and that there were a lot of "question marks".

Q. I realize that. They had intimated at the time that they made application that they were going to establish in Vancouver in a very short time. I have the questions and the answers to them from Mr. Dunton, who gave me all the details. I think they were in the process of putting up an antenna on Seymour mountain at that time, but I am not sure.

*By Mr. Fleming:*

Q. With respect to your proposed station at Saint John's, Newfoundland, has there been any case in which the Department of Transport has not given effect to the recommendation of the C.B.C. with respect to licensing?—A. I cannot recall any.

Q. Does your answer apply both to television and to sound broadcasting?—A. Yes.

Q. May we infer then that the treatment accorded to the recommendation of the C.B.C. with respect to the proposed station at St. John's, Newfoundland is unique?—A. Well, that is one way of putting it, I suppose.

Q. It is the correct way of putting it, is it not?—A. Yes.

The CHAIRMAN: If you want to clear up the question of St. John's, there is a question which was put by Mr. Knight on page 290—the question which Mr. Knight put to Mr. Dunton. And at page 318 there is a question put by Mr. Dinsdale.

Mr. KNIGHT: I don't want to put my statement back on the record.

The CHAIRMAN: To keep the record clear—there is no objection.

Mr. KNIGHT: I wanted it to be clear—the reason why I insisted on asking Mr. Browne this. I asked Mr. Dunton this:

> Q. Mr. Dunton, when an application for an establishment of a television station comes in and when this application is refused I presume the applicant is given reasons why his application is turned down?—A. We give reasons for our recommendations.
>
> Q. I was wondering. When you as the C.B.C. applied to have a publicly-owned station set up in Newfoundland what were the reasons which were given to you for the refusal of permission to do so?—A. I think you are aware that all applications for new stations are dealt with by the government as a whole—by the cabinet. Under the Act they have to be. I think the reasons given were not very full.
>
> Q. That is all you want to say.
>
> Mr. FLEMING: A very diplomatic answer.
>
> The WITNESS: Council has full power to do these things, and it decided against the application.

The point is that there was an application made.

The CHAIRMAN: There was a question put by Mr. Dinsdale at page 318. I will read it.

> Q. We had a discussion this morning on the St. John's situation and I was wondering what technical aspects would determine a decision in favour of a private station as opposed to public broadcasting?—A. We do not know. We make a recommendation and it goes on to the licensing authorities and they make the decision.

Mr. KNIGHT: I was just wondering why it was the policy of the government to cut its own child's throat. Mr. Browne will not be able to answer that one.

*By Mr. Fleming:*

Q. Mr. Browne, you have described the present policy of the government with reference to the licensing of television applications as "the single service coverage policy." Are you operating under some written instructions or definition of that policy?—A. Instructions given to us were to develop the policy in accordance with the statement made in the House by the Hon. Minister.

Q. That statement is the one which was made in the House by Dr. McCann about two years ago, or a little over two years ago, is it not?—A. And I believe it was reaffirmed by the then Minister of Transport, Mr. Chevrier.

Hon. Mr. MCCANN: There never was any commitment to establish a C.B.C. station in Newfoundland. The policy was for six stations—one in Vancouver, one in Prairie provinces—that is now in Winnipeg—in Toronto, Ottawa, Montreal and Halifax. And Halifax was chosen for the one in the Maritimes.

There never was any commitment to establish a C.B.C. station in Newfoundland and while it may be true that the C.B.C. made an application for that, we had not been committed to it.

*By Mr. Fleming:*

Q. I just wanted to get at the basis of the policy. This is a statement which was made by the minister in the House that you have been following? —A. That is correct.

Q. And that is the complete statement to which you are adhering in considering these applications for television licenses?—A. That is right. The statement made by the minister on December 8, 1952. There was a further statement by the Minister of Transport I believe in the following March.

Q. That was not so much a statement as a speech in a debate, was it not? He did not go into the question of a statement of policy.—A. I believe it had to do with the setting up of the committee.

Q. It was his speech in the debate. As the statement of government policy. You are applying the one by Dr. McCann in the House on December 8th, 1952?—A. Yes.

Q. What policy are you applying with regard to the licensing of applications for sound broadcasting stations?—A. There has been no change in the policy which we have followed for the past years.

Q. So that when you receive an application for a sound broadcasting license it is not regarded as an adverse factor if there are other sound broadcasting stations in the same area as that proposed to be served by the applicant? —A. We do not enter into that.

Q. It is a matter of complete indifference to you in dealing with the case of an application for a sound broadcasting licence?—A. We simply refer the application to the C.B.C. for a recommendation.

Q. I know that, but I am dealing with this point: it is a matter of indifference to you, as a matter of policy, whether there are one or more sound broadcasting stations already giving service in the same area?—A. Yes.

Q. Does your department make any attempt at all to study or record the areas of Canada—presumably the most southerly parts—which now receive signals from United States television stations?—A. Not intentionally. No. In the course of our work we know what are the available signals in areas which our inspectors visit in connection with their investigations into interference, but they have no special mandate to check on the availability or otherwise of signals from the United States.

Q. I take it then you have no record in your department, no information systematically compiled as to areas in Canada now served by signals from United States television stations?—A. Not systematically compiled, but there are indirect references which we may have in our reports, the reports we receive from our staff.

Q. I see. Do you, for instance know what signals from United States television stations are going into the Hamilton area?—A. I am sure that if we ask our field inspector in Hamilton for a report we could have that information, but we have not asked him to prepare any such report.

Q. Similarly, would you not have on record anywhere in your department information as to what United States television stations are transmitting their signals into the lower Vancouver mainland, for example?—A. Generally we can also get that information if we ask for it.

Q. You would have to ask your local inspector to find out?—A. Yes. Our organization is considerably decentralized.

Hon. Mr. McCann: Cannot you get that information through the C.B.C.?

The Witness: I am sure we could. I was merely answering for my own division.

*By Mr. Fleming:*

Q. I take it then that the answer is generally: there is not in your department information to which you can turn as to the reception of signals from American television stations. If that information were sought you would have to go either to the C.B.C. or to your local inspectors in order to obtain it?—A. There is another source, of course, and that is the field patterns—the contours of the United States stations which are furnished to us by the F.C.C. and which we distribute to the consulting engineers who quite properly need them to make use of them in the preparation of their briefs; they require that information in preparing submissions in connection with applications. We can obtain the information from those contours.

Q. I was waiting for you to say something about that, Mr. Browne. Do you keep that information on record here in Ottawa?—A. Yes, we do.

Q. Have you at any time prepared a map or a series of maps indicating the areas of Canada which are now receiving signals from United States television stations?—A. I am sure we have not prepared any comprehensive maps. We merely refer to these as we need to from time to time. The information could be compiled in that way if we wanted to do so.

Q. Is your material in such shape that that would be a very formidable task, or is it in such shape that it could be prepared relatively simply and quickly?—A. I think it would take a little while but it could be done.

Q. Let us put it on this basis—let us take those areas in which the C.B.C. in pursuance of government policy as described by Dr. McCann in the House has established television transmitting stations. Are you in a position to tell us what United States television stations are sending their signals into the area served by those C.B.C. television stations?—A. Mr. Smith informs me it would take 30 man-hours for each United States station.

Q. It is obviously not practical then to ask your department for this information.—A. No. Not in a very limited time.

Q. When applications are dealt with for such areas or are received, if they ever are received, are you going to take into account the fact that such areas are also receiving signals from American stations across the border? Has that ever entered into the calculations of the government with regard to any applications, whether an area is already receiving television signals from an American station?—A. All these contour maps are submitted to us. We check them to ensure that there is no violation of the United States-Canada agreement.

Q. I take it that these maps are not submitted in connecion with any Canadian applications?—A. No, they are submitted to us in accordance with the terms of the agreement.

Q. And they come, in that case, from the station concerned or the communications Commission in the United States?—A. They come from the Federal Communications Commission. We do not deal with the individual stations.

Q. I just want to clear this point up. I think a situation of this kind lends itself to a clear statement. In connection with any application for a license in Canada for a television station, it is no part of the enquiry made or of the factors which determine a decision on an application, whether the area proposed to be served is or is not already receiving a signal from any United States television station?—A. No.

Q. It is not one of the things that enters into the position at all?—A. No, so long as there is compliance on the part of the United States with the terms of the agreement.

*By Mr. Boisvert:*

Q. Mr. Browne, I would like to know with respect to sound broadcasting how many private stations were in operation on the 1st of January 1953 and

on the 1st of January 1954 and on the 1st of May 1955? If you have not this information with you would you be kind enough to have it ready for our next meeting?—A. We shall do that.

Q. I would like to know also if there were any changes in ownership with respect to private sound broadcasting stations since 1953?—A. They are embodied in the second statement which I presented to the committee. Under section two. You will notice that in section two the changes are underlined.

*By Mr. Goode:*

Q. I wonder if I may ask Mr. Browne, with reference to the situation in British Columbia, whether there has been any completed application for a private television station in that area?—A. We have not received any.

Q. You said in 1953 you had an application from CKNW. To be fair you did say you were not sure whether it was complete or not. Has that ever been completed or was it complete at that time, do you know?—A. Do you mean, Mr. Goode, the license applied for in respect of Edmonton or the Vancouver area?

Q. Edmonton will have to look after itself. I try as best I can to represent the people of British Columbia, and that is what I am concerned about at the moment.—A. He had sent in an application for his own area. It was returned to him because it was in contravention . . . In fact I think he asked that it should be returned to him. He wrote from California asking that the application should be returned.

Q. Has there ever been an application or any enquiries regarding an application from the Vancouver *Sun*?—A. They inquired by letter regarding the possibility of a license for Nanaimo.

Q. How long ago was it?—A. Quite recently.

Hon. Mr. McCann: On a question of privilege. This is not public business at all. We are attempting to disclose private business between an applicant and the Department of Transport. I must take issue.

Mr. Goode: Mr. Chairman, it is in the 1953 report.

Hon. Mr. McCann: I don't care whether it is or not. It is private business. A man has a right to make an application if he wants to and it does not fall within the realm of this committee to disclose his private business to the country.

Mr. Goode: Mr. Chairman, I must say that we had different rules in 1953 from what we have at the present time, then, and I have the evidence in front of me. Am I going to be confined to one set of rules in 1955 although the committee in 1953 was guided by a different set of rules?

Mr. Richard (*Ottawa East*): Will you repeat your question again Mr. Goode?

Mr. Goode: I asked whether there had been an application from the Vancouver *Sun* for a television license.

Mr. Richard (*Ottawa East*): In 1953?

Mr. Goode: No. At any time. I think you should rule on that question, Mr. Chairman, but before you do I would point out that in 1953 such information was given. Not only that, but the department said they had sent applications to these people. I am asking now whether an application was made by the Vancouver *Sun* and the reason I ask is because an application was sent out to them by the department. I want to know whether that application was filled in and sent back to the department or not. What happened to that application? Did it go back to the department filled in, or not? If I am out of order I wish you would let me know, Mr. Chairman.

Hon. Mr. McCann: Anybody can get a form if they want to.

Mr. GOODE: That is not the point. The department volunteered information to me in 1953 . . .

The CHAIRMAN: Who gave the information?

Mr. GOODE: Mr. Browne. On page 460 of the committee reports of 1953, and he volunteered the information that they sent out 60 applications with regard to a television broadcasting station licence, to people representing some 35 different areas. That is what Mr. Browne said. And then I said, "How many went to British Columbia?" He said, "Nine," and it was in the course of further questioning that he said where the nine went to, and one of them went to the Vancouver *Sun*, and now I want to know what happened to that application.

Mr. RICHARD (*Ottawa East*): That is a different question now.

The CHAIRMAN: It is.

Mr. GOODE: But I want to know what happened to the application.

Mr. RICHARD (*Ottawa East*): But you cannot support your contention now about the answer given by Mr. Browne. He gave the names of those to whom the applications were sent but you did not ask for the application. That is a different question now.

Mr. GOODE: All I want to know is if the application was received from the Vancouver *Sun*.

The CHAIRMAN: Mr. Browne did not give the names of the people to whom the applications were sent. You did not ask if the applications were sent in by the people who received the forms.

Mr. GOODE: Let me repeat my question. An application was sent to the Vancouver *Sun*. Was that application ever received by your department back from the Vancouver *Sun*? May I ask that?

Mr. RICHARD (*Ottawa East*): That is not the same question.

Mr. FLEMING: It is leading up to the same question. I think it is an interesting question of privilege. The Hon. Mr. McCann says that he is all for protecting the rights of private taxpayers. Would he be prepared to disclose that information to a provincial premier, for instance?

The WITNESS: We have received no application from the Vancouver *Sun*.

Mr. GOODE: That is all right.

The CHAIRMAN: Now, Mr. Holowach.

*By Mr. Holowach:*

Q. I would like to ask Mr. Browne this question in order to establish whether or not there is a variation in the policy with respect to the issuance of licenses. What is the dffierence between a commercial radio station and a non-commercial radio station? Is there a difference?—A. There is no such thing as a non-commercial radio station.

Q. You are saying that there is no such thing?—A. There is no such thing as a non-commercial broadcasting station in the terminology laid down in the legislation.

Q. Is there a difference in the terminology to which you refer?—A. There are private commercial broadcasting stations and private commercial broadcasting licences, and none others.

Q. Take for example radio station CKUA operating in the city of Edmonton. How would you classify that radio station?—A. It is a private commercial broadcasting station, (educational).

Hon. Mr. MCCANN: There are a number of them. A university might have one. They would take no advertising; that is a private non-commercial station. Take for example Queen's University. It has one in its science department. They do not take advertising in order to get in revenue.

Mr. HOLOWACH: I see. In other words, CKUA in Edmonton would be a non-commercial private radio station.

The WITNESS: It is a private commercial broadcasting station, and it says in parenthesis "educational".

Mr. KNIGHT: Did you say commercial or non-commercial?

Mr. HOLOWACH: There seems to be a conflict in interpreting. I think the minister said it was non-commercial.

The WITNESS: It is non-commercial, but in so far as we are concerned it is classified as a private commercial broadcasting station (educational), and there is a nominal fee for the licence for that station.

Hon. Mr. MCCANN: They do not pay the same licence fee.

*By Mr. Holowach:*

Q. Is there a difference in the issuing of licenses to such a radio station so far as your department is concerned?—A. There is no difference of policy in so far as the department is concerned. If a university applies for such a licence, the application is referred in the usual way, in accordance with the statute, to the C.B.C.

Mr. HANSELL: There seems to be a bit of confusion in respect to this commercial and non-commercial business. It occurs to me that legally all stations are private commercial stations; but in practice they are non-commercial; some of them are non-commercial; they are private commercial stations, but they cannot carry on any advertising or programs with a sponsor.

Hon. Mr. MCCANN: Usually they say that they do not want to; that this is for educational purposes, and because it is for educational purposes they do not have to pay the fee which is equivalent to the fee they would have to pay if they were taking commercial work.

Mr. HANSELL: Yet they are called private commercial stations.

The WITNESS: Perhaps I might read the regulations. This is from the General Radio Regulations, Part I, which are made by the Governor-in-Council under the Radio Act. It says that "the annual licence fee to be paid in respect to a private commercial broadcasting station operated at an educational institution on a non-commercial basis shall be $50."

*By Mr. Dinsdale:*

Q. How does that compare with a commercial licence fee? What is the commercial licence fee for a radio station?—A. Commercial licence fees are divided into seven categories which are based on the annual gross revenue. From category A to category G they run from $100 in category A to $6,000 in category G.

Q. The same principle applies to television stations as well, I suppose?—A. Yes, they are all private commercial broadcasting stations whether they are sound or visual.

Q. I imagine there is a difference between the television rates and the sound broadcasting rates?—A. There is no difference.

*By Mr. Monteith:*

Q. They are all based on dollar volume?—A. They are all based on annual gross revenue.

Q. A television station with $100 thousand would pay the same licence fee as a sound station with $100 thousand?—A. That is correct.

Mr. BRYSON: I was looking at the radio station to which the minister referred, at Queen's University. I could not understand anybody operating with 100 watts. That is just a peanut whistle. To what category would they fall into? It is a low-powered experimental station.

Hon. Mr. McCANN: It is mostly for teaching purposes. There is a group of buildings at the university and certain things are transmitted from one part to the other parts.

Mr. BRYSON: Waves would be on a ground frequency.

Mr. DINSDALE: There might be a P.A. system.

The WITNESS: In some places they do it by a P.A. system. In other places it is used in an educational way and they do some technical training.

Hon. Mr. McCANN: I have seen it operate at Queen's University and from the station there would be a lecture from a public person coming from where the transmitter was, to the convocation hall where there would be 2,000 or 3,000 people. They have sufficient power to broadcast educational matters to the city, but it would not reach outside the confines of the city.

The WITNESS: I do know that in the University of New Brunswick they teach physics and radio engineering there and use the station equipment for that purpose. When the Queen's University station was opened they used it to broadcast football games and the like.

Mr. HOLOWACH: I did not have a chance to complete my questioning. I am interested in this radio station CKUA in Edmonton. I understand several years ago this radio station made application for a commercial licence in order to carry advertised programs. Have you any information respecting that, Mr. Browne?

The WITNESS: I recall it, but I cannot recall the detailed disposition of the case at the time. I believe it was dealt with in the usual way. As far as I can recall it was turned down; the application was turned down.

Mr. HOLOWACH: Could you tell us what process is involved for such a station to be granted a commercial licence in order to carry on these advertised programs?

The WITNESS: I believe it would be referred to the C.B.C. in the usual way, for a recommendation.

*By Mr. Hansell:*

Q. Following that, is it not true that since that station was refused a commercial licence for commercial purposes that other stations in Edmonton had been granted a licence?—A. There appear to have been 2 additional licences granted since then, one of which was for a French language station.

Q. What are those two; what are their call letters?—A. CHED and CHFA.

Q. If CKUA was refused a commercial licence for commercial purposes on the grounds that Edmonton was adequately served—and I have a faint recollection in my mind that that was the reason—

Hon. Mr. McCANN: How long ago was that?

Mr. HANSELL: It would be at least the last radio committee, if not the one before that.

Hon. Mr. McCANN: Do you realize that Edmonton is growing at the rate of 30,000 a year?

Mr. HANSELL: That is why I do not understand why the new stations were granted licences but CKUA has not been granted a licence. I just make that comment that there must be some reason. Perhaps I should not press for the reason.

Mr. MONTEITH: Why not?

Mr. HANSELL: Perhaps Mr. Browne can give me the reasons. This would be a C.B.C. matter, but perhaps we are in the right church but the wrong pew.

The WITNESS: All I can say is that the licences were issued on the basis of the orders in council which were passed.

Mr. HANSELL: I am talking about CHED. I can understand about CHFA because that is a French station.

Mr. DINSDALE: I have a question on section 9 of the white paper, "Stations suspending operations during the period April 30, 1953, to May 13, 1955." I am interested in knowing whether these stations discontinued operations of their own volition or whether it was a result of violation of regulations or something of that kind?

The WITNESS: There was no violation of regulations. I believe in all cases the stations discontinued of their own volition.

Mr. FLEMING: Have you ever had to terminate the licence of a station as a disciplinary measure say in recent years?

The WITNESS: In recent years I believe there was one. There was one station which was told to either bring its equipment into line with the department's technical requirements or close down, and the station elected to close down.

Mr. FLEMING: How long ago was that?

The WITNESS: About four or five years ago, Mr. Fleming.

*By Mr. Dinsdale:*

Q. I notice that all the stations concerned in this report are frequency modulation stations. Does that mean they merely discontinued FM operations and are carrying on with AM?—A. I believe one or two of them were operating solely as FM stations and did not have any standard band stations, but they all discontinued operations because they found they did not have a sufficient listening audience.

Q. We had some discussion on the prospects of frequency modulation in Canada. As a technical man, Mr. Browne, perhaps you might add something at this point. Apparently there is a trend away from FM broadcasting rather than towards increasing FM broadcasting?—A. There has been a trend away from it both in Canada and the United States, Mr. Dinsdale. I believe it is partly due to the impact of television, perhaps, and partly due to the lack of interest in that particular band. There were not sufficient people buying receivers which embodied that band in addition to the other. In many cases it meant buying a separate receiver for FM.

Hon. Mr. MCCANN: Is it not true that part of it is due to the technological improvements in AM stations?

The WITNESS: Yes, and the increases in power would, I believe, have improved the situation generally in the larger areas.

*By Mr. Richardson:*

Q. What policy, if any, does the department have in respect to the licensing of universities in Canada?—A. Well, there is no special departmental policy governing the licensing of universities. Their applications when received are accorded the same treatment as the commercial ones.

*By Mr. Weaver:*

Q. Mr. Chairman, I wonder if Mr. Browne could furnish the committee with sample application forms for licences.—A. For which type of licences?

Q. For both sound broadcasting and television.—A. We will be glad to do that. Do you wish separate copies, or would it be in order to hand them to the secretary to embody as an appendix to the minutes of the meeting?

The CHAIRMAN: That would be all right. Is it agreed?

Agreed.

*By Mr. Dinsdale:*

Q. Would you say, Mr. Browne, that the chief advantage of FM broadcasting is to make available more channels without saturation?—A. It does in a way, but there are two main advantages which were pointed out at the time FM was introduced. One was the higher fidelity obtainable from FM receivers, and the other was the elimination of noise. Unfortunately many of the FM receivers which have been developed did not take advantage of the first feature by employing a better type of construction. The manufacturers produced them in very small boxes and there was a resultant loss of the advantage of the high fidelity feature. However, the other advantage of the much greater freedom from interference remains. There is not complete freedom in some cases, however.

Q. And the other advantage of obtaining more channels, is that of any importance?—A. I do not think it is a very important factor really because of the small audience on the FM bands.

Mr. WEAVER: Mr. Chairman, I would like to ask Mr. Browne an irrelevant question. Are you still privately watching for phenomena which might indicate the existence of flying saucers?

The CHAIRMAN: I think we should not go too far afield with these questions. I have allowed one or two such questions this afternoon, but I do not think we should go too far afield.

Mr. FLEMING: Quite a few of them flew around here this afternoon!

*By Mr. Holowach:*

Q. In view of the ever increasing growth of the city of Edmonton where I understand there is an influx of over 1,000 people per month, if CKUA were to apply for the commercial licence to which I made reference do you believe, Mr. Browne, that their application would receive sympathetic consideration?—A. I cannot answer that question, sir. I think you should direct that question to the C.B.C. as they are the people to whom the application is referred for recommendation. They might furnish part of the answer, and of course the recommendation would have to go to the Governor in Council.

Q. I have one more question on a different topic. In the event of the sale of a properly licensed radio station, or a switch in management, would the new management or new owner have to renew the application or make a new application for a radio license?—A. Yes, there is a complete set of forms for that procedure also.

Hon. Mr. MCCANN: He would make application for a transfer.

The WITNESS: Actually we do not consider it a transfer of license. We require the licensee to relinquish the license for the station, and the prospective owner is required to apply for a new one. We do not recognize the principle of transfer of licenses.

*By Mr. Goode:*

Q. Who then, Mr. Browne, would have refused the transfer of license or the sale of CKNW in New Westminster?—A. The issuance of the new license, of course, would be up to the Governor in Council.

Q. The sale was refused. Would that be strictly a C.B.C. proposition?—A. I do not know anything about the sale.

Q. Did you know there was an application? Would that go through your department?—A. Yes, it came through the department.

Q. How was that processed; would it go to the C.B.C. from you?—A. Yes, in the usual way.

Q. I understand that.—A. Yes.

The CHAIRMAN: Are there any other questions?

*By Mr. Goode:*

Q. I have one other question. I do not know whether you have this information with you, but you could get it, I am quite sure. There is a channel open on the lower mainland—1130—for sound broadcasting. What is the attitude of your department towards that channel? Do you know the answer or do you have to check?—A. I believe channel 1130 is one of the channels which were set aside years ago for the C.B.C. station and it was occupied by the C.B.C. station at Vancouver until the changeover was made to 690. That has been the government policy—that the clear channels of which 1130 is one are reserved for C.B.C. stations.

Q. Are they still reserved for it?—A. Yes.

Q. Is there a likelihood then of another sound broadcasting station being established in Vancouver? I gather there is or the frequency would not be held.—A. Would you mind repeating that question?

Q. There is a likelihood of another sound broadcasting station being established in Vancouver or the frequency would not be held?—A. I have not yet been informed of the C.B.C.'s plans with regard to the use of the 1130 channel in British Columbia, but the channel itself can be used anywhere in British Columbia under the North American Regional Broadcasting Agreement.

Q. But it is the C.B.C. which is holding the frequency?—A. The channel has been allocated to the C.B.C.

Q. Is it still allocated to them?—A. They still have it under government policy.

*By Mr. Richard* (Ottawa East):

Q. My question, Mr. Chairman, might be more properly addressed to Mr. Dunton than to the present witness. However, I understand that a station in northern New York—WQXR—the New York Times—may without difficulty be tied into CBC. Are you familiar with that siutation?—A. I am very familiar myself with the station and with the network in New York state, but I think the question would be more properly directed to the C.B.C.

The CHAIRMAN: I understand that we shall need Mr. Browne for Thursday's sitting at 11 o'clock.

*By Mr. Bryson:*

Q. There is just one more question, one which I asked the other day and which was referred to this committee. Has the Department of Transport received any applications from any individuals living in a fringe area to build appropriate antennae which would be able to pick up television signals and feed those signals by a land line to individuals in a certain town who would pay so much in consideration of the service? Has any appplication been made for such a licence?—A. That is what we refer to as community antenna television systems, and it is a very "live" subject with the department right now. Conditions and requirements are being developed for services of that type, and the stations which receive these porgrams will be licensed under commercial receiving licences.

Q. The system has possibilities then?—A. Oh yes, definitely.

The CHAIRMAN: Shall we adjourn?

Agreed.

# APPENDIX "A"

Department of Transport

Application for Authority to Establish a
Private Commercial Broadcasting Station

The Canadian Broadcasting Corporation
Form 269A

58101—4½

## APPLICATION FOR AUTHORITY TO ESTABLISH A PRIVATE COMMERCIAL BROADCASTING STATION

In accordance with the provisions of The Radio Act, 1938 and the Regulations made thereunder and The Canadian Broadcasting Act, 1936 and the Regulations made thereunder.

---

THIS FORM TO BE SUBMITTED IN TRIPLICATE ACCOMPANIED BY CANADIAN BROADCASTING CORPORATION FORM 269A AND SCHEDULES RELATING THERETO.

1. State type of station (AM or FM) .....

2. Proposed (*a*) Power .....
   (*b*) Antenna Height above average terrain.....
   (*c*) Antenna gain .....
   (Note: (*b*) and (*c*) apply only to FM applications)

3. Proposed Antenna Array—Directional or Omni-Directional .....
   (applies only to AM applications)—(cross out words not applicable)

4. Proposed frequency .....

5. Proposed location of (*a*) Transmitter .....
   (*b*) Studios .....

6. Name of applicant
   (individual or incorporated company) .....

7. Address, street number, city and Province .....
   .....

8. Nationality .....
   Place of birth .....
   Date of birth .....
   Residence for last 5 years .....

9. Details of occupation, whether associated in any way with any other business, such as newspaper, publishing company, theatre company or existing broadcasting company. Details of occupation(s) for last five years. .....
   .....
   .....
   .....
   .....
   .....

10. Have bankruptcy proceedings ever been instituted by or been brought against applicant or any associates in this application? If so, give details in Schedule 1.

---

11. Are there outstanding any unsatisfied judgments or court orders against applicant or associates in this application? If so, give details in Schedule 2.

---

12. Associates—Names of any persons associated with the applicant, either financially or otherwise, in the establishment of the broadcasting station. Give addresses and residences for last 5 years and details with respect to financial standing, technical ability, business connections, etc. Schedule 3.

---

13. Available capital:

(*a*) for construction of station.
(*b*) for operation of station for first three years.

Sources of available capital, indicating amounts and specifying whether cash assets, convertible securities, mortgageable assets, such as real estate, etc. from the following: (*a*) Applicant.

(*b*) Associate(s). (If loans, specify terms)
(*c*) Loans from banks or others (Specify terms)
(*d*) Donations or subscriptions
(*e*) Other sources (Specify)

(Documentary evidence accompanied by certified financial statements showing present financial condition of applicant, whether individual or limited company, and of each associate must be given.) Schedule 4.

---

14. If an incorporated company, give the exact name of company, address of head office, where incorporated and date thereof, copies of Letters Patent, date of last shareholders' meeting; nationality, place of birth, date of birth, and residences of principal shareholders over last 5 years. Schedule 5.

---

15. Number and class of shares authorized (common or preferred) and par value. .....

---

16. Number of each class of shares issued (common or preferred) and par value. .....

---

17. Stockholders of company—attach a statement giving names, addresses, occupations and amount of stock held by all stock holders in the Company. Schedule 6.

---

18. Directors of company—attach a statement giving names, addresses and residences for last 5 years of Directors. Schedule 7.

---

19. Officers of company—attach a statement giving names, addresses and residences for last 5 years of principal officers. Schedule 8.

---

20. Bonds issued by company—attach a statement giving particulars of bonds issued and the names of holders and amounts held. Schedule 9.

21. Stock and bonds held—attach a statement giving particulars of stock or bonds of other companies held by the applicant company, and particulars of stock or bonds held by shareholders of this company in any other company operating a broadcasting station, newspaper, publishing, theatre, or advertising business, including the number and par value of each class of shares and amount of debentures held. Schedule 10.

---

22. State whether applicant company or proposed applicant company is or will be controlled either directly or indirectly by another company or organization. If so, state name of other corporation or organization and give full details regarding the extent of such control. If such other company is itself a subsidiary, give full details, including information as to the company or organization having final control. Schedule 11.

---

23. Does applicant propose to maintain full control of and responsibility for the proposed station, including supervision of programs to be broadcast? If no, explain. .....

---

24. Does applicant propose to take over any property or facilities of an existing radio station? If so, attach as Schedule 13 copies of any and all contracts or agreements for the transfer of such property or facilities, showing consideration, terms of payment, etc.

---

25. If the applicant company has not yet been incorporated, this application must be completed in full by an individual associated with the proposed incorporation, and the foregoing particulars should be submitted as proposed, including copy of the declaration of intent, full particulars of capital available and details respecting proposed stockholders, directors and officers of the company, as required under sections 13 to 20 above. APPLICANTS SHOULD NOTE THAT THE ISSUANCE OF THE LICENCE IF APPROVED, WILL BE CONTINGENT UPON THE COMPANY BEING INCORPORATED AND THE STOCK DISTRIBUTED **EXACTLY AS SET FORTH IN THIS APPLICATION.**

---

26. Technical installation—attach a technical brief prepared by individuals or firm recognized by the Department as Consultants for the preparation of such briefs, showing that the installation as proposed is technically possible, that it is in conformity with national and international requirements, that it will not create undue interference to other stations, and that it will render adequate service to the intended area. Schedule 13. (The technical brief must be prepared in the form prescribed from time to time by the Controller of Telecommunications and must be submitted in quadruplicate).

---

27. DECLARATION—I, the said applicant, do solemnly declare that the statements made and information given in this application are to the best of my knowledge and belief true in all respects, and that I am conversant with the requirements of The Radio Act, 1938 and Regulations made thereunder; and The Canadian Broadcasting Act, 1936 and Regulations made thereunder; pertaining to the operation of private commercial broadcasting stations.

AND I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath,

and by virtue of the Canada Evidence Act. (If on behalf of an incorporated company this declaration must be signed by an authorized officer.)

Declared before me at .....
the City of .....
in the County of .....
this ..... day of .....

.....
Signature of Applicant

Date .....

.....
A Notary Public, Justice of the Peace,
Commissioner for taking affidavits, etc.

The Controller of Telecommunications,
Department of Transport,
OTTAWA, Ontario.
17.12.52.

THE CANADIAN BROADCASTING CORPORATION

**Form 269A**

THE FOLLOWING INFORMATION IS REQUIRED BY THE BOARD OF GOVERNORS OF THE CANADIAN BROADCASTING CORPORATION IN CONNECTION WITH YOUR APPLICATION FOR AUTHORITY TO ESTABLISH A PRIVATE COMMERCIAL BROADCASTING STATION AT THE CITY OF ..... IN THE PROVINCE OF .....

1. Name and address of applicant(s)

2. Attach as Schedule A an account of the experience you or your associates have had in the fields of broadcasting, education, entertainment, or such other experience as may be considered useful in the operation of a broadcasting station.

3. Attach as Schedule B any letters of recommendation from civic officials, or organizations such as Board of Trade, Chamber of Commerce, Ministerial Associations, Educational or Musical bodies.

4. If your application is approved, are you prepared and able to provide a full program service without affiliation with any network?

5. Are you prepared to operate your proposed station in compliance with the provisions of The Radio Act, 1938, The Canadian Broadcasting Act, 1936 and regulations made thereunder and to fulfill faithfully all the obligations consequent upon the privilege of being assigned the use of a broadcasting frequency?

6. How many hours per week of an average weekly broadcasting time are you prepared to devote to the following activities:

*Note:* Do not include any proposed activity under more than one heading.

| *Local Live Programs* | *Hours* |
|---|---|
| Paid Talent (Non-Staff) | ——— |
| Unpaid Talent (Non-Staff) | ——— |
| Talent (Staff) | ——— |
| Community Activities | ——— |
| Talks and Discussion on Public Affairs | ——— |
| Other Talks | ——— |
| Church Services | ——— |
| Devotional Periods | ——— |
| Broadcasts in Cooperation with Universities, Secondary and Elementary Schools | ——— |
| Agricultural Broadcasts | ——— |
| Sports Broadcasts | ——— |
| News | ——— |
| Local Live Broadcasts other than above | ——— |
| Total | ═══ |

7. What percentage of your total revenue do you intend to pay in fees for live talent performing locally? .....

8 What percentage of your total revenue do you intend to devote to all costs chargeable directly to local live sustaining programs? .....

9. I, the said applicant, declare that the foregoing promises of performance represent true statements of intention on my part.

.....
Signature of Applicant

In the case of an incorporated company, the corporate seal must be witnessed by its duly authorized signing officers.

*Note:*

It would assist the Board of Governors in its consideration of your application if, IN ADDITION to the foregoing, short narrative statements were submitted regarding the following aspects of your proposed operation.

To what extent would the establishment of a station such as you propose improve service to the listeners in its coverage area beyond that of the service now rendered by existing stations?—Attach as Schedule C

Effect of new station on general broadcasting service to the community.—Attach as Schedule D

Programming plans in detail.—Attach as Schedule E

Plans for developing local community talent.—Attach as Schedule F

Ability of community to support a new station in area, e.g., comparative figures of population density, retail trade, industrial development, number of daily newspapers in community, evidence of commercial sponsors' support, etc.—Attach as Schedule G

Estimate of the total capital cost of proposed station showing separately building and equipment costs for the studio and transmitter respectively.—Attach as Schedule H

Estimate of yearly operating costs during first three years of operation (term of licence is 3 years).—Attach as Schedule I

A. Interest and amortization of investment.
B. General program and administrative expenses, including salaries.
C. Technical maintenance and operating costs.
D. Rent and other general operating expenses.
E. Miscellaneous.
F. Total yearly operating costs.

Estimate of yearly gross revenue of station for first three years of operation, showing expected gross revenue from: (Attach as Schedule J)

A. Station time and facilities other than spot business.
B. Spot business.
C. Other sources. (explain)
D. Total gross revenue.

Proposed staff: particulars of their broadcasting experience.—Attach as Schedule K

Applicant's conception of public service broadcasting.—Attach as Schedule L.

# APPENDIX "B"

Department of Transport

Application for Authority to Establish a
Television Private Commercial Broadcasting Station

The Canadian Broadcasting Corporation

Form 268A

## APPLICATION FOR AUTHORITY TO ESTABLISH A TELEVISION PRIVATE COMMERCIAL BROADCASTING STATION

In accordance with the provisions of The Radio Act, 1938 and the Regulations made thereunder and The Canadian Broadcasting Act, 1936 and the Regulations made thereunder.

---

THIS FROM TO BE SUBMITTED IN TRIPLICATE ACCOMPANIED BY CANADIAN BROADCASTING CORPORATION FORM 268A AND SCHEDULES RELATING THERETO.

---

1. Proposed (*a*) Effective Radiated Power (video) .....
   (audio) .....
   (*b*) Antenna Height above average terrain .....
   (*c*) Antenna gain .....

---

2. Proposed frequency .....

---

3. Proposed location of (*a*) Transmitter .....
   (*b*) Studios .....

---

4. Name of applicant
   (individual or incorporated company) .....

---

5. Address, street number, city and province .....
   .....

---

6. Nationality .....
   Place of birth .....
   Date of birth .....
   Residence for last 5 years .....

---

7. Details of occupation, whether associated in any way with any other business, such as newspaper, publishing company, theatre company or existing broadcasting company. Details of occupation(s) for last 5 years. .....
   .....
   .....

---

8. Have bankruptcy proceedings ever been instituted by or been brought against applicant or any associates in this application? If so, give details in Schedule 1.

---

9. Are there outstanding any unsatisfied judgments or court credits against applicant or associates in this application? If so, give details in Schedule 2.

---

10. Associates—Names of any persons associated with the applicant, either financially or otherwise, in the establishment of the broadcasting station. Give addresses and residences for last 5 years and details with respect to financial standing, technical ability, business connections, etc. Schedule 3.

11. Available capital:
(*a*) for construction of station.
(*b*) for operation of station for first three years.
Sources of available capital, indicating amounts and specifying whether cash assets, convertible securities, mortgageable assets, such as real estate, etc., from the following: (*a*) Applicant.
(*b*) Associate(s) (If loans, specify terms)
(*c*) Loans from banks or others (Specify terms)
(*d*) Donations or subscriptions
(*e*) Other sources (Specify)
(Documentary evidence accompanied by certified financial statements showing present financial condition of applicant, whether individual or limited company, and of each associate must be given.) Schedule 4.

---

12. If an incorporated company, give the exact name of company, address of head office, where incorporated and date thereof, copies of Letters Patent, date of last shareholders' meeting; nationality, place of birth, date of birth, and residences of principal shareholders over last 5 years. Schedule 5.

---

13. Number and class of shares authorized .....
(common or preferred) and par value. .....

---

14. Number of each class of shares issued (common or preferred) and par value. .....
.....

---

15. Stockholders of company—attach a statement giving names, addresses, occupations and amount of stock held by all stockholders in the company. Schedule 6.

---

16. Directors of company—attach a statement giving names, addresses and residences for last 5 years of Directors. Schedule 7.

---

17. Officers of company—attach a statement giving names, addresses and residences for last 5 years of principal officers. Schedule 8.

---

18. Bonds issued by company—attach a statement giving particulars of bonds issued and the names of holders and amounts held. Schedule 9.

---

19. Stocks and bonds held—attach a statement giving particulars of stock or bonds of other companies held by the applicant company, and particulars of stock or bonds held by shareholders of this company in any other company operating a broadcasting station, newspaper, publishing, theatre, or advertising business, including the number and par value of each class of shares and amount of debentures held. Schedule 10.

---

20. State whether applicant company or proposed applicant company is or will be controlled either directly or indirectly by another company or organization. If so, state name of other corporation or organization and give full details regarding the extent of such control. If such other company is itself a subsidiary, give full details, including information as to the company or organization having final control. Schedule 11.

21. Does applicant propose to maintain full control of and responsibility for the proposed station, including supervision of programs to be broadcast? If no, explain. .....

22. Does applicant propose to take over any property or facilities of an existing radio station? If so, attach as Schedule 12 copies of any and all contracts or agreements for the transfer of such property or facilities, showing consideration terms of payment, etc.

23. If the applicant company has not yet been incorporated, this application must be completed in full by an individual associated with the proposed incorporation, and the foregoing particulars should be submitted as proposed, including copy of the declaration of intent, full particulars of capital available and details respecting proposed stockholders, directors and officers of the company, as required under sections 11 to 18 above. APPLICANTS SHOULD NOTE THAT THE ISSUANCE OF THE LICENCE IF APPROVED, WILL BE CONTINGENT UPON THE COMPANY BEING INCORPORATED AND THE STOCK DISTRIBUTED **EXACTLY AS SET FORTH IN THIS APPLICATION.**

24. Technical installations—attach a technical brief prepared by individuals or firm recognized by the Department as Consultants for the preparation of such briefs, showing that the installation as proposed is technically possible, that it is in conformity with national and international requirements, that it will not create undue interference to other stations, and that it will render adequate service to the intended area. Schedule 13. (The technical brief must be prepared in the form prescribed from time to time by the Controller of Telecommunications and must be submitted in quadruplicate).

25. DECLARATION—I, the said applicant, do solemnly declare that the statements made and information given in this application are to the best of my knowledge and belief true in all respects, and that I am conversant with the requirements of The Radio Act, 1938 and Regulations made thereunder; and The Canadian

Broadcasting Act, 1936 and Regulations made thereunder, pertaining to the operation of private commercial broadcasting stations.
AND I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath, and by virtue of the Canada Evidence Act. (If on behalf of an incorporated company this declaration must be signed by an authorized officer.)

Declared before me at .....
the City of .....
in the County of .....
this ..... day of.....

.....
Signature of Applicant
Date .....

.....
A Notary Public, Justice of the Peace,
Commissioner for taking affidavits, etc.

The Controller of Telecommunications,
Department of Transport,
OTTAWA, Ontario.
17.12.52.

## THE CANADIAN BROADCASTING CORPORATION

### *FORM 268A*

THE FOLLOWING INFORMATION IS REQUIRED BY THE BOARD OF GOVERNORS OF THE CANADIAN BROADCASTING CORPORATION IN CONNECTION WITH YOUR APPLICATION FOR AUTHORITY TO ESTABLISH A PRIVATE COMMERCIAL TELEVISION BROADCASTING STATION AT THE CITY OF ..... IN THE PROVINCE OF .....

---

1. Name and address of applicant(s)

---

2. Submit, as Schedule A, an account of the experience you or your associates have had in the field of broadcasting, education, entertainment, or such other experience as may be considered useful in the operation of a television station.

---

3. Are you prepared to operate your proposed station in compliance with the provisions of The Radio Act, 1938, The Canadian Broadcasting Act, 1936, and Regulations made thereunder and to fulfill faithfully all the obligations consequent upon the privilege of being assigned the use of a television channel?

---

4. If your application is approved, are you prepared to operate your station as a component of a developing national television system under the provisions of The Canadian Broadcasting Act, 1936, and as such to carry national program service supplied by the Canadian Broadcasting Corporation with the knowledge that this service will be increased as the system develops?

---

5. *STATION FACILITIES & COSTS*
Submit as Schedule B a detailed description of your proposed television station including both studio and transmitter facilities, as indicated below. If development of station facilities is to be gradual, indicate probable expansion. (Please where possible indicate proposed type and make of technical equipment).

A. *Studio Facilities*
   1. Location
   2. Building—Existing or new—Type of construction
   3. *Live Production*—
      (*a*) Number and size of studios
      (*b*) Number of permanent cameras in each studio
      (*c*) describe studio control facilities
   4. *Film Projection*—
      (*a*) Number of film and slide projectors (Indicate film gauge of each unit)
      (*b*) Number of film television cameras
   5. *Film Production*—
      (*a*) Number of cameras. (Indicate film gauge and whether equipped for sound)
      (*b*) Processing facilities
   6. *Field Production*—
      (*a*) Number of mobile units
      (*b*) Number of cameras and associated equipment chains
      (*c*) Number of relay links
   7. *Control and test facilities*—
      (*a*) Will a separate master control be used?
      (*b*) If so, describe facilities
      (*c*) List main items of test and monitoring facilities

B. *Transmitter Facilities*
   1. Location
   2. Building—Existing or new—Type of construction

3. Studio-transmitter link:
   Wire, cable or radio relay?
   Type and frequency of operation

C. *Initial Capital Costs*
Give total capital cost of proposed station showing separately building and equipment costs for the studios and transmitter(s) respectively.

---

6. *PROGRAMMING*
The CBC intends to provide private television stations, as affiliates of the national system, with a network television service by means of kinescope recordings and film, or by direct connection where possible. For purposes of planning, you should assume this service will be a minimum of 10½ hours per week.
Submit as Schedule C a description of proposed programming of the station, *apart from service from the CBC.* If you forsee considerable changes over the first three years please so indicate.

A. Indicate the total hours of proposed programming per week..... showing hours of
   1. Live studio production
   2. Remote pickups
   3. Film transmissions
   4. Other sources

B. Outline proposed program sources for each of the above, indicating sources in your community, other Canadian sources, and those in other countries. Show also sources you plan to use initially, and those you plan to use as they are developed (*a*) by yourself, (*b*) by others.

---

7. *STAFF AND QUALIFICATIONS*
Submit as Schedule D list of proposed staff and where possible particulars of the experience of the proposed administrative, technical and programme heads of your television station.

---

8. *OPERATING COSTS*
Submit as Schedule E estimate of operating costs during first three years of operation broken down for each year as follows:

A. Interest and amortization of investment
B. Salaries
   (1) Technical
   (2) Program and administrative
C. Program expenditures (other than salaries)
   (1) Artists fees, televising rights and copyrights, scripts, staging and scenery
   (2) Film rentals
D. Technical and general maintenance and operating costs
E. Total operating costs

---

9. *REVENUES*
Submit as Schedule F an estimate of gross revenue of station for first three years of operation, excluding any revenues from national service supplied by CBC and showing separately gross revenues from:
   1. Station time and facilities other than spots
   2. Spots
   3. Other sources (Explain)
   4. Total gross revenue

---

10. I, the said applicant, declare that the foregoing represents true statements of intention on my part.

.....
Signature of Applicant
In the case of an incorporated company, the corporate seal must be witnessed by its duly authorized signing officers.

HOUSE OF COMMONS

Second Session—Twenty-second Parliament
1955

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SPECIAL COMMITTEE

ON

# BROADCASTING

*Chairman:* Dr. PIERRE GAUTHIER

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## MINUTES OF PROCEEDINGS AND EVIDENCE
No. 9

---

THURSDAY, MAY 19, 1955

---

WITNESS:

A. Davidson Dunton, Chairman of the Board of Governors of the Canadian Broadcasting Corporation; G. C. W. Browne, Controller of Telecommunications, Department of Transport.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955.

58129—1

SPECIAL COMMITTEE

ON

BROADCASTING

*Chairman*: Dr. Pierre Gauthier

*Vice-Chairman*: Mr. G. D. Weaver

and

Messrs.

| | | |
|---|---|---|
| Balcer | Fleming | McCann |
| Beaudry | Gauthier (*Nickel Belt*) | Monteith |
| Boisvert | Goode | Reinke |
| Bryson | Hansell | Richard (*Ottawa East*) |
| Carter | Henry | Richardson |
| Cauchon | Holowach | Robichaud |
| Decore | Kirk (*Shelburne-Yarmouth-Clare*) | Studer |
| Diefenbaker | Knight | |
| Dinsdale | | |

R. J. GRATRIX,
*Clerk of the Committee.*

# MINUTES OF PROCEEDINGS

Room 118,
THURSDAY, May 19, 1955.

The Special Committee on Broadcasting met at 11.00 o'clock a.m. this day. Dr. Pierre Gauthier, the Chairman, presided.

*Members present:* Messrs. Boisvert, Carter, Cauchon, Dinsdale, Fleming, Goode, Henry, Holowach, Knight, Monteith, Richard (*Ottawa East*), Richardson, Robichaud, Studer and Weaver.

*In attendance:* Messrs. G. C. W. Browne, Controller of Telecommunications, F. K. Foster, Radio Regulations Inspector and F. G. Nixon, Assistant Controller, all of the Department of Transport; and Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, E. L. Bushnell, Assistant General Manager, H. Bramab, Treasurer, George Young, Director of Station Relations, R. C. Fraser, Director of Press and Information, W. G. Richardson, Director of Engineering, D. Manson, Special Consultant, M. Carter, Executive Assistant, R. E. Keddy, Secretary of the Board of Governors, and J. A. Halbert, Assistant Secretary, all of the Canadian Broadcasting Corporation.

The Committee resumed the examination of Mr. Browne on the administration of the Radio Act.

Mr. Browne tabled the following documents in answer to questions asked by Mr. Fleming at the previous sitting:

1. List of 50 kilowatt broadcasting stations (CBC).

*Ordered,*—that the said document be incorporated in this day's evidence. (*See Evidence*).

2. List of television applications pending.

*Ordered,*—That the Clerk of the Committee have the said document mimeographed and distributed to members of the Committee.

The witness also tabled the following documents in reply to questions asked at the previous sitting:

1. Number of private stations operating in Canada as of January, 1953, January, 1954 and May 1st, 1955. (*Mr. Boisvert*)
2. Correspondence in connection with an application in respect of the British Columbia area and Vancouver Island. (*Mr. Goode*)

Mr. Browne was questioned on the several documents tabled.

The Clerk of the Committee distributed mimeographed copies of the "List of Television Applications Pending", Mr. Browne being examined thereon.

*Ordered,*—That the said document be incorporated in this day's evidence. (*See Evidence*)

During the course of the examination of Mr. Browne, reference having been made to certain television contour maps in the possession of the Department of Transport, a debate arose as to whether or not such information



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should be produced for the information of the Committee. The witness advised the Committee that the said information was considered to be of a confidential nature.

Thereupon, Mr. Weaver moved that copies of the particulars relating to A and B contours of television stations be tabled.

After further discussion as to the confidential status of the said information, it was agreed that Mr. Browne be directed to consult with the Minister of Transport during the luncheon recess and report back to the Committee the department's objections, if any, to the tabling of the information moved for by Mr. Weaver.

At 1.05 o'clock p.m., the Committee adjourned to meet again at 3.30 o'clock p.m. this day.

## AFTERNOON SITTING

Room 118,
THURSDAY, May 19, 1955.

The Committee resumed at 3.30 o'clock p.m. Dr. Pierre Gauthier, the Chairman, presided.

*Members present:* Messrs. Boisvert, Bryson, Carter, Dinsdale, Fleming, Goode, Henry, Holowach, Knight, McCann, Monteith, Richard (*Ottawa East*), Richardson, Robichaud, Studer and Weaver.

*In attendance:* Messrs. G. C. W. Browne, Controller of Telecommunications, F. K. Foster, Radio Regulations Inspector, and F. G. Nixon, Assistant Controller of Telecommunications, all of the Department of Transport; and Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, E. L. Bushnell, Assistant General Manager, W. G. Richardson, Director of Engineering, H. Bramah, Treasurer, S. Schnobb, Assistant Treasurer, D. Manson, Special Consultant, M. Carter, Executive Assistant, J. P. Gilmore, Coordinator of Television, R. C. Fraser, Director of Press and Information, G. Young, Director of Station Relations, R. E. Keddy, Secretary to the Board of Governors, and J. A. Halbert, Assistant Secretary, all of the Canadian Broadcasting Corporation.

Mr. Browne reported that, pursuant to the direction of the Committee at the morning sitting, he had consulted with the Minister of Transport and had been directed to state that the Department of Transport had no objection to the tabling of the particulars relating to A and B Contours of television Stations.

Thereupon the question having been put on the motion of Mr. Weaver, that copies of the particulars relating to A and B contours of television stations be tabled, it was agreed to.

In reply to a question asked by Mr. Fleming at the morning sitting, Mr. Browne tabled the following document:

List of Sound Applications Pending.

*Ordered*,—That the said document be incorporated in this day's evidence. (*See evidence*).

The examination of Mr. Browne being concluded, he was retired. The Committee then resumed its detailed examination of the Annual Report 1953-54 of the Canadian Broadcasting Corporation, Mr. Dunton being recalled.

In response to a request of Mr. Monteith at a previous sitting Mr. Dunton tabled the following documents, copies of which had been previously distributed to the members of the Committee:

Expenditures by Object for Sound Broadcasting and Television for the periods 1st April to 31st March for the years 1952-53 and 1953-54.

*Ordered*,—That the said documents be printed as an Appendix to this day's evidence. (*See Appendix "A"*).

The following documents were also tabled, copies of which were distributed to members of the Committee:

Statement of Legal Fees for the years ending March 31, 1953 and 1954.

Mr. Dunton being examined thereon.

*Ordered*,—That the said documents be incorporated in this day's evidence. (*See Evidence*).

The Committee then examined Mr. Dunton on the statements of Expenditures by Object for Sound Broadcasting and Television, Messrs. Ouimet, Bramah and Carter answering questions specifically referred to them.

At 5.45 o'clock p.m. the Committee adjourned to meet again in Montreal, Quebec, Friday, May 20, 1955.

R. J. Gratrix,
*Clerk of the Committee.*

# EVIDENCE

MAY 19, 1955.
11.05 A.M.

The CHAIRMAN: Order, gentlemen, we have a quorum. May I remind members of the committee who are going to Montreal tomorrow that the train leaves on daylight saving time at 7.50.

Mr. FLEMING: Too early.

The CHAIRMAN: 7.50 daylight saving time.

Mr. BOISVERT: I think if you check with the C.P.R. it is 8 o'clock.

The CHAIRMAN: This is the C.N.R.

Now I think Mr. Browne has a few figures to give to the committee in answer to questions put to him.

**Mr. G. C. W. Browne, Controller, Telecommunications Division, Department of Transport, called:**

The WITNESS: Yes, Mr. Chairman. I have an answer here dealing with a request by Mr. Fleming for a list of the 50 kilowatt C.B.C. stations. There are eight altogether and the list we have prepared shows these stations, the locations the frequency and the class of stations. There are some six class 1A stations and two class 1B stations. Do you wish me to pass this on to the Secretary?

*By Mr. Fleming:*

Q. Would you indicate which are the class 1B stations? Then we could infer that all the others are class 1A.—A. CBM, Montreal and CBA, Sackville, New Brunswick.

Q. And there are two privately owned stations which are 50 kilowatts—CFRB, Toronto and CKOW, Windsor. What are their two channels? Are they 1B stations?—A. They are class 2 stations.

Q. Class 2 under the Havana Treaty?—A. Yes.

The CHAIRMAN: Do you wish this list to be put on the record?

Mr. FLEMING: Yes.

List of 50 kw Broadcasting Stations—(C.B.C.)

| *Call* | *Location* | *Frequency* | *Class* |
|---|---|---|---|
| CBK | Watrous, Sask. | 540 Kc. | 1-A |
| CBF | Montreal, P.Q. | 690 Kc. | 1-A |
| CBL | Toronto, Ont. | 740 Kc. | 1-A |
| CJBC | Toronto, Ont. | 860 Kc. | 1-A |
| CBM | Montreal, P.Q. | 940 Kc. | 1-B |
| CBW | Winnipeg, Man. | 990 Kc. | 1-A |
| CBX | Lacombe, Alta. | 1010 Kc. | 1-A |
| CBA | Sackville, N.B. | 1070 Kc. | 1-B |

The WITNESS: Next I have a list requested by Mr. Fleming of television applications which are pending. There are eight of these in various stages of processing.

*By Mr. Fleming:*

Q. Have you copies of that statement available?—A. I am afraid there was not time to get the list mimeographed after we had gone through all the files.

The CHAIRMAN: Would you like Mr. Browne to give them to you?

Mr. GOODE: Would it be possible, Mr. Fleming, to hold them until this afternoon? Or perhaps we could have them read out now.

Mr. FLEMING: There are bound to be some questions about this particular list. Perhaps you have a few extra copies available?

The CHAIRMAN: The clerk says that within an hour he can have this statement mimeographed. Will that be satisfactory to you, Mr. Fleming?

Mr. FLEMING: Of course. Unless we could just take the available copies and share them.

The CHAIRMAN: If the other members of the committee want copies the clerk can have them produced within an hour.

Mr. GOODE: We would certainly like to have them.

The CHAIRMAN: Do you wish to wait until the mimeographic copies are available before proceeding, Mr. Fleming?

Mr. FLEMING: Oh yes. There is no point in our continuing on that subject if the copies are coming later.

The CHAIRMAN: Are there any other documents you wish to produce, Mr. Browne?

The WITNESS: There was an inquiry by Mr. Boisvert as to the number of private stations operating in Canada as of January 1953, January 1954 and May 1st, 1955. I have the information here:

Number of private stations operating in Canada at January 1953, 140.
Number of private stations operating in Canada at January 1954, 144.
Number of private stations operating in Canada at May 1st, 1955, 157.

I think that completes the returns which were asked for.

*By Mr. Goode:*

Q. I think you have some information for me, too Mr. Browne?—A. I think you requested some correspondence, Mr. Goode, in connection with an application in respect of the British Columbia area and Vancouver Island. I have copies of the relevant correspondence here.

Q. I wonder if you would agree to my having a look at this correspondence, Mr. Chairman, because it affects only British Columbia.

The CHAIRMAN: You will have questions to put arising out of this?

Mr. GOODE: I do not know. It all depends on what form the correspondence takes. I would at least confer with you before putting any questions.

Mr. FLEMING: Presumably the same right would extend to other members of the committee—the right to look at this correspondence?

The CHAIRMAN: At this particular correspondence?

Mr. FLEMING: Yes. It is only fair.

The CHAIRMAN: Agreed.

As soon as Mr. Goode is finished with the correspondence he will pass it over to you.

Mr. FLEMING: If Mr. Boisvert has no questions to ask on the information which has just been submitted by Mr. Browne in reply to his question, I should like to ask a question.

The CHAIRMAN: Have you any questions to put on that information, Mr. Boisvert?

Mr. BOISVERT: No.

*By Mr. Fleming:*

Q. I notice, Mr. Browne, that in the calendar year 1953 only four private stations were added, whereas in the sixteen months between January 1, 1954, and May 1, 1955, thirteen sound broadcasting stations under private ownership were added to the total. Is that correct?—A. That is true.

Q. And that indicates that there has been quite a marked increase in the past sixteen months compared with the previous twelve months. Is there any particular reason to account for this substantial increase?—A. I believe that for a considerable portion of the time, particularly for the first period—the first year—there was a "freeze" on the issuance of licences.

Q. There was what?—A. Licences were not being issued.

Q. For what reason?—A. It seems to me that it was because of a government directive on account of the shortage of steel.

Q. In 1953?—A. Yes.

Q. These are only sound broadcasting stations that we are speaking of in this particular group, are they not?—A. That is correct.

Q. How many applications have you in hand now at any stage of processing?—A. For sound broadcasting stations?

Q. Yes.—A. That list is being prepared right now in the department and I hope to have it shortly.

Q. We may take it, Mr. Browne, that the "freeze" was removed somewhere towards the end of 1953?—A. During that first period.

Q. Can you give us the date?—A. Not offhand.

Q. Could you give the date approximately?—A. We shall have to check that. I think it was before this time of the year, as I recall it.

Q. Leaving that other subject until later, until we have that information concerning the number of pending applications, I have another matter which I should like to raise, Mr. Chairman, unless somebody else wishes to speak. My question is about the shifting of television channels. As I remember there were three VHF channels assigned to Toronto, Nos. 6, 9 and 11. Do you remember that?—A. Yes.

Q. And as things stand today the C.B.C. occupies channel 9 with station CBLT, Toronto, and channel 11 was taken and assigned to Hamilton, and channel No. 6 is the one remaining channel in Toronto. The result of this juggling of channels is that Toronto has one channel less than was originally planned for it. Am I correct in understanding that the responsibility for that juggling of the channels and the subtraction of one from the original allotment to Toronto is the responsibility of the Department of Transport?—A. That is correct.

Q. Will you state the reasons why these changes were made and in particular why the result has been that there is one less available?—A. It was in order to make VHF channels available for the areas to which they were assigned in that transfer. It was not possible simply to take a channel from one place and move it to another. It was necessary to do a general shifting around so that the geographical separation might be maintained.

Q. Do I understand that this shifting was done in pursuance of the policy that you described at the last meeting—the policy of single service coverage?—A. That is correct. Under the original scheme there was no channel assigned for Kitchener.

Q. So you took the channel which had been assigned to Hamilton and assigned it to Kitchener, and then you replaced the Hamilton channel by taking one of those originally assigned to Toronto, namely No. 11?—A. That is correct. Of course, under the original plan the assignment of channels to any given area was really nominal—in other words we had to show in the plan places opposite the channels where they could possibly be used, and I feel that at the time the original plan was developed the cost of developing television was expected to be higher than it is today—the cost of establishing

stations I mean—and when we worked the plan out with our opposite numbers in Washington it was natural that we should set down more channels opposite the larger centres than opposite the small ones. In other words at that time—and that was perhaps five years ago—we felt that the smaller centres could not support a television station and that is why we set down perhaps more channels for the larger centres than for the others.

Q. You find now that the cost of setting up and operating a station was overestimated at that time?—A. Possibly it was, but we perhaps did not anticipate we would receive applications for licences from the smaller areas as soon as we did and we felt, in drawing up the plan, that it was easier to justify the assignment of a larger number of channels to the larger centres.

Q. It was not because of any lack of applicants from the Toronto area who were ready to operate stations if they had been allotted to them?—A. I do not believe we had any applications from any area at the time when we started negotiations.

Q. When you arrived at this plan which you speak of you, at least tentatively, allotted channels 6, 9 and 11 to the large Toronto metropolitan area and then you were receiving applications from applicants in the Toronto area for those channels, were you not? Some of those applications for the Toronto area go back years.—A. We may have had letters of intent stating when the time comes we propose to apply. I cannot tell you how many we had at the time.

Q. Those were from responsible people already engaged in sound broadcasting as well as others?—A. I believe a few of them were, yes.

Q. But the C.B.C. itself had nothing to do with the shift in channels? That was the decision of the Department of Transport alone?—A. Yes, because the Department of Transport was receiving applications from those other places.

Q. What about the remaining channel in Toronto; how long is it going to remain secure there while it remains unoccupied; channel 6?—A. That falls under the present policy of the government and I could not answer that question.

Q. As things stand now, because of the policy of single service coverage, channel number 6 remains allocated to Toronto but unoccupied?—A. That is correct.

Q. You are not in a position to say whether there is or is not any likelihood of that channel being taken away from the Toronto area?—A. I am not in any such position, Mr. Fleming.

Mr. GOODE: Mr. Chairman, I would like to ask a question on part of the correspondence which I have received this morning. I do not intend to question on the international broadcasting company. I am in your hands as to whether I should question on this now, or if I should question on it at all, or whether the committee would wish to see the correspondence before I do question Mr. Browne on it. I have to leave it in your hands.

The CHAIRMAN: Are there any other members of the committee who would like to question on this?

Mr. FLEMING: Is the correspondence voluminous or brief?

Mr. GOODE: There are 4 letters. It does include certain matters of policy. Questions have been asked and answered in the committee, and we put some bearing on those questions. Perhaps I might be permitted to question on this and then the committee if they wish can question further. I should have your permission, Mr. Chairman, to question on this because it might be considered confidential—I do not know.

Mr. FLEMING: Is any of it marked "confidential"?

Mr. GOODE: The minister raised this the other day and I do not want to put the chairman in an embarrassing position.

The CHAIRMAN: Do you regard the letters as somewhat confidential, Mr. Browne?

The WITNESS: Some of the applicants have objected to their correspondence in connection with these applications being made public because in some cases they have been negotiating for land or property on which to build a station and people having heard that when they are approached sometimes have put up the price to the prospective applicants.

The CHAIRMAN: Then, I think to protect the applicants—

Mr. GOODE: This correspondence is dated early in 1953 and I would doubt that it had anything to do with land at this time. Knowing the company quite well I am quite sure they would have protected themselves in that respect long ago. If this correspondence was 1954 or 1955 correspondence perhaps that would be true, but I certainly do not think that is the case now.

The CHAIRMAN: If any other member of the committee asked for the production of the same kind of material and if it should not happen to be dated far back like this correspondence, he might ask me and he would have a right because the precedent would have been created to have the correspondence made public, the same way you are now asking.

Mr. GOODE: I am not going to argue with the chair. That is why I put the request in the first place in this way. I think we can get around it by not mentionning names.

The CHAIRMAN: Would that be agreeable to you Mr. Browne?

The WITNESS: That would be agreeable to me.

Mr. WEAVER: Perhaps Mr. Goode could ask hypothetical questions.

Mr. GOODE: I do not like hypothetical questions. I think I can get around it by not mentioning any names.

The WITNESS: I see no objections if you do not mention names.

*By Mr. Goode:*

Q. Mr. Browne, we have been told in this committee that it is government policy that no applications may be received for private television licences in British Columbia. Is that your understanding of government policy?—A. Not in British Columbia, in areas covered under the single service coverage policy.

Q. Then, in a letter signed by you of March 19, 1953, addressed to a company in British Columbia, it says this:

> I am enclosing the following:
>
> (1) extracts from the Radio Act 1938, the Canadian Broadcasting Act, 1936, and the regulations made under the Radio Act, 1938 respecting broadcasting stations.
>
> (2) Broadcast specifications Nos. 11 (provisional) and 15.
>
> (3) List of consultants recognized by this department for the preparation of technical briefs.
>
> (4) Application forms.

And in connection with these application forms you say:

> The application forms should be completed and submitted to this office together with all exhibits called for, in triplicate, except the technical brief which is required in quadruplicate. The appropriate sum of money required as a deposit toward the licence fee should also accompany the form. This deposit will be returned in the event of the application not being approved.

You go on to say:

> The forms must be completed in full.

You invite applications for a television licence in a certain area in British Columbia and yet we have been told repeatedly in this committee it is government policy that no applications will be received. Now, what policy is correct? Has the government a policy where they will not receive applications or is there a different policy in the Department of Transport where applications are not only sent but invited to be sent back to Ottawa?—A. At that time we did not have the engineering data in connection with the establishment of the C.B.C. station in Vancouver. We had nothing on which to base a decision or an opinion whether the establishment of a station at Victoria would be in contravention of the single service coverage policy. Further my understanding is that we sent the forms out so that the applicant could prepare an application and submit it for consideration.

Q. When that application was received, if it was received, where did it go? After it left your department it would go to the C.B.C. Is that right? —A. Provided that the department had found it in order to send it to the C.B.C. from an engineering standpoint.

Q. From an engineering standpoint only?—A. Yes.

Q. Do you happen to know whether this application was sent to the C.B.C.?—A. I do not think that any application was ever received, Mr. Goode.

Q. These application forms which you sent to the company on March 19, 1953, were never received back in your department?—A. No.

Q. Then it says in a letter from this company of February 20:

> We trust that this letter will be accepted as a first application for a licence to telecast from . . .

a city on Vancouver Island. Do you accept then that an official application has been received by these people?—A. No, we do not accept the letter.

*By Mr. Boisvert:*

Q. May I be permitted to come back to the question answered this morning by Mr. Browne which was directed to him on Tuesday. The question is this: since 1953 to the 1st of May, 1955, 17 new licences were granted by your department. Could it be possible to know how many were granted for regions where there were no stations and how many were granted for regions where there were some stations?—A. We will have to check up that, Mr. Chairman.

Q. Then with respect to another problem; would it be possible Mr. Browne, to have the names of the owners of privately owned broadcasting stations, both sound and television, and also the names of the directors when the station is owned by a company? I remember in 1952 we had this figure produced to the committee.

The CHAIRMAN: Mr. Browne does not recall that.

The WITNESS: We do not usually publicize that detailed information, Mr. Chairman.

The CHAIRMAN: Do you insist, Mr. Boisvert?

Mr. BOISVERT: I am willing to withdraw my question, but I know that it was done.

The CHAIRMAN: Mr. Browne says he does not recall that.

Mr. BOISVERT: I think I could find the list in my file. The question was directed to Mr. Browne in 1951, I think. I do remember that the information was given to the committee.

The CHAIRMAN: I shall now take this opportunity of putting on the record citation 538 of Beauchesne's Third Edition on the question of production of documents:

> Some times when a committee requires special information it will report to the House a request for the necessary papers which will be referred to it forthwith. Can. C. J. Vol. IX, p. 176.
>
> The committee can obtain directly from the officers of a department such papers as the House itself may order, but in case the papers can be brought down only by address, it is necessary to make a motion on the subject in the House
>
> through the chairman. B. 470, 471.

I am not a lawyer, but I think under this citation I could have refused the production of the documents about which Mr. Goode was kind enough not to mention any names. I would ask other members of the committee if they have questions to put to be as cautious as Mr. Goode has been in his questioning of Mr. Browne.

Mr. STUDER: I would like to ask what is taken into consideration when there are two applicants from the same point applying for a licence? How is it determined as to which applicant shall receive the licence?

The WITNESS: All the applications, if there are more than one from the same place, are referred to the CBC for a recommendation in accordance with the statute. I cannot say, Mr. Studer, what the CBC base their recommendation on in considering simultaneously more than one application.

Mr. STUDER: To whom would I address that question?

The CHAIRMAN: I will allow your question to be put to Mr. Dunton when he comes back as a witness.

Mr. STUDER: I imagine there are certain standards they go by.

*By Mr. Fleming:*

Q. Mr. Chairman, may I ask Mr. Browne a question arising out of the correspondence. In the correspondence which you have submitted now and on which Mr. Goode based his questions there are two applications, are there not? —A. There are two inquiries I believe from two different places.

Q. Yes, from two different parties entirely.—A. Yes, there are two parties.

Q. I notice that in a letter dated April 13, 1953, you say in paragraph 2:

> "I would advise that the general question of television coverage in the Victoria area has been reviewed. And it has been decided that applications for licences for television broadcasting stations to be established to serve that area may be considered."

What was done by the department in pursuance of that decision?—A. We were not aware at that time, as I stated previously, Mr. Fleming, of the area to be encompassed because we did not have engineering particulars of the contours of the Vancouver station.

Q. I take it that decision was reversed as soon as you received the engineering reports from the CBC station at Vancouver which showed the contours it was to serve.—A. Yes. Actually if briefs were submitted covering proposed stations at those places the coverage would have had to be limited to such an extent as to make it a non-economically sound proposition.

Q. When was that second decision taken to reverse the first one which is described in this letter of April 1953?—A. It was not until several months later.

Q. Had any formal application been received for the Victoria area in that interval.—A. No.

Q. Is the effect of the single service coverage policy and the existence of the CBC station at Vancouver to preclude any licence for a station at Victoria?—A. It is a very difficult question to answer without an engineering submission, but I feel looking at the Vancouver contours that a station if established in one of these places would have to be so small it would not be worth while putting one in.

Q. So that to all intents and purposes in a practical sense the application of the single service coverage policy as you understand it now precludes the licensing of any station at Victoria?—A. From the practical standpoint, yes.

Q. What about Nanaimo?—A. I would say that the same thing applies to Nanaimo.

Q. You could not have a station there also as things are today under that policy?—A. No. In fact it would not be possible for the station in Nanaimo at all because it is within the grade "A" contour of Vancouver. It is near the edge of it as a matter of fact.

Q. The other question I have to ask is about a letter written by you of February 16, 1953, paragraph 4:

> With respect to your submission on TV tower site on behalf of a client at New Westminster, we feel that at the present time there is little to be gained by processing any aspect of an application for television facilities at New Westminster. As you are aware this area is to be served by a CBC station in Vancouver, therefore other applications from this area may not be now entertained.

Had you received any applications for a licence for the New Westminster area prior to the writing of that letter?—A. Yes, we did receive a complete application in 1950 but it did not conform with the channeling scheme which was finally adopted. It was never processed.

Q. Never what?—A. Processed.

Q. Well, do I understand that the application not having been processed simply sits on your file?—A. They did not proceed with it anyway.

Q. It has never been rejected formally?—A. There was some correspondence in connection with it and at one time they proposed to proceed with it on the basis of another channel and finally dropped it.

Q. When was the decision reached by the department that because of your single service coverage policy and because of the erection or plan for erection by the C.B.C. of the station on its own at Vancouver that there will be no possibility of giving a licence for a station at New Westminster?—A. There was never any possibility of a station at New Westminster because of the single coverage policy because New Westminster was well within the coverage area.

Q. It comes back to the single service coverage policy again?—A. Yes.

Mr. BOISVERT: Mr. Chairman, I did not insist on a question I asked with respect to ownership, but I think really it would have been of public interest for the committee to know the trend of ownership of the private stations in Canada today. The only way to know what that trend is would be to know the name of the directors of the corporation who own a private station.

The CHAIRMAN: You would like to have a list of all privately owned stations?

Mr. BOISVERT: I asked that question just to know the trend of ownership of private stations in Canada today. I think it would have been of public interest to have the information in answer to my last question.

The CHAIRMAN: Would you ask your question when the C.A.B. people come before us if they have no objection to giving the names of the owners of their stations. You can put that question to Mr. Allard.

*By Mr. Weaver:*

Q. Is there a standard licence fee for all private stations or does it vary with the size and power of the station?—A. I believe we dealt with that at the last meeting. Stations are divided into seven categories and the fees are based on the gross revenue—the annual gross revenue—and they vary from a fee of $100 for category "A" stations up to $6,000 for a station in category "G".

Q. That is just one fee, not the annual fee?—A. It is the annual fee.

*By Mr. Carter:*

Q. Mr. Chairman, we have heard a lot in this committee about contours, grade A, grade B contours, and so on. Could Mr. Browne enlighten us a little further just as to what is the difference in these contours and whether they are land or air barriers?—A. The grade A contour is known as the primary service area of a station and good results usually will be obtained on a receiver with so-called rabbit's ears. The grade B contour extends further and reception usually requires an external antenna. Then there is the fringe area which calls for an elaborate antenna.

Q. Are these contours regularly contours representing land areas of what? —A. They are more or less regular in the case of a non-directional antenna, but in some cases stations are required to put in a directional antenna which causes the contour to be irregular in shape.

Q. Then what would be the position when the area included both sea and land? The contour would stretch out much further over the sea than over the land; would it not?—A. Not necessarily so.

Q. But the range of reception is much greater, is it not?—A. It really depends on the height or elevation of the antenna. Generally speaking it is a straight line of sight proposition, but the signals do bend some and that is further than the theoretical line of sight.

Q. Does the conductivity of land come into it?—A. Not for frequencies used for television purposes.

Q. Oh, you are still talking about television?—A. Yes.

Q. Does it apply to sound broadcasting?—A. No. The behaviour of the radiation pattern in sound broadcasting follows different characteristics altogether.

Q. But you do take these contours into consideration in the case of sound broadcasting?—A. Absolutely.

Q. I was thinking mostly about sound. There would be irregularity with regard to sound?—A. Yes, and there are more directional patterns required, too. In the case of sound broadcasting stations the patterns are required to protect stations on the same channel in other areas both in our own country and in the United States.

Mr. DINSDALE: You made an observation, Mr. Browne, some time ago that the cost of television stations is decreasing. Has that been a substantial decrease, and what is bringing it about?

The WITNESS: I have not got very much information on that because we in our department do not establish television stations, but I am sure that our friends in the C.B.C. can furnish you with that information.

*By Mr. Goode:*

Q. Do you happen to know whether the Hamilton station is carrying any Toronto-sponsored programs, or can any of your officials tell you?—A. No, we would have nothing to do with the program side.

Q. You said in reply to Mr. Fleming that a station in Victoria and certainly a station in Nanaimo would be an uneconomic proposition. That is not the information which we had with regard to private stations from the C.B.C.

If I remember correctly Mr. Dunton said that such stations would make plenty of money—that was a general statement of the national picture. Do you still insist that a station in Victoria would be an uneconomic proposition?—A. If the C.B.C. gave you that information I bow to their superior knowledge and judgment.

Q. I could be corrected by you, Mr. Chairman, if my statement is not correct, but I am almost sure that that is what the C.B.C. representatives told me.

The CHAIRMAN: You can go back to that matter later if you wish, Mr. Goode.

*By Mr. Goode:*

Q. This statement with regard to Victoria and Nanaimo—you have based that statement on the fact that a Victoria or a Nanaimo station would overlap this A contour area in Vancouver. May I get back to this proposition—that your department has allowed an overlap in the Toronto area, knowing that an overlap would occur, before the Hamilton station even reached the stage of construction. But in British Columbia we cannot have a station because it would have some bearing on the income of the C.B.C. station in Vancouver. May I again put this to you: is there one policy for Toronto and another for Vancouver with regard to television coverage?—A. No sir. There is one coverage policy for all of Canada.

Q. How then would you justify the situation that Victoria cannot have a station because such a station would overlap the Vancouver area when a Hamilton station was allowed at a time when you knew it was going to overlap Toronto?—A. The Hamilton station was required to put in a directional antenna so that compliance with the single station policy would be assured.

Q. Your department knew there would be overlapping in the Toronto area before the station was established. Let us be fair on that.—A. Perhaps, but not to an extent which would conflict with the policy of the government.

Q. Well, Mr. Browne, you can stay with that statement if you like but I would still like to get a yes or no answer to my question whether the department knew that the Hamilton station would overlap with the station in the Toronto area.—A. I am looking at a contour map here, Mr. Goode, and I can see no Grade A overlap between the Hamilton and the Toronto stations.

Q. But you have told us, Mr. Browne, that an overlap does occur, and that a large number of television instruments in Toronto receive the Hamilton station.—A. With a very good antenna it is possible to receive Hamilton in Toronto.

Q. I think Mr. Fleming has told the committee that Buffalo can be received in the Toronto area. It is natural to assume that there are a large number of these extraordinary antennae in use by homes in Toronto, and your department knew that when the Hamilton station was established.

Mr. FLEMING: Buffalo signals are received extremely well in Toronto, and that station is further away than Hamilton. But I believe the C.B.C. in following this policy was doing its best to keep the signal from the Hamilton station out of Toronto—if you can imagine such a thing, when the station is 40 miles away.

Mr. GOODE: I can imagine such a situation, because something like it is happening in Victoria; they are not allowing a British Columbia station to be operated. I take it that there is a policy for Ontario and a policy for British Columbia, and I am going to stay with that opinion until something is said which makes me change it.

*By Mr. Richard (Ottawa East):*

Q. If you call that overlapping, in Montreal they get overlapping from Syracuse and everywhere else. I understand, Mr. Chairman, that certain channels are reserved for certain areas. In Ottawa we shall have channels 4 and 9, is that right?—A. Correct.

Q. Are there any other channels that have been reserved for the future for the Ottawa area.—A. V.H.F.?—There is at least one, if not two. No, they are UHF channels.

Q. There have been no other channels reserved for Ottawa?—A. UHF channels, yes. That is the other band.

*By Mr. Goode:*

Q. If I may ask one more question: what is going to happen to the three channels—I think there are three channels—which are available now on the mainland of British Columbia? Are we just going to let them lie there year after year until government policy is changed?—A. That would be a matter for the government to decide.

Q. You know of nothing which is going to be done with regard to these channels in the foreseeable future?—A. No.

*By Mr. Weaver:*

Q. Would it be possible for the committee to get a map with the contours of the various stations superimposed on it?—A. It would be quite a job to prepare a map like that. I think that the stations themselves do not care for their contours being published, either, for business reasons.

The CHAIRMAN: That is one way to look at it.

*By Mr. Weaver:*

Q. I should think that they would be glad to have them made public.—A. The only people to whom we have released that information are the radio engineers who practice before the department in the preparation of briefs, and they have been required to keep the information confidential.

*By Mr. Fleming:*

Q. The so-called single service policy at present being complied with means, does it not, a single Canadian service regardless of how many United States' stations might be sending their signals into an area, as, for instance the case of Toronto?—A. That is correct.

Q. So that you might have two or three signals coming into an area from United States' stations but the policy will not permit consideration of an application from a Canadian private applicant just as long as there is another station in the area.—A. We have to abide by the single service coverage policy.

The CHAIRMAN: Do you want to put questions on the information which has been given by Mr. Browne with regard to television applications pending? Do you want it on the record or not?

Mr. FLEMING: I presume it should go on the record.

The CHAIRMAN: At this point?

Mr. FLEMING: Yes.

The CHAIRMAN: Is that agreeable to the committee that this should go on the record?

Agreed.

ENQUIRY BY MR. FLEMING

TELEVISION APPLICATIONS PENDING

| Name | Place | Video Power (Watts) ERP | Audio Power (Watts) ERP | Channel | Date of Application | Date Received | Remarks |
|---|---|---|---|---|---|---|---|
| The Island Radio Broadway Co. Ltd | Charlottetown, P.E.I. | 21,000 | 12,500 | 13 | Feb. 21, 1955 | Feb. 25, 1955 | Recommended for licence, further action pending. |
| Lethbridge Television Ltd | Lethbridge, Alta | 102,800 | 57,500 | 7 | Mar. 2, 1955 | Mar. 7, 1955 | Recommended for approval, further action pending. |
| Radio Station CKNX Ltd | Wingham, Ont | 20,000 | 12,000 | 8 | Mar. 1, 1955 | Mar. 4, 1955 | Recommended for licence, further action pending. |
| Quebec North Shore & Labrador Railway Company | Knob Lake, Que | 43 | 22 | 9 | Mar. 4, 1955 | Apr. 5, 1955 | Referred to C.B.C. |
| Central Alberta Broadcasting Co. Ltd | Red Deer, Alta | 4,540 | 2,270 | 6 | Apr. 5, 1955 | Apr. 7, 1955 | Under technical study. |
| J. F. Grainger (on behalf of a company to be incorporated) | North Bay, Ont | 21,000 | 12,500 | 10 | May 11, 1955 | May 12, 1955 | Under technical study. |
| Gerald A. Alger (on behalf of a company) | North Bay, Ont | 28,500 | 14,250 | 10 | May 10, 1955 | May 13, 1955 | Under technical study. |
| J. Conrad Lavigne Enterprises Ltd | Timmins, Ont | 18,500 | 9,250 | 6 | May 9, 1955 | May 13, 1955 | Under technical study. |

*By Mr. Fleming:*

Q. There are eight applications for television licences on the list which has been furnished to us. I see that the first three have been dealt with by the C.B.C. and have been recommended; the fourth has been passed to the C.B.C., and the last four are still under study by your department prior to possible reference to the C.B.C. Is that correct?—A. Yes. I may say that a considerable amount of work is required in connection with the study of these applications from an engineering standpoint and in addition there are the masts which are proposed in connection with the applications, and these have also to receive consideration; the height, location and other details with regard to the proposed masts have to be passed on by the civil aviation authorities in connection with the possible hazard to flying.

Q. Mr. Browne, this is not quite the list which I expected, and I will come back to that matter in a moment. But taking the list within its four corners, there are two applications here from North Bay, numbers 6 and 7, on your list. These are the only applicants from areas on this list which seem to be close enough to overlap. Is that correct?—A. Overlap from what standpoint?

Q. I am speaking of the list...—A. They would be mutually exclusive.

Q. Assuming the technical studies are satisfactory, will it be the policy of your department to refer both these applications to the C.B.C. for its recommendations?—A. That is the customary procedure.

Q. You are only concerned with the technical requirements and if both applicants fulfill the technical requirements of the department it would be your duty to refer the two of them to the C.B.C., knowing that as long as the present policy of single service coverage applies only one of them could be licensed?—A. Yes. There are of course financial considerations—whether the capitalization is adequate and whether applications are in order from that standpoint.

*By Mr. Monteith:*

Q. These capital considerations you are speaking of—is that decided to be sufficient by your department or by the C.B.C.?—A. I would say by both. We pass on it first of all. Our people examine applications from that standpoint, and if they are in order we usually refer them.

*By Mr. Fleming:*

Q. Mr. Browne, I indicated a moment ago that this was not quite the list which I expected. I thought that, as in previous years, you were going to give us a full list of the applications that had been received. Perhaps we have been somewhat at cross-purposes with regard to the technical meaning of the word "applications" but on previous occasions you gave us a longer list of applicants. I am thinking in particular of some in the Toronto area who are not on this list. You are dealing with this question of applications in the sense of applications that reach the formal stage with the technical data accompanying a formal application.—A. That is the only type of application which we consider to be an application.

Q. I am sure we shall have to go back to what one might call "informal" applications about which you supplied particulars to a previous committee. Two years ago I believe you gave us an extended list going back seven or eight years.—A. I know I have submitted several lists in previous years but we may have embodied in those lists mere inquiries asking for forms, or letters from people saying they propose to apply for a licence. Through the years the form of application has developed into quite a complicated statement, both technically and financially. From the financial standpoint alone the complete brief today with regard to an application is quite a comprehensive and involved thing. The chairman has called my attention to a list submitted in 1953, and it

is headed "List of persons and companies in correspondence with the Department of Transport regarding the establishment of television broadcasting stations in certain areas." That of course is a far cry from what we have before us here, and I understood you to mean, Mr. Fleming, when you asked for the list the other day, that you wanted a list of bona fide applications.

Q. I am sorry that there has been this misunderstanding. I should have stated what I wished in more precise terms. Let me ask a question or two before intimating more definitely what I think we need.

This single service coverage policy is well known throughout the country now among any persons who may harbour thoughts of applying for a licence, and I take it that as long as that policy continues in existence everybody in the business knows that there is no use putting in an application for a licence if they want to serve an area which is already served by another station. Is that not correct?—A. That is so.

Q. And the preparation of the formal application, which you understand the word "application" to mean, must involve the applicant in considerable expense because it must be accompanied by engineering study. Is that not so?—A. It does.

Q. Obviously an applicant is not going to incur that expense if the policy now being followed prevents the department from considering his application?—A. We have told people in response to inquiries of that type—people who write and say they want to go on record as intending to apply for a licence—that when the time comes... I have a specimen form of a letter of that type which I write in such circumstances, and that would explain the position we take with regard to these inquiries.

The CHAIRMAN: Are there any other questions?

Mr. FLEMING: Mr. Browne was about to read a specimen letter.

The WITNESS: Yes. This is the letter we send:

Ottawa

Gentlemen:

1. I wish to acknowledge receipt of your letter dated .... in which you request forms for submitting an application for authority to establish and operate a Private Commercial Broadcasting Station (Television) at or near .....

2. As you are aware the single service policy, adopted with the objective of extending television service as widely throughout Canada as is practicable, excludes the processing of an application for authority to establish a station at ..... Since the requirements for an application change from time to time we have not complied with requests, for forms, from those places where an application would not be acceptable.

3. If the policy should be changed, a public announcement to that effect will no doubt be made by the Government, and if you still wish to apply at that time you may obtain the necessary forms from this office.

Yours faithfully,

(G. C. W. Browne)
Controller of Telecommunications.

*By Mr. Fleming:*

Q. Mr. Browne, I am trying to expedite and simplify this enquiry. I was interested in bringing up to date the list of persons, companies, etc., in correspondence with the Department of Transport regarding establishment of television broadcasting stations in the areas of Halifax, Montreal, Ottawa, Toronto, Winnipeg and Vancouver which appears at page 467 of the proceedings of

the 1953 special Committee on Broadcasting. If you were asked to prepare a similar statement today with respect to those areas which are served by the big television transmitting stations of the C.B.C. would it be the same list which you would supply?—A. We would prepare a similar type of list to that.

Q. Would there be any changes in it—any additions?—A. Some of those people mentioned in the list before you—I am not sure of it—may by this time have applied and been granted licences. I cannot say without reading through the list.

Q. Let us then run through this quickly. CKOY, Ottawa—you obviously have not granted that?—A. No.

Q. La Compagnie de Radiodiffusion CKCH de Hull Ltee, Hull, Quebec—you have not granted that?—A. No.

Q. For the same reason, namely that the C.B.C. is opening up a station here at Ottawa?—A. True.

Q. And then you had a letter of inquiry from Mr. H. May of Weston, Ontario. I take it you could not grant that licence because station CBLT serves the Toronto area?—A. That is correct.

Q. These first three letters were received in 1951. Then there were five letters received in 1952. One was from the Famous Players Canadian Corporation Limited of Toronto, Ontario. Again this application is "out" because of station CBLT in Toronto.—A. Yes.

Q. Next you have an application from Broadcasting Station CKY of Winnipeg, Manitoba. Obviously that is "out" because of the C.B.C. station established at Winnipeg?—A. Yes.

Q. Next we have one from the Winnipeg Tribune, Winnipeg. That could not be granted in view of the fact that you have a C.B.C. station in Winnipeg? —A. That is correct.

Q. Next is an application from the Chronicle Company Limited of Halifax, N.S. The same reason for rejection would apply there—the presence of a C.B.C. station in Halifax.

Then there is a letter from the Rogers Radio Broadcasting Company Limited of Toronto in 1952. Again that is out of the question on account of CBLT. Then you had a letter from the Standard Broadcasting Company of Nanaimo, British Columbia. For the reason you have given this morning you could not grant a licence for Nanaimo because of the Vancouver station?—A. That is correct.

Q. Then you had an application in 1953, dated January 26, from the Toronto Broadcasting Company Limited. The same situation would apply there because of CBLT, would it not?—A. That is correct.

Q. Then you had an application from the International Broadcasting Company, Limited of New Westminster, British Columbia and that, for the reason you have given us this morning, could not be accepted because of the C.B.C. station in Vancouver?—A. Yes. Actually that application was withdrawn by the applicant.

*By Mr. Goode:*

Q. Quite lately though?—A. Quite lately.

Q. It was not at that time?—A. No.

*By Mr. Fleming:*

Q. There would not be much point in leaving the application there as long as you were applying the single service coverage policy?—A. No.

Q. I presume that your list was complete at that time Mr. Browne?—A. It was up to date then.

Q. And presumably the date on which it was submitted to the committee was about May 5th, 1953. May I take it that you have not had serious in-

quiries from these areas since because of the well known fact that the single service coverage policy is in operation and that the C.B.C. has transmitting stations in these areas? There would be no point in making an application in respect to any area here because it would not be received?—A. I would not say positively that we did not have inquiries from one or two of these places, but if there had been any they would have had the same reply.

Q. If there are any other serious inquiries of the kind which you would have included then in this list had you been making up this list in preparation for today, would you communicate them to the committee, please?—A. Yes.... We have no applications to report to the committee. There are no applications on our files. We have already gone through the files.

Q. Then we may take it that the list before the committee on page 467 of the proceedings of the 1953 committee is complete as of this date?—A. Yes.

The CHAIRMAN: Are there any other questions?

*By Mr. Weaver:*

Q. I would like to go back to my request about the contours of these stations. The policy of the government hinges on the coverage in this country and I am surprised that these contours cannot be made available to the committee. Citizens of this country pay for television out of the taxes on their sets and they will be asked by salesmen and stores to pay $300, $400 and $500 for a set when there is no evidence that there will be grade A or grade B coverage for them. I think that information ought to be included among the other information which has been placed before the committee. It is government policy that there should be single coverage, but we have no idea what single coverage is.—A. I have nothing further to add to what I have said, Mr. Chairman. I have stated the position of the department with regard to this type of information—that we have up to now maintained it on a confidential basis.

*By Mr. Richard* (Ottawa East):

Q. Is that information prepared by others or by your departments?—A. It is prepared by the applicants for licences.

Q. You have no maps in your possession prepared by the department which show the contours, both A and B, of stations for which licences have been issued?—A. Other than the contours furnished by the applicant when the application was filed we have made no measurements to determine whether those contours are in conformity with the actual radiation from the station. In practice there may be some slight variation.

Q. But you satisfied yourselves before accepting these applications that they were correct?—A. They have been studied by our engineers and accepted as correct.

Q. They have been accepted by the department. I do not see why the information should not be available.—A. In actual practice due to the geography of the country in various areas—there may be some areas with "shadows"—the signal level may be lower in one spot than in another, and for that reason the estimated contours may not be strictly correct.

Q. But it would still simplify the problem if these maps, once they had been approved, were in the possession of those who are interested. They are no longer confidential once the application has been issued.

*By Mr. Goode:*

Q. Certainly the department would have on their files the contours concerning existing C.B.C. stations. You would certainly have that information because there must have been an application of some kind processed through some department of government.—A. We have the engineering information in connection with all the stations including the C.B.C. stations.

*By Mr. Carter:*

Q. You publish the power and various other information about these stations. Is that not sufficient data for a competent person to be able to work out the contours, given the type of antenna which was in use?—A. For an engineer, yes.

Q. This information is confidential only to people who are not engineers? Any engineer can get the necessary data to work out the contours for himself? —A. It would be difficult because of the varying nature of the terrain and so on.

Mr. WEAVER: The whole policy of television in Canada hinges on this.

Mr. RICHARD (*Ottawa East*): There is a real objection, then, to producing these contours?

The CHAIRMAN: Mr. Browne answered that question before.

Mr. FLEMING: But did he make some comment on the observation which Mr. Weaver has just made?

The CHAIRMAN: He is certainly not discussing government policy.

Mr. FLEMING: It was certainly a very penetrating observation.

The CHAIRMAN: Mr. Browne cannot discuss government policy.

Mr. FLEMING: Not the merits, but he can discuss the way in which it is being applied. As Mr. Weaver properly said, the whole application of this single service policy depends upon these contours. How are people who want to make an application to know what areas will be available unless there is something on the file for them to examine?

The WITNESS: They go to their consulting engineers who have the information and can make it available to them.

*By Mr. Fleming:*

Q. Where do they get that information, Mr. Browne?—A. From us. They are furnished with it on a confidential basis. They are furnished with all these patterns because they have to have this information in order to prepare their briefs.

Q. Will you give that information to any engineer who comes along and says "I have been asked by Mr. John Jones to advise on the possibility of his obtaining a licence in area "X"?—A. Not to any engineer, but to those engineers who are recognized by the department as competent to practice in the preparation of these briefs.

Q. Do you keep a list of them?—A. Yes we do. I have the list here.

Q. What is the source of that list?—A. It is our departmental list—a list of the names of engineers approved by the department.

Q. Is the list public property.—A. Yes.

Q. It wil be interesting to see it. How many engineers are there on it?—A. Twelve.

Q. Do you mean to say that there are only twelve engineers in the Dominion of Canada who enjoy this kind of treatment from the Department of Transport—that they are the only people to whom the department will give information about the contours of existing stations?—A. No. If an engineer applies to the department to practice before it for this purpose and he is approved by the department as competent we will put him on the list.

*By Mr. Knight:*

Q. Are they concerned with existing licences or are they not rather concerned with applications for available licences—is that not the idea?—A. I do not understand.

The CHAIRMAN: Will you put your question again Mr. Knight?

*By Mr. Knight:*

Q. Mr. Fleming asked whether there were only these twelve engineers in Canada who would be supplied with the contours of existing stations—stations which are already working. My question was this: is it not Mr. Browne's idea that this information will be supplied to these engineers in regard to new territory about which applications were pending?—A. They require information regarding existing stations because they are the ones they have to keep clear of in the preparation of their briefs.

*By Mr. Fleming:*

Q. It would be interesting, I think, to see that list, if you will put it on the record. Is it not a dangerous thing to confine to a handful of engineers out of the thousands in Canada the right to receive information on this basis?—A. I think, Mr. Fleming, that it is a matter of supply and demand. After all there are not many applications processed in a year. The number here is twelve, and if you divide the number of applications among twelve engineers, there is not a great deal of business for them.

Q. Are there copies of the lists available?

The CHAIRMAN: You can read out the names, Mr. Browne.

The WITNESS: Mr. Keith A. MacKinnon, Ottawa, Ontario; Doctor Frederick S. Howes, Montreal, P.Q.; Bayly Engineering Limited, Ajax, Ontario; Lieut. Colonel W. Arthur Steel, Montreal, P.Q.; R.C.A. Victor Company Limited, Montreal 30, P.Q.; Canadian Marconi Company Limited, Montreal 16, P.Q.; Canadian General Electric Company, Toronto 4, Ontario; Mr. Michel R. Kelton, P. Eng., Montreal, P.Q.; Mr. Gerald W. Lee, P. Eng., Galt, Ontario; Mr. D. B. Williamson, P. Eng., Hamilton, Ontario; Mr. George R. Mather, P. Eng., Port Credit, Ontario; R. H. Nichols Limited, Toronto 10, Ontario.

The CHAIRMAN: Those are all the names you have?

The WITNESS: Yes.

Mr. GOODE: You have not a consulting engineer in British Columbia?

Mr. RICHARD (*Ottawa East*): You have not enough television stations.

The WITNESS: When we receive an application from British Columbia . . .

Mr. GOODE: When British Columbia is allowed to have their just due in television we shall find you all the consulting engineers you want.

*By Mr. Fleming:*

Q. Who passes on these applications by engineers to get on this preferred list?—A. The engineering division of the department—I should say the engineering section of the Telecommunications Division.

Q. How many applications have you had over the years?—A. Comparatively few. This is a very specialized branch of the radio engineering profession.

Q. Have you rejected any?—A. We may have rejected one or two. I do not think there would be more than one or two.

Q. What were the grounds of those rejections? I am not asking for names.—A. I cannot give you names without consulting our records. If there were any cases there would not be more than one or two.

The CHAIRMAN: Mr. Fleming is not asking for the names.

*By Mr. Fleming:*

Q. No. I was asking for the reasons for rejection.—A. An applicant would be rejected as not having the necessary qualifications or experience, or both.

Q. And your branch undertakes to say whether a man has had experience in this field adequate to enable him to be admitted to this preferred list?—A. Yes. They are required to submit a statement of their academic qualifications and practical experience.

Q. How is a man going to get experience in this field if this is going to be limited in this way?—A. He may have worked under senior engineers in one or other of the companies which are on this list. You will have observed that most of the manufacturing companies—the radio manufacturing companies—are included in the list and they have in their employ engineers who prepare these briefs and who are competent to do so. Actually the name of the company in each case is shown on the list because sometimes there is a staff change—a change in the member of the staff who handles the work of the briefs. The company submits a new name and gives us particulars of the new man's background.

Q. Would this not mean that the list now is pretty well limited to its present form and to any engineers who may be employed by people now on the list, in view of what you have said about the necessity of having experience in this field before you are prepared to admit applicants to the preferred list?—A. It is quite likely that there will be changes in the list from time to time.

Q. Such people as are admitted to it will almost of necessity be people who have been employed in the engineering firms or in the offices of individuals already on the list?—A. They must acquire the experience somewhere, I do not think we would accept an engineer out of college unless he showed that he had some background—probably that during his summer training periods he had worked on this type of specialized employment with one or other of the companies.

Q. Does this list include the engineers of the C.B.C. or are they excluded? —A. They are extra, I believe.

Q. I presume that if the C.B.C. is interested you would just give the information to the C.B.C. as such?—A. Yes. For new applications we do not mimeograph or photograph these contours or send them indiscriminately to the consultants. They have to come to the office and sit accross the desk with our engineers and examine the material in that way.

Q. Are the engineering fees substantial in these cases?—A. I have no idea.

Q. You do not know anything about rates?—A. No.

Mr. WEAVER: Mr. Chairman, as I understand it these various stations submit their contours in the area in which they intend to practice and I move that the committee be supplied with the grade A and B contours of the television stations at present operating.

Mr. GOODE: I second the motion.

The CHAIRMAN: It has been said by Mr. Browne that they usually do not give this information. We shall have to make a motion to the House to get it.

Mr. GOODE: The reason I seconded the motion was that the position seems to be that twelve or more engineers are being given this information in Canada, while this committee is being refused that information, and for that reason I seconded Mr. Weaver's motion.

*By Mr. Studer:*

Q. Is there a limitation on the number of engineers who could apply? I do not accept that understanding of the position. I do not accept that there is any limitation whatsoever upon the number of engineers. If I am an engineer and if I wish to apply there is nothing hindering me except the fact that the business may be limited. As was pointed out, of course, I may be

rejected for lack of the necessary qualifications, but any engineer I know of has the same right to apply as any other. To take this to a logical conclusion, of course, if a sufficient number of men with the proper experience applied, they could draw out the business so fine that there would not be enough to go around. But am I to understand that the Department of Transport is hindering applications? Is there any hinderance to applicants, or is anyone discouraged from applying, or is there any limit set upon the number that can apply?—A. Nobody is discouraged and there is no limit except that of supply and demand.

Q. That was my understanding.

*By Mr. Fleming:*

Q. At the present moment is it not a fact that there are twelve engineers or firms and twelse only to whom you furnish this confidential information on request?—A. We allow them to examine the information.

Q. You make it available?—A. Yes.

Q. You say, in answer to my question, that there are twelve and twelve only who would have that information made available to them on request?—A. Yes, but if another twelve. . .

Q. But if somebody else wanted to enter this charmed circle of twelve he could make application to get on this preferred list?—A. Quite so.

Q. He has to get on that list before the information will be made available to him for examination, is that correct?—A. Yes.

*By Mr. Carter:*

Q. How many engineers have applied and have not been considered acceptable?—A. As I stated in reply to Mr. Fleming earlier, Mr. Carter, there may have been one or two. I am not even sure that there were.

Mr. GOODE: That supports the motion more than ever. There is a likelihood that more engineers could obtain this information, and the more who could get the information the more it makes this committee's position, if the motion is supported, clearer, because the more engineers who can get the information, the more reason this committee should have it.

Mr. BOISVERT: As a matter of general principle, this committee has to deal with the very important questions of broadcasting and television. I think it is very important to this committee to have available all the information possible if we wish to make a report to the House which will contain the views of this committee.

The CHAIRMAN: Mr. Browne said a moment ago that that information on contours is confidential, and that he produces it only to consulting engineers.

The WITNESS: Yes.

The CHAIRMAN: I ask the committee if it would be agreeable to them for Mr. Browne to consult with the minister and bring his position to us this afternoon after such consultation. Would that be agreeable to the committee?

Mr. RICHARD (*Ottawa East*): Including "B" contours as well.

The CHAIRMAN: Contours "A" and "B", surely. Mr. Browne, could you do that for us? It is now quarter to one.

A. Yes.

*By Mr. Holowach:*

Q. Mr. Chairman, I have something further with respect to television applications; but before I ask my question I would like to review the process of application as I understand it. When the application is submitted to your

department, you give careful technical study to it, and in addition you give consideration to the capital structure of the applicant. Is that correct?—A. That is correct.

Q. Now, in the event that you recommend that an application be passed, it is forwarded to the C.B.C. authorities. Is that correct?—A. Yes.

Q. Could you give us a concrete example of an application which you recommended to the C.B.C. authorities having been refused by them, and on what grounds in addition to the ones you have already mentioned?—A. We have not recommended any application to the C.B.C. The statute merely requires that we pass it on to the C.B.C. for their recommendation.

Q. Would you care to comment? What are the general observations submitted by the C.B.C. when turning down an application after it has obtained the approval of your department?—A. Well, the reasons are always given in the Board's recommendations, and I think they are embodied in a public announcement. There might be many reasons. One reason given frequently is that the area from which the application comes cannot support an additional station. I think that is one of the common ones.

Q. I would like to ask you a down-to-earth question. There is a certain suspicion in our country that there are certain motives in refusing applications. Would you say that political affiliations or considerations enhance or impair?

The CHAIRMAN: No. You cannot ask that question of Mr. Browne. I cannot allow it.

Mr. HOLOWACH: It is a suspicion which is prevelant in Canada, and I think that my question is a reasonable one.

The CHAIRMAN: We have kept away from politics in this committee since the beginning and I would not like that question to be asked of Mr. Browne. Please do not ask it.

Mr. HOLOWACH: That seems to be a matter about which the people of Canada are suspicious.

The CHAIRMAN: You can raise it on the floor of the House, but not here.

Mr. RICHARD (*Ottawa East*): How did they get the suspicion?

Mr. HOLOWACH: It seems to me that Mr. Browne in answering the questions could possibly tell us.

The CHAIRMAN: I wish you would not press the question.

*By Mr. Fleming:*

Q. This may be a hypothetical question: but there may be some borderline cases where you receive an application which your department considers likely to offend the single service policy for television. It is a fact that you dispose of it there and then and do not refer it to the C.B.C.?—A. I believe we have in one or two cases returned the application to the applicant and told him to resubmit it if, as and when the time comes.

Q. But so far as the C.B.C. is concerned, you do not leave it to the C.B.C. to judge whether or not an application offends the single service coverage policy in a particular area?—A. No.

Q. That is because it is the specific function of your department?—A. Correct.

Q. And if an application, under present conditions, is referred by you to the C.B.C., the C.B.C. is entitled to go ahead and deal with it then without any further regard for the single service coverage policy? Is that correct?—A. Yes, although if we came across what might be considered a marginal case, we might refer it to the C.B.C. in case they might wish to consider it.

Q. Why would that happen when it is your department which passes on the engineering aspects of the question, and on matters of contours and

questions of overlapping? I do not understand why there is some responsibility for the C.B.C. in such a situation.—A. Well, I think that in a case like that, if it were a borderline case, or one which I would considered to be a borderline case, I would not want to take the responsibility of denying to the applicant the right to process his application.

Q. Then I ask you if there have been in the last two and one-half years any such application where you have been in doubt as to whether the application might offend the single service coverage policy, and you have referred it to the C.B.C.?—A. You are referring now to television stations, to new stations?

Q. Yes.—A. No; I cannot say that I recall any. I am quite sure there are none.

Q. We can take it then from your answer that no such borderline case has yet arisen, and that every case so far as the single service coverage policy is concerned, has been dealt with by your department without reference to the C.B.C.?—A. That is correct.

*By Mr. Monteith:*

Q. I notice there are two applications here from North Bay, one dated May 10, from Gerald A. Alger; and one dated May 11 from J. F., Grainger. The former application was received on May 13, while the latter application was received on May 12. The former application was made on behalf of a company already incorporated while the latter application was made on behalf of a company to be incorporated.—A. That is a typographical error; it should read: "on behalf of a company to be incorporated".

Q. That is both Grainger and Alger should read that way?—A. Yes. These were prepared in a hurry.

Q. I gather they were prepared in a hurry due to the dating. There would be, of course, some previous notification that they wished to apply and they would be both writing in earlier to get the proper forms to make application and so on?—A.Yes. There must be prior inquiries in order to obtain the forms. We do not send forms to everybody who apply for forms and we do not send forms to the people who apply from areas which are already covered under the single service coverage policy. We write them in accordance with the letter which I read to the committee previously.

Q. Is there any information available to the public concerning applications pending? In other words, if one person was considering placing an application and so on is it possible for anybody else to find out that it is being considered by this first party?—A. No. We keep that information on a confidential basis. You mean do we discuss with one applicant that another one is applying at the same time?

Q. That is the question.—A. No, we do not. The applications eventually are referred to the C.B.C. for a recommendation and then they make a public announcement in the *Canada Gazette.*

Q. Say that again please?—A. I say when the applications are referred to the CBC for a recommendation the CBC issue a public announcement which is published in the Canada Gazette.

Q. But neither of these applications have reached that state?—A. No. They have just reached the department and are under technical study.

Q. How long has this North Bay channel 10 been under consideration by anybody, would you say?—A. I cannot tell you without looking up the record when the forms were originally applied for.

Q. It is just pure coincidence then that two separate organizations in North Bay decided at the same time to get busy on this and applied within one day of each other?—A. I would conclude that after looking at the dates.

I suppose news gets around locally. Somebody did ask that very question in our office, if there was another application coming in, and he was told that information was confidential.

Q. You could not give me the dates the application forms were sent out to parties interested?—A. Apparently the applications were made for the forms by legal firms and they did not disclose who they were for.

Q. I can understand that. There is Grainger and Alger and I suppose these two companies would be incorporated, but I just wonder when the set of application forms were sent out to Alger and Grainger? I am assuming that these are solicitors apparently I am wrong. When were they sent out to the solicitors for these parties?—A. I am not sure if the solicitors disclosed names. We can look at the files.

Q. Could you tell me the dates on which the forms were actually sent out which were received back in these two instances?—A. Provided that the solicitors were local people we could deduce from that they were acting on behalf of these people, but sometimes the solicitors live in Montreal or Toronto.

Q. If there were a set of forms sent to Montreal or North Bay you would still have the date?—A. If we sent a set of forms away to a solicitor in Toronto and he did not disclose the names of the people on whose behalf he was applying then—

Q. In other words you might have sets of forms out in the public's hand now which you do not know whether they are ever going to be sent in or not?—A. That could be so, but they are required to state where the proposed station is going to be and in that way we might be able to pin the two together.

Q. It would seem logical that you could arrive at a date at which the sets of forms were sent out?—A. Apparently 3 sets of forms were sent out for North Bay and we do not know which two were returned.

Q. There were 3 applied for from North Bay and only two received back as actual completed applications?—A. Yes.

Q. When somebody applies or writes in for application forms which eventually have to be filled out, an engineer has to do some preliminary work before the application is filed?—A. A considerable amount of preliminary work.

Q. The department then send out this list to the applicant so that he can choose any one of the 12?—A. A copy of this list is sent out with the application forms.

Mr. FLEMING: It is free advertising supplied by the government at its expense, is it not?

The WITNESS: Nobody else is eligible to prepare the brief so I do not see what else we can do.

Mr. FLEMING: That adds to the attractiveness of being in on the charmed circle it seems to me.

Mr. STUDER: I move we adjourn.

The CHAIRMAN: Do we need Mr. Browne this afternoon apart from the information he is going to bring after consultation with the minister? If we do not need him this afternoon we can continue on with the CBC. We are not through with the CBC yet.

Mr. FLEMING: Not by any means.

The CHAIRMAN: We are to hear the CAB on May 24 which is next Tuesday.

Mr. FLEMING: I suppose Mr. Browne is coming back this afternoon and if there are any further questions they may be asked.

The CHAIRMAN: We will continue with the CBC after that.

AFTERNOON SESSION

THURSDAY, May 19, 1955.
3:30 p.m.

The CHAIRMAN: Order, gentlemen, I see that we have a quorum. Mr. Browne has something to communicate to the members of the committee pertaining to the motion moved by Mr. Weaver and seconded by Mr. Goode.

**Mr. G. C. W. Browne, Controller, Telecommunications Division, Department of Transport, recalled.**

The WITNESS: Mr. Chairman, as directed by you I have, during the recess period, consulted with my minister in regard to furnishing to the committee the particulars relating to A and B contours of the television stations, and I am directed to say that the department will have no objection in furnishing that information to the committee.

Mr. WEAVER: Thank you. That will be quite satisfactory.

The CHAIRMAN: Thank you. Does the motion of Mr. Weaver carry? Carried.

Mr. BOISVERT: This morning I asked a question about the ownership of private stations. I wonder if we could get that information? If so, I would be very glad. I see in the minutes of proceedings for 1951 that we were supplied with a list of the owners of private stations.

Mr. KNIGHT: Mr. Coldwell asked for it.

Mr. BOISVERT: Yes, Mr. Coldwell asked for it, and we got the information.

The CHAIRMAN: What page of the minutes was it?

Mr. BOISVERT: It is to be found in the minutes of December 6, 1951.

The CHAIRMAN: Is it given as an appendix?

Mr. BOISVERT: As an appendix, at page 375. I wonder if the department is willing to give that information? If so, I think it would be of public interest to know the trend of ownership of private stations in Canada today.

The CHAIRMAN: Would you want to ask questions on that list, of Mr. Browne?

Mr. BOISVERT: No, I would just like to have the names of the owners of private stations both for sound broadcasting as well as television stations.

Mr. FLEMING: Is that different from the names of the licensees which you already have in this booklet?

Mr. BOISVERT: Yes.

Mr. FLEMING: This booklet has already given us the names of the licensees with their addresses and the names of the stations.

Mr. KNIGHT: I think Mr. Boisvert asked for the names of the directors, did he not?

Hon. Mr. MCCANN: That mostly gives the trading names.

Mr. GOODE: The owners names might be slightly different.

Mr. BOISVERT: I would ask also for the directors, but I do not think that the department is in a position to give the names of the directors of a corporation, when a private station is owned by a corporation. Would it be possible for us to get that information?

The CHAIRMAN: It is on page 4 of the blue book which you have, Mr. Fleming. That is where the list starts.

Mr. FLEMING: Yes. I wondered if Mr. Boisvert wants anything in addition to this list?

The CHAIRMAN: Do you want something in addition to that list, Mr. Boisvert? I think you will find all you need in that list.

Mr. GOODE: It could be that Mr. Boisvert is speaking about what happened in regard to Mr. Fleming's question about the television applications pending. The name is given in behalf of a North Bay station, yet it is in behalf of a company, and I wondered if you wanted that additional information.

The WITNESS: Mr. Chairman, perhaps I might interject to say that it is customary for applicants to word their applications in that way initially because they frequently do not organize the company until they know that a licence is going to be granted. The licence itself is never issued until the company is organized, and in fact the licence can be granted only to a Canadian citizen, a British subject, or a company properly incorporated under either a Dominion or a provincial charter.

Mr. FLEMING: Would you please clear up one thing for me: would the list of owners of these stations differ from the list of licensees of these stations which we have already before us in this booklet which you furnished us, or is it the same?

The WITNESS: It must be the same in accordance with the regulations, but I think what Mr. Boisvert would like to obtain is a list of the names of the directors of the company where the licensee is a company. I would be glad to take that up in the department just as I did the case of the question about contours.

Mr. GOODE: In regard to the contour map, when will it be available to the committee? There may be some questions on it to the C.B.C. and I wonder when we might have it.

The WITNESS: I think it will be available early next week. That is about the best we can do.

The CHAIRMAN: Thank you, Mr. Browne. Are there any other questions from Mr. Browne?

Mr. GOODE: I expect that this will be the last time that we will be seeing Mr. Browne before this committee. I understand that he is to leave the service in a short time. Some of us have heard Mr. Browne and questioned him in other years. May I say to you, sir, that I know of no one who has extended more courtesy to this committee than has Mr. Browne. His questioning has been difficult at times, but he has always answered like a good civil servant should. I am quite sure that I am speaking for the committee when I say that I hope that the holiday which Mr. Browne is going to enjoy will, first, carry with it a lot of happiness, and second; that he will settle in Burnaby-Richmond.

Mr. BOISVERT: I would second what Mr. Goode has just said.

Mr. KNIGHT: With some reservations in respect to the last part, I would like to be associated with that expression of good wishes by Mr. Goode.

Mr. FLEMING: Mr. Browne has appeared before this committee a great many times over the years and I think we will all miss him in future years. He has always been most cooperative and efficient and we all join in wishing him happiness and well-earned enjoyment of his retirement.

Mr. BOISVERT: I think we should also pay a compliment to Mr. Smith and the other members of the Department of Transport who have appeared before this committee to advise us. They all deserve an expression of our warmest appreciation.

The CHAIRMAN: Does the committee agree?
Agreed.

Mr. FLEMING: Perhaps we should include Mr. Boisvert in that too.

The WITNESS: I thank the members of the committee through you, Mr. Chairman, for the kind expressions tendered to me. It is very nice to have a remembrance of this kind to take away with me. Thank you.

I am afraid that I cannot get away from you yet until I furnish this return to Mr. Fleming. Unfortunately, as in the case of the return which I handed in this morning, it has not been possible to mimeograph it. It was not completed until just shortly before we left for this meeting; but I have here a statement similar to the one furnished this morning to Mr. Fleming which deals with the pending sound station applications.

Mr. FLEMING: Yes.

The WITNESS: There are, in the case of one, if I may go quickly through them—

*By Mr. Fleming:*

Q. How many are there?—A. There are nine. I think you selected the Ontario ones this morning.

Q. No.—A. There are four in this list which are at various stages of progress; and in their treatment, one has been deferred by the C.B.C. for further studies; there are some others; there are five under technical study by the department, and there are three which have been recommended by the C.B.C. for licences at the last meeting of the Board of Governors and they are in process of being dealt with.

Q. Perhaps we might have this list placed on the record.

The CHAIRMAN: Is it agreed to put the list on the record?

Agreed.

## ENQUIRY BY MR. FLEMING

## TELEVISION APPLICATIONS PENDING

| Name | Place | Power (Watts) | Frequency (KC/S) | Date of Application | Date Received | Remarks |
|---|---|---|---|---|---|---|
| Phillip Bodnoff | Weyburn, Sask | 250 | 1,340 | March 7, 1955 | March 9, 1955 | Deferred for further study by C.B.C. |
| F. Vincent Regan (on behalf of a company to be incorporated) | London, Ont | 5,000 | 1,290 | May 11, 1955 | May 13, 1955 | Under technical study. |
| West Newfoundland Broadcasters Ltd | Corner Brood, Nfld | 1,000 | 560 | May 11, 1955 | May 12, 1955 | Under technical study. |
| Swift Current Broadcasting Co. Ltd | Swift Current, Sask | 250 | 1,400 | May 10, 1955 | May 11, 1955 | Under technical study. |
| Frontier City Broadcasting Co. Ltd | Swift Current, Sask | 250 | 1,400 | May 9, 1955 | May 10, 1955 | Under technical study. |
| John William Pollie (on behalf of a company to be incorporated) | Smiths Falls, Ont | 250 | 1,070 | March 3, 1955 | March 7, 1955 | Recommended for licence. Further action pending. |
| Jean Lalonde | St. Jerome, Que | 1,000 | 900 | March 4, 1955 | March 7, 1955 | Recommended for licence. Further action pending. |
| Greg-May Broadcasting Ltd | Lindsay, Ont | 1,000 | 910 | Feb. 28, 1955 | March 1, 1955 | Recommended for licence. Further action pending. |
| S. R. Paisley (on behalf of a company to be incorporated) | Cobourg, Ont | 250 | 1,240 | May 16, 1955 | May 17, 1955 | Under technical study. |

Thank you, Mr. Browne. I thank you very much Mr. Browne and your officials for coming here and giving us all the information that we needed.

The WITNESS: I shall relate that to my colleagues who are not with me this afternoon.

The CHAIRMAN: Thank you very much. We shall now continue with the C.B.C. and call Mr. Dunton and all the witnesses, such as Mr. Ouimet and the other officials of the C.B.C.

**Mr. A. Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation, called:**

The CHAIRMAN: Have you any questions to ask of Mr. Dunton, gentlemen?

The WITNESS: We have prepared some breakdowns of expenditures by objects for the fiscal years 1953-54 and 1952-53 as requested by Mr. Monteith. These were handed to the clerk of the committee yesterday, and I presume they have been circulated to the committee.

The CHAIRMAN: Do you want them placed on the record, Mr. Fleming?

Mr. FLEMING: I think they will have to be placed on the record because there will be questions asked on these items.

The CHAIRMAN: Would it be agreeable to have them inserted as an appendix, because they are rather long to go into the record at this point?

Mr. FLEMING: Whatever you think.

The CHAIRMAN: Does the committee agree?

Some Hon. MEMBERS: Agreed.

The WITNESS: Mr. Chairman, we were requested to produce the amounts of legal fees and to whom they were paid for this two-year period, and we now have those available.

Mr. FLEMING: Could we have the statements concerning the legal fees placed on the record at this point?

The CHAIRMAN: Does the committee agree?

Some Hon. MEMBERS: Agreed.

CANADIAN BROADCASTING CORPORATION
STATEMENT OF LEGAL FEES
FOR THE YEAR ENDED MARCH 31ST, 1953

| Name | Amount |
|---|---|
| Louis H. Carreau, Q.C. | $ 336.00 |
| D. W. K. Dawe, Q.C. | 23.00 |
| Friel & Friel | 1,673.05 |
| Jennings & Clute | 90.00 |
| Maitland, Hutcheson | 32.00 |
| McMillan, Binch, Wilkinson, Stewart, Berry & Wright | 11,632.57 |
| John J. Robinette, Q.C. | 3,126.13 |
| Arthur W. Smith | 13.00 |
| P. L. Young | 182.80 |
| Milner, Steer, etc. | 400.00 |
| Claude Prevost | 102.00 |

CANADIAN BROADCASTING CORPORATION
STATEMENT OF LEGAL FEES
FOR THE YEAR ENDED MARCH 31ST, 1954

| Name | Amount |
|---|---|
| Beaulieu, Gouin, Bourdon, Beaulieu & Casgrain | $ 69.00 |
| Scarth & Honeyman | 183.00 |
| Hutcheson, Maitland & Legg | 47.00 |
| John J. Robinette | 5,609.02 |
| Wright & McTaggart | 2,127.06 |
| Seymour Elkin | 207.00 |
| Brais, Campbell, Mercier & Leduc | 753.45 |
| N. E. Sheppard | 3,620.00 |
| A. W. Smith | 15.00 |

*By Mr. Fleming:*

Q. On the statement for the year ending March 31, 1953, I notice that the sum of $11,632.57 went to a particular law firm. What was the nature of the services rendered there?—A. There were various services, but the main work was in connection with two different sitting in the one year of the copyright appeal board. It happened because of the way the dates, went, that there were two separate fees for legal services in connection with two separate hearings, one in 1951-52 and in 1952-53 and they came in the same payment year.

Q. This is the second part of the bill for the appearances before the Copyright Appeal Board?—A. Yes. As I say, by chance the way the dates fell—I think the board changed the time of the year at which it sat about that time—and it happened that two years fell in this one payment year.

Q. The next item of $3,126.13—what was the nature of the services?—A. Practically all in connection with various labour negotiations and questions of certification.

Q. And in the next year the fee of $5,609.02?—A. Again it is for the same thing.

Mr. RICHARDSON: May I ask a question? In respect to these three firms, where are they located?

Mr. FLEMING: In Toronto.

The WITNESS: The John J. Robinette firm is located in Toronto, of course. McMillan-Binch and Company is located in Toronto. There have been just two firms mentioned so far, I think.

*By Mr. Fleming:*

Q. Coming now to the next item—I am just picking out the larger ones—$2,127.06—what was the nature of those services?—A. That again was on item in connection with copyright, one in connection with a royal commission on copyright and one in connection with a lease in Toronto.

Q. And the item of $3,620?—A. I really think that is included in error—it goes in under the coding. Professor Sheppard is not a lawyer actually; I think he is an actuary and he advised us on the pension plan.

Q. He is of Toronto?—A. Yes.

Q. He is an actuarial consultant?—A. Yes.

Mr. RICHARDSON: I will now ask the same question; all these firms are located in Toronto?

The WITNESS: Yes, so far.

*By Mr. Fleming:*

Q. With regard to the sum of $11,632.57, what was the balance or shall we say the first part of the fee for which that item was the second part, Mr. Dunton?—A. As I said, the payment of $11,632.57 was made to one firm and that included payments among other things for two years work.

Q. I am sorry, I misunderstood you. I thought this was the second part of a fee. It is the total fee for services rendered over periods that extended into both fiscal years?—A. Yes, and both times for hearings fell in this year.

Q. Does the C.B.C. ever consult the Department of Justice for legal advice?—A. Yes, particularly on matters constitutional or matters relating to interpretations of law in a particular way, and quite a number of things.

Q. Are these consultations frequent?—A. Fairly frequent.

Q. In the selection of solicitors to advise on any matter or counsel to appear on behalf of the board of governors, is the Department of Justice consulted for its views on selection?—A. Quite often, but we are not bound to consult them as government departments are, I believe. In a number of cases they have been consulted, but on the other hand the corporation makes its own decisions about counsel for this sort of work.

Hon. Mr. McCann: Are they taxed or submitted to the Department of Justice before they are paid?

The Witness: Very often, but not always.

*By Mr. Fleming:*

Q. In what proportion of the cases laid before us in these two statements would you say those selected were recommended by the Department of Justice at your request?—A. All the one you have mentioned were of our own selection—the decision of the corporation.

Q. Are there any cases where after you asked the Department of Justice for a recommendation you departed from it?—A. I do not think so. As you see, we made our own decisions in these major cases. As you will realize, a lot of our work is quite specialized—work represented by the bigger items such as copyright work or labour relations work.

*By Mr. Goode:*

Q. Are all these firms eastern firms?—A. I think Mr. Dawe's firm is located in the far east—Newfoundland.

Q. Is there a western firm in there at all?

Mr. Holowach: I believe the firm of Milner—Steer is located in Edmonton.

The Witness: Yes, it is in Edmonton.

*By Mr. Goode:*

Q. Is there any legal work done, Mr. Dunton, in regard to the acquisition of property for studios and was any legal work done in regard to the Vancouver C.B.U.T. antennae location?—A. If it does not appear on this list, it would have been done by our own people. Some simple things are done on the advice of our own management.

Q. Could I have an answer to the question I asked: was legal counsel engaged in connection with that work in Vancouver?

Mr. Ouimet: We will have to check in order to answer your question.

Mr. Goode: You know what I am getting at. If you did engage legal counsel, was it engaged in eastern Canada or in Vancouver?

Mr. Ouimet: It is perfectly clear to me.

The CHAIRMAN: Are there any other questions on these documents? Have you any questions on the other documents, Mr. Fleming?

Mr. FLEMING: Yes, but we have not come to them yet. We are still on income on page 48, and the other sheets distributed concerned a breakdown of expenses. Perhaps we could leave the questions on the other documents.

*By Mr. Monteith:*

Q. I think I asked a question last week concerning how the cost of $51 per hour for studios was arrived at. I thought you might like to clean up these odds and ends, Mr. Chairman.—A. That information is not quite ready. It takes consultation with the operating areas. Could it stand over?

The CHAIRMAN: Certainly.

Mr. MONTEITH: Are we now on income then, Mr. Chairman?

The CHAIRMAN: Yes.

*By Mr. Monteith:*

Q. I notice that in the year 1954 there is an item amounting to $274,634.70 for licence fees. Just what type of licence fee is that? Is that received from independent stations? Are there any hangovers of the old $2.50 fee? —A. It would be from the Department of Transport and anything they had collected. I am not sure whether or not we have a breakdown which shows of what it consists. I think most of it would be transmitter licence fees.

Q. The Department of Transport did all the collecting and simply remitted to the C.B.C. upon occasions all licence fees?—A. Yes.

Q. How often do they remit?—A. Formerly it was every month.

Q. That was when they collected the $2.50?—A. Yes.

Q. How often do they remit now that they only collect the transmitter fee?—A. Quarterly.

Q. I think it was pointed out the other day, Mr. Chairman, that commercial broadcasting revenue dropped from $2,513,000 odd in 1953 to $2,471,000 odd in 1954 and it was intimated this was due to less sponsoring of programs which undoubtedly had gone to TV sponsoring. Also I believe Mr. Dunton intimated that he was probably expecting a further decrease. Now I notice jumping from income to expenditure that there are a lot of increases in the various items which go into what I would think would be production of programs. I was wondering if he had any idea as to whether that increase is going to keep up with falling revenue from sponsorship or just what the thought is? I am thinking of artists' fees, the first item on the expenditures sheet.—A. I thought I covered that the other day. I will go at it again. We are trying to run a national service all across the country. One item of revenue for that is commercial broadcasting, but it is only one item. We naturally take that into consideration in making any decisions about operations and we also have to take into consideration all the other factors about need for service. In this year, 1952-53 to 1953-54, we were still as a matter of policy doing some development on sound service, some improvements of the programs and extension of coverage and facilities which I have mentioned before; but apart from those extensions the major part in the increase in expenditures came from increases in cost rates to the corporation, the fees having been increased and salaries and wage rates arising from collective bargaining. During the past year expenditures will go up again chiefly due to increased cost rates because we have done comparatively little development work. As I said, looking ahead it depends on how the general financial situation will be in sound broadcasting. At the present point, as I mentioned several times, we are not

actually planning or deciding on further extensions or developments in a general way to the sound service because the general outlook as far as we can foresee is for less revenue.

Q. I notice artists' fees are up $250,000 which is roughly 10 per cent over the 1953 figure. That increase would be due to an increase in artists' fees. It is not a broadening of the system; it is probably the same number of artists, but the costs to you are higher because those artists' fees are up 10 per cent? —A. There was some increase, but we were at that stage just following the Massey Commission and following a certain easing or clarification of sound service revenues doing some further development. There was some further development of children's and women's programs in the afternoon, particularly Trans-Canada Matinee, and we started some fishery broadcasts that were asked for for a long time, and a few other things where the program service had been weak. That was still going on in this period.

Q. You do not anticipate any further development in that respect?—A. We have no plans for anything of any size now although we know a number of things would be desirable; we do not have plans to extend program activities in the sound service. On the other hand as you have mentioned we may have to face increased rates. We will certainly have at least some inevitable increase in expenditures of a general nature in such things as normal increase in salaries, apart from any collective bargaining.

Q. This music item, item 113, is that paid to musicians?—A. Item 113 is purely the buying of sheet music.

Mr. DINSDALE: Would that include original compositions or music already commercially available?

The WITNESS: Both.

Mr. CARTER: Is there any other body in Canada that purchases artists' services on that scale?

The WITNESS: No.

Mr. CARTER: We have sort of a bargaining point there, have we not—volume?

The WITNESS: Well, perhaps you would like to talk to the union some time. We are by far the biggest employers of artistic talent of any kind in the country, by a very long way. I think the artists realize that but they stick to their point of view in negotiations.

Mr. CARTER: We might get a discount rate for the volume.

*By Mr. Monteith:*

Q. Is the item 115 "Manuscripts and Plays" for the straight purpose of copyright on that type of thing?—A. That would be the rights whatever they are. We almost always buy one-time Canadian broadcasting rights. It may happen to be the first time it is broadcast, or it may be a matter of buying the broadcast rights of a manuscript written outside of Canada, or it may be buying an adaptation.

Mr. RICHARDSON: In respect to item 121, why is there such a discrepancy between television and broadcasting in Press Service?

The WITNESS: In general it is because television, especially at this time, was not nearly as widely developed as sound broadcasting. As you know, in sound broadcasting we have a pretty full news service.

*By Mr. Fleming:*

Q. The trend has been for the expenditure on the television side to increase over the expenditure on sound broadcasting?—A. Quite naturally. As you know, that has grown since 1952.

Q. There was quite a wide gap in expenditure in the fiscal year ended March 31, 1953, because you were barely starting your television news service, and in the fiscal year ending March 31, 1954, the gap is reduced; it was about $2 on sound broadcasting for every dollar on television. The gap in the fiscal year ending March 31, 1955, must have closed even more.—A. Yes. There is a difference. In television broadcasting after all the main thing is the picture and we have got to get most of them ourselves. In television a great deal of the expenditure for news goes into the getting of the pictures.

Q. Have you the 1955 figures available?—A. Not yet.

Mr. DINSDALE: What is included under "Press Service"?

The WITNESS: The payment to Canadian Press, British United Press and any other written news service which we buy. The big news agencies supply us with regular service at various points if we need it.

Mr. DINSDALE: You use B.U.P. and Canadian Press mainly?

The WITNESS: And we get some service from Reuters and we have used Agence-France-Presse.

Mr. FLEMING: Are all those amounts paid over to the news agencies?

The WITNESS: Yes.

Mr. BOISVERT: Have you got a press information service of your own?

The WITNESS: Yes. That was the division on which we supplied quite a complete separate breakdown. It is an information division which does all sorts of functions inside the corporation and for the corporation. It has nothing to do with news as such. It is either circulating information in the corporation or giving it to the public.

*By Mr. Fleming:*

Q. Mr. Dunton, I hope we understood each other on my last question. I was asking about item 121, expenditures for Press Service, $154,000 on television and $73,000 on sound. And I asked you if those amounts were all paid over to those news agencies.—A. Yes.

Q. You understand my question?—A. Yes. I am sorry—in that year there would have been included under this heading some payments to freelance cameramen giving us film for the purpose of television.

Q. That was my point.—A. I am sorry.

Q. Can you give us the breakdown?—A. Could we come back to it later?

*By Mr. Monteith:*

Q. Mr. Chairman, I am not too familiar with how these performing rights work. Could Mr. Dunton give us a brief outline?—A. The performing rights is item 117 and would be almost entirely, I think, rights paid to the major performing rights organizations, mostly under decisions of the copyright appeal board. CAPAC, BMI, are the chief two and any others we had to pay in addition.

Q. On items 131 up to 134 covering blank discs, records, tapes, and tape records, how are those tapes and discs handled? When you purchase blanks is there a record kept of them in the inventory and when do they go in as an expense; when you buy them or when you use them or what?

Mr. BRAMAH: They charge it to stores first and then as they are used they are charged out to the particular expense.

Mr. MONTEITH: Is there an inventory in the balance sheet at all?

Mr. BRAMAH: The inventory figures are shown on the balance sheet, yes.

The WITNESS: I think you were asking about expendable stores the other day.

Mr. MONTEITH: They were the expendable stores, were they? I notice there is a big item in recording tapes.

The WITNESS: I think the charges in several of these items, between 131 and 134, relate to technical developments; development in the use of tape recording as against acetate type discs. You will notice expenditure on recording discs goes down while expenditure on tapes is rising.

*By Mr. Fleming:*

Q. I have a question about items 141 and 143, "Film Stock" and "Film Processing". I would like to refer to your facilities in Toronto, Mr. Dunton, and the conditions under which some of your employees are engaged in the film processing. They are cramped I am informed and the employees are working not only under disagreeable conditions but also under extremely unhealthy conditions. They are working with gas fumes there and I am told several of your employees have suffered ill health in consequence. I know of one case where the employee went to her doctor after having some bronchial trouble and when he inquired as to the conditions under which she was working it was a shock to him. Maybe this is something which you are trying to correct, but I would like to express the hope that no time will be lost about it. My information is that these people should not be working under the conditions under which they are working.

The WITNESS: This is an example of where expenditures have to increase. Space has not been enough for the department as it has been developing and new space has to be found and fixed up for them.

Mr. FLEMING: Nobody is going to question expenditures which give people proper working conditions, and it is my opinion that these are conditions under which people should not be asked to work.

Mr. OUIMET: Arrangements have been made for providing more adequate quarters for this group which has been a growing service and we have just not been able to keep up with the load. On the other hand, we have had inspectors in from the Department of Health to make sure there was no danger to health and we have been assured there would not be. In any case we are providing more commodious quarters than we have at the present time, and they should be ready very soon—they will be ready on June 1st.

Mr. FLEMING: I am glad to hear that. It is none too soon in the light of the description I have been given of these conditions today.

Mr. MONTEITH: I do not know whether anybody has anything to ask concerning items up to 151...

*By Mr. Dinsdale:*

Q. On item 146, Mr. Dunton, is it possible to indicate what proportion of this expenditure on wardrobes is for the rental of wardrobes?—A. That would need checking. We could find it out but it would take a little time. I might say that in general a great many costumes are rented. To give the separate totals would involve going back over the items to see what proportion has been rented and what has been paid for material.

Q. What rental services are there?

Mr. OUIMET: Malabar in Toronto, and Ponton in Montreal.

The WITNESS: I think Malabar have had nearly a monopoly so far in Toronto.

Mr. OUIMET: I am told that Malabar has a branch in Montreal and a branch in Vancouver also.

An Hon. MEMBER: And in Winnipeg?

Mr. OUIMET: And in Winnipeg.

Mr. GOODE: At least we are getting Vancouver in somewhere

Mr. MONTEITH: On item 151, Mr. Chairman I see the item is headed "Local Loops". What is meant by that?

Mr. OUIMET: A "Local Loop" is a circuit used for the transmission of a program from a remote location to the studio. A program would be produced, say in a hotel or in a hall remote from the studio, and it would be necessary to feed that program between the outside location and the studio, and the connecting link is the "local loop".

Mr. MONTEITH: And is this the cost of wiring and all that sort of thing?

Mr. OUIMET: No. It is the cost of renting the transmission circuit from a communication company.

Mr. MONTEITH: I see, Bell, Telephones.

Mr. OUIMET: Bell Telephones, or the Railway Telegraph companies.

Mr. MONTEITH: And "Studio to Transmitter Circuits"—what does that mean?

Mr. OUIMET: The circuit which connects the studio to the transmitters which are usually located some distance—perhaps 25 or 30 miles—away from the studio.

Mr. MONTEITH: And does this item also represent a payment to the communication companies?

Mr. OUIMET: It is also the rental paid to communication companies.

Mr. MONTEITH: "Station Charges"—what would that be?

The WITNESS: Almost entirely payments to private stations for originating work done for us. Not our own stations. When a private station provides a program which is taken on the network we make a payment towards covering the expense in connection with the program.

*By Mr. Monteith:*

Q. "Cleaning Contracts"—I presume that is for janitors and so on?—A. Yes.

Q. "Automobile expense"—what is your procedure in connection with this? Do you own any automobiles?

Mr. OUIMET: Yes. We own a number of automobiles at various points across the country, and this item, No. 291, covers the operating and maintenance charges of those automobiles.

Mr. MONTEITH: They are just commercial vehicles?

Mr. OUIMET: They are trucks; in certain cases station wagons. In certain cases, too, we may use passenger type cars, but we have all types depending on our needs. In television for example we have some fairly large trucks to carry bulky scenery; for field strength services we use a passenger type of car fitted with equipment, and then we have mobile units.

Mr. MONTEITH: This amount does not seem very much in relation to all this automotive equipment. How many vehicles have you got represented here?

Mr. OUIMET: Forty-seven. Some of our vehicles are specialized cars, which might not cover much mileage in a year but which are built specially for the purpose for which we need them—equipped cars such as mobile units for example.

Mr. MONTEITH: If you brought a mobile unit up here from Toronto for the opening of parliament for instance what would be charged to automobile expense in respect of that? Gas and oil, and repairs to the vehicle itself?

Mr. OUIMET: Gas, oil, and also the maintenance of the vehicle itself but not of the equipment carried in the vehicle.

Mr. RICHARD (*Ottawa East*): Have you not got your own mobile unit in Ottawa?

Mr. OUIMET: We have our own mobile unit in Ottawa. We generally do not move these mobile units from city to city if we can help it, but sometimes we do.

Mr. MONTEITH: You have 47 vehicles and the expenditure here is roughly $11,000, which is something under $300 for each vehicle . . .

Mr. OUIMET: May I point out that I have given you the number of vehicles today. We are dealing now with the situation two years ago and I should have to check in order to find out how many vehicles we have acquired in these two years.

Mr. MONTEITH: The number has increased considerably?

Mr. OUIMET: For use in television. The number has increased considerably.

Mr. FLEMING: Item 314. Printing of schedules, publications etc. In the fiscal year ending March 31, 1953 the figure was roughly $100,000; in 1954 it was roughly $120,000. I presume it is under this item that we have the cost of the C.B.C. *Times* which we were discussing at the last meeting?—A. Yes. It is the same figure. The committee has already been given the breakdown.

Mr. FLEMING: Is there anything in addition to the C.B.C. *Times* under Publications?—A. Yes. As we explained at the time there are quite a number of pamphlets and things related to programs which are also covered in this amount—things like the annual report and any other publication that has been put out—for instance Radio Magazine which is a staff magazine.

Mr. FLEMING: My next question is on Honoraria, item 413. What are Honoraria?—A. One item is fees to members of the Board of Governors, and there may be some other small fees—fees which are not properly performers' fees but which are Honoraria paid to people—not salaries, and not performers' fees.

Mr. FLEMING: What would that group consist of?

Mr. OUIMET: People, for instance, who write articles for the staff magazine—*Radio Magazine*. They get a small fee. Then there are judges for programs—judges of talent programs, for instance. They do not get a fee for performing, but they receive a fee for judging.

Mr. FLEMING: Item 414—Professional fees and legal expense. Are there any other items in addition to those which you have mentioned this afternoon with regard to legal expenses, which make up this total? What other professional fees are there?—A. There may be some small payments for such things as the special inspection of towers, for which professional engineering services have to be given, but these totals are very close to what we gave you with regard to lawyers' fees. Doctors' fees for examining members of the staff would come under this item.

Mr. FLEMING: Item 421—travelling expenses. We have already had some discussion about travelling expenses and I do not want to repeat that. The figure in the year ended March 31 1953 was roughly $211,000; the next year in round figures it had jumped to about $313,000 accounted for in part by television but not entirely. Your expenditure for travelling expenses with regard to sound broadcasting is up by over $50,000.—A. As we explained the other day this heading should really be "sound broadcasting and common services". There would be some additional expenses incurred and additional travelling by general management officials arising from television and the need for increased consultation. In addition, in that particular year there was

a considerable development in actuality broadcasting, which would mean more program operating travel in respect, for instance, to such things as the coronation.

Mr. FLEMING: But not with respect to the Empire Games. That is in the next fiscal year?—A. In addition as a matter of policy we are trying to do more actuality broadcasting which means of course extra travelling.

Mr. FLEMING: Can you say a word about items 425 and 426 together—Unemployment and Group Life Insurance Schemes, and Superannuation. What is the cover which you provide now for members of the staff?

Mr. OUIMET: I should like to ask Mr. Carter to reply to that question.

Mr. MARCEL CARTER (*Executive Assistant*): On superannuation the employees through the contributions they make buy 2 per cent annually for each year of service—2 per cent of their salary, and on group life insurance we have a scheme depending on the salary of the employee. The employee may buy as high as $15,000 group life insurance. The experience has been so good that it costs absolutely nothing to the corporation in the last four or five years. In fact we have had a refund on contributions.

Mr. OUIMET: I should point out that under item 426 we have to pay nothing for group life insurance. That is where it would be charged but actually there is no charge for group life insurance. The cost is borne entirely by the staff.

Mr. FLEMING: I understand then that the payments shown here go entirely towards Unemployment Insurance?

The WITNESS: In case Mr. Carter did not make it quite clear, I might say that the corporation pays 6 per cent of salaries towards buying the 2 per cent pension.

Mr. FLEMING: I was not clear about what was said with regard to the 6 per cent. Do I understand that the employee contributes 2 per cent against the corporation's 6 per cent?

The WITNESS: The corporation matches the over-all contributions of the employee.

Mr. MARCEL CARTER: The employee contributes six per cent; he gets two per cent yearly pension credit and the corporation matches the overall contribution of the employee.

Mr. FLEMING: What is the retirement age?

Mr. MARCEL CARTER: Sixty-five.

Mr. FLEMING: Is it the same for men as for women?

Mr. MARCEL CARTER: For women it is sixty; but there are optional dates of retirement for employees who want to retire before that. A female may retire at fifty-five and a male may retire at sixty, but that is optional.

Mr. FLEMING: Does it embrace all the employees?

Mr. MARCEL CARTER: All employees on the regular establishment.

Mr. MONTEITH: What is item 428 for "Local Transportation" about? In 1953 it totaled some $28,500; in 1954 it totaled $51,600. What does that cover.

Mr. OUIMET: The difference between the two years is mainly due to the addition of television.

Mr. MONTEITH: But what does it cover?

Mr. OUIMET: It includes transportation locally in any particular city as distinct from transportation between cities, and in addition it includes transportation of technicians living some distance away from the transmitters. Our transmitters are generally located in areas remote from regular transportation,

and they work at hours which have no relationship to bus schedules or train schedules; so we have to provide an allowance for transportation.

Mr. MONTEITH: Would there be any automobile expenses charged in there, or is there an allowance to individuals for the use of their own automobiles and taxis?

Mr. OUIMET: In the case of transportation of technicians, there is an allowance to the individual employee for the transportation which he has to take care of.

Mr. BOISVERT: What is the rate of the allowance?

Mr. OUIMET: It is seven cents a mile.

Mr. GOODE: Can you get away with seven cents a mile? I think you have got some collective bargaining to do before very long on that one.

Mr. OUIMET: May I answer Mr. Goode's remarks by saying that it is a contribution towards their transportation. It is not intended to cover the whole thing.

Mr. GOODE: You are not paying it all because you could not run a car on seven cents a mile.

Mr. DINSDALE: Item 427, "Staff Courses"; in both years the amount reported is very small. What kind of activity does that cover?

Mr. OUIMET: Actually we have an arrangement with certain educational institutions to provide courses to our employees at reduced rates because of the bulk volume which is involved, and we give a small discount which we pay ourselves when the employee successfully completes the course. It is not very big and the number of employees who complete the course is not very large, so the amount is not very high.

Mr. DINSDALE: It does not include the training of your TV technicians?

Mr. OUIMET: No. That would not be in there. That is done by instructors on our regular payroll, and their salaries are charged to the salary payroll. It is "on-the-job" training in the studios.

Mr. FLEMING: Item 431 "Donations and Prizes"; what type of donation comes under that?

Mr. OUIMET: These are prizes and donations mainly on broadcasts.

Mr. FLEMING: I can understand prizes on the programs and that sort of thing, but I was wondering about the donations. What type of donation does the corporation make?

The WITNESS: These are ledger headings, and there are not necessarily expenditures under any heading, or which relate to the label which the accountants have on the heading. We do not give charitable donations or that sort of thing.

Mr. FLEMING: Is there anything which would come under the heading of donations which in the strict sense of the word would not be properly classified as prizes in relation to programs?

Mr. OUIMET: We contribute $1 per employee for social and recreational activities per year.

Mr. FLEMING: That is the only donation which the corporation makes?

Mr. OUIMET: As a donation, yes.

*By Mr. Holowach:*

Q. Does the C.B.C. as a corporation sponsor or make available any form of musical scholarship to musical talent?—A. They are made on the program "Nos Futures Étoiles". There is the equivalent to it, "Singing Stars of Tomorrow", which is a sponsored program.

Q. You have no scholarships as such which the corporation gives to young artists?—A. No plan or scholarship scheme, no.

Q. Do you not think that there is merit in considering the advisability of making available a scholarship in view of your contact with live talent in this country?—A. We have thought of it, but we feel that our main job is broadcasting and we try to use our money to the best advantage on broadcasting. We do try to help talent, as we undoubtedly do, by giving them an actual chance to appear on broadcasts and being paid for it. The subject has come up again recently and it may be possible to develop some form or combination of broadcast plus either scholarships or prizes. But our main work with talent is on the air in one form or another.

Mr. BOISVERT: Do you give any prizes to the artists who are taking part in the program "Nos Futures Étoiles", which is a French program?

The WITNESS: Yes, the winners get prizes.

Mr. DINSDALE: With respect to item 429 "Meal Allowance", in 1952 there was no expenditure, but in 1953-54 there was an expenditure of $10,000, and $28,122.67.

Mr. OUIMET: This is due to the change in coding. The meal allowances in 1952-53 were included in item 439, "Incidentals", and in 1953-54 they were coded separately. This includes meal allowances provided for under our present agreement with the unions, in cases where we keep the employees after the hours which are stipulated in the contract; and it also includes the meals which the corporation pays for in the case of non-union employees who have to work overtime at night, in which case we give them an allowance for their dinner.

The WITNESS: There has been quite a lot of that in the treasury department lately.

Mr. DINSDALE: They are looking very well!

*By Mr. Richardson:*

Q. These sheets indicate a total expenditure of about $34 million. I think every member of the committee might go on and indicate some observation or ask a question in respect to every item; but I would like to ask either Mr. Dunton or Mr. Ouimet this broad general question: out of the expenditure of $34 million, there is bound to be some inefficiency and some waste, since human beings are running the organization. What, in the opinion of the chairman, is the percentage or the amount of waste or inefficiency which has occurred in respect to this total here, and having answered that, what policy of control does the board have in respect to future and current expenditures?—A. First, speaking from the point of view of the board, as a board we watch our management pretty carefully and as thoroughly as probably this committee watches the whole corporation, to see that the money is being well spent. Controls are carefully maintained and that sort of thing, and we believe that our management has done an extremely good job in using the money well. I could not put a percentage on any waste, because if I knew of any, we would —that is, our management would clean it up quickly. I am not saying that everything is perfect. It naturally could not be; but our management has a complicated system of checking and control. We carry out checks and rechecks to improve our procedures, and if anything is found out of line it is corrected very quickly.

In Television this has been an enormously vast development, the quickest of any country in the world; and I think our management has done a stupendous job in building up that organization. But again, there might be some things

which could be tightened down, and as there is time to draw breath a little more, the checking process will be going on and any inefficiencies found will be checked up.

When you come to the mechanics of it, it is perfectly easy to spend more money in checking than you can possibly save. We try to be reasonable about these things.

Mr. BOISVERT: Could we say that with television coming into the picture, broadcasting is becoming more and more technical and that it is very hard to keep pace with the technical development of broadcasting and television, and so it is very hard for a corporation as large as the C.B.C. not to have any waste somewhere at sometime; but that the corporation is taking great care to correct any situation where it might occur?

The WITNESS: Yes, I agree with that. It is certainly true that steps are constantly being taken to check in an endeavour to find if there are any slips, and if anything can be improved.

*By Mr. Goode:*

Q. Well, while we are giving you leading questions— and I am sure you welcomed Mr. Richardson's—I wonder if I could give you one or two. What would be the attitude of the C.B.C. towards the appointment of some type of commission set up to investigate the operation of radio and television in Canada?—A. Mr. Goode, during the last nine and a half years that I can personally remember we have spent I do not know what percentage of our time giving information to parliamentary committees or commissions, and we would be glad to keep on providing anything that is asked of us which we can provide.

Q. The commission could expect full cooperation from you?—A. Surely; to the limit of our strength we will keep on giving information.

*By Mr. Fleming:*

Q. I have a question which might be related to that and I think in fairness to you, Mr. Dunton, I should tell you—in case you were not aware—that this afternoon I asked a couple of questions of the Prime Minister in the House. The first was as to whether the government is contemplating the appointment of a royal commission to review the basis on which radio broadcasting in Canada is regulated and controlled, and, second, whether the government is contemplating any modification or revision of this so-called single service coverage —a euphonious title to which I cannot get used—I find it easier to say the policy of local monopoly.

Now, Mr. Dunton, I am not going to ask you about whether you would cooperate if a royal commission was appointed—I know you have always cooperated, and it can be taken for granted. But if arising out of the recommendations of such a commission there did emerge a change in the policy of the single service coverage how would it affect your expenses in the first place? —A. And if stations were licensed in areas where there are existing stations?

Q. Yes, how would it affect your expenses in the first place?—A. There would be an upward pressure on our expenses, I imagine—simply trying to do a better and better job.

Q. You mean the effect of local competition?—A. Yes, other services available in that area—would tend, I would think, to make us at least want to spend more money, but whether or not it would actually have that result it is impossible to say.—Q. In fairness, I do not follow you on that, Mr. Dunton. I am going to ask you about revenues because I can understand that you might have some observation about the effect of local competition on your stations revenues.—A. I would not like to over-emphasize it on the expenditure

side, but I said I thought it would be a tendency. There might easily arise a difficulty in obtaining rights for films or events or something like that and we might tend to want to put more money into our Canadaian-produced programs to meet the added pressure of the imported material in the same area, but as I say it is not a thing to be sure of. I think the pressure would be there, but it is not one that could be measured.

Q. Your answer surprises me a little, Mr. Dunton, because I would have thought—I am simply making the statement in order that you might make your observation on it—if you say that it would not affect expenses.—A. I presume you are thinking of these stations as operating without any C.B.C. programs. If, of course, we were to try and feed them with some C.B.C. produced programs or other programs which we would have to try and distribute, there would of course be a very significant and direct pressure on our expenditures.

Q. I do not suppose a station operating in the same general locality as one of your transmitting stations would be carrying your programs. It would be hardly reasonable to duplicate the same program in the same area.—A. I think there might be a little confusion there. I think it was Mr. Goode who said if there were duplicate stations that they could be fed C.B.C. programs and I quite agree with you that it would not make good sense to feed them programs already on transmitters in the same area.

Mr. GOODE: That was not the idea. You feed some private broadcasting stations now with C.B.C. material, and that was my point. I said I did not think you would have the same program on a private station in Vancouver at the same time you were putting it over CBUT. That certainly was not in my mind. However, you do it in sound broadcasting so why not in television?

The WITNESS: Perhaps that is a point we should clear up. In sound broadcasting we have been able to afford so far to have alternate network broadcasting all over the country, but if we try to do the same—feed a second station in the same area with a Canadian-produced television program—of course there is an additional expense.

Mr. KNIGHT: With great respect we are dealing with a hypothetical situation. I think we should perhaps deal with the facts. This discussion is very interesting, but I am sure we could continue for two or three days discussing a hypothetical situation.

*By Mr. Goode:*

Q. But I think it is a most practical question, because it has come to the point where I really think there are two private broadcasters. If I understand it correctly, there is not too much charge, if any, in some cases where C.B.C.-produced programs of some type—are provided to private sound broadcasting stations. I think I am right, am I not?—A. Yes.

Q. Why should the C.B.C. produce programs and provide them to private stations at no cost or very little cost? To my mind, that is where you are losing a lot of money. You have told me in this committee that you are proposing to build a microwave network which will include Vancouver. I still cannot see how private stations properly put across that network cannot but lower your cost.—A. I think perhaps we are looking at two different things, Mr. Goode. As I understand it you are looking at the question of just one area and one or two or more stations in the area. Under our instructions from parliament we are constantly trying to build up a system across the country consisting of C.B.C. facilities and privately owned stations, and we reach the people in a great many areas of the country through private stations. If we were to try to reach the people of Calgary through a C.B.C. station it would

cost more. As it is, we reach them through the private station at Calgary, and it still costs a good deal, but we get quite a lot of national service to the public through that private station. In Vancouver we are reaching the people, and also producing programs there, through our own facilities. If there was an additional private station in Vancouver we could not put any of our existing programs on that station because they are already available to Vancouver and it would not make common sense. If a station were established let us say in Kamloops, it would make good sense to provide national service to that station to reach the people in that part of the country.

Q. You have told me that a private station could make—I think your words were "plenty of money."—A. My words were that in Vancouver, Winnipeg, Toronto or Montreal I think a private station being perfectly free to get its programming material where it liked could make a lot of money.

Q. In C.A.B. in 1953 they were not afraid of financial considerations at all.—A. You noticed that my proviso is "completely free" and in my opinion they would make a profit if they had by far a greater proportion of the programming in the station coming from outside of Canada. That is how you make the money.

Q. How much of your programs come in from outside Canada?—A. In rough terms, 50 per cent. On the English side, the actual network service is more than 50 per cent Canadian produced. Each individual station tends to be under that. The French is over 80 per cent.

Q. About 50 per cent comes in from outside of Canada?—A. Yes. The network is more than 50 per cent Canadian and individual stations less than 50 per cent.

Q. You would consider that private station would have to use more than 50 per cent of imported programming to be able to operate?—A. In terms of really meaningful programming, that is in the peak hours and not just working up the percentage by broadcasting certain people at certain hours during the day, I think they would have a great deal of difficulty making money using 50 per cent of Canadian-produced programs. I do not think this necessarily happens—it would depend on how they worked it out.—I do know how the programmes would work.

Q. You have told us that roughly 50 per cent of the material used for Canadian stations is imported from other countries?—A. eYs.

*By Mr. Fleming*:

Q. You use the expression as I recall it, "operating under the policy approved by parliament" or "under the instructions of parliament"? Where do you find the single service coverage policy approved by parliament?—A. I made no reference to the single service coverage policy. I said, "under the direction of parliament."

Q. You used the word "parliament"?—A. Yes, to build up a system—one system—right across the country. I said "a system." I am not making a reference in that statement to any question of the number of stations, but we take our direction by reading the Act, and that instructs us to "carry on a national broadcasting system in Canada" and we are thinking all the time of the whole country, and not simply of one, two or three areas. We have always tried to see that in general in Canada there is at least a substantial amount of programming produced in the country and that it is distributed as equitably as possible right across the country.

Q. I want to be quite clear on this. You do not regard the single service coverage policy as one approved by parliament?—A. I was not referring to that.

Q. You do not understand it to be a policy approved by parliament?—A. I suggest that is between the government of the day and parliament.

Q. We know from the evidence we had this morning from Mr. Browne that the applicants for station licenses are reviewed in the application of that policy before they reach you, and it would only be a borderline case which would reach you for recommendation. I just want to be quite clear that you were not suggesting that this policy with the euphonious title, the single service coverage policy, had ever been approved by parliament, because I think it is quite clear and we have already had it several times in the evidence before this committee that it is simply a statement of government policy made in the House by Dr. McCann, and that is the whole basis of the policy.—A. In my reference I was not thinking of single service coverage policy at all.

Q. I wanted to be sure you were not under the misapprehension that the policy had ever been approved by parliament. A. That is out of my field—under the system of responsible government I do not know whether or not it has been.

Q. I wanted to be clear on it in case there was any suggestion that this policy had ever received formal parliamentary approval.

Mr. GOODE: I might point out to Mr. Fleming, if my memory serves me well, that there have been amendments from time to time when this matter of the C.B.C. has been considered in the House that have been voted down by a majority of parliament in regard to this policy. I think I can remember one and it might be a good idea for Mr. Fleming and I to look it up some time.

*By Mr. Fleming:*

Q. I think Mr. Goode might be thinking of something else. I do not think we would find anywhere the House of Commons passing in any formal manner upon the so-called single service coverage policy. It simply rests, as was made quite clear a day or two ago, on a statement of government policy made by the minister in the House—I think it was in December, 1952; that is the way it stands.

Well, Mr. Dunton, without pursuing this subject at excessive length, I just wanted to raise for your consideration the view in regard to competition in the situation I have put to you a few minutes ago—local competition. In your approach to the functions of the C.B.C. as an operating body in the field of television, do you not think there would be some advantage to it in having some local competition in areas where its present transmitting stations are located?—A. Competition in what sense? Competition in producing Canadian programs?

Q. Competition in operating in the field of television.—A. Operating a station?

Q. Yes, but not necessarily confining it to that. I mean the whole basis of competition.—A. You use competition in its widest sense.

Q. Yes.—A. That is what I was suggesting to Mr. Goode. We keep thinking of the whole Canadian system. If you think of the Toronto area, and one station competing against another station—as I said, if parliament wants us to compete just as another private station does, we will be glad to do it and we will make money for parliament doing so, but as it is, our objective is not to make money competing, but to try and operate a system right across the country with all the obligations it involves; so it is not two similar things competing.

Q. I know the difference you are drawing there, and no one is proposing to take away from you your national function, but do you not recognize that it would be of some advantage to you, and certainly in that way to the public, to have the benefits of competition in operations in these areas? We are not talking about a competitive service across Canada, and therefore as you pointed out, the competition is not complete. We recognize that; but can you not see

any benefit at all from such competition—and certainly there would be some—if there were other stations under other ownership operating in the metropolitan areas in which you are now operating your large television transmitting station that would not be carrying C.B.C. programs so the C.B.C. would not be which would undoubtedly develop. May I first ask if you are suggesting a station that would not be carrying C.B.C. programs so the C.B.C. would not be obliged to supply them with material?

Q. I cannot see any sense in having the same program carried on a station at the same time the C.B.C. is putting it on. It strikes me as being not sensible. You might have the odd case where a program was carried at a different time, but a straight duplication would have no sense to it at all, it seems to me.—A. I presume you mean a station operating individually with no particular obligations to carry Canadian programming or produce it.

Q. No. You are making an assumption there which I think has been a basic fallacy in a good deal of what has been said. You keep talking about the Canadian program content. I think you mean that programming of Canadian content is the exclusive prerogative of the C.B.C. I do not see that at all. Another station is just as capable of producing Canadian programming as the C.B.C.—A. I used the word "obligation". I did not say whether they would or not.

Mr. GOODE: This is just the point. According to your argument and in answer to both Mr. Fleming and me over a couple of weeks you have insisted upon this point of directing the Canadian people as to what they should watch on television as far as Canadian stations is concerned.

The WITNESS: I said that at no time.

Mr. GOODE: Yes, you are saying that. You are saying to the Canadian people we do not want competition.

The WITNESS: I do not think I used that phrase either.

Mr. GOODE: All right then; give the people the benefit of having common sense. If they do not like what is going on on a rival Canadian station to yours all they need do is turn a dial. If your program is better all they have to do is to turn over to the channel and that is exactly what would happen in Vancouver. I will stay with the area I know, because I know something about it; I do not know anything about Mr. Fleming's area. You talk about competition. You have competition there in the United States which is going to be more serious—your competition for the Canadian advertising dollar. I still say we are better to spend that advertising dollar in Canada than in any other country. You will have a heck of a time convincing me differently.

The WITNESS: I am still trying to answer Mr. Fleming.

*By Mr. Fleming:*

Q. Go ahead.—A. I understand that you are taking as a hypothesis another station operating in Toronto.

Q. That would be a good example.—A. Another station operating in Toronto quite freely. I think inevitably it would tend to reduce our potential revenue. There would be another means by which advertisers could get on the air and therefore it would tend to keep revenues down.

Q. That is your commercial revenue?—A. Yes. It would make it harder for us—I am not saying impossible—to draw advertising support for Canadian production because there would be other means of reaching the Canadian people with imported material.

Q. Or with Canadian material.—A. Yes.

Q. Let us not keep referring to the operation of other stations, as I think

you are attempting to do in your hypothesis, as though they would all be imported programs.—A. I said it is my opinion that another station would use very largely imported material and would have to because of economic pressure. I cannot be sure it would nor that a station might not be able to make a profit doing it, but I do say the whole pressure of business and commerce would be in the direction of that station using more imported material and less production of Canadian programs.

Q. What you are proposing is to exclude competition from Canadian stations because in the area referred to and other metropolitan areas in which you have now your stations, you would face competition from American sources. We are not dealing with something completely hypothetical. We are dealing with a situation where you are now facing competition from American stations and what you are proposing to exclude is competition from Canadian stations. You have the American competition and are going to have it in the future.—A. I think the chief competition of such a station would be with imported material, American material not Canadian material. To the extent it is Canadian material they produce there would be more fair competition for the listeners.

Mr. GOODE: What imported material are you talking about? You told me you imported these 50 per cent of your own programs. Even if a private station had to import 100 per cent I still believe that if you have a better program the people are going to tune off the private station and tune in your station. I do not think you should be afraid of that competition.

The WITNESS: We are not afraid of competition. What I am pointing out is the pressures put on the financing of the national system in trying to develop Canadian production and distribution of programs across this country; to the Saguenay, Calgary, Brandon, Newfoundland, as well as Toronto and these other areas.

Mr. FLEMING: I do not know whether Mr. Dunton is finished. There is one other question I wanted to put.

The WITNESS: I think there is a little misconception about this question of the "plum areas" in which the C.B.C. works and the question of monopoly policy as opposed to single service. Mr. Chairman, I think it is right that there are about 8 private stations serving more people or about the same number of people as 2 of the C.B.C. stations. There are, I think, at least 4 private stations serving more people than 3 C.B.C. stations, and most of those larger private stations are where, for as long as can be seen, they will be in monopoly positions. If one is going to talk about monopoly, as far as one can foresee, in very important parts of the country it will exist where large populations are.

Q. Do you not think that is a good thing? Do you not agree with me?—A. In the long run I would agree if you can get diversity of service in Canada and alternative listening or viewing for people on a fair basis where there is some obligation to give Canadian programming it is a good thing to have that in television, as we have in broadcasting at present.

Mr. BRYSON: Mr. Goode spoke of his particular area. Now I do not think we can have it both ways. You live in a city, Mr. Goode, which could support possibly a television station, certainly a sound broadcasting station. But there are a great many places in this sparsely populated country that could not possibly support a second station. I have in mind my area in the city of Prince Albert. If you allow a private station, in my judgment, to set up in competition to the C.B.C. in a city which cannot support it, it will not only take revenue from the C.B.C. but the man operating the private station because of this competition from having a second station is going to lose a certain amount of revenue and I doubt if he would be able to carry on. I think there is something we should not lose sight of in speaking of the 50 per cent imported

programs from the United States, that the C.B.C. has a very envious record as compared to privately owned stations in this connection at the present time in regard to their sponsoring of Canadian composers and Canadian talent. I do not think the private stations are interested in it. How could they be when they could import these so-called cheap canned programs from the United States. I do not think you can have it both ways.

Mr. FLEMING: That sounds more like an observation than a question. But if it is Mr. Bryson's opinion that the radio talent in this country has only been developed by the C.B.C. and not by private stations then I think it is high time he was educated on the facts of radio life.

The CHAIRMAN: That is an observation also.

Mr. BRYSON: I have a statement here by a commission set up by the copyright people who say that the C.B.C. is the only organization of radio people in Canada who are giving assistance to Canadian composers and they are being commended on that account. I think that is of some importance.

Mr. GOODE: While Mr. Bryson is looking up that piece of paper I think an answer should be given to him now.

The CHAIRMAN: Do you not think you can wait until he finds his document?

I believe Mr. Boisvert has a question.

Mr. BOISVERT: Sometimes we have to think in terms of national unity. Do you not think, Mr. Dunton, that the C.B.C. will serve best to arrive at Canadian unity in a country where culture and language is two fold as in this country?

The WITNESS: Yes.

Mr. BRYSON: This is a statement to the Royal Commission on Copyright, by the Canadian League of Composers:

> The Canadian Broadcasting Corporation gives generous assistance to Canadian composers through public performance of Canadian works over its stations, while less assistance is given by private radio stations, the Canadian League of Composers said in a brief last week to the Royal Commission on Copyright.

I think that is of some consequence.

Mr. FLEMING: It was not a statement of the Royal Commission at all. It was a newspaper report of a statement to the Royal Commission. I have had occasion to quote in the House contrary statements by similar organizations on this subject until the end of time. The original statement made by Mr. Bryson was so extreme on the face of it that it defeated itself, that the C.B.C. did all the development of private talent and that the private stations did not do any. We all know that the C.B.C. has done a great deal in developing Canadian talent and they will get every support from me in that respect, but similarly private stations have done a great deal in developing Canadian talent, and they deserve Mr. Bryson's support for so doing.

The CHAIRMAN: I did not understand that Mr. Bryson was saying that privately owned stations did not do anything to develop local or Canadian talent.

Mr. FLEMING: You will see his statement in the record was just as extreme and unjust as that.

Mr. STUDER: Mr. Chairman, while we are speaking of a single service coverage, or its advantages, or whether we should have dual service or more, there is a large part of Canada that is very anxious to know if and when

they ever will be able to obtain single service coverage. You may have double service in some area but you still are always going to be in the position as far as I can see in certain parts of Canada of having to be satisfied with single service coverage. The C.B.C. is being questioned as to whether competition is an advantage or not. The C.B.C. would not only be in competition in connection with the financial end of it, but it is definitely in competition in service. Now if other organizations are willing to enter the service competition that the C.B.C. is going to be called upon to grant to the people of this country, then I think we can make some comparison. But there are about 4 million people at the present time in Canada who do not have single service coverage. The demands of those people are going to be for television service. There is no question about it; a private organization is certainly not going to extend itself to the non-revenue areas of Canada in regard to delivering that service. I think that is understood. If these competitive organizations are willing to extend these services to these unproductive areas, then the comparison would be more favourable. We have about 27 TV stations in Canada that are servicing between 350,000 and 400,000 people each. Now when are these other 4 million people going to be serviced? I would submit that the bulk of these people are rural people that are not being serviced and are the ones which should be serviced. After all they are producing a large percentage of the revenue of this country; they are the people who have the facilities to increase production, and I notice that in Iowa where I was raised the universities and the agricultural station do a great service to the farmers there. It is practically a university education that the farmers get during the winter months. They are provided with all the information necessary for increasing production; it is a school in itself. In the cities we already have entertainment. If television is just to be for the entertainment or for the cultural advantage, perhaps, of the people then it is imperative that it should be brought to the country as well as to the cities, or even more important. Farmers are leaving the land to avail themselves of the same entertainment as is available at the present time in the cities, and since those who are on the farms have to try to provide the production and the wealth of this country I think more concern should be felt for their interests. I think the time is coming when all the farmers are going to move into the towns unless something is done to provide them with some amenities so that they are placed on terms of equality with other people. They are not second class citizens who should be compelled to go without relaxation. Are the private organizations going to provide this sort of service? I do not think so. I think the C.B.C. is going to be called upon to provide these opportunities for inland areas. If someone will tell me that the private organizations are going to step in and provide these services I would say "let us have competition anywhere and everywhere, which the C.B.C. will meet." But under present conditions in addition to meeting that competition they would have to provide these extra services, and that will take money, either from the earnings of the C.B.C. or by way of a subsidy from the people of Canada.

I say that the people in the rural areas are going to have such a service and we had better establish the means of providing it as soon as we can. We have an area in southwest Saskatchewan which provides a lot of wealth for this country. My own constituency runs to over ten and a half million acres and they are producing wealth and still going without television; they are even short on radio, and I do not know why my people should not have the same opportunity of using the educational opportunities which television provides as any other people. I am going to get television down in that country if it is the last thing I do. I do not think we can compel any private station to go there, but we can work on the C.B.C. because it has to consider the element

of service in its policy and I think that should be kept in mind. No one can make me weep by complaining that there is no dual service or additional coverage in the cities while there are such large areas which have no facilities whatever. I think my people should have a say in this and I am trying to say in my small way a little on their behalf.

Mr. FLEMING: I think if I may make a suggestion to Mr. Studer, that he is completely overlooking the fact that there is not one farmer who is going to get a television service any sooner by reason of this policy of maintaining a local monopoly of the C.B.C. in those areas where it has that monopoly or by giving a local monopoly to private stations. This business of local monopoly has no relation to the things Mr. Studer was talking about at all, Mr. Chairman. There is not one farmer in this country today who has a better chance of getting television simply because under the present policy Canadian competition is being excluded from areas in which the C.B.C. is now operating.

The second thing which I would like to say is this: Mr. Studer talked about subsidy. I wonder why he thinks that parliament goes on providing millions of dollars each year to the C.B.C. for this television and radio service if it is not on the basis that we want their programs and that we want to see their efforts directed at reaching Canadian people who would not otherwise be provided with programs. This statement from Mr. Studer, Mr. Chairman, has nothing to do with the so called policy of single service coverage.

Mr. RICHARD (*Ottawa East*): We seem to be all making statements instead of questioning the witnesses, Mr. Chairman. But if you reduce revenue and increase expenditure the C.B.C. will have to have more subsidies to do its special job. I have no doubt about saying that the revenue would be decreased and expenses increased as the result of competition between existing national stations and private stations. If the C.B.C. is to be kept in being we must remember that it has to provide, during the best hours, some kinds of program which are costly but which attract very little revenue, whereas the private stations can produce much cheaper programs during their best hours and derive additional advertising revenue from them. That is unfair competition

Mr. FLEMING: Unfair competition, with the C.B.C. controlling the whole thing through its wide power of regulation? That is stretching the thing rather far.

Mr. STUDER: I would agree with Mr. Fleming if he would agree with me that the private interests should come out to western Canada and put in stations where they will lose money.

Mr. GOODE: I cannot blame them for not going out into your area because I have been listening for days and days to the argument that the farmers there have not got any money for television.

Mr. STUDER: If you would like to discard part of that and hear some reliable information . . .

The CHAIRMAN: I do not think we had better begin to discuss speeches which were made in the House, I will call on Mr. Dunton, who has something to say.

The WITNESS: If I may just reply to the questions that have been asked . . .

An Hon. MEMBER: What questions?

The WITNESS: I would just like to make it clear that in our view if the licensing of additional private stations in areas where we at present have a station were decided on it would be bound to reduce the flow of support for the national system with all it is trying to do, and it is bound to reduce the resources available not only to produce programs but to distribute programs to people in all parts of Canada either through private stations or through additional publicly owned facilities.

*By Mr. Fleming:*

Q. Will the licensing of more Canadian stations not have the effect of providing more opportunities for Canadian talent?—A. I would not say that, Mr. Fleming.

Q. Doesn't that follow?—A. I am giving my view of what I think will happen if certain decisions are made. Several times the C.B.C. has been credited with holding views which it does not necessarily hold, or taking up positions which it does not take up. We are trying now to explain what effects will folllow if certain things are done.

Q. Cannot you leave it to parliament to decide what will be needed to maintain the kind of program that you are seeking to provide under the national system?—A. I think all those decisions are either for the government or for parliament to decide. They are not ours.

*By Mr. Knight:*

Q. Mr. Dunton, you are experienced in these matters, what in your opinion is the reason for this tremendous drive for the possession of broadcasting stations which has been evident during the past four or five years, particularly perhaps in the field of television where the big money is? How would you define the desire on the part of these private stations to get hold of some of the facilities which some of my friends here complain are monopolized by the C.B.C.?—A. I do not think I can define anybodys desire, but I think I can repeat what I said before: in my view stations operating without any special obligations about programs in these areas would make big profits.

Q. Would you think it would be, perhaps, a desire to improve the quality of Canadian broadcasting?—A. I cannot go beyond what I have said. I think different people might have different intentions.

Q. Would you say there was a desire to promote democracy, for example?—A. I don't know.

Q. Or would it be to increase the coverage, as Mr. Studer has suggested, in remote areas which up to the present time are not served?—A. I don't know. All I can point to is the economic pressure which I know will be working on such operations.

Q. Should we not face it that the desire on the part of these people is to increase their profits—to get into this "game" in which they consider there is a good deal of money to be made. Naturally I don't blame them—it is their privilege as a company to make such dividends and profits as they can—but I do not want them to make them at the expense of the Canadian people, either in the matter of the quality of the programs, or in their being dependent on programs from outside Canada.

Mr. FLEMING: So Mr. Knight would rather have the American competition that is coming in now than have competition from Canadian stations which would provide additional opportunities for Canadian talent?

Mr. KNIGHT: No. I have at least been trying to put my statements in the form of questions—if I may use that Irishism.

*By Mr. Knight:*

Q. Is it not a fact that the American programs that you find yourselves obliged to use now, Mr. Dunton, are in the main the best American programs, and that you are making a definite attempt to get the best ones?—A. Of those available to us we naturally try to select the best in the interests of program balance.

Q. In other words they are much better than the average programs which the American viewers in their own country would see?—A. Some Americans have told us that.

Q. Is it your opinion that under a system such as was visualized by Mr. Fleming these stations whose cause he is advocating would continue to get only the best United States programs and refuse all the others?—A. Again I can make no reflection in any way on existing stations or potential applicants. I am sure they are very good Canadians. But I do know the pressure will be on them to import material.

Mr. BRYSON: I think there is one aspect of this whole matter to which we must give a great deal more thought. That is this: we have to build Canadian unity in this country. We have French people who have got to have programs as well as English people. Can you understand a sponsor in western Canada, where we have a great many French-speaking people, but not enough, I would say, to warrant the provision of a program just for them alone—making a particular effort to cater for their needs? I think the C.B.C. is the only organization which can build Canadian unity by getting French programs into western Canada where they are badly needed. I do not see why these people should be denied the opportunity of receiving programs in French. A private organization, in this case, would not be prepared to risk a financial loss in bringing that kind of program to the television screen. I think we should remember that.

Mr. FLEMING: How can Mr. Bryson contend that there is an issue of national unity or that one person who wants to hear a C.B.C. French program in any part of Canada is going to be denied the opportunity because of the policy, and that a local monopoly should be followed in Quebec or any other part of Canada which denies to people in the province of Quebec the opportunity to hear more than one station or one program. The two things do not relate to each other. This question of national unity and the national program service of the C.B.C. has nothing to do with this policy of denying an alternative French program over private stations in Quebec or anywhere else to those who want it.

Mr. BOISVERT: Don't forget about culture!

The CHAIRMAN: I understood that Mr. Bryson was speaking about the French-speaking group in the west.

Mr. FLEMING: I am speaking of them too, and I say that not one of them will be deprived of what they have got, nor will one more get anything more or less by reason of denying or permitting the people in Quebec, for instance, to have an alternative program or an alternative station. In other words, this is just a red herring across the trail. I do not say that it is intentionally drawn, but it is in fact drawing in something which has no bearing on the question.

The CHAIRMAN: Order! Order!

Mr. BOISVERT: Mr. Chairman!

The CHAIRMAN: I understood you had left the question of finance, and I gave you all the freedom you wanted. Are you through with finance and through with the C.B.C.?

Mr. BOISVERT: I never saw so many cold figures come from a book of accounting and give way to so many flowers of rhetoric, si I move we adjourn.

The CHAIRMAN: I hope you will not forget the train tomorrow morning at 7.50, on the Canadian National Railways.

# APPENDIX "A"

Statements of Expenditures by Object for Sound Broadcasting and Television for the periods 1st April to 31st March for the years 1952-1953 and 1953-54.

## CANADIAN BROADCASTING CORPORATION

### EXPENDITURES BY OBJECT

### 1ST APRIL 1952 TO 31ST MARCH 1953

| | | *Sound Broadcasting* | *Television* |
|---|---|---|---|
| 111 | Artists' Fees | 2,524,884.15 | 464,832.91 |
| 112 | Other Production Fees | 3,816.24 | 22,148.88 |
| 113 | Music | 183,437.45 | 18,350.54 |
| 115 | Manuscripts & Plays | 260,502.55 | 50,985.15 |
| 117 | Performing Rights | 183,168.22 | 12,575.00 |
| 121 | News—Press Service | 154,081.81 | 766.66 |
| 122 | Rental of Halls & Studios | 21,320.71 | 2,476.84 |
| 131 | Recording Discs (Blank) | 42,983.92 | 268.51 |
| 132 | Records (Discs) | 55,519.26 | 954.15 |
| 133 | Recording Tapes (Blank) | 22,538.71 | 1,002.66 |
| 134 | Records (Tape) | 3,333.56 | |
| 137 | Rental—Musical Instruments | 3,592.34 | 324.00 |
| 138 | Maintenance—Musical Instruments | 4,762.44 | 134.50 |
| 141 | Film Stock | | 16,844.18 |
| 142 | Films (Finished) | | 160,933.95 |
| 143 | Film Processing | | 22,285.78 |
| 144 | Sets | | 77,487.20 |
| 145 | Props & Draperies | | 35,782.49 |
| 146 | Wardrobes | | 30,800.24 |
| 151 | Local Loops | 20,835.88 | 8,027.87 |
| 152 | Studio to Transmitter Circuits | 85,741.52 | 3,684.14 |
| 153 | Network Transmission Circuits | | |
| 154 | Station Charges | 10,824.17 | 77.00 |
| 211 | Maintenance—Technical Equipment | 96,352.82 | 109,024.39 |
| 212 | Maintenance—Buildings & Grounds | 42,339.07 | 5,799.66 |
| 219 | Maintenance—General | 29,424.06 | 11,753.04 |
| 221 | Fuel | 15,429.53 | 4,377.00 |
| 222 | Light and Power | 142,360.84 | 11,062.83 |
| 223 | Rental—Bldgs. or Floor Space | 358,767.15 | 21,391.69 |
| 224 | Taxes, Water Rates and Services | 1,990.48 | 178.22 |
| 225 | Cleaning Contracts | 3,904.57 | |
| 229 | Sundry | 9,208.56 | 2,709.80 |
| 291 | Automobile Expense | 9,315.02 | 3,880.72 |
| 292 | Blueprints | 4,295.89 | 2,611.93 |
| 293 | Rental of Equipment | 14,221.70 | 3,219.62 |
| 294 | Freight, Express and Cartage | 39,571.65 | 14,043.00 |
| 295 | Insurance | 17,243.60 | 2,675.92 |
| 311 | Advertisements | 7,895.18 | 2,570.00 |
| 312 | Displays and Exhibits | 3,005.27 | 790.73 |
| 313 | Photographic and Art Work | 35,083.52 | 6,525.81 |
| 314 | Printing of Schedules, Publications, etc. | 95,407.24 | 292.49 |
| 315 | Mailing and Handling Charges | 4,529.82 | |
| 411 | Salaries | 4,615,044.30 | 906,499.52 |
| 412 | Casual Wages | 202,270.10 | 301,189.56 |
| 413 | Honoraria | 7,721.22 | 24.00 |
| 414 | Professional Fees & Legal Expense | 14,960.74 | 2,317.19 |
| 421 | Travelling Expense | 191,056.84 | 20,018.42 |
| 422 | Duty Entertainment | 22,039.45 | 3,303.98 |

| | | *Sound Broadcasting* | *Television* |
|---|---|---|---|
| 423 | Removal Expense | 14,996.06 | 11,559.63 |
| 424 | Membership Fees | 2,541.39 | |
| 425 | Superannuation | 280,943.34 | 33,779.90 |
| 426 | Unemployment & Group Life Ins. | 34,133.23 | 7,814.52 |
| 427 | Staff Courses | 58.66 | |
| 428 | Local Transportation | 21,494.27 | 7,020.60 |
| 429 | Meal Allowances | | |
| 431 | Donations and Prizes | 13,017.21 | 4,937.50 |
| 432 | Papers, Periodicals & Magazines | 12,181.15 | 1,145.45 |
| 433 | Postage and Excise | 42,612.05 | |
| 434 | Printing & Stationery | 127,902.98 | 10,117.85 |
| 439 | Incidentals | 10,817.16 | 9,962.75 |
| 441 | Telegraphs & Cables | 44,313.86 | 2,772.59 |
| 442 | Telephones | 115,889.51 | 13,740.40 |
| 443 | Teletype Service | 29,146.10 | |
| 512 | Bank Charges | 378.87 | |
| 514 | Bad Debt Expense | 67.76 | |
| 515 | Listeners: Surveys | 27,056.80 | 3,378.37 |
| 518 | Abandoned Projects | 1,783.45 | |
| | Amortization of Improvements to Leased Properties | 13,098.67 | 803.30 |
| | Wire Lines | 1,431,448.86 | 11,115.05 |
| | Interest on Loans | 94,062.50 | 195,438.35 |
| | Overhead and Supervision Pool Services—I.S. | 164,946.42 Cr | |
| | Pool Services—T.V. | 99,964.24 Cr | 99,964.24 |
| | Overhead on Projects | 94,350.47 Cr | |
| | | 11,523,464.30 | 2,780,552.67 |
| | Supervision—T.V. Operations | 134,330.32 Cr | 134,330.32 |
| | | $ 11,389,133.98 | $ 2,914,882.99 |

## CANADIAN BROADCASTING CORPORATION

### EXPENDITURES BY OBJECT

### 1ST APRIL 1953 TO 31ST MARCH 1954

| | | *Sound Broadcasting* | *Television* |
|---|---|---|---|
| 111 | Artists' Fees | 2,774,020.47 | 1,002,574.53 |
| 112 | Other Production Fees | 5,393.11 | 102,940.75 |
| 113 | Music | 206,348.25 | 32,043.42 |
| 115 | Manuscripts and Plays | 319,068.78 | 154,597.12 |
| 117 | Performing Rights | 188,960.15 | 79,518.58 |
| 121 | News—Press Service | 154,039.60 | 73,557.33 |
| 122 | Rental of Halls & Studios | 12,018.23 | 7,557.00 |
| 131 | Recording Discs (Blank) | 30,620.31 | 661.73 |
| 132 | Records (Discs) | 43,558.54 | 2,423.01 |
| 133 | Recording Tapes (Blank) | 53,703.86 | 411.31 |
| 134 | Records (Tape) | 6,524.55 | |
| 137 | Rental—Musical Instruments | 3,676.70 | 1,669.50 |
| 138 | Maintenance—Musical Instruments | 5,024.00 | 81.16 |
| 141 | Film Stock | 118.20 | 57,697.91 |
| 142 | Films Finished | | 454,415.61 |
| 143 | Film Processing | | 82,619.42 |
| 144 | Sets | | 123,176.23 |
| 145 | Props and Draperies | | 42,747.27 |
| 146 | Wardrobes | | 37,112.68 |
| 147 | Make-Up | | 9,013.91 |
| 151 | Local Loops | 23,738.07 | 14,611.02 |
| 152 | Studio to Transmitter Circuits | 86,338.38 | 4,631.97 |
| 153 | Network Transmission Circuits | | |
| 154 | Station Charges | 15,787.88 | |
| 211 | Maintenance Technical Equipment | 136,577.09 | 304,466.49 |
| 212 | Maintenance Buildings and Grounds | 51,664.38 | 17,938.51 |
| 219 | Maintenance—General | 26,366.76 | 6,856.69 |
| 221 | Fuel | 15,712.51 | 9,162.39 |
| 222 | Light and Power | 150,023.23 | 26,197.92 |
| 223 | Rental—Buildings or Floor Space | 390,164.32 | 83,548.62 |
| 224 | Taxes, Water Rates and Services | 17,750.62 | 16,861.76 |
| 225 | Cleaning Contracts | 11,254.90 | 3,037.51 |
| 229 | Sundry | 6,856.52 | 1,835.25 |
| 291 | Automobile Expense | 7,272.07 | 4,324.81 |
| 292 | Blueprints | 7,959.61 | 3,341.35 |
| 293 | Rental of Equipment | 23,401.30 | 9,165.73 |
| 294 | Freight, Express and Cartage | 52,563.80 | 63,271.41 |
| 295 | Insurance | 22,322.24 | 2,652.21 |
| 311 | Advertisements | 16,756.30 | 13,827.62 |
| 312 | Displays and Exhibits | 9,616.92 | 6,650.03 |
| 313 | Photographic and Art Work | 37,984.20 | 7,824.54 |
| 314 | Printing of Schedules, Publications, etc. | 119,924.88 | 655.55 |
| 315 | Mailing and Handling Charge (Schedules) | 7,075.20 | |
| 411 | Salaries | 5,616,520.93 | 1,937,240.91 |
| 412 | Casual Wages | 223,553.04 | 650,758.24 |
| 413 | Honoraria | 8,302.01 | 66.00 |
| 414 | Professional Fees and Legal Expense | 15,348.67 | 8,237.75 |
| 421 | Travelling Expense | 243,837.14 | 69,846.31 |

| | | *Sound Broadcasting* | *Television* |
|---|---|---|---|
| 422 | Duty Entertainment | 24,640.33 | 1,711.78 |
| 423 | Removal Expense | 55,476.52 | 10,208.82 |
| 424 | Membership Fees | 2,618.75 | 115.85 |
| 425 | Superannuation | 326,184.15 | 67,800.03 |
| 426 | Unemployment and Group Life | 39,342.89 | 15,287.53 |
| 427 | Staff Courses | 86.00 | |
| 428 | Local Transportation | 26,440.74 | 25,188.66 |
| 429 | Meal Allowance | 10,729.27 | 28,122.67 |
| 431 | Donations and Prizes | 17,380.30 | 11,117.48 |
| 432 | Papers, Periodicals and Magazines | 14,487.88 | 1,666.15 |
| 433 | Postage and Excise | 46,690.80 | 1,529.33 |
| 434 | Printing and Stationery | 159,560.35 | 21,122.46 |
| 439 | Incidentals | 5,853.47 | 3,386.03 |
| 441 | Telegraphs and Cables | 55,118.29 | 7,940.93 |
| 442 | Telephones | 139,576.70 | 34,781.39 |
| 443 | Teletype Service | 35,530.59 | 444.91 |
| 512 | Bank Charges | 1,284.07 | 27.16 |
| 514 | Bad Debt Expense | 136.15 | 163.50 |
| 515 | Listeners' Surveys | 30,349.78 | 8,013.53 |
| | Amortization of Improvements to Leased Properties | 44,783.39 | 1,295.22 |
| | Wire Lines | 1,599,291.01 | 330,155.42 |
| | Interest on Loans | 94,062.50 | 275,488.01 |
| | Overhead & Supervision: | | |
| | Pool Services—I.S. | 180,174.01 Cr | |
| | Overhead on Projects | 178,355.00 Cr | |
| | | 13,518,842.64 | 6,377,395.92 |
| | Supervision & Common Services: | | |
| | Operations—T.V. 717,417.02 | | |
| | Pool Services—T.V. 269,567.78 | | |
| | | 986,984.80 Cr | 986,984.80 |
| | | $ 12,531,857.84 | $ 7,364,380.72 |

HOUSE OF COMMONS

Second Session—Twenty-second Parliament

1955

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SPECIAL COMMITTEE

ON

# BROADCASTING

*Chairman:* Dr. PIERRE GAUTHIER

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## MINUTES OF PROCEEDINGS AND EVIDENCE

No. 10

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TUESDAY, MAY 24, 1955

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WITNESS:

Mr. J. T. Allard, Executive Vice-President of the Canadian Association of Radio and Television Broadcasters.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955.

58314—1

SPECIAL COMMITTEE ON BROADCASTING

*Chairman*: Dr. Pierre Gauthier

*Vice-Chairman*: Mr. G. D. Weaver

and

Messrs.

Balcer
Beaudry
Boisvert
Bryson
Carter
Cauchon
Decore
Diefenbaker
Dinsdale
Fleming
Gauthier (*Nickel Belt*)
Goode
Hansell
Henry
Holowach
Kirk (*Shelburne-Yarmouth-Clare*)
Knight
McCann
Monteith
Reinke
Richard (*Ottawa East*)
Richardson
Robichaud
Studer

R. J. Gratrix,
*Clerk of the Committee.*

# MINUTES OF PROCEEDINGS

FRIDAY, MAY 20, 1955.

The Special Committee on Broadcasting entrained for Montreal at 7.40 o'clock a.m. and met in the Radio-Canada Building at 11.15 o'clock a.m.

*Members present*: The Chairman, Dr. Pierre Gauthier, the Vice-Chairman, Mr. G. D. Weaver and Messrs. Balcer, Bryson, Carter, Dinsdale, Fleming, Goode, Holowach, Knight, McCann, Monteith, Richard (*Ottawa East*), Richardson and Robichaud.

*CBC officials in attendance*:

*From Ottawa*: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, E. L. Bushnell, Assistant General Manager, H. Bramah, Treasurer, R. C. Fraser, Director of Press and Information, J. P. Gilmore, Coordinator of Television, M. Carter, Executive Assistant, R. P. Landry, Controller of Administration, and P. Meggs, Assistant to the Director of Press and Information.

*From Montreal*: Messrs. A. Séguin, Director for the Province of Quebec, G. Lamarche, Director of Programmes, H. Audet, Regional Engineer, A. Ouimet, Director of T. V., M. Valiquette, Commercial Manager (*French*), M. Goudrault, Supervisor of Station Relations, J. Saint-Georges, Director of Radio, R. Elie, Supervisor of Press and Information (*French*), J. E. Hayes, Chief Engineer, C. Delafield, Director of International Service.

The Committee was welcomed by Mr. Séguin.

A tour of inspection of the Radio-Canada Building was then made.

After a buffet luncheon, the Committee made a tour of the other CBC installations located in various parts of the city. Several rehearsals were watched, the background preparation necessary to the production of a television performance was explained and the actual preparation of stage sets was examined.

The Committee inspected the various pieces of technical equipment used in T. V. Broadcasting, the purposes of which were explained, and watched the production of one episode of the Plouffe Family (*English*) and a news programme.

A mobile TV Unit was inspected and a trip made to the CBC transmitter located on Mount Royal.

The Committee was invited to dinner at Le Cercle Universitaire, where the Committee watched a television news programme featuring the Chairman, Dr. Pierre Gauthier, in an interview on the work of the Committee and its reasons for visiting Montreal.

The Chairman expressed the appreciation of the Committee to the CBC for a very interesting and instructive tour.

The Honourable Dr. McCann, as the responsible Minister, expressed his appreciation to the officers and staff of the CBC for the efforts put forth in making the visit of the parliamentary Committee a most successful one.

The Committee entrained for Ottawa at 9 o'clock p.m., arriving in Ottawa at 11.45 o'clock p.m., and adjourned to meet again at 11.00 o'clock a.m. Tuesday, May 24, 1955.

R. J. Gratrix,
*Clerk of the Committee.*



58314—1½

ROOM 118,
TUESDAY, May 24, 1955.

The Special Committee on Broadcasting met at 11.00 o'clock a.m. this day. Dr. Pierre Gauthier, Chairman, presided.

*Members present:* Messrs. Boisvert, Carter, Dinsdale, Fleming, Gauthier (*Portneuf*), Gauthier (*Nickel Belt*), Goode, Henry, Holowach, Kirk (*Shelburne-Yarmouth-Clare*), Knight, McCann, Monteith, Reinke, Richard (*Ottawa East*), Richarson, Robichaud.

*In attendance from the Canadian Association of Radio and Television Broadcasters*: Messrs. J. M. Davidson, president, Toronto; J. A. Dupont, Vice-President, Montreal; the following Directors, F. H. Elphicke, Vancouver, B.C.; H. A. Crittenden, Regina; W. Slatter, Guelph; W. T. Cruickshank, Wingham; J. E. Campeau, Windsor; D. A. Gourd, Rouyn; F. A. Lynds, Moncton, N.B.; John Hirtle, Bridgewater, N.S.; Maurice Finnerty, Penticton, B.C. and J. T. Allard, Ottawa, Executive Vice-President.

*From the Canadian Broadcasting Corporation*: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, G. R. Young, Director of Station Relations, R. C. Fraser, Director of Press and Information, M. Carter, Executive Assistant, P. Meggs, Assistant to Director of Press and Information, C. McKee, Assistant Industrial Relations Officer, R. E. Keddy, Secretary, Board of Governors.

*From the Department of Transport*: Mr. F. K. Foster, Broadcasting Regulations Inspector.

Mr. Davidson was called and introduced the members of his delegation and retired.

Mr. Allard was called and read a brief, copies of which had been previously distributed to members of the Committee.

The witness tabled the following documents:

1. List of officers and Directors of The Canadian Association of Radio and Television Broadcasters.
2. List of member Stations of The Canadian Association of Radio and Television Broadcasters.

*Ordered*,—That said documents be printed as an Appendix to this day's evidence. (*See Appendix "A"*).

At 1.05 o'clock p.m., the examination of the witness still continuing, the Committee adjourned to meet again at 3.30 o'clock p.m. this day.

## AFTERNOON SITTING

ROOM 118,
TUESDAY, MAY 24, 1955.

The Committee resumed at 3.30 o'clock p.m. Dr. Pierre Gauthier, Chairman, presided.

*Members present*: Messrs. Boisvert, Bryson, Carter, Cauchon, Fleming, Gauthier (*Portneuf*), Gauthier (*Nickel Belt*), Goode, Henry, Holowach, Kirk (*Shelburne-Yarmouth-Clare*), Knight, Monteith, Reinke, Richard (*Ottawa East*), Richardson, Robichaud, Weaver.

*In attendance*: The same officials and officers of the C.A.R.T.B. as were in attendance at morning sitting.

*From the Canadian Broadcasting Corporation*: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Corry, Member, Board of Governors, J. A. Ouimet, General Manager, E. L. Bushnell, Assistant General Manager, George Young, Director, Station Relations, R. C. Fraser, Director, Press and Information, R. E. Keddy, Secretary, Board of Governors.

*From the Department of Transport*: Mr. F. K. Foster, Broadcasting Regulations Inspector.

The examination of Mr. Allard was continued, Mr. Crittenden answering questions specifically referred to him.

At 4.55 o'clock p.m. the division bells having rung, the Committee adjourned to meet again at 8.00 o'clock p.m. this day.

## EVENING SITTING

ROOM 118,
TUESDAY, MAY 24, 1955.

The Committee resumed at 8.00 o'clock p.m. Dr. Pierre Gauthier, Chairman, presided.

*Members present:* Messrs. Balcer, Boisvert, Carter, Dinsdale, Fleming, Gauthier (*Portneuf*), Goode, Henry, Holowach, Knight, McCann, Monteith, Richard (*Ottawa East*), Richardson, Robichaud, Weaver.

*In attendance*: The same officials and officers of the C.A.R.T.B. as were in attendance at afternoon sitting.

*From the Canadian Broadcasting Corporation*: Messrs. A. Davidson Dunton, Chairman, J. A. Ouimet, General Manager, E. L. Bushnell, Assistant General Manager, G. R. Young, Director, Station Relations, R. C. Fraser, Director, Press and Information, R. E. Keddy, Secretary, Board of Governors.

*From the Department of Transport*: Mr. F. K. Foster, Broadcasting Regulations Inspector.

The examination of Mr. Allard was continued, Messrs. Elphicke and Finnerty answering questions specifically referred to them.

At 10.05 o'clock p.m. the examination of the witness being concluded he was retired, and the Committee adjourned to meet again at 11.00 o'clock a.m. Thursday, May 26, 1955.

R. J. Gratrix,
*Clerk of the Committee.*

# EVIDENCE

MAY 24, 1955

11.00 a.m.

The CHAIRMAN: Gentlemen, I see a quorum.

Mr. FLEMING: Mr. Chairman, on a question of privilege. One of the Montreal papers in reporting on the visit this committee made to Montreal last Friday contains a Canadian press dispatch reading as follows:

> Revenue Minister McCann and 15 members of the 26-man parliamentary committee on Radio and Television visited C.B.C. installations here Friday,

—as I say, the report comes from Montreal—

> and were briefed on television and radio production.
>
> A. D. Dunton, chairman of the C.B.C. board of governors and Arthur Seguin, C.B.C.'s Quebec director, welcomed the party. The group toured the C.B.C.'s downtown headquarters as well as rehearsal and storage buildings and radio and television transmitters atop Mount Royal.

Of course, no one can take any exception to that. It is a perfectly accurate report up to that point, but this is what follows:

> Mr. McCann later told reporters the visit was 'to make members of the committee who have been criticizing the C.B.C. more conversant with what they are talking about. They are here to find out what makes the C.B.C. click and I think they know now that every cent that is being spent is being spent for good reason.

Now, of course, as a statement of the purpose of the visit to the C.B.C. installations in Montreal that is just nonsense. The purpose of the visit was to do what preceding parliamentary committees on radio have done without exception, that is, to go and see first hand what the C.B.C. is doing in Montreal. The last committee went to Toronto to see the C.B.C. operations and installations there, but it is a visit that is made in pursuance of the instructions of parliament to the committee to review the policies and aims of the corporation, its regulations, revenues, expenditures and development, and it is highly improper, I submit, for any member of the committee to undertake to make a statement that the purpose of the visit of the committee is as Dr. McCann is reported to have said, "To make members of the committee who have been criticizing the C.B.C. more conversant with what they are talking about." I think that the members—certainly those who have had occasion to criticize the government policy in relation to the C.B.C.—did not expect to derive anything more from the visit than anyone else. It is the sort of thing that is done for the instruction of all the members of the committee in pursuance of their duty to see what the C.B.C. is doing. We all recognize that the C.B.C. during the course of these visits is most cooperative and they are always happy to show members of the committee what they are doing down there. These visits have always been regarded as a very essential feature of the work of the committee, and I do hope we will not have any more nonsensical statements attempting to describe the purpose of the visit of the committee in absurd terms like this.

The CHAIRMAN: Dr. McCann is not here this morning.

Mr. FLEMING: I am sorry, because I would have liked him to hear what I had to say.

The CHAIRMAN: If you want to ask him questions concerning that expression of opinion you will have to take it up when he is here, that is all I have to say. Have any other members of the committee anything to say?

Mr. GOODE: I hope, Mr. Chairman, that the direct quotation from the good doctor is not correct as it is reported in the paper. I am one who, regardless of the side on which I sit in the House, has taken occasions to perhaps not entirely criticize, but to take a different side from Dr. McCann in regard to the single unit policy of the C.B.C. I rather agree with you that we should allow Dr. McCann to answer, but when he does come here to answer I would hope that he would be able to say this is not a direct quotation of his or I will have more criticism to offer, too!

The CHAIRMAN: We will now leave the matter until he is here.

Mr. RICHARDSON: Dr. McCann can take care of himself.

Mr. GOODE: So can I!

Mr. RICHARDSON: May I make an observation at this point? As the member for St. Lawrence-St. George in which the facilities of the C.B.C. which we visited last Friday are located, I would like for myself certainly and speaking for no one else—although I would rather hope that I speak for all members of the committee who visited in Montreal—to say how grateful we are for the hospitality and the information we received there. Whether there should be some descriptive words in support of that, I know not, but I am grateful for the hospitality and the information that the C.B.C. gave to us through their officials on Friday, and I should like to join with the committee in expressing gratitude for the excellent work which Mr. Gratrix our clerk has performed at all times. I believe the visit was most helpful to those of us who know very little about the work of the C.B.C. and I think the visit was very much worth while.

Mr. HOLOWACH: Our committee is made up of members from various political parties and I should like to associate myself with the words of appreciation that have been expressed to those who were responsible for the very enjoyable visit to the Radio Canada building in Montreal last Friday. We realize that a great deal of effort and time is involved in making such preparation, and I think it is proper at this time to thank the officials, not only for their hospitality but for the courtesy they extended to us.

I have one more point to make. You will recall that at a previous meeting Mr. Hansell, my colleague and our friend, did bring up in this committe during the examination of the expenditures of one department of the C.B.C. the thought that we should not be too harsh with the C.B.C. by reason of the fact that when we did visit Montreal we might be served only porridge and at the last dinner which we had at the University Club porridge was served. I remember at that particular moment that several sharp glances were turned in my direction, one of the sharpest of which came from Mr. Goode. I think we should preserve the sequence of our hearing, and continue blaming the C.B.C. in this case for having taken Mr. Hansell so literally.

Mr. GOODE: May I point out to Mr. Holowach that my sharp glances on that occasion were not in connection with the porridge, but that it is my usual procedure as far as Mr. Holowach is concerned!

Mr. FLEMING: I see that Dr. McCann has arrived, Mr. Chairman. You might think it is appropriate to ask the reporter to read what has been said on the question of privilege.

The CHAIRMAN: Would you like the reporter to read all that you have said or just the quotation from the newspaper?

Mr. FLEMING: No. I think if anything is going to be read in fairness to Dr. McCann the whole comment should be read as well.

The CHAIRMAN: Will the reporter please read what Mr. Fleming has said on the question of privilege?

(*The Reporter reads*): The following statement was made by Mr. Fleming when the committee met at 11.05 a.m.

Mr. Chairman, on a question of privilege. One of the Montreal papers in reporting on the visit this committee made to Montreal last Friday contains a Canadian press dispatch reading as follows:

> Revenue Minister McCann and 15 members of the 26-man parliamentary committee on Radio and Television visited C.B.C. installations here Friday,

—as I say, the report comes from Montreal—

> and were briefed on television and radio production.
>
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Of course, no one can take any exception to that. It is a perfectly accurate report up to that point, but this is what follows:

> Mr. McCann later told reporters the visit was 'to make members of the committee who have been criticizing the C.B.C. more conversant with what they are talking about. They are here to find out what makes the C.B.C. click and I think they know now that every cent that is being spent is being spent for good reason.'

Now, of course, as a statement of the purpose of the visit to the C.B.C. installations in Montreal that is just nonsense. The purpose of the visit was to do what preceding parliamentary committees on radio have done without exception, that is to go and see first hand what the C.B.C. is doing in Montreal. The last committee went to Toronto to see the C.B.C. operations and installations there, but it is a visit that is made in pursuance of the instructions of parliament to the committee to review the policies and aims of the corporation, its regulations, revenues, expenditures and development, and it is highly improper, I submit, for any member of the committee to undertake to make a statement that the purpose of the visit of the committee is as Dr. McCann is reported to have said, "To make members of the committee who have been criticizing the C.B.C. more conversant with what they are talking about." I think that the members—certainly those who have had occasion to criticize the government policy in relation to the C.B.C.—did not expect to derive anything more from the visit than anyone else. It is the sort of think that is done for the instruction of all the members of the committee in pursuance of their duty to see what the C.B.C. is doing. We all recognize that the C.B.C. during the course of these visits is most cooperative and they are always happy to show members of the committee what they are doing down there. These visits have always been regarded as a very essential feature of the work of the committee, and I do hope we will not have any more nonsensical statements attempting to describe the purpose of the visit of the committee in absurd terms like this.

Hon. Mr. McCANN: Mr. Chairman, I was not interviewed by any press man at any time and I made no such comments. If those words were spoken, they were spoken by someone else whom they must have thought was me.

The CHAIRMAN: That clears up the situation.

Hon. Mr. McCANN: I have one simple comment to make. Mr. Fleming is quite right and within his province in raising the objection, but they cannot pin it on me because I was not interviewed by any press man and I made absolutely no comment. In view of the fact that I was not the chairman as I used to be, I took a back place in the whole proceedings. I had seen most of it before, and I never said one word of any kind to any press man.

Mr. FLEMING: Mr. Chairman, I would like to thank Dr. McCann for making the statement he has just made because I think it alarmed a good many of us to see this comment attributed to any member of the committee. His remarks are completely reassuring and I thank him for his comments.

Hon. Mr. McCANN: Well, it is absolutely true.

Mr. RICHARDSON: Perhaps the reporter mistook Mr. Fleming for Dr. McCann!

Hon. Mr. McCANN: One man down there did salute me as Mr. Fleming. I do not know whether he was a press man or one of the employees, but that is a fact.

The CHAIRMAN: The situation has now been cleared up.

Mr. FLEMING: I must cheerfully disclaim the authorship or parentage of those remarks.

The CHAIRMAN: It is my pleasure to welcome The Canadian Association of Radio and Television Broadcasters this morning. We have with us Mr. J. M. Davidson, the president of the association, and the Executive Vice-President, Mr. T. J. Allard. I shall now ask Mr. Davidson to introduce the officials who are here with him this morning.

Mr. J. M. DAVIDSON (*President of The Canadian Association of Radio and Television Broadcasters*): Mr. Chairman, with your permission I will introduce the members of the board of directors of The Canadian Association of Radio and Television Broadcasters. My name is J. M. Davidson of Toronto and I am the president. Our vice-president is Mr. J. A. Dupont of Montreal. Other members present are Mr. F. H. Elphicke of Vancouver, Mr. H. A. Crittenden of Regina, Mr. W. Slatter of Guelph, Mr. W. T. Cruickshank of Wingham, Mr. D. A. Gourd of Rouyn, Mr. J. E. Campeau of Windsor, Mr. F. A. Lynds of Moncton, Mr. John Hirtle of Bridgewater and Mr. N. T. Finnerty of Penticton. These gentlemen constitute our board of directors. Our executive vice-president is Mr. T. J. Allard who will present our brief.

The CHAIRMAN: Now, Mr. Allard, you have the floor.

**Mr. T. J. Allard, Executive Vice-President, Canadian Association of Radio and Television Broadcasters, called:**

The WITNESS: Thank you, Mr. Chairman. The first page of the brief that has been submitted to the committee is merely a precis or summary of points that follow, but with your indulgence, Mr. Chairman, I will place it on the record in any event.

A. *Summary*

This brief is submitted by The Canadian Association of Radio and Television Broadcasters, whose membership includes nearly all non-government

broadcasting in Canada—128 radio broadcasting stations, and 22 television broadcasting stations. Some 25,000 Canadians depend, directly or indirectly, upon these stations for their living.

We wish to suggest that this committee consider inclusion in its report to the House of Commons recommendations that:

1. There be now permitted licensing of non-government television broadcasting stations in all areas of Canada, including Toronto, Montreal, Vancouver, Winnipeg, Ottawa and Halifax. This would now be consistent with the recommendations of the Massey Commission, with the general outline of previous government policy statements, and would give Canadians in these areas a choice of more than one television programme at one time from Canadian sources.

2. There be created an Independent Regulatory Board for Canadian broadcasting, to correct the present situation in which one body competes and regulates at the same time; to bring broadcasting regulation into harmony with parallel regulatory situations in all parts of Canada; and with like situations in every part of the democratic world, and so to create for Canadian broadcasting a regulatory structure based upon fundamental democratic principles.

The CHAIRMAN: I hope it is understood by the committee that we will follow our past procedure of directing questions following the reading of the brief. Is that agreed?

Some hon. MEMBERS: Agreed.

The WITNESS: Thank you, Mr. Chairman. The first part of our brief deals with our recommendations concerning television broadcasting in Canada.

B. *Television*

1. The development of Canadian Broadcasting Corporation television service and of the "single-channel" policy, has reached, and passed, the point at which grant of licence to Canadian citizens in any area was visualized by the Massey Commission and by government policy announcements.

The chairman of the Massey Commission said this, on Monday, June 11, 1951, to the Canadian Club of Montreal:

> Although our report is long and involved, on only one point does there appear to be some misunderstanding. May I mention it now? My colleagues and I recommend that private television broadcasting stations be licensed only when the C.B.C. has available national programmes, some of which the private stations would use. This does not mean however, that there can be no television in say, Vancouver, or Halifax, until the C.B.C. has completed a system of national television networks, a long and costly business. We were talking of programmes. The national programmes would, of course, be in the form of films or of kinescope, which for a long time to come will no doubt form a large part of the programme material of television in Canada on all stations, whether private or C.B.C., until the time when television networks in Canada are possible.

I should interpolate at this time to point out that the underlining where it occurs in that quotation is ours.

This indicates clearly that the Massey Commission visualized granting of applications from Canadian citizens for television licences in all areas of Canada at or before the point that has now been reached.

2. The Honourable Dr. J. J. McCann, M.P., Minister of National Revenue, on Monday, March 30, 1953, in the House of Commons:

> The principle of one station to an area is to apply only until an adequate national television system is developed. At the rate that applications for stations are now being received it may not be long before there is a sufficient degree of national coverage to justify the government and the C.B.C. giving consideration to permitting two and perhaps in some cases more than two stations in certain areas. It is anticipated that, in due course, private stations will be permitted in areas covered by C.B.C. stations, and the C.B.C. may establish stations in some areas originally covered by private stations.

We suggest that "in due course" has now arrived. Since the announcement above was made, C.B.C. has opened one or more television stations in all of those cities. In addition, twenty-six non-government applications have been granted, nineteen of which are now in operation and are providing service. Television service is now being provided in eight of Canada's ten provinces, and is licensed for all of them. Before the end of this year every Canadian Province should be served by one or more television stations. We suggest this is "an adequate national television system", and therefore permits of consideration of licences in all areas of Canada without exception.

Mr. RICHARDSON: May I interrupt for just a moment for the purpose of clarification. Should the sentence on page 2 which reads "Before the end of this year every Canadian province should be served by one or more television stations" be changed to read "Will be served by one or more television stations"? Do you not mean "will" instead of "should"? It is a very small point.

The WITNESS: It is our hope that the word would accurately be "will".

3. Competitive television will provide better and more effective service. It will tend to reduce, as experience in radio broadcasting has shown, the unduly large number of Canadians now regularly viewing United States television stations, in areas where only one Canadian signal is available. In the areas concerned few viewers have a second or alternative service in Canada they can turn to, so they must obtain that alternative service from American stations.

When local stations were not available, radio listening in Canada to United States stations was high. As local stations entered the lives of the various communities they gradually transferred listening habits from U. S. stations to themselves.

The element of local pride is very strong in most Canadian communities.

This trend was very marked in that large number of communities located within a hundred miles of the border. Any worthwhile local service can be performed anly by local stations. Consequently, implementation of Government policy on television will transfer the regular viewing habits of substantial numbers of Canadians from U.S. to Canadian television broadcasting stations. Experience in radio broadcasting showed that full development required local broadcasting service at least as much as a national service. It also demonstrated clearly that in many ways the functions of a network system are different from those of a local station. It showed that there is intense listener loyalty to local stations and that there are important broadcasting services that can be supplied only by local stations, especially in emergencies.

Experience has also shown that competitive service greatly increases size of audience available. Competitive television service in all areas of Canada will increase the sale of television sets and this will stimulate the growth of a great new industry.

4. Granting of applications from Canadian citizens for television licences in the major cities of Canada will, in provision of additional and alternative service to owners of television receiving sets, make their investment more useful. All experience in the past has clearly demonstrated that competition increases the value of the service provided to the consumer who, in this case, is the listener or a viewer.

5. If channels available in these areas for use are not employed by Canada, there is serious danger that these or adjacent channels will be employed by the United States. Even failing this the rapid development of American television might lead to allocations or power increases, geographical shifts, or changes in technical limitations that will result in a situation where channels now available will not be useable by Canadian stations or at best would be able to provide only limited and inferior service.

Every week that goes by adds to the danger of loss or derogation of existing channels insofar as Canada is concerned. To permit their use now would assist in the further development of a Canadian television service by and for Canadians.

6. The requirements for television licensing in all areas of Canada as laid down by the Massey Commission and by government policy statements have now been met. The next forward step is immediate implementation of the policy of competitive service in all areas of Canada, permitting immediate acceptance of applications from Canadian citizens for television broadcasting licences in the six major Canadian cities.

We come now to our second point which deals with an independent or separate regulatory body.

C. *Separate Regulatory Body*

We wish, with respect to urge that there be created by appropriate legal machinery an Independent Regulatory Board for Canadian broadcasting. This board would not be connected with any operating broadcasting group. It would be subtended below the Minister of Transport, and would be the administrative authority recommending to the Minister on applications for grant of radio and television broadcasting licences and related matters. It would also be the authority dealing with regulations found necessary in the public interest for all Canadian broadcasting stations.

Such an Independent Regulatory Board would be consistent with (1) the basic principles established in democratic countries for regulation of publication, (2) with broadcasting's present degree of development and its present place in the community, and (3) with accepted constitutional principles.

1. Long legal and constitutional experience has solved, in democratic societies, the apparent conflict between necessity for the requirement on the one hand of the public interest for the greatest freedom from control over material published; and on the other a proper degree of legal regulation in the public interest. The reconciliation was made through means of appropriate laws passed by elected bodies, but enforced by third party judgment. In the case of the printed forms of publication, this third party is represented by the courts.

Now, broadcasting is the newest form of publication.

The law quite properly makes a sharp distinction between printing and publication. One is purely an act of manufacture, the other is distribution.

For centuries the publishers of books, magazines and newspapers were practically alone in the field. Their sole competitors were speakers on street corners and in public halls who could reach only those within range of their voices. It was a competition so small that those who used the printing press to publish became thought of as the only publishers. It is an understandable shift of emphasis but it was not and is not true.

Hundreds of years after Copernicus and Galileo proved otherwise, we still speak of the sun "rising" or "setting". Because printing was long the chief mechanical means of producing publication we still confuse the two terms. It is not the form that counts but the act itself. Thus, broadcasting is publishing and an integral part of the press.

Broadcasting, like all forms of publication, requires legal regulation in the public interest. But the method of regulation should take due account of the long established principles of third party judgment. The proposed Independent Regulatory Board meets the broad outlines of that requirement.

This brings us to our second point concerning the development and present position of all broadcasting in the community.

2. In few fields is there such urgent justification for review of existing legislation as in that of wireless communications.

Few fields have developed with such amazing speed in so short a time. In little more than a quarter century we have come from the battery and the crystal set to the transistor and radar.

Yet, virtually all legislation pertaining to wireless communications is based upon broadcasting's development and position more than a quarter century ago—when this form of mass communication was in its infancy, when broadcasting's development and its present place in the community could not have been foreseen.

When the Aird Report was written in 1929 (at the start of the depression) there were 65 non-government radio broadcasting stations in Canada. Today there are 150 such radio broadcasting stations, 26 television broadcasting stations and channels available for many more. This does not take into account the many hundreds, perhaps thousands, of channels available for FM stations, and the additional channels that will be available for television broadcasting. This compares with less than 100 daily newspapers.

It would be wholly unreasonable to expect that the legislators of an earlier date could have foreseen this rapid development. They had to deal with the facts as they then saw them and to the extent these were available. That broadcasting's development has been so swift is no reflection upon their powers of foresight, but merely a tribute to the technical and social adaptability of our age.

Nor was the present regulatory situation even designed for the present structure of Canadian broadcasting, but in anticipation of a situation or structure which does not now exist.

Those who drafted the legislation were attempting to implement the Aird Report, which recommended the complete nationalization of broadcasting in Canada. Had that recommendation been accepted by the public the present Broadcasting Act would govern the situation it was intended to govern, rather than the wholly different one which now exists. Those who framed the Broadcasting Act intended the Canadian Broadcasting Corporation's Board of Governors to supervise operations of that organization. Clearly they did not intend the Board of Governors to regulate for privately-owned stations, because they did not visualize the continued existence of any such operations, nor intend they should continue.

However, it is clear from subsequent developments that the public was not prepared to accept this recommendation. Even as early as 1932 there were signs that wireless communications were developing much more rapidly than the Aird Commission had anticipated. Part of the report of the 1932 House of Commons Special Committee on Radio Broadcasting says this:

And again where the underlining appears it is ours.

> Your Committee was fortunate in having the three members of the Aird Commission appear before us to amplify and explain their report, and much valuable information was thereby secured, and if we are unable to completely accept their findings it must be obvious that there has been a great change in the science of radio broadcasting and in the financial condition of the country in the last three years.

It is interesting to note that the committee was impressed with the swift development of broadcasting even between 1929 and 1932. There has obviously been vastly greater change in the conditions and circumstances of our economy and society between 1932 and 1955, much greater change and development in broadcasting.

The proposed Independent Regulatory Board would be consistent with today's situation, recognizing not only the changes that have taken place in our economy and our society, the changes that have taken place in the structure and position of broadcasting, but the actual structure of present-day Canadian broadcasting.

3. The principle of separation of powers is extremely important to the democratic philosophy. In Canada and Great Britain this principle is recognized in theory and practice, sanctioned by tradition and common sense. In the United States it has been made a fixed principle of their Constitution. In all democratic countries the principle has been consistently stressed in setting up legislation to deal with new developments.

In the United States the president's committee on administrative management (1937) emphasized that government corporations should be separate from, and subject to, any governmental agency concerned with the same field, whether that agency was a board or government department. This principle has been consistently adhered to and was recently confirmed by the so-called "Hoover Commission".

In the United Kingdom the same principle has been applied in establishing state-owned industries. Usually a government corporation has been set up which in turn is subject to regulation by a Board or Government department.

In Canada the same principle has been established in fields whose structure is parallel to that of broadcasting. No one would suggest, that the Canadian National Railways and the Board of Transport Commissioners should be consolidated or that Trans-Canada Airlines should take over the functions of the Air Transport Board.

Nor has it ever been suggested that the exercise of regulatory function is essential to the continued existence of either the Canadian National Railways or Trans-Canada Airlines. We at least are not aware of any representations made by either of these operating organizations for transfer to them of regulatory powers now exercised by the Board of Transport Commissioners or the Air Transport Board.

In another democratic and Federal style state, these fundamental principles have always been applied to regulation of broadcasting. In Australia a five-man Australian Broadcasting Control Board regulates both the government-owned stations and networks and the non-government stations and networks. Both exist side by side in harmony, each providing an acceptable and accepted service, without damage to the other and with great benefit to the public.

In Provincial affairs in Canada the same basic principle is followed. In provinces where a government corporation or commission produces electric power, it is, like private power companies, subject to one common regulating body, ordinarily a provincial utilities board. It is thus recognized that a state-owned corporation supplying goods or services should be separate from a regulatory agency which grants permits or licences, or enacts regulations

which affect the government corporation as well as private enterprise. The principle is clearly established in every parallel situation that democracy cannot permit a single body to combine the executive, legislative and judicial functions.

Yet these are precisely the conflicting roles now played by the Canadian Broadcasting Corporation because of the existing legislation. The Canadian Broadcasting Corporation is forced to operate within a legislative authority which clearly violates the essential principle referred to above. It performs primarily as a government corporation operating broadcasting stations. It also acts as a regulatory commission in acting quasi-judicially in recommending licences, and legislatively in making regulations, which apply to both itself and independent radio stations with which it competes in its producing capacity. Thus it is forced into the position of being both controller and competitor, both judge and litigant, both judge and prosecutor, or all of these at one time and in the one body.

Surely all sound principle or precedent supports the claim that the regulatory functions should be exercised by an agency independent of and apart from, the Corporation. Just as an agency should not act as both judge and prosecutor so should it not compete with and at the same time regulate private individuals.

The proposed Independent Regulatory Board for broadcasting is squarely within the framework of these vital principles of democratic regulation.

A striking example of the adherence of the government of Canada to the basic principles involved in separation of powers is provided by its adoption in 1952 of recommendations made by the MacQuarrie Commission. The Commission in its report said this:

Again the underlining where it appears is ours.

"When an investigation is completed the commissioner is required by the Act to assume an entirely different and incongruous role. He must make an appraisal, intended to be public in nearly all cases, of the situation which has been brought to light by the investigation carried out at his instance and under his direction. He is given the compromising appearance of being at one and the same time prosecutor and judge. No matter how fully his assessment of a situation may be justified by results, its value is lessened by the inconstancy of his position.

"Many of the criticisms we received about the present procedures and the report on this point. It is important that the Act receive the widest possible public support. There seems to be no valid criticism of the fairness or the vigour of the administration of the Act but as long as a single official is placed in the position of being required to perform incompatible functions there is room for a good deal of public misunderstanding. Furthermore, a separation of the two functions of investigation and appraisal would effect a logical, efficient and economical division of work."

These recommendations were adopted by the parliament of Canada with the approval of all parties in June, 1952.

The present regulatory situation in broadcasting is clearly open to the same criticisms made by the MacQuarrie Commission, for the same reasons, and with the same results.

An independent regulatory board is the most practical and useful form of accomplishing the basic objectives so lucidly stated in the MacQuarrie Report, removing all possible grounds for suspicion and complaint; permitting, in the widest degree of freedom and the greatest possible atmosphere of harmony, the full and complete development of Canadian and television broadcasting in the service of Canada.

That concludes our formal submission, Mr. Chairman. Appended to our brief, Mr. Chairman, there is a list of the officers and directors of The Canadian Association of Radio and Television broadcasters, and also a list of the member-stations of this association subdivided by regions.

The CHAIRMAN: Thank you very much, Mr. Allard. Mr. Allard is now prepared to answer any questions which members of this committee may ask.

Mr. RICHARDSON: Simply for the sake of the record and transgressing on the time of the committee for just a moment, I know Mr. Allard will not mind if he refers to page 5 and observes the spelling of Galileo. I notice that it is spelled "Gallileo". 300 years after his death one little member of a parliamentary committee in Ottawa would like to knock the "l" out of him.

The CHAIRMAN: Would the committee care to have the two lists appended to the report placed on the record as an appendix?

Some hon. MEMBERS: Agreed.

*By Mr. Goode:*

Q. I am going to question only on the brief this morning, and although I do not intend by any means that it should be complete, there are, nevertheless a few things I would like to have cleared up. On the first page of your brief you say that some 25,000 Canadians depend directly or indirectly upon the independent stations in Canada for their living. Do you mean by that radio and television?—A. Yes sir, that includes both radio and television.

Q. And how do you support that figure?—A. These figures were obtained, Mr. Goode, by way of a questionnaire to our member stations asking for a list of their full-time and part-time employees. The reference to "indirectly" is really a reference to part-time employees or those not directly engaged in the business of broadcasting per se.

Q. Can you tell me how many are full-time employees and how many are part-time employees?—A. It would break down roughly to something in the order of 20,000 full-time employees with the balance being part-time or casual employees.

Q. Further down on that same page you talk about an independent regulatory body for Canadian broadcasting: "To correct the present situation in which one body competes and regulates at the same time; to bring the broadcasting regulation into harmony with parallel regulatory situations in all parts of Canada; and with like situations in every part of the democratic world." I would like to have you go into that and tell us the situation in regard to the democratic countries.—A. The reference to like situations was intended, Mr. Goode, to cover those situations in which there is a state corporation or body operating in a certain field and also privately owned bodies. In such cases, as is pointed out further along in our brief, it has been the general custom to have the regulations for both of them written and enforced by a third party, a non-operating tribunal. You will have noticed that later in our brief we make a reference to the fact that this situation already exists in Australia in relation to broadcasting and it exists in other countries of the world in situations parallel to broadcasting.

Q. What is the situation in Britain?—A. In relation to the general situation, Mr. Goode, the United Kingdom has in general followed this policy. They have followed the custom where industries have been nationalized of placing such industries whether or not in competition with private industry under the regulatory supervision of an independent tribunal. As far as broadcasting is concerned, they have a completely state-owned non-commercial system in so far as radio is concerned. Just recently they have set up what is called an independent television authority and from that will stem the operations of non-government commercial television broadcasting stations. The

radio broadcasting system will continue to report to the Postmaster General and the independent stations will report to the independent television authority.

Q. Is this independent body already set up in Britain?—A. It is our understanding, sir, that it has been.

Q. By the government of Great Britain?—A. By the government of that country, yes sir.

Q. Is there such a thing as independent television in Britain now?—A. It is not actually operating, sir, but I believe that the people concerned are hopeful that it will be operating by the end of this year or very shortly thereafter.

Q. Has it been determined by statute in Great Britain that there are to be independent television stations?—A. Yes sir.

Q. On page 3, Mr. Allard, you say this: "Any worth while local service can be performed only by local stations." What do you mean by that?—A. There are two factors involved. The first of these is the intense local loyalty that exists in nearly all Canadian communities. The second is the fact that a local broadcasting station is owned and operated by people who are a part of that community, who understand the people who live in the community and their needs and desires, and who can make the broadcasting station operate usefully in harmony with the development and the desires of the individual community.

Q. Further down the page you say: "Competitive television service in all areas of Canada will increase the sale of television sets, and this will stimulate the growth of a great new industry." We have been told in this committee that if private TV stations are allowed the competition originating from those stations will cause the C.B.C. to be in a most difficult financial position. We have heard that in evidence in this committee. What is your feeling in regard to that comment?—A. Mr. Goode, we ourselves had occasion to gather certain information in this connection for other reasons—development and research reasons—and we decided to go to the people who should know best who are, of course, the advertising agencies. I think most of the committee members know that these are the people who act as agents for the large national advertisers in the placement of advertising business in all media. We sent a questionnaire to the 75 leading advertising agencies in Canada which is virtually all of them and undertook to use only a summary total of this information keeping the names of the individual agencies and advertisers confidential. Twenty-eight of these agencies have replied to us and they happen to be the larger group. The replies to the questions contained in the questionnaire may bear on the question you have asked.

The first question we asked was this: "We have one or more clients willing to purchase television time in the cities checked"—and the cities checked or made available for checking were Vancouver, Toronto and Montreal—"but who have been unable to secure it." Twelve agencies replied that they have clients who want to buy television time in Vancouver and have been unable to secure it. Twenty-one reported the same situation in Toronto and 21 in Montreal.

Our second question was this: "We have clients already purchasing TV time in one or more of the cities checked"—the same three cities throughout—"but who have been unable to secure all the program time they desire in the cities checked." Nine checked Vancouver, 12 Toronto and 12 Montreal.

The third question was: "We have clients already purchasing TV time in one or more of the cities (Vancouver, Toronto, Montreal), but who have been unable to secure the times they desire and/or the program they desire in the cities checked." In reply to that, 10 agencies checked Vancouver, 15 checked Toronto and 12 checked Montreal.

Our fourth question was: "We have clients who purchase time on TV stations located in U.S. cities adjacent to the three mentioned." Thirteen agencies answered "yes" and 10 agencies answered "no".

The next question was: "We estimate that if additional TV facilities were available in any of the three cities mentioned, we could secure ( ) additional clients to purchase TV time." The total number of clients reported from the 28 agencies is from 73 to 86 and one agency voluntarily undertook to report that one of its clients or a group of its clients—it did not specify which—had $1 million awaiting use when additional television facilities were available in one of these cities.

The final question read: "We believe there is room for additional TV facilities in one or more of the cities concerned in so far as potential advertiser interest is concerned." All of the 28 agencies stated "yes" with one specifically mentioning Vancouver and one specifically mentioning Toronto and Montreal which would mean that 25 of the agencies thought there was interest in all three cities.

Q. How much of this Canadian money is going to the United States for purely Canadian programmes beamed to Canadian people? Have you any suggestion as to the amount of money that is going to the United States at the present time?—A. We have been able to get only estimates, but I think they are reasonably useful estimates. We are informed that something in the order of $1,600,000 is being spent by Canadian advertisers advertising Canadian goods in television broadcasting stations located in the state of New York. We are also told that something in the order of $200,000 is being spent on one television broadcasting station in the state of Washington by Canadian advertisers.

Q. This will be my final question for the time being. On page 4 of your brief you mention the acceptance of applications from Canadian citizens for television broadcasting licences in the six major Canadian cities. Are you staying with that number? Are you just asking that the major centres be given private television at this time?—A. No sir, and we would not like to leave that impression. We mention the six major cities specifically because of the circumstances now existing, but our point is the development of alternative or competitive service in all areas of Canada.

Q. I am interested in the suggestion that has been made many times in this committee by officials of the C.B.C. that if private television stations are allowed in the large and major centres of Canada that their financial position would be adversely affected. Your opinion is entirely the opposite?—A. Our opinion must obviously be entirely the opposite because of the information provided to us by the advertising agencies who are the people best qualified to know.

*By Mr. Dinsdale:*

Q. As I listened to the evidence of the C.B.C. officials they seemed to be suggesting that there was a law of diminishing returns so far as radio and telecasting revenues are concerned and that this point of saturation could be reached very quickly. As I listened to the brief read by yourself, Mr. Allard, you suggest—and I do not have the page before me—that introducing competition into this field would widen the horizon and further promote the advertising industry. Can you comment on this theory of diminishing returns and the saturation point being reached quickly in the broadcasting field?—A. It has been the entire experience in the whole advertising business that competition not only stimulates the growth of the various media but is essential to stimulate it. We have seen in Canada many instances where a radio broadcasting station goes into a comparatively small area hitherto served only by a

weekly newspaper. Almost invariably the result has been the growth of the weekly newspaper as well as the continued existence of the new radio broadcasting station.

Q. According to the C.B.S. report there has been a drop in commercial revenues for radio broadcasting. That, I presume, is related to the effect of television broadcasting? Have you had a similar trend in the private operations?—A. It should be clear, Mr. Chairman, that there are three basic types of business in the radio broadcasting field and for that matter in the television broadcasting business as well. The first is network business. The advertiser buys a program on a network of stations through the network organization. The second is what is known as national business. An advertiser whose head office or plant is located in Toronto or Montreal buys programs at a number of private stations all being located in other cities but dealing with each of those stations individually. The third type of business is known as local business. An illustration of this would be the type of advertising placed on the Ottawa broadcasting stations by Freiman's or Murphy Gamble's and businesses located right in the city. The experience throughout North America has unquestionably been that network radio broadcasting has shown a decline in revenue since the advent of television. National business has shown a decline in some areas but not all, and is a spotty picture. Local business generally has shown an increase.

Q. In both radio and television; as one goes up the other goes down?—A. In the case of television it would have to be an increase because it did not previously exist, and in the case of radio broadcasting it has generally increased.

Q. That concludes the questions I had concerning the matter of revenue, Mr. Chairman, and I would like to move over to programming.

*By Mr. Richard* (Ottawa East):

Q. I would like to ask a few questions, Mr. Allard. I think your last answer was very clear and I think most of us agree with that—certainly everyone should agree. When you answered Mr. Goode a while ago and mentioned figures, you did not mention what the value of that business would be that was refused or that they could get for private stations in the three centres. Do you have any figures on that?—A. No sir, we were careful not to get specific figures because both the advertisers and the agencies are reluctant to reveal these. These are competitive points, you see. I should make it clear that advertisers who are going into business would by and large be medium sized and larger advertisers, and the 28 agencies reporting is that group of agencies generally dealing with the larger clients.

Q. They did not differentiate between short programs or spots? In stating that they were refused time, they did not tell you whether the time refused was for spots or short programs or whether it was for regular programs lasting anywhere from 15 minutes to an hour?—A. We did not put the question to them on that basis, Mr. Richard. The second question read: "We have clients already purchasing TV time in one or more of the cities (Vancouver, Toronto, Montreal) but who have been unable to secure all the program time they desire in the cities checked." In other words this situation is one in which they are buying time regularly and program time but are unable to get all such program time they desire.

The third question was: "We have clients already purchasing TV time in one or more of the cities (Vancouver, Toronto, Montreal) but who have been unable to secure the times they desire and/or the program they desire in the cities checked." In other words, this covers the situation in which the client is buying such program time, but does not have available to him the specific time and/or the specific program he wanted.

Q. Suppose there is a million and a quarter dollars being spent in advertising with U.S. stations at present. There is no reason to believe that those same programs would be placed on Canadian stations or do you think that a substantial part of it would come to Canada?—A. We certainly feel that a substantial part of it would come to Canada. You can give no guarantees in this business, Mr. Richard, any more than one can in any other business, but I can assure you the people operating television stations will certainly go after that business very aggressively and they would have high hopes of recapturing the major part of it for Canadian stations.

Q. Do you not also think that a bar to that would be the fact that some Canadian advertisers would prefer to buy time on U.S. stations because of the type of programs available which our stations here cannot get?—A. I suggest, Mr. Richard, that the time now being purchased on U.S. television broadcasting stations has little or nothing to do with the programs but is connected with the unavailability of time for the advertising.

The CHAIRMAN: Are you through, Mr. Richard? Now, Mr. Boisvert.

*By Mr. Boisvert:*

Q. Are all the non-government stations members of your organization?—A. Not all, no sir.

Q. How many are?—A. You mean how many are members?

Q. Yes.—A. 128 radio, and 22 television broadcasting stations.

Q. How many private stations are owned by newspaper interests?—A. There are 28 privately owned stations which have direct or indirect newspaper connections.

Q. Thank you.

The CHAIRMAN: Are there any other questions?

Mr. ROBICHAUD: Following Mr. Richard's question, you mentioned that some people or some firms have complained that they could not get specific time. Is it not a fact that they wanted certain hours, which were not available, or was it that time as a whole was not available?—A. It would be both, in both cases. The firms were not complaining, they were merely supplying information. Obviously, if there is only one television station in a city and you have already bought the time from 9 to 9:30 on Thursday nights, then I cannot purchase it.

Mr. RICHARD (*Ottawa East*): I think that advertisers would not be interested in from 4 to 4:30?

The WITNESS: There are certain type of advertisers who might find it rather uninteresting, yes.

*By Mr. Knight:*

Q. Following Mr. Boisvert's question about the connection between radio stations and newspapers, you said that there were 28 stations which were directly or indirectly connected with newspapers. How do you group them? There certainly would not be a one to one correspondence between the station and the newspaper. I am getting at the point of multiple ownership. Could you give us perhaps the name of the newspaper which has the most private stations in connection with it, and the number of such stations?—A. The Southam newspaper interests are connected with two or three broadcasting stations. I would prefer the figure of three for the time being. I believe that Northern Broadcasting is an affiliate of the Thompson Newspapers and owns three broadcasting stations and shares in the operation of two others. They would be the largest group.

Q. The Thompsons have three, plus two, making five.—A. A reference was made to that point in the 1953 committee.

Q. What stations are connected with the Sifton Press?—A. Radio broadcasting station CKRC in Winnipeg has, or had some connection at one time with the Sifton Press; but I believe there has been a shift in the corporate structure lately with which I am not familiar.

Q. You would not have any objection to multiple control of mass-communication; your business would not preclude any objection to it. You put the interest of your business first, I presume. What is your idea about multiple control? Would you allow any limit? I understand you would favour a monopoly in that direction. Perhaps you would like to have an opportunity to put your views on the record.—A. Thank you. The fact of the matter is that our views on multiple ownership are purely academic. We are not the licensing authority or the authority which recommends the licensing. Consequently our views have no practical application to anything.

Q. You have no responsibility?—A. We have no responsibility. The situation in Canada might or might not be entirely different if broadcasters, as individuals, were in the position of being the licensing authority, or recommending authority; but the policy is there and we have nothing to do with it.

Q. I am told by the present licensing authority that they are pretty careful about the question of multiple ownership, and that they do not encourage it too much. If we could get rid of this authority there would be nothing standing in the way of further and progressive multiple ownership in the way of controlling mass communication by companies with newspaper holdings. A. I think it is a fair statement to say that both the licensing authorities and the recommending authority tend to be extremely cautious about what is referred to as multiple ownership. You may have noticed an application for the sale of a radio broadcasting station on the west coast which was recently recommended for denial because of that very fact. I suggest that a shift of responsibility of this function would not alter a philosophy which has become a pretty basic and a prevailing part of the general philosophy of our day.

*By Mr. Monteith:*

Q. Would Mr. Allard say that there has been a definite trend by advertisers away from radio towards television?—A. No sir. I think that would be putting it far too strongly. As I said earlier, the network radio business in both the United States and Canada has suffered from television competition. In the picture of the national placement of business as supplied by various of the individual stations, demonstrates that some of them have shown a decrease while some have shown an increase. On the other hand, some have been standing pat. Virtually all stations—I think it would not be unfair to say all well-managed stations—have shown an increase in local business.

Q. Straight radio?—A. Straight radio.

Q. They have increased their local business?—A. Yes sir.

Q. In offsetting any drop in network business?—A. In virtually all cases, more than sufficient to offset it.

Q. Would you anticipate that the network business would continue to drop?—A. I think it is quite likely that the network picture is going to remain difficult for some years, until the whole picture can fall into place.

Q. By that you mean television properly distributed and so on?—A. I mean a reorganization of the network structure which might enable it more effectively to meet television competition.

Q. Would you care to comment any further on that point?—A. The structure of network broadcasting is roughly the same in Canada as in the United States so far as the operating part of the network is concerned. It has been the practice for the networks in both countries to make available

programs to advertisers. The advertiser's message becomes a part of that sponsored program and it is distributed to the affiliated stations of the network.

But this picture may no longer be followed in relation to network broadcasting. There are some network companies in the United States who are now thinking in terms of becoming what would really be program production agencies. They would produce a program and feed it to their networks, and then permit individual stations on that network to sell the program if they wished to a national or a local advertiser or to both, and then pay the network a pro rata share of the production cost. This is just one of many new adaptions of networks now under review.

Q. Can you foresee that taking place in Canada?—A. I can visualize it taking place. There is a tendency in Canada to watch what the United States does rather closely and to follow it with what some of us might regard as little less than high-speed.

Of course you have an entirely different network picture in Canada. In the United States there are several major networks, and competition there is a great stimulus to the production of new ideas to keep you is business.

Q. You do not see any danger to the future of what we might call the local independent radio station caused by the increase in television advertisers and so on?—A. That would seem to be something which has not entered the thinking of any of us. The well-managed small local broadcasting stations are taking the view that they must meet this new competition, and most of them are quite confident of their ability to do so.

Mr. RICHARD (*Ottawa East*): On that point, the local stations now are enjoying very good business. But if you increase the number of local television stations you must admit that their local business would also suffer greatly.

The WITNESS: That has not been the experience with comparable stations either in Canada or in the United States. There are, as you know, a great many television stations operating in the United States. Some of them operate in a small area. In areas where the local station has been faced with television competition, the well-managed radio broadcasting station has managed to hold its own.

*By Mr. Fleming:*

Q. You may not be familiar with the evidence which we received from Mr. Dunton at the last meeting of the committee on Thursday afternoon, as to what might be the anticipated effects upon television operations of the C.B.C. if the present single-service coverage policy were abandoned or modified. We must be fair to Mr. Dunton's evidence, and it is fair to say that it indicated that the C.B.C. under these conditions would anticipate an increased cost of operation and also a loss of revenue.

Now I would like to have your comment on this matter from perhaps four angles, all of which it seems to me are of such importance as to warrant serious consideration. First, what is going to be the effect in regard to competition as between the C.B.C. and the local stations serving in the same area, and what might be expected to be the effects beneficially or otherwise on the C.B.C. of that competition?

Second, what is your view as to the likelihood of the C.B.C.'s cost of operation rising under those circumstances, which I presume means competition for talent for perhaps the same type of program?

Third, what is your view as to the fear which the C.B.C. has that its revenues would be adversely affected by permitting private stations to operate in the areas now served by them?

And fourth, and this is a fact, it seems to me, about which there has been too little heard in this committee so far: what, so far as you are fully

acquainted with it, is the feeling of the listener public in regard to this matter?—A. In reply to your first question, it has been the invariable experience in the advertising business and in all phases of it that competition makes the service provided by the advertising media more useful to the reader, the listener, or the viewer, and that it is improved from the standpoint of service by such competition.

In regard to your second question as to the increased costs, that is something which depends on your method of operation. It would be fair to say that you would be likely to meet increased costs depending on what your costs now are in relation to programming and production. That is a matter which would vary from place to place and from city to city.

As to your third point concerning revenues for such stations: this idea has already in large part been answered by the information we have had from the advertising people. I can interpret it to this extent; it is our belief that with sufficient revenue immediately available, two, and in some cases more than two stations could exist in at least a major area of Canada, and probably in some of the secondary areas.

Q. You say "major area". Are you embracing all six of the metropolitan areas in which the C.B.C. is now operating television stations?—A. Yes. All six of the major areas, and certain of the major areas which the C.B.C. is not now covering. And finally, it would be difficult to evaluate the effects of programming in the general picture, because where there are two or more stations competing for the favor of listeners they will naturally make every effort to capture the largest possible share of the audience, and that would mean a constant improvement of the standard of service provided.

Q. Can you make any more specific comment on the question or questions I raised? I understand the approach you referred to, and the desire on the part of the stations to catch the maximum listener interest. But my fourth question was directed more specifically towards learning if you can assist us in ascertaining the feeling of the listening public on this question of local monopoly.—A. The listening public? The views of the public have of course great importance to us. We keep ourselves attuned to public opinion as well as we possibly can. We listen to broadcasts, and we read the daily and weekly newspapers. We are kept informed through a clipping service, and by these means we get what appears to be the opinion of editors and others as expressed in the editorial column and letters columns. We talk to people as we go about the country and our membership is located in every part of the country.

As a result of the information gleaned from these operations we are completely confident that there is a majority of support throughout Canada for our view that the time has now arrived to permit competitive and alternative television broadcasting services.

Q. There are several other points which perhaps relate to the general questions I have asked you. Have you seen Mr. Dunton's evidence given at the last meeting, or are you familiar with it? It has not been published yet, but have you had any information about it, or, in saying anything about it should we first make a statement as to the gist of the evidence given by Mr. Dunton in regard to any particular matter on which we might be seeking your opinion?—A. Did you have some specific action or point in mind?

Q. Yes. The question of the listener service as a test of the attitude of the listening public. Questions were asked earlier in the committee's studies on this matter. Mr. Dunton intimated that the C.B.C. does subscribe to a listener service. We had some figures last Thursday in that respect, but there was some reluctance expressed to putting the reports on the record because they are said to be confidential.

Now, are you in a position to make any comment upon the validity that you find can properly be attached to reports of the listener service, and are you free to share with us, in this committee, the results of any of this listener

service in the areas now specifically served by these six areas which are served by the C.B.C. TV transmitting stations?—A. In reply to the first question, I think the validity of this service can best be demonstrated by the fact that the figures are accepted by advertisers, by advertising agencies and by media, such as radio and television broadcasting stations. A great deal of important business is placed on the basis of those figures. I think that Mr. Dunton informed you correctly when he said that these figures are supplied on a confidential basis.

Q. I was not suggesting that there was anything incorrect in Mr. Dunton's statement.—A. I quite realize that. But the fact is that each subscriber to this service receives a mimeographed or typewritten report on the front cover of which appears the word "confidential". It is expected that it is received in confidence. From time to time there are certain summaries or tables of these figures printed in the trade press, and if it were worthwhile to the committee, I would endeavour to obtain some of them today during the luncheon recess and make them available to you.

Q. If you could do that, it would be helpful to the committee as long as it is understood that these are listener services prepared by those who collect them with reasonable accuracy in this field.—A. In each case, sir, the figures published in the trade press give the name of the organization responsible for the production of the figures.

Q. There may be some further points arising out of that information when we have it. Do you think we might have it for this afternoon?—A. I would think so. We will make every attempt to get it.

The CHAIRMAN: Mr. Henry.

*By Mr. Henry:*

Q. I would like to refer back to the question of the competitive effect of television on the small radio broadcasting station. You spoke about the American experience in that regard and said that where these small radio stations are well managed, the local television station did not necessarily cut into the revenue of the small broadcasting station to any great extent.

My first question is this: what American cities did you have in mind in that respect?—A. A great many; actually, Erie, Pennsylvania, is one which comes to mind. I happen to have had certain conversations with people in business in that city, as well as in a place called Pottsville, and Lancaster in Pennsylvania, as well as in cities of similar size located in various parts of the United States.

Q. Could you enumerate some of the factors of good management which you consider materially affect small broadcasting stations?—A. Good management is an extremely difficult thing to define in any business. I suppose it is one of those things which you have or have not got. The majority of people who have good management ability seem to be people who are highly dependable; who know their business thoroughly; who are not wedded specifically to any one form of operation; who are willing to keep abreast of the times in meeting competition as it comes along; and who are willing to act aggressively together to further the business, and to keep their operations going.

Q. Am I correct that in the actual surveys or reports as indicated, in the case of the new stations about which you speak, that the morning and afternoon —that is the daytime business—is the dominant field for the small broadcasting stations, and that is when they must operate if they are to compete with television competition in question?—A. Yes sir, that is quite true, and we have discovered by and large it has always been true.

Q. In other words, you would not have greater broadcasting station incentive enough to have a major audience for evening business?—A. There

are, of course, other factors involved; but on your specific point we had occasion to take a survey recently of a large type of station located in a medium-sized Canadian community. The manager of that station found to his surprise that long before television seventy-two to seventy-five per cent of his revenue was obtained from time sales before seven o'clock at night. And money is going into the television broadcasting business today which never was available to radio broadcasting. Advertisers are willing to purchase television time who never at any time have paid out that money for radio broadcasting time.

Q. Looking forward to the day when there may be a more economical method of producing television sets, and particularly small ones that the housewife may use in the kitchen while she is doing her work, do you think that that day will be a factor to cut into the small radio station revenue in the daytime?—A. That would be a situation we would just have to meet when it came.

Q. Do you think there is any immediate prospect of competition developing in that respect within the next five years?—A. Things have been developing so fast and are continuing to develop so fast in the entire electronics field that nothing would surprise us.

Q. Assuming that this competition development did come, it would be a very serious threat to the small radio stations, would it not?—A. I would think it might force some of them to further alter their programming and sales policies in an attempt to meet this new competition development.

Q. Do you think there would be any factor of good management a radio station operator could bring to bear on the competition problem to overcome the competition of the small TV sets in the kitchen and bedroom?—A. I am quite certain this problem is not beyond the ingenuity of most managers of small radio broadcasting stations.

Q. Then I take it you are saying there are inherent factors in the operation of small radio broadcasting stations that will never be met by TV programs? —A. No, not at all. It may well be that TV and radio will find entirely different audiences; we do not know, and I do not think anyone knows. What I am suggesting is that the key factor is the element of management.

Q. Have there been any recent American surveys covering the whole of the problem I have outlined to you?—A. The problem you have outlined?

Q. Yes; bearing in mind the whole competition problem which we have, have there been any surveys which would throw any light on the present problem as to how it may develop in the immediate future?—A. I would not say there had been anything in the nature of surveys, but from time to time in a social way we discuss with visiting U.S. broadcasters the problems they have run across and what they propose to do about them. I think it would be fair to say that among the various broadcasting stations of whatever size there seems to be no immediately discernible note of doom.

Q. Are you indicating that all your opinion is based on facts gleaned from formal and informal conversations as between broadcasting and TV station owners?—A. No, not at all. Not only do we have conversations among ourselves in Canada, but we do trade certain specific information among ourselves and with U.S. broadcasters and both U.S. and Canadian manufacturers, so we do keep posted on developments. We also trade notes with advertisers and advertising agencies and we have available to us the advice of experts in the fields of economics, statistics and similar information.

Q. What do you consider to be the best written treatise on the whole subject of this problem within the last year or so?

Mr. FLEMING: "Allard on radio!"

The WITNESS: I think perhaps the best summary was contained in a speech quite recently given to the Sales and Ad Club of Toronto by a Mr. Kevin

Sweeney who is connected with a sales promotion bureau for radio broadcasting in the United States. I would be happy to obtain from him a copy of the speech if you would like to see it. It is a very illuminating survey and forecast.

Mr. HENRY: And after that speech what do you consider to be the next best treatise that has been written?

The WITNESS: Oh, there are half a dozen in the field. There is one by Mr. John Karol of the Columbia Broadcasting System which is rather useful. We have a very interesting comment by a gentleman who is the vice-president at the Citizen and Southern National Bank of Atlanta, Georgia. None of our own people have committed their thoughts to paper in the form of a formal treatise, but some of the Canadian opinions on broadcasting are also extremely useful and well informed.

*By Mr. Richard* (Ottawa East):

Q. When you answered a question asked by Mr. Fleming a moment ago, you mentioned there would be room for other TV stations in areas now served by the C.B.C. and in other areas already allotted to one station. You are the director and manager of the private system of stations. Do you feel at the present time—and I am not talking about the future—that those areas which are provided TV stations—Catholic, perhaps, I do not know; Quebec is a private one, I think—and others would feel inclined to receive that type of competition from other stations in those large areas? Did they not assume and did they not build and develop their stations in those areas feeling that they were to be alone and that competition would hinder their development? —A. Mr. Richard, if they built with any such idea in mind—which I seriously doubt—they certainly did not read very carefully any statement of government policy on this point, or the remarks of the chairman of the Massey Commission referred to on the second page of our brief.

Q. Then you feel there would be no objection coming from private stations in those areas now served exclusively by private stations to having competition from another station?—A. You obviously cannot answer as to what may be in the mind of some individual in the future, but in some of those areas the nature of the local economy is such that neither of two television broadcasting stations would be in any immediate danger of going broke.

*By Mr. Knight:*

Q. I have one or two questions which are perhaps a bit disjointed. This is an occasion on which we have an opportunity of showing our ignorance—and I speak for myself—when we have an expert witness before us and we can find out many things. I have one question about newspapers which I forgot to ask previously. Are any of the private television stations controlled by newspapers?—A. One comes to my mind immediately. It is a matter of public record that the *London Free Press* in London, Ontario is concurrently owner of the television broadcasting station in that city, and I believe I am right in saying that one of the newspapers in the city of Hamilton, Ontario has a partial interest in the television broadcasting station there.

Q. There is another question which is again disjointed because it is a local affair. I notice in your list of member stations the French station in Saskatoon is not mentioned. Is it a member station?—A. The French language station in Saskatoon is not a member station. The one at Edmonton, Alberta is, but not CFNS in Saskatoon.

Q. I notice in most of your brief and in dealing with the subjects we have discussed this morning, to a considerable extent you mentioned this radio and television business from a business point of view. You appear to express a great deal more interest in things like advertising and greater listening

interest than you have in programme content. As far as I am concerned I want to give you notice that I am greatly interested in the latter part as well as in the former, because I realize that you cannot run stations unless you have some financial backing wherever it may come from. You mentioned a great deal about obtaining a greater listening interest. What is the interest of your association in producing greater listening interest?—A. Because, Mr. Knight, this is the end product by which you survive.

Q. In other words, your primary purpose is getting into mass communication; most naturally with you it is a business, and your interest is in what money can be made from these channels?—A. That is not our sole nor our whole interest.

Q. No, I used the word "primary".—A. The prime interest of any business, Mr. Knight, must be to serve the community so well and efficiently that the business can return something other than red ink to the shareholders.

Q. In other words it is a reward for good service?—A. Precisely.

Q. I think that is reasonable enough. I notice that when you were giving us certain authorities a little while ago you relied upon advertising opinions. I believe this was in relation to putting in extra stations. The agencies from which you collected information were universally in favour of doing this, but they would have a direct interest in the installation of such duplicate stations, would they not? I mean, it would be to their financial interest to have duplicate stations created?—A. That is not the kind of thing to which you can give a general and still accurate answer, Mr. Knight. In some cases it would be true, and in other cases it would not be true and in still other cases it would not necessarily be true.

Q. I have the greatest admiration for your adroitness. I take it it would be a fair question if I were to ask you if you are a lawyer perhaps?—A. No sir, I am sorry to disappoint you, but I have no legal training and indeed never even went to university.

Q. I think you would have been an honour to that profession.

Mr. RICHARDSON: He wants to be sure about it before he frames his next question.

*By Mr. Knight:*

Q. What has been the general success of television stations in the United States. Have some of them—to use the vernacular—gone broke?—A. As a matter of fact, some of the U.H.F.—that is to say, ultra high frequency stations—have gone through the process generally known as "surrendering the license" which is a process more accurately described by your own phrase —gone broke. This, I think, and it is the general opinion of the industry, had some relationship to the ultra high frequency problem itself. In the case of the very high frequency—the standard band of television, if you like—I am pretty certain there have been no such instances and while some of the stations are still operating in red ink the older established television broadcasting stations are now better than holding their own.

Q. It would be much more expensive installing a TV station rather than a radio station? What is the relative cost percentage-wise?—A. Approximately four or five to one.

Q. It costs five times as much to establish a television station as it does to establish a radio station?—A. Generally speaking.

Q. Now to go back to this question of program content, your association would like to be able to duplicate certain C.B.C. stations—where do you propose to get your material in the event such stations are established? I know it is a big question and a wide one, but can you answer generally?—A. Generally speaking, Mr. Knight, the operating dynamics or necessities of the broadcasting business both for the C.B.C. and ourselves are enforced to some

extent by the geographic, economic and other basic circumstances of Canada. Some of the programming would have to be local, and a great deal of emphasis would have to be placed on local programming in areas like Vancouver, Toronto or Montreal, let us say.

The right way for a new television station in a community to establish itself, would be to make itself as much a part of the community as it possibly can, to be present at every outstanding function, to interview outstanding local or visiting personalities and in general to make itself a part of the city. Some parts of the programming might or might not come from the C.B.C. depending on what arrangements that corporation has in mind. Some of the material would obviously come from kinescope and film, some of which would be obtained in Canada and some of which would be obtained abroad.

Q. What percentage would you estimate might be of local interest?—A. That would probably vary widely with the conditions in the community and the operating policy of the management. It might hit a low of 35 per cent and it might hit a high of 70 per cent.

Q. Would that mean that the same percentage would be put on by local performers?—A. Not necessarily by local performers although of course they would play their part in the programming. I think any such television station would have to go in heavily for covering community events, exhibitions, parades, sports events, meetings and that type of thing which are a feature of the community's life.

Q. In your brief you have been somewhat derogatory concerning United States programs by stating that we would have to see to it that we would get a lot of Canadian programs. I was wondering if you would like to answer the same question percentage-wise as the last one—what percentage do you think would be imported from the United States?—A. That amount would depend on what percentage the station could get from local and domestic programs, and these percentages might easily vary from month to month. The percentage to be obtained from the United States might, varying with the station, run all the way from 30 or 35 per cent up to 50 or 55 per cent.

Q. If we assume that your primary object is to profit—and I think in spite of the way you answered the question there is no doubt in anyone's mind that that is your primary object—do you not think it would be cheaper and more profitable to import more ready-made or "canned" programs from the United States?—A. On the one hand it might or might not be necessarily cheaper, but on the other hand that is not the sole and conditioning factor. It would be one thing to make the assumption that you could operate entirely on U.S. material; that is to say, material imported from that country, but if you find out—and I think you would readily find out—that your community resented your not covering local events and showed their resentment by not tuning in to your station, you would have to change the policy quickly indeed in order to stay in business.

Q. But as matters stand now it would be immensely more profitable to forget about that and show programs from the United States?—A. Not necessarily. There are some programs that can be obtained from the United States reasonably cheap, but whether all the programs in this category are the type of program you want would be an open question. Also there are good programs to be obtained from the United States at very high prices.

Q. In the outlying places I am now thinking of, the cost of local production would be very high, would it not?—A. That would depend entirely on what production was done, and what the management's policy in relation to it was.

Q. That leads me to ask what is your policy in regard to outlying places that are poorly served? Would you be prepared to subsidize those places from the benefits from your better sort of communities as the C.B.C. is doing at the moment?—A. Interestingly enough there are two points in this connection which might be of interest to you, Mr. Knight. If you will take a

look at the list of radio broadcasting stations now in existence you would find a large percentage of them are located in smaller or outlying centres, and indeed it is only the privately owned stations that operate in such communities as Flin Flon, Fort Frances, Moose Jaw, Chilliwack and so on. Moreover the privately owned television stations now existing do not exist in any of the six major centres and obviously many of them exist in areas which could not even be described as secondary centres. Licences have been granted in Charlottetown, Wingham, Barrie and other places which can scarcely fall into the category of secondary communities. The basis of structure of supply to radio broadcasting stations in the past has been such that in fact the larger stations have been subsidizing the smaller ones.

Q. In regard to certain French language stations—and that is one reason I asked you about the French language station in my own city—you would also have something of a problem there, would you not, in certain sections of the country in endeavouring to make sufficient commercial revenue to operate a station of that kind without some subsidization? Let us take for example a community where you have French language people very much in the minority. I can see where there would be difficulty in obtaining sufficient sponsors for commercial programs over a station of that sort. Do you experience difficulties in that respect? I fancy my own station is having some difficulties at the moment.—A. It is impossible to predict, Mr. Knight, whether or not some owner—in, let us say, Saskatoon—will apply in due course for a French language television station. I would assume that anyone who had as carefully considered all the factors involved as one must in applying for a television licence would not do so unless he had some reasonable hope of keeping his head above water. It has just not happened yet so we do not know.

Q. I would like to ask another question which you may consider foolish. Who pays ultimately for advertising? It is like the question about the hen and the egg—a difficult question to answer.—A. It is extremely like the hen and the egg, but let me put it this way. It has been consistently demonstrated that a mass production economy depends on mass distribution which in turn is not possible without advertising. To the extent that mass production and mass distribution lower costs, advertising is an essential part of the process that assists in lowering the cost to the consumer.

Q. But the money that is going to run all these stations including the C.B.C. ultimately, of course, comes from the public?—A. And of course the public benefits by way of more efficient production and distribution and therefore the lower per unit cost to them.

Q. Mr. Chairman, I apologize for taking so long, but I am nearly finished. I have a question inspired by Mr. Goode's question about the transfer of moneys from one country to the other. How many Canadian stations about which you have knowledge are catering to an American market; that is, they are paying on advertising programs in the southern part of this country? I know this happens in southern Saskatchewan. Have you any idea to what extent this practice is carried on and how much money is involved?—A. To a very limited extent, and it might almost be described as negligible. In certain areas there is such a geographical overlapping of interest that Canadian stations might very easily carry a program or announcements on behalf of a U.S. advertiser or product, but there are not very many such areas in Canada.

Q. In order to sum up, I wish to return to my fear. I have some fear that if we have the duplication you suggest, we are going to have a good deal of importation of U.S. programs. Many U.S. programs are excellent, and I think the C.B.C. is showing some of the best of the U.S. programs. However, I feel the C.B.C. has a responsibility in regard to quality content and I would like to think that your organization would have some of that responsibility. By my questions I have been trying to show that this profit motive—which is a perfectly legitimate one—is contrary to the idea of the best program

content and I am desperately anxious that when you do import American programs that you import good ones, because I am afraid your stations might deteriorate into simply a media for the dissemination of various things American. There are many fine American things, but I am interested in trying to hang on to the distinctive Canadian culture we have here.—A. I think, Mr. Knight, this is a feeling that is pretty generally shared, and I do feel that you can be assurred at least of three things: one, that those Canadians engaged in operating private stations are at least no less patriotic or interested in the development of the Canadian community than those who are in the public service of Canada—

Q. May I interrupt? They are not responsible to anyone. The only responsibility they have is that if they become too bad they go out of business, or they will be kicked out of the local town if they do not put on local programs, but at least in the C.B.C. setup we have some responsibility which we see exercised in this committee and in the House of Commons. In other words, the C.B.C. is responsible to us who are the representatives of the Canadian people. As I say, I cannot see where you have the same responsibility where you have a perfectly legitimate business but run with private interests. Even if you have responsibility in your own conscience, sometimes when one's conscience competes with a dollar the conscience loses out.—A. That brings me to the point I intended to mention as my third point. We are responsible and very responsible indeed. We are responsible to the listeners and viewers who keep us in business by their support or lack of it, and certainly no radio or television broadcasting station is going to import or otherwise use on its facilities programs which are so inferior that they will lose their audience which is the very lifeblood of its existence. Secondly—and this is the second point I intended to make in reply to your original question—there is nothing on the record to show—and I suggest there can never be anything to show—that a privately owned station in a good community would necessarily use more imported material than a station owned by other interests.

Q. It has been my experience particularly where television is new that people will listen to anything and I imagine that a station without the sense of conscience which you claim it has could get away for a good while with pretty inferior stuff before it would be put out of business.—A. Provided it were not the only station in the community it could not get away with it for very long.

*By Hon. Mr. McCann:*

Q. Mr. Allard, is your association against monopoly on behalf of radio coverage on any sound station?—A. As a matter of general principle, Mr. Minister, we have always placed ourselves on the record as being opposed to monopoly.

Q. As being opposed to monopoly?—A. Yes.

Q. How is it that when you get an application—let me take an example. Smiths Falls applied for a station in that town and there was violent objection on behalf of CFRA who wanted, in my opinion, to maintain their monopolistic position with reference to the station?—A. I am very happy to inform you, Mr. Minister, that CFRA is not a member of this association.

Q. That is the independent side.—A. Mr. Ryan was speaking entirely for himself at the time.

Q. Do you not think there is a conflict between the general policy of CAB and a station that does not belong to it?—A. In every industry there are bound to be those whose views do not coincide in some specific way with those of the people who make up the membership of that particular industry's

association and while their views may be right or wrong, fortunate or unfortunate, we can accept no responsibility for them and in this particular case we are obviously in disagreement since we have always expressed opposition to monopoly.

Q. Do you think that is the reason they are not members of your association?—A. It is entirely possible, sir.

Q. Generally speaking you would not see any reason on behalf of any application in taking part of the field which is covered by a single radio station?—A. As a matter of fact in some cases—I can think of one recently on the west coast—our member stations have gone so far in relation to a new application as to write to either the licensing authority or the recommending authority to say that they either had no objection to the new licence, or that they were completely in favour of it.

Mr. BOISVERT: I have one or two questions.

The CHAIRMAN: It is five minutes after one. I think we should adjourn until this afternoon.

## AFTERNOON

May 24, 1955.
3.35 p.m.

The CHAIRMAN: Order, gentlemen, I see a quorum. If members have any more questions to ask of Mr. Allard, he is at your disposal.

*By Mr. Dinsdale:*

Q. Mr. Chairman I am interested in the subject of programming, as I indicated this morning. Mr. Allard has already had some questions on this subject thrown at him. I think the reason it was inferred in the committee that additional competing private stations in areas already served by the C.B.C. would have to depend on imported programs arose from the high cost of television programming. We had information to the effect that dramatic productions and so forth, programs of that kind, would cost about $10,000 per hour on an average to produce. If that is the case how would the competing private stations in C.B.C. areas meet that expenditure?—A. In the case of the privately owned stations they would obviously have to meet costs from their advertising revenues. Television programs by and large are expensive productions but in this field as in the case where a man drowned in water whose average depth was six inches, the figures with regard to averages are not necessarily informative and may be dangerous. Some television programs, like commodities in other fields, cost more or less than others and variations in costs occur on both sides of the border.

Q. There are private television stations already operating in the programming field, Mr. Allard. Have you any information as to the type of program production they are doing at the present time?—A. The type of program production varies—musical, dramatic, news—that type of thing. The present privately owned stations are depending on three broad sources for their program material. One of these is a supply from the C.B.C.; the second is local production and a third comprises "kines" and films.

Q. If a private station in one of the larger centres was able to produce an outstanding dramatic production or comedy production would they have the facilities to convert that into kinematic film for distribution to other private stations, or are there any restrictions?—A. The station would certainly have the facilities for production. As for distribution I do not think there are any

restrictions which would prevent a reasonably effective distribution of the material. I should explain that by the very nature of the mechanics of production there are a good many instances where the cost of production is likely to be the chief or highest cost. Not all the programs will of course be produced by the stations themselves. Some will be produced by advertisers and/or through advertising agencies and then having paid the production cost they will be anxious to obtain the widest possible distribution of the program over as many stations as possible.

Q. You say that some of these programs would be covered by sponsors. We have the information that it is impossible to get complete sponsor coverage for the more expensive program productions. Would you agree with that?—A. That it is possible?

Q. That it is impossible to get 100 per cent financial coverage for sponsored programs.—A. "Impossible" is a very strong word Mr. Dinsdale and one that I would use with considerable hesitation.

Q. Some of the more expensive productions that originate in the C.B.C. studios apparently cannot get sufficient sponsorship to constitute complete financial coverage.—A. That would depend upon how badly an advertiser wants to sponsor the program involved. In cases where he likes a program and finds it extremely useful for his present purposes of assisting in the widest sale or distribution of his goods I see no difficulty at all in getting him to pay 100 per cent of the production costs. In certain other cases he might very easily have certain reservations, and in such a case he would want to make a deal with the network or with the station involved so that he would not be paying the entire cost.

Q. To get back again to this question of the cost of programming. Do you have any experience in production costs in any of your private stations that would suggest that $10,000 an hour is an average production cost—or is that too high a rate in your experience?—A. As I say, Mr. Dinsdale, averages are extremely difficult to deal with. It would be something like asking the average cost of an automobile. You would add up the cost of a Chevrolet and the cost of a Cadillac and divide that figure by two, but it would not mean too much in the end.

Q. What is a typical cost?—A. It may run from $3,000 to $100,000 or even lower or higher. It depends on what you are producing, who is producing it and what you intend to do with it.

*By Mr. Knight:*

Q. What is the basis on which you get the "top" programs from the C.B.C. now?—A. At the moment it is a requirement of licence that any television station must carry a minimum of ten and a half hours a week of C.B.C. productions.

Q. How is the cost worked out?—A. There are gentlemen in the room who are better qualified than I am to answer that question. With your permission Mr. Chairman perhaps one of the television operators such as Mr. Crittenden might be able to give the information.

Q. What is the basis of costing when private stations use C.B.C. material?

Mr. GOODE: Did not the C.B.C. tell us that there was no cost to them?

Mr. KNIGHT: I want to get the answer from the witness.

The WITNESS: You were asking what the cost to the individual privately owned station is of programs supplied to it by the C.B.C.?

Mr. KNIGHT: That is right.

The WITNESS: In that case perhaps Mr. Chairman we might defer to one of the television operators in the room at the moment, and I think Mr. Crittenden can give us that information.

Mr. H. A. CRITTENDEN: Sustaining features come to us free. No charge is made for them.

Mr. DINSDALE: Do you receive a percentage of the commercial revenues from these sustaining programs?

Mr. CRITTENDEN: Those are "sustainers". There are no commercials in that category. They are pure sustaining programs—"press conference" and that type of feature. The private stations get a minimum of ten and one-half hours free of charge.

Mr. GOODE: I would like to ask one other question while you are on your feet, Mr. Crittenden. Do you get any revenue from these programs?

Mr. CRITTENDEN: None whatsoever.

Mr. GOODE: So the private stations actually bear the cost of sending these programs out on the air to the viewer? Are all these sustaining programs non-commercial?

Mr. CRITTENDEN: "Sustainers" are non-commercials.

Mr. RICHARD (*Ottawa East*): What about "commercials"?

Mr. CRITTENDEN: That would depend on how many commercials you wanted to take. I am not sure of that figure but it is probably a good deal in excess of ten and a half hours which comes to our commercial network through the C.B.C. and is paid on a commercial basis on a percentage of our network rate.

Mr. DINSDALE: On this point of sustaining programmes, if there was a second private station operating in an area where would they get their sustaining programmes if the C.B.C. sustaining programmes were not available?

The WITNESS: In the event that C.B.C. programmes were not available they would obviously have to provide their own.

*By Mr. Knight:*

Q. Isn't it a fact that you would have duplication? Under the present set-up it seems to me that the C.B.C. sustaining programmes would be then most easily obtainable.—A. I would put it this way that duplication obviously would be impossible where the C.B.C. programmes were not going to a second station, and might specifically be forbidden.

*By Mr. Goode:*

Q. We have heard evidence that the C.B.C. are using at the present time 50 per cent—I think the number was—of United States programmes over our own network. Would the expectancy of obtaining United States sponsored programmes over private stations be any more than 50 per cent?—A. There is no reason in the world why it should be substantially less or substantially more.

Q. Is it possible for a private station going on the air to obtain a connection in the United States to receive first quality programmes? Is there that amount of room in television now? If you were starting a television station tomorrow, say, would you be assured of at least 50 per cent of good-rate United States programmes?—A. There are here—and I don't want to give a misleading impression—two different questions, Mr. Goode. You would expect to get a certain amount of United States material and I suggest the percentage would not be substantially less or more than 50 per cent, but you would not be permitted to do this by a direct connection—

Q. Who would stop you?—A. It is directly against C.B.C. policy to permit a non-government station to become directly affiliated with United States stations or networks, with certain exceptions.

Q. Do you have to be affiliated to a network before you can have first quality programmes from the United States?—A. Not necessarily. The main network programmes are on the whole excellent ones. There are other sources of supply available.

*By Mr. Dinsdale:*

Q. On this point I believe we had information that there was no restriction on the importation of programmes. Is that not so?—A. I think we are dealing with two different factors and I would like to make the difference clear. A network connection is a direct thing. If you have a network in the United States and, for example a station in Vancouver a network connection is one in which that station receives a programme from the network at the same time as it is transmitted, by wire or cable or microwave relay. That is contrary to the present policy of the Canadian Broadcasting Corporation in so far as individual non-government stations are concerned. There is no restriction on the importation from any country of material not simultaneously being broadcast and which has physically been placed on a transcription film or other reproduction.

*By Mr. Gauthier (Nickel Belt):*

Q. What about the private stations that are not on the Trans-Canada "hook-up" at the present time? Do they get any "canned" programmes from the United States or does their material come from the C.B.C.?—A. Stations that are not on the network?

Q. We have one at Sudbury, for example—the first privately owned television station. Do we get any American programmes on that station?—A. The television station in Sudbury operates under the present policy. It receives from the C.B.C. a minimum of ten and a half hours of programming per week. The other programming would be either local productions or material imported in the form of physical reproductions.

Q. Yes. Would there be any American programmes in those imports? —A. I imagine there would be a few, yes.

Q. It is very good as far as I am concerned.

*By Mr. Reinke:*

Q. The fact that you are required to take these sustaining programs—does that meet with acceptance on the part of the individual television stations as a general rule?—A. In this matter as in so many things there is a wide and deep variation of opinion among individuals. Some of this difference of opinion is accountable for by program taste. There are some television operators in other words who appear to be quite happy about the sustaining material and there are others who have varying degrees of reservation about it.

Q. But by and large you say that these sustaining programs are acceptable? What do you say about that?—A. It is a requirement of the licence and therefore our opinion about that is rather an academic thing.

Q. I was asking you for your opinion, or for the opinion of your fellow operators.—A. As I say the opinions which have been expressed to us reflect a wide degree of variation.

*By Mr. Goode:*

Q. Is there any difference between the policy in force with regard to radio and that with regard to television as far as the C.B.C., or the regulations are concerned? Do you still have to take a percentage of radio programs on the same basis?—A. No sir, the arrangements in radio broadcasting are not quite so rigid. If you are a privately owned station basically affiliated to either of

the C.B.C. networks you are of course required to carry a specified number of programs at specified times—C.B.C. sustaining programs—and you are obliged to carry any commercial programming they feed you, but no minimum or maximum amount is specified. There is of course also a section of the Broadcasting Act which has been translated into a C.B.C. regulation which provides that any broadcasting station in Canada shall carry "such corporation or other programs as the corporation may designate."

*By Mr. Carter:*

Q. I want to ask Mr. Allard a question concerning these community services which, it has been said, the private stations would be giving to the community. Would you regard CKOY as a measuring stick for such services?—A. I think it would be rather difficult to single out any station as a measuring stick or as a typical example, because broadcasting stations reflect a wide difference in management and policy.

Q. How then could we get some idea of the level of community service which we might expect?—A. I think I have one suggestion for you, Mr. Carter in that respect—that you might get a well qualified opinion from a purely objective source, and I would refer you to your colleague Mr. Richard who in his capacity as chairman of the John J. Gillin Junior Memorial Award has seen some of the evidence of the community services performed by broadcasting stations.

*By Mr. Dinsdale:*

Q. On this matter of importation of programs, their Canadian content and so forth, obviously to deal with it in the field of television is hypothetical because we have not had sufficient experience, but there has also been the suggestion, Mr. Allard, that the same problem applies in the field of private radio broadcasting as would apply in that field of private telecasting—that is that a private station would largely depend upon American imports to the neglect of Canadian production. Can you help us with any information along those lines?—A. I would think that is rather a generous overstatement to say that the privately owned stations are dependent largely on C.B.C. sources of material. I do not want, Mr. Dinsdale, to take up too much of the time of this committee, but this whole question of Canadian talent and production is a very basic and involved one which many people discuss only very superficially. One of the problems involved is definition. Suppose an English orchestra visits New York and records a selection of Straus waltzes in that city and I get a copy of that recording and use it in Canada. Is that to be called an American importation? The music was created in Austria and it was played by an English orchesta. The mere fact that the physical act of reproduction took place in the United States surely does not establish its nationality. Many examples of similar kind could be given.

A second thing to remember is this: that all nations in their development stage have had a tendency in that stage to be importing nations—a tendency to import everything, material, and cultural. As the nation develops, and as the population expands and their economy grows larger they become more self supporting. In Canada we are going through a great phase of development; we are beginning to provide many things for ourselves, including cultural material, but you are not going to say to a nation of seven or eight million people, as Canada was not so long ago, that it must become overnight a great culture-producing nation. That needs time, training and money and there are also factors involved—economic and very practical factors. We were in fact appearing in this city last week before a Royal Commission appointed by the present government under the chairmanship of Mr. Chief

Justice Ilsley to point out that as long as broadcasting stations are required—and I use that word advisedly—to pay very large sums of money every year to the great international copyright societies we are draining something like a million dollars or more out of this country every year and that to this extent less money is available for the rapid development of Canadian talent.

There are a lot of problems to be solved. This is part and parcel of the expansion of the Canadian community and I think all the factors I have touched on very briefly and lightly must be kept in mind when dealing with this very difficult subject.

*By Mr. Dinsdale:*

Q. That is very interesting, Mr. Allard, but can you bring it down to an average picture on a typical local station? What percentage of their programmes could be legitimately called imported programmes and what percentage could be called locally produced programmes? Can you give an average picture?—A. Here again it varies extremely widely with the individual station and an average is extremely misleading, but in the case of well managed stations of the medium and smaller type I would say it would not be unfair to suggest it is about a 50-50 balance.

*By Mr. Carter:*

Q. Could we ask what percentage of the private stations are well managed stations?—A. My view of a well managed station is one which commands a wide audience, respect in its community, and shows black ink in its ledgers at the end of the fiscal year.

Q. Would you say a typical private station has a programme made up of records and give-away programmes?—A. No sir, I would not say that in the interests of accurate reporting.

*By Mr. Richard* (Ottawa East):

Q. In respect to the community service private stations are giving, I understood you to say when you were speaking about the programmes this morning that a distinction should be made especially in relation to television. While they can give Canadian programme content and community service they are not in a position at the present time to compete in any sense with the actual production of plays and entertainment features and the like for television?—A. Let me put it this way, Mr. Richard. Those of our members concerned assure me they would like to have a crack at it.

Q. Have they done so yet?—A. To date none of them exist in centres where much production or indeed any production is possible.

Q. Do you think frankly that any private station could operate several hours a day producing programmes such as the C.B.C. is producing now—Hamlet and the like—year in, year out?—A. I cannot guarantee that we would produce Hamlet, but there would certainly and necessarily be production.

Q. And you mean to say private stations could compete against private stations in the same locality without the benefit of the network, and could make productions costing from even $3,000 to $10,000 an hour and stay on their feet financially?—A. In areas where production is possible, yes sir.

Q. What are those areas?—A. Those are the areas where the production facilities and the people required to produce are by the very nature of our economy concentrated. Specifically those areas are Montreal, Toronto, Winnipeg, Vancouver and to a lesser extent Halifax.

Mr. FLEMING: Not Ottawa?

The WITNESS: No.

*By Mr. Richard* (Ottawa East):

Q. Actually on radio, for example, there is very little original stage production in private studios?—A. There is not a substantial percentage of it, but there is a fair amount of it.

Q. But a very small percentage?—A. I would not have referred to it as a small percentage, no.

Q. Have you any figures to show us the amount of live programmes with advertising originating in Canadian private stations—either radio or television? —A. It would vary widely from station to station. A station in Vancouver is obviously going to have more live production than a station in Flin Flon or Moose Jaw.

Q. I am not talking about Flin Flon or Moose Jaw. I am talking about big centres like Vancouver.—A. As it happens that stations in Vancouver do a reasonable amount of live producing. We have a gentleman here from Vancouver who could possibly give you a few illustrations of the type of thing being done in that city.

Q. And are these sustaining or paid programmes?—A. Both sustaining and commercial and of course where it is possible to make them into commercial programmes prudent management invariably does so.

Q. I am not complaining about the community service which I think is well done, but you cannot convince me that a small private station could go to the extent of becoming a production centre with the amount of money available in this country.

Mr. FLEMING: Give them a chance. Let them risk their own money if they wish to.

Mr. RICHARD (*Ottawa East*): They will probably have the opportunity some day.

Mr. GOODE: I think we are getting away from the type of station we are talking about. I do not think anyone has said that private stations are going to set up studios such as we saw in Montreal the other day for their own purposes. I would rather see a private station in Vancouver carry a doggone good football game rather than the first act of Hamlet on a Saturday afternoon, I do not mind telling you.

Mr. RICHARD (*Ottawa East*): They would not show Hamlet on a Saturday afternoon.

Mr. GOODE: They might, because I doubt if anyone would watch it at night.

The WITNESS: It is a question of the division of function. I completely agree with Mr. Goode's view. No station would set up anywhere the type of facilities the C.B.C. has in Montreal. The C.B.C. is charged with performing a national function and servicing the networks. Privately owned stations have an entirely different function and that type of setup would in no way be necessary or particularly useful.

*By Mr. Richard* (Ottawa East):

Q. That is a point on which I agree with you, and I am glad that you as a representative of C.A.B. express it so well because some people do not recognize it, but you appear to appreciate the two different services rendered by the privately owned stations and the C.B.C. I am going to ask a question on copyright. Can you give us the amount of money that is paid by the stations on copyright?—A. The amount paid by privately owned stations in Canada alone to the larger of the two copyright societies (CAPAC) is somewhere between $325,000 and $400,000 a year. The C.B.C. pays one society additionally, to that one society an amount somewhere between $152,000 and

$162,000. Then additionally we pay between us lesser amounts to a total of approximately $160,000 to the smaller of the two copyright societies. In addition to these payments from time to time payments are required for individual rights or for so-called "grand rights" if you use a complete production.

Q. And these rights are paid to copyright owners in foreign countries as well as in Canada, are they not?—A. We made the statement to Chief Justice Ilsley's commission that about 90 per cent of the money finds its way out of Canada every year. That statement has not been and cannot be successfully refuted.

Q. No doubt it was brought out that in some of these countries like the United States there is no reciprocal right for Canadians in copyright matters?—A. Not only is there no reciprocal right, but as you probably know the United States uses Canada as a back door to get into the international convention, the Berne and Brussels conventions. U.S. citizens establish copyright in their own country by complying with their registration requirements, and then obtain the Union protection of lifetime of author plus 50 years through simultaneous publication in Canada.

Q. All these other countries require legislation in their own country, but Canada gives them rights to copyright without any registration or formality in this country?—A. Yes sir. As a matter of fact as we pointed out to the commission this is one of the few instances and perhaps the only one, where, by Canada's adherence to the international convention we have actually erected a tariff against our own nationals.

*By Mr. Dinsdale:*

Q. Returning to the point I was discussing a moment ago I notice in the C.B.C. report that only 1·9 per cent of network programmes originate with the private stations. Would that be any indication of the amount of local production going on in the larger private stations?—A. No sir, it has no bearing at all. That figure refers specifically to the amount of production being done on behalf of or being fed to the C.B.C.'s production by or in privately owned stations. There is no particular reason, in fairness to the C.B.C., why they should require privately owned stations to produce programmes for them when they have such excellent facilities in the major production centres.

Q. Do they not encourage the production of programmes for networks by private stations? For example, I believe they will underwrite financially any outstanding programmes?—A. For feeding to the network?

Q. Yes.—A. I think they entered into arrangements once or twice where they wanted a certain programme made up of actors or other characters living in a city outside of the major production centres, but by and large it should not be, is not, and need not be their policy to pick up programmes on any large scale from privately owned stations.

Q. Are the private stations not interested in having very exceptional local programmes released to network facilities?—A. Very rarely, Mr. Dinsdale. In the first place, the competition factor enters. There is frequently a desire to keep a good programme to yourself for obvious reasons and secondly a local production is not necessarily always a production that might be useful on the network scale. Moreover there is the third and important factor that "talent" in Canada—I am referring now to people who entertain for a living—have a tendency when they become really good and are well known to drift to the larger centres such as Montreal and Toronto for obvious reasons. The privately owned stations are in the business of producing programmes on a certain level up to a certain point, and the really top talent ultimately winds up in the major cities.

*By Mr. Holowach:*

Q. With respect to licensing, when a private station make application to the authorities for a licence, such license is granted and for what length of time is it in force?—A. The licence is granted for a period not to exceed five years.

Q. After five years renewal is made for that licence?—A. After the end of five years the licence is renewable. There is no compulsion on the licensing authority to either renew or fail to renew it.

Q. Do you know of any case where a private station made application for a renewal of licence and such licence was refused?—A. There are no recent cases which have come to my attention, Mr. Holowach.

Mr. REINKE: Along the lines Mr. Holowach was following, you mention on page 6 of your brief that virtually all legislation pertaining to wireless communications is based upon broadcasting's development and position more than a quarter century ago. Would you suggest that by having a separate regulatory body this legislation would change at all? Under the present setup as I understand it, this legislation is enacted by the Department of Transport. What would happen if a separate regulatory body were set up?

Mr. FLEMING: Should we not clear up the discussion of television before we proceed with that topic?

The CHAIRMAN: Yes. Would you hold that question until we have completed the first item in the brief?

Mr. REINKE: Yes.

*By Mr. Goode:*

Q. I wonder if we could find out what private stations are doing so far as community television is concerned. Are they just putting programmes on the air hour after hour or are they taking mobile units out and featuring local events of interest? Could you answer that question or have one of the gentlemen with you who owns a private station answer?—A. You are referring to privately owned stations?

Q. I am referring to privately owned television stations.—A. Yes. I think it would be of interest to have a comment concerning these activities from one of the gentlemen present.

Q. Is anyone present from Edmonton?—A. No, but someone is present from Brandon and from Regina, and Mr. Davidson is in television. Anyone could give you information on these points.

Q. A gentleman from the west would talk the same language as I do, and I would like him to answer some questions.

Mr. RICHARD (*Ottawa East*): One gentleman from the west is enough!

Mr. H. A. CRITTENDEN: We carry on from an hour to two hours a day of local programming actually. This is broken down into news, sports and the weather, chiefly. We cover sports quite heavily. We also have a 30-minute women's feature which covers styles, cooking, interviews, guest artists, etcetera. We also have a local Punch and Judy programme. We have had the Jubilee Choir of 60 mixed voices, perhaps a half dozen or a dozen times since we commenced operations. We have also a 17 voice girls group, the Huettes, who have appeared on a regular series of features. We have presented special Easter services with the choir and the minister, sports forums, weather forums, farm forums and discussion group type programmes. Two or three quarter hours per week on some occasions we have local talent, an organist, a vocalist, a pianist or a programme of that nature.

Mr. GOODE: Was the United States station received in Regina before you were on the air?

Mr. CRITTENDEN: No.

Mr. GOODE: How many television sets are there in Regina and district now?

Mr. CRITTENDEN: We estimate around 18,000 in our area.

Mr. GOODE: You are the only station which feeds these 18,000 sets?

Mr. CRITTENDEN: Yes.

Mr. GOODE: So 18,000 sets at a cost of many thousands of dollars have been purchased since you went on the air?

Mr. CRITTENDEN: Yes.

Mr. GOODE: And the C.B.C. has received 15 per cent?

Mr. CRITTENDEN: Yes.

*By Mr. Carter:*

Q. Following up my earlier questions and those asked by Mr. Dinsdale I would like to know for information if it is correct that these give-away programmes reached such proportions on private stations that the C.B.C. had to intervene in order to curb them, is that correct?—A. I do not think you could describe the C.B.C.'s action as intervention although they certainly took official notice of them, and as I recall it they issued what might have been interpreted as a warning. We had certain discussions with them both preceding and following the course of action they took. Give-away programmes in broadcasting stations, on networks and in newspapers and magazines are things which come and go periodically in about seven or eight-year cycles. They have been going on, Mr. Carter, for as far back as there have been newspapers, and I suggest they will continue in periodic cycles so long as there is an element of larceny in the hearts of most men.

Q. Did your organization as a body feel they were going a little too far with it?—A. We did as a matter of fact at one point urge a course of moderation and restraint which we thought to be in the general interest, and it was shortly thereafter—it may or may not have been a coincidence—the number of these programmes began to decline. I think it fair to say they had at that time reached pretty much of a peak in the newspaper and magazine business and in that field they began to decline almost simultaneously.

*By Mr. Richardson:*

Q. Mr. Chairman, I have one question to ask of Mr. Allard. May I preface my question by saying that I have no quarrel with the information Mr. Allard seems to possess. He seems to be acquainted with the banking systems. Take in a typical bank—the Royal Bank of Canada with its numerous branches throughout the country,—they would have in even smaller places than the big metropolitan cities several branches and I suggest many of these banks would regard some the branches as carrying others and the unit cost would therefore be down. Referring to that system in your brief, do you think we might have for the general welfare of all concerned just as much good in the industry if the C.B.C., let us say, had two operating units in each different place?—A. If the C.B.C. were the only operating unit in a given city there would scarcely, I suggest, be the provision of alternative program service. The C.B.C. has been created for a specific purpose and provides a certain type of service—a national service. We are not making any complaint—let me make that clear—about the way the C.B.C. discharges that function. The non-government stations on the other hand are set up to perform a local service, and therefore they must gear their service to the particular needs, desires and tastes of a particular community. This in effect provides a real alternative.

Q. Do you not think the C.B.C. by its own arrangement might not be able to supply the supplementary service?—A. Not without destroying the entire point and purpose of the C.B.C.'s present operations.

*By Mr. Reinke:*

Q. You have suggested there are certain channels available to Canadian television operators—and we all know that to be true—which are not in use at the present time, and if they are not taken up there is some chance that they may be taken over by the United States. Have you anything to substantiate that submission?—A. Yes, Mr. Reinke, it happened to a certain extent in radio broadcasting when the so-called power freeze was in existence in Canada, and something of a comparable situation has now developed in television. TV has developed in Canada it is true, but not as rapidly as it has in the United States. The pressures in the United States will grow and as various people want to improve the services they are now providing they will petition the proper authorities in the United States for certain concessions not now available within the terms of the international agreement. As a result of these pressures and with the rate of development the United States authorities might easily find themselves once more in the position where they have to give way and permit the use of channels or the use of channels with power and other technical limitations not now visualized; to the detriment of future Canadian service.

Q. Has there been any indication so far that pressure has been brought to bear on our licensing body in Canada to allow some of these channels to be released to your knowledge?—A. If you are speaking of U.S. interests, such pressure would not be applied to the Canadian licensing authorities but would be applied to the United States licensing authorities. Suppose you were interested in television broadcasting in Toledo. Let us suppose that the channels originally allocated to that city are all taken up. You would go to Washington and say, "What can I do?" They would say, "Nothing." You would say, "How about channel 5?" And they would say, "Sorry, but that is allocated to the Canadians." You would say, "What are the Canadians doing with it?" And they would say, "Well, nothing." So you say, "How long is this going to go on? If they are not using it, why cannot we use it?" And if you kick up enough fuss about this, then something is likely to be done which is not presently contemplated by the international treaty.

*By Mr. Fleming:*

Q. There are a few questions which I have saved up, some of which were touched on by Mr. Knight this morning in part. It is by way of exposing for your comment, Mr. Allard, some of the myths that have been raised from time to time in order to justify monopoly. Do I understand that you, Mr. Allard, and those you represent take the view that in the field of television you are just as opposed to private monopoly in any area as to C.B.C. monopoly?—A. In two words, yes sir.

Q. Do I understand it to be your view also that there will be more total opportunity for Canadian talent to be used on live television programmes if licences are issued for private transmitting stations in the six metropolitan areas where the C.B.C. now enjoys a transmitting monopoly?—A. We would regard that as an obvious development, Mr. Fleming, because it would permit the development of programmes in the cities which later would be available for use in other cities of Canada.

Q. When we hear people say that the C.B.C. should be permitted to retain its transmitting monopoly in these six large urgan centres until private stations are willing to subsidize the provision of television in the more

remote areas of the country, I ask you if you can think of a better way of subsidizing than by having the federal treasury take 47 per cent of all profit made by the private corporations, and then to subsidize all the C.B.C. operations to the extent of over $20 million a year so that the C.B.C. may carry on that national function?—A. That is precisely the situation as it now stands, is it not?

Q. That is the situation as I understand it to be. It is not the situation as it seems to be understood by some.—A. You were not putting forward a new suggestion?

Q. No, I am putting forward the situation as it presently exists according to my understanding, and I remarked that it is not as it is generally understood by some—the issue is so completely beclouded from timt to time.—A. It should be clear that the service in the outlying centres is being provided at this moment by the privately owned television stations. These stations exist and have applied for licences in Charlottetown, Wingham, Barrie, Peterborough, Kingston and centres of that calibre in addition to centres in the western provinces—the two prairie provinces particularly.

Q. We were told by way of defence of the policy of monopoly that if it is not continued it means the ruining of the kind of programmes Canadians want to see because we will have a lot of the objectionable advertising features on Canadian channels which are now to be found on American programmes. What do you say about that?—A. That which is objectionable is a matter of taste. It happens to be a fact that all television service existing now in Canada is commercial.

Q. Is it not a fact that this matter falls completely within the realm of the overall regulation, as to the extent of the use of advertising material on any program?—A. It is partly a regulation and it is partly a question of taste. The imporant fact, I think, is that much of the television now appearing in all cities of Canada including Montreal and Toronto among others is, in fact, commercial television.

Q. Yes. We used to be told that there was a very great peril for individuals or companies who were seeking to risk their means in setting up a business in the field of private television, and that they should be dissuaded or indeed prevented from doing so by a paternalistic government because they should not risk their own money, since it was a very expensive business. What do you say about that?—A. Any business at all is inherently a risk business. There is no guarantee that you will make money in the automobile business, the grocery business, or the broadcasting business. You may make money or you may lose money. These people who are prepared to enter the broadcasting business in relation to television broadcasing are fully aware that they run a certain element of risk and they are prepared to accept that risk.

Q. We used to have differences of opinion expressed as to how much it was going to cost to enter this field and how long a new station could expect to sustain a loss on operations. We have been told recently by Mr. Ouimet that the cost of operating a new station—that is, the construction and operation of a new station—is coming down. Is that your experience?—A. Yes sir.

Q. Has it come down substantially from previous estimates which used to chill the blood in the veins of some members of previous committees?—A. It has come down enough to be interesting. I think with the very rapid advance taking place in the entire electronics field that it will continue to come down.

Q. Can you give us any percentage at all in your answer?—A. It depends on what type of station you are putting up, and where and when you are putting it up. But in a set of situations which were completely parallel, I think you could say that it was a reduction of somewhere between fifteen per cent and twenty per cent of capital cost today as opposed to a year ago today.

Q. That is quite significant. Next we were told that the C.B.C. could not carry on the national function of operating a network and giving service on a national basis, if it did not have full access to this commercial revenue, and we were told further that this commercial revenue would be challenged by the licensing of privately owned stations in the six areas in which the C.B.C. now enjoys a monopoly.—A. In the first place, Mr. Fleming, we ourselves have a great deal more confidence in the ability of the C.B.C. to retain its own place. Secondly I do not think it was ever contemplated that the Canadian Broadcasting Corporation was to be an organization self sufficient from commercial revenues. And in the third place, I think the figures which we submitted this morning demonstrate conclusively that there is still advertising revenue of a major order available in the major centres involved.

Q. Then, when all the other myths are exploded, we have this one turning up as a sort of last resort: that unless this policy of monoply is continued, the recognized position of the French language on the airways is going in some way to be impaired. It was suggested further, and I think without any justification —although I think we should leave that to your comment—that the C.B.C. is not going to be able to carry on to the same extent as at present, to provide the French language on the national service or in some places which are now provided with the French language on a local basis, and that it is not going to be carried on unless the policy of monopoly is continued. What is your comment on that matter?—A. My comment is that I am a little puzzled. There are three French language television stations already licensed in the province of Quebec; one in Quebec City itself; one in Sherbrooke, and one at Rimouski. The Rimouski station and the Quebec City station are already operating. The Quebec City station has been operating for some time and I gather that it is operating successfully. I am reliably informed by certain interested people that there will be a further application for privately owned French language stations in the province of Quebec outside the city of Montreal. There would certainly be applications in Montreal.

Q. These are French language stations you are speaking of?—A. French language stations exclusively, yes sir. If these stations can survive, and so far they have survived, I cannot see that there is any great problem existing.

I was not aware that there was any service being provided on the national network outside of the city of Montreal and Ottawa in French, but I am open to correction on that point from the television operators here.

Q. I asked you this morning if you had any figures from recognized listener services as to the relative liking shown by listeners in areas now served by the C.B.C. stations, where other stations are operating, presumably American stations, seeing that the competition which is being excluded is Canadian competition but not American, under this present monopoly policy. Have you had an opportunity to look up any of those figures on the listener service?—A. Yes sir. During the lunch recess we turned up the television circulation report prepared by the Elliott-Haynes organization, which is the largest, the best established and the best know of the research companies in the broadcasting field. This report is for the period of March, 1955 and covers the province of Ontario.

Q. Can you elaborate on what is to be found in it? I do not think you need to say anything further about the Eliott-Haynes survey, as to the reputation that it holds for thorough and reliable information. We have been told by the C.B.C. that they too subscribe to that service, and other members of the committee are probably familiar with it. But would you indicate, from the survey which you have before you, what the percentages or figures are as to listener interest for privately owned American stations and for C.B.C. stations?—A. I must explain two things: First: this is a "circulation" report; that is to say, it does not deal with specific programs, but it deals with people and with stations.

The respondents were people who had within the preceding twenty-four hours viewed one or more stations either at their homes or elsewhere. So it gives the total figure, and secondly, it is broken down by both cities and county. Perhaps if there was some specific county in Ontario in which you were interested, I could answer you with reference to this report.

Q. You know the counties which are now covered by the services offered by CBLT. Could you give us those in total, unless there is anything significant about the figures for individual counties; but I think we are more interested in the total area served by CBLT and to the extent that it is also served by the Buffalo stations.—A. I could select for you the counties in which the signals are received from the C.B.C. station and from the United States stations, and if there were further counties in which you or anyone else was interested we could give that information.

In the case of Dufferin county, it is within the signal range of 6 television broadcasting stations. The total circulation for the two Buffalo stations, WGR-TV, and WBEN-TV is 9,012. The figure for CBLT is 4,506; for CHCH-TV Hamilton, it is 1,848; for CKCO-TV Kitchener, it is 231; and for CFPL-TV, London, it is 115.

Q. That would seem to give the Buffalo stations about two-thirds of the total.—A. Then in Halton county with respect to the two Buffalo stations, WBEN-TV has 26,790 and WGR-TV has 25,572, making a total of 52,362; while CBLT Toronto has 18,671; CHCH-TV Hamilton has 18,671; and CKCO-TV Kitchener has 811.

Q. That seems to give the Buffalo stations about 60 per cent as against the Canadian stations.—A. In the county of Ontario, which is covered by five different signals, there are three United States stations as follows: WBEN-TV Buffalo with 53,601; WGR-TV, Buffalo with 34,304; and WHAM-TV, Rochester with 17,152 making a total of 105,257; while CBLT Toronto has 59,318; and CHCH-TV, Hamilton has 1,429.

Q. That seems again to give the three American stations about 65 per cent.

Mr. REINKE: We should recognize that Ontario county is quite far removed from Hamilton. How far would it be from the Toronto station, CBLT?

*By Mr. Fleming:*

Q. Ontario county takes in the heart of the industrial region about thirty miles east of Toronto. I refer to Oshawa.—A. Let us take York county which is closer. In York county there are five signals shown; WBEN-TV, Buffalo with 802,521; WGR-TV, Buffalo with 362,783; and WHAM-TV, Rochester with 10,993 making a total of 1,176,207; while CBLT Toronto shows 791,528; and CHCH-TV, Hamilton shows 76,954.

Mr. RICHARD (*Ottawa East*): You mentioned the three American stations.

The WITNESS: Yes sir.

*By Mr. Fleming:*

Q. That seems to give the Buffalo stations about 60 per cent according to your account.—A. That is not our accounting; that is the Elliott-Haynes accounting.

Q. It seems to give 60 per cent for the three Buffalo stations. You have given us Ontario county.

Mr. REINKE: What about Wentworth county?

The WITNESS: Wentworth shows WBEN-TV Buffalo with 133,246; WGR-TV Buffalo with 72,467; CHCH-TV Hamilton with 112,207; CBLT, Toronto with 65,454; and CKCO-TV Kitchener with 7,012.

*By Mr. Fleming:*

Q. That is about 52 per cent for the Buffalo stations in Wentworth county, or fifty-three per cent.

Mr. REINKE: What about Essex county?

The WITNESS: Essex county shows CKLW-TV, Windsor with 110,407; WWJ-TV, Detroit with 90,024; WXYZ-TV, Detroit with 76,435; WJBK-TV, Detroit, with 74,737 and WEWS-TV, Cleveland with 1,698.

*By Mr. Fleming:*

Q. That one gives the highest percentage of all to the American stations, I suppose for the obvious reason that it is right on the border there; it looks like something around seventy per cent or seventy-five per cent at a quick look.—A. A little lower, perhaps.

Mr. KIRK (*Shelburne-Yarmouth-Clare*): Looking at the figures, he has four American stations for seventy-five per cent and one Canadian station with twenty-four per cent or twenty-five per cent.

Mr. FLEMING: My point has to do with the matter of the exclusion of Canadian competition, as though there was some virtue in the idea of a Canadian monopoly. The point which these figures bring out so clearly is that these American stations have a very wide listening interest in Ontario, and that in every one of these counties the American stations are listened to more than the Canadian stations are listened to, and yet here is this so-called policy of a single-service coverage, which is designed to keep out Canadian competition. American competition comes in there, so why keep out Canadian competition?

Mr. KIRK (*Shelburne-Yarmouth-Clare*): I am not going to get into an argument with you. I said there were four American stations and that they had about seventy-five per cent, while the one Canadian station had about twenty-four or twenty-five per cent.

Mr. FLEMING: You could not have a better argument for allowing more Canadian stations in there as against this single-service policy of local monopoly. All that it has done so far is to keep Canadians from competing. It has not kept the Americans out. I cannot see any virtue in a system which lets in American competition and ignores Canadian competition. That is not my idea of building up a Canadian system with Canadian talent or enterprise.

Mr. CARTER: I wonder if we might have similar figures for Russell county and Carleton county.

The WITNESS: I have Carleton county here and it shows CBOT, Ottawa, with 143,671; CBMT, Montreal, with 18,904; WSYR-TV, Syracuse, with 11,342; WCNY-TV, Watertown, with 9,452; CKWS-TV, Kingston, with 7,561; and WHEN-TV, Syracuse, with 5,671.

And in the case of Russell county the figures are as follows: CBOT, Ottawa, with 7,762; WCNY-TV, Watertown, with 5,421; CBMT, Montreal, with 4,928; WSYR-TV, Syracuse, with 2,094; WKTV-TV, Utica, with 1,355, and CBFT, Montreal, with 739.

Mr. GOODE: May I refer to this monopoly business for a moment which was referred to by Mr. Fleming. I would like to put another question to my friend from Regina. On March the 30th, 1953, in the House of Commons a statement was made that the C.B.C. might establish stations in some areas originally covered by private stations. You have established a private station in Regina. What guarantee have you that the C.B.C. won't go into that territory ? Did they give you any guarantee that you are going to control that field?

Mr. H. A. CRITTENDEN: Not that I recall.

Mr. GOODE: So this monopoly works one way for the C.B.C., but for private stations it does not work at all. Is it not true that you have no guarantee that the C.B.C. will not go into Regina tomorrow morning?

Mr. H. A. CRITTENDEN: Or anybody else.

*By Mr. Bryson:*

Q. Mr. Allard spoke about the desirability of local service. Certainly that is a matter of interest; but in the tastes of local people the desirability of a local service certainly must be affected to a large extent by economic feasibility. In giving that kind of service, I would imagine that the type of programme certainly has it limitations; so if a comprehensive programme is to be broadcast it must contain a large measure of outside programmes of the calibre which people are looking at now on the C.B.C. I do not think that anybody would argue—not even the gentleman from Regina—that that material is not available in the city of Regina; but if it is brought in by a private party, who would be interested in the price that would be necessary to carry out such a programme?—A. May I clear up one point before I take up your suggestion? We have not put forward the suggestion or endorsed the principle of private networks in our presentation, and we make no point about private networks whatsoever.

In relation to local productions, there are a great many types of local productions in which it would be absolutely impossible to introduce any imported elements. I refer particularly to sports events and to special events and to special types of programmes in which the community either directly participates, or in which it is primarily interested.

Q. You do recognize the fact that you have to have a large measure of your programme contain something of the calibre that we are seeing now, and that you could not find that kind of material in the city of Regina, so you would have to import it; and if it is done by private stations, somebody has to pay for it. I do not see forty thousand people in Regina—I do not see enough people there interested in the prices which you would have to ask to carry that type of programme.

The CHAIRMAN: The division bell has rung, shall we come back after the division, or shall we adjourn now until tonight?

Mr. RICHARDSON: I move that we sit tonight.

The CHAIRMAN: Very well. The notices will go out for a meeting at 8 o'clock tonight in this room.

## EVENING SESSION

May 24, 1955.
8.15 p.m.

The CHAIRMAN: Order, gentlemen, we have a quorum and we can continue with our questioning of Mr. Allard who is always willing to answer. Are there any questions?

**Mr. T. J. Allard, Executive Vice-President, Canadian Association of Radio and Television Broadcasters, recalled:**

Mr. GOODE: Before I take the committee to B.C.—we have had very little talk about B.C. on this committee and I would like to have a little tonight—

Mr. FLEMING: Say that again?

*By Mr. Goode:*

Q. I would like to ask one question. There has been a suggestion—and it is only a suggestion—regarding the appointment of a commission. I do not know whether or not it would be a royal commission but it certainly has been mentioned—to investigate the television field throughout Canada. What would be the feeling of your group in regard to that commission?—A. Generally, we would see value in an investigation of this problem by a royal commission or a similar body provided always of course that such a committee were made up of men and/or women with practical experience, background and knowledge.

Q. Does anyone wish to question on that point before I go to B.C.?

Mr. RICHARDSON: I have a comment immediately on that question. Would that kind of committee come within the composition of the Massey Commission?

The WITNESS: I suggest that it is possible to make the assumption that men and women whose lives in the main have been spent within the rather secluded and cloistered atmosphere of universities with very little experience of business, economics and science—

Mr. RICHARDSON: Your answer is no?

The WITNESS: Generally speaking, yes.

Mr. BOISVERT: Yes, it is no. We heard this before, but it was no—yes.

*By Mr. Goode:*

Q. What you are suggesting is that if the commission is formed—and none of us know it is going to be—you would want men and women to serve on the commission who have had practical radio and television experience in Canada?—A. Not necessarily men and women who have had practical radio and television experience, although that would be highly desirable, but certainly practical men and women who have access to information concerning economics, finance and so on.

Q. I wonder if Mr. Elphicke who is familiar with local conditions in British Columbia would give me permission to question him on the B.C. situation?—A. You certainly have my permission if it is agreeable to the chairman.

Mr. GOODE: May I have permission to question Mr. Elphicke?

The CHAIRMAN: Yes, Mr. Goode.

Mr. GOODE: How long have you been in the radio field?

Mr. F. H. ELPHICKE (*Director of Radio Station CKWX, Vancouver, B.C.*): Since 1931.

Mr. GOODE: How many people do you employ?

Mr. F. H. ELPHICKE: At the present time 51.

Mr. GOODE: And what are the call letters of your station?

Mr. F. H. ELPHICKE: CKWX, Vancouver.

Mr. GOODE: There has been a suggestion this afternoon regarding welfare work on radio. Have you any idea how much money and private time has been put in by the radio stations on the mainland of British Columbia within the last five years—how much money and how much time?

Mr. F. H. ELPHICKE: Mr. Goode, there are no official figures released on that by any station to the best of my knowledge. If you are thinking of funds simply raised for let us say orphans' clubs, good deed clubs, Christmas cheer funds and things like that, I would estimate better than $200,000, but if

you are thinking of efforts put into community chests, the Red Cross drives and cancer drives, of course we have no idea what amount of money we were instrumental or helped in raising.

Mr. GOODE: In looking over the 1953 proceedings of this committee, Mr. Rae of CKNW mentioned at that time that his station raised $100,000 within a very few years for an orphans fund for which Mr. Richard's organization gave him a prize, so I would think perhaps it was a little more than $200,000.

Mr. F. H. ELPHICKE: I am trying to be conservative, but I would say around that amount.

Mr. FLEMING: It is a good thing to do.

Mr. GOODE: Have you any idea of the number of hours per year that have been donated? Could you give the committee a rough guess?

Mr. F. H. ELPHICKE: I could get those figures for you in relation to our own station, but I am afraid I could not tell you off hand.

Mr. GOODE: Can you tell me in relation to your own station?

Mr. F. H. ELPHICKE: Not off hand, I am afraid I cannot.

The WITNESS: If I might interject for just a moment, I think I have some figures on a national basis that might give you an indication of what you are driving at in this connection. Of the 127 stations concerned, we find a report of cash donations by the stations—not money raised by them, but cash donated by them—of just a little over $90,000 for the last calendar year and the approximate time donated by them to charitable purposes including both time and production is just a shade over $2 million in the same period.

Mr. GOODE: I think that would take care of the welfare aspect. How much would it cost to build a television station on the mainland of British Columbia, Mr. Elphicke?

Mr. F. H. ELPHICKE: Our estimate is a little in excess of $1 million.

Mr. GOODE: Are you interested in spending $1 million in building a private television station in British Columbia?

Mr. F. H. ELPHICKE: Very definitely; not personally, but my company is.

Mr. GOODE: Do you know of anyone else who is prepared to spend $1 million to build a private station in B.C.?

Mr. F. H. ELPHICKE: I have heard a number of people say they will apply if and when they can.

Mr. GOODE: Have you ever applied?

Mr. F. H. ELPHICKE: I have had correspondence with the Department of Transport since 1944 at which time we signified our intention of applying and since then we have received, I suppose, eight or nine letters. When various occasions arose when we thought our application might be accepted, we would write and ask them for forms.

Mr. GOODE: Did you apply for a television licence for the lower mainland of B.C. or for some other location?

Mr. F. H. ELPHICKE: Our intention was always for Vancouver.

Mr. GOODE: But you do know there have been applications from outside of Vancouver from people interested in spending that kind of money, do you not?

Mr. F. H. ELPHICKE: Quite frankly, no.

Mr. GOODE: Do you not remember the 1953 broadcasting committee proceedings? On that occasion one gentleman said he applied for a television licence in B.C. You were here in the room at that time?

Mr. F. H. ELPHICKE: You mean when Mr. Rae said that?

Mr. GOODE: Yes.

Mr. F. H. ELPHICKE: I took it for granted his was the same as mine. He wrote signifying his intention. We have applied many times.

Mr. GOODE: We cannot take anything for granted here; it has to go on the record. Let us take a look at the lower mainland of British Columbia in regard to television. I have made the statement in this committee, and it has been discussed many times, concerning the amount of Canadian advertising business going into the United States stations. What information have you on the amount of Canadian business going into United States stations and being beamed back to Canadian people for Canadian products? That is all we are interested in.

Mr. F. H. ELPHICKE: These are estimates purely because we are naturally interested in the local sales picture and with our own local advertising agencies. Our most recent estimate which was made about six weeks ago is that about $200,000 is being spent in that way this year, the bulk of which will be spent on KVOS in Bellingham and in one or two cases on KING and KOMO in Seattle.

Mr. GOODE: Do the Canadian sponsors go down there and sell themselves?

Mr. ELPHICKE: Oh, no, he has a Canadian representative in Vancouver. I believe he has a sales office on Broadway. I believe it is the Hearst film place on Broadway in Vancouver.

Mr. GOODE: Then we can take it the United States television stations are coming up into the lower mainland of British Columbia and selling to Canadian sponsors?

Mr. ELPHICKE: I won't say all of them, but particularly KVOS.

Mr. GOODE: How about KING? Are they opening up any office?

Mr. ELPHICKE: Not to my knowledge.

Mr. GOODE: I don't know whether you want to answer this question, but I am going to offer it. I am of the opinion that KVOS, Bellingham, would not be on the air if it were not for a certain Canadian sponsor's money. Do you know the answer to that?

Mr. ELPHICKE: All I can do is take a guess at it and I would say it is a reasonable supposition. KVOS Bellingham from what I know—and I am not a big television viewer—do a tremendous preponderance of Vancouver business. There are a number of Bellingham accounts but certainly no Seattle accounts. The station at Bellingham has always been the station that sells Vancouver.

Mr. GOODE: You and I have possibly seen that station on the air. Isn't it well known that their night programmes are sponsored by Canadian firms?

Mr. ELPHICKE: From what I have seen, yes.

Mr. GOODE: And most of them British Columbia firms?

Mr. ELPHICKE: From what I have seen, yes.

Mr. GOODE: What is the position in regard to a television station? If you were granted a licence what position would you be in to go on the air? What is your likelihood of procuring equipment and what about technical people to run the station?

Mr. ELPHICKE: As far as securing equipment is concerned I believe we could get that almost immediately. As far as securing personnel is concerned certain people from our radio station would be taken and we would start training people immediately.

Mr. GOODE: How long would it take you to go on the air, Mr. Elphicke, if you were given a licence on the 1st of July?

Mr. ELPHICKE: I have not checked with the manufacturers but I would say within eight or nine months.

*By Mr. Boisvert:*

Q. Mr. Allard, can you give this committee a list of the owners of your member stations?—A. I am sorry I don't think I can, Mr. Boisvert. It may sound surprising but that is one of the things which we never had occasion to check into specially. If you were the manager of a broadcasting station and turned out to our meetings I do business with you and you may mention casually that your proprietors are such and so, but that is the only type of information we would have available.

Q. Another question. We have heard a great deal about mass production, mass distribution, mass information, High Mass, Low Mass, with respect to those matters. Can you tell us what is the gross revenue, the average gross revenue and net revenue of private stations in this country? We know from C.B.C. what are their revenues and what are their expenses and we would like to know if you could inform this committee about the same problem.

Mr. FLEMING: Is that television?

Mr. BOISVERT: I will say sound broadcasting first and I will come to television after.

The WITNESS: We do not collect that information, Mr. Boisvert, from our stations.

Mr. BOISVERT: Then you cannot answer that question?

The WITNESS: No, sir.

*By Mr. Robichaud:*

Q. Mr. Allard, can you tell us what percentage of the present television programmes originating from private radio stations are produced locally and what percentage is purchased from the Canadian Broadcasting Corporation network or others?—A. Are you referring now to television stations?

Q. Yes, television programmes.—A. That would vary widely with the individual station and the arrangement it has made with the Canadian Broadcastng Corporation. You would get a different figure, I suspect, for each individual station.

Q. The reason I ask that is that any worth while local show can only be performed by local stations but you mean to say you have no record of what percentage is purchased from the Canadian Broadcasting Corporation and what percentage is local programmes produced locally?—A. At the moment, of course, there is only single channel service in any one centre and each of those stations is required to take from the Canadian Broadcasting Corporation a minimum of 10½ hours weekly of Canadian Broadcasting Corporation programming. There are some who take a larger amount than that and the amount varies with the stations' agreements with the corporation.

*By Mr. Richard* (Ottawa East):

Q. Those are free of charge?—A. It was pointed out earlier today that the sustaining or non-commercial programmes are provided free of charge and the station provides the value of the time in which these are broacast and that for commercial programming it gets not all but a percentage of its network rate, which is lower than its ordinary rate.

*By Mr. Robichaud:*

Q. Would you say that private stations would be an inducement for Canadian local artists?—A. I think it is self evident that if you have two places to secure employment you will increase the possibility for employment.

Q. In other words would you say that if there were more private stations they would be in a better position to give better employment to local actors?—A. It is the same position as exists in any industry. Two or more automobile manufacturers will obviously employ more artisans than one manufacturer.

Q. Provided there is no overproduction?—A. If there were any overproduction it might be that only one would be in existence, but the more avenues of possible production you open thus inducing a competitive factor the more opportunities for employment you are offering.

Mr. FLEMING: Is anyone suggesting there is overdevelopment or overproduction in the television field?

Mr. ROBICHAUD: No, I said provided there was not.

Mr. FLEMING: I am referring to that proviso and asking if anyone is suggesting there is overproduction in the television field now?

The WITNESS: That certainly would not be our assumption because we do not regard that as the case but rather the contrary.

Mr. FLEMING: Certainly.

*By Mr. Carter:*

Q. Do you not think in that case the cost of artists' services would go up? —A. Oh, it is difficult to say what might happen. The cost of artists' services by and large is dependent on union negotiation and agreement.

Q. But the more avenues they have the more demand they have for services and surely the law of supply and demand is going to work there?—A. In some cases, Mr. Carter, it would put costs down and in other cases it would put costs up. If two stations are bidding competitively for the services of a certain artist they possibly want obviously it is going to put the value of his product up and on the other hand as you open up more avenues of employment the more you are likely to find a certain degree of stability as the industry expands in cases of that type.

Q. How would private stations go about the development of Canadian talent?—A. Well, that is a pretty broad question, Mr. Carter. They would go about it in the same way they go about anything else. They would simply employ the services of those people whose capabilities were found acceptable to and accepted by the public.

Q. That would narrow it down, wouldn't it? There would not be development of talent there because those people who did not have the high level of talent, their services would not be required. Would they have apportunities then to develop?—A. The development process, if you are using the word, Mr. Carter, in its entirely restricted sense, is not a process that can be carried out by broadcasting stations, either Corporation or ourselves, but by schools, universities and special academic dramatic courses. It is presumed that when these people apply for employment they have something at least that may be of use to particular prospective employers.

*By Mr. Fleming:*

Q. Would not the private stations go about the development of Canadian talent in exactly the same way as the Canadian Broadcasting Corporation does? —A. I think they have set us a pretty fair example in that regard that we would be rather quick to follow.

*By Mr. Carter:*

Q. Can you give us any example of where that has been done by a private station?—A. There are, Mr. Carter, an infinite number of examples of development of talent. A good many of the names now familiar in Canada in broadcasting and in the United States and in Hollywood are people who were originally

hired by local privately owned stations, carried a program or series of programs on that station for a number of years and then as they became better known quite properly went on to bigger and better things. Virtually every big name started in that fashion.

Q. Well, take for example the show Hamlet which was put on by the Canadian Broadcasting Corporation which was quite an expensive operation. Has any private station got anything similar to that? I would like some specific example if you can give one.—A. The possibilities of development are entirely different. I suggest that Hamlet specifically and particularly is one of those programs that the Corporation is particularly set up to produce and the Corporation is not, of course, entirely dependent upon its commercial revenue; it is provided, and properly so, with revenue from additional sources in order to make that specific kind of thing possible.

Q. That is the point I am trying to make. Do you admit by what you say that private stations would not be able to do that sort of thing?—A. Oh, I did not infer for one moment that they would not be able to do it.

Q. But you used as an argument that the Canadian Broadcasting Corporation did it because they had revenue from other sources that were not available to private stations?—A. But not because the revenue would not be available to privately owned stations. I merely pointed out that your particular example is the sort of thing the Corporation is set up to do. In the case of privately owned stations people come to you with certain program possibilities and you are bound to go out and seek people you think have a talent to handle a certain kind of program. Everything is very specific and very particular and you put those people on the air and if they are successful the program is carried on. These people gain experience, they gain new following both for themselves and the station and in due course they are quite likely to go on to bigger things.

One example which comes to my mind is the group now known as the Happy Gang, most of which began on a local station in western Canada and there are a good number of other examples—people like Alan Young began out on the west coast; and virtually all these people are those whose experience was originally obtained from productions arranged through or by local stations.

Q. But you would not class the Happy Gang in the same class of entertainment with Hamlet?—A. The Happy Gang is a program that has a tremendous appeal to many Canadians. I am not prepared to start dictating their tastes to them.

Mr. FLEMING: May I suggest that programs of the type of Hamlet, according to the Canadian Broadcasting Corporation plan, will be put on only twice or three times a year.

The CHAIRMAN: Quite expensive.

Mr. FLEMING: That is what we are told. These are not programs that are going to be put on frequently like the ones being referred to now. They are not typical examples of programs you are referring to. They are only to be put on twice or three times a year.

Mr. RICHARD (*Ottawa East*): Mr. Fleming, that should be corrected. There are a number of stage plays of half an hour and one hour which are original productions which while not a two hour production, not as complicated as Hamlet, are still heavy productions going on weekly.

Mr. FLEMING: We were talking about Hamlet.

Mr. RICHARD (*Ottawa East*): There is only one Hamlet.

Mr. FLEMING: He took that as an example. I am reminding him and the committee that according to the evidence given by the Canadian Broadcasting Corporation the two-hour major productions like that are only to be done once or twice a year.

Mr. BOISVERT: Do you not think, Mr. Fleming, it is much better to have Hamlet than a dozen omelets?

*By Mr. Boisvert:*

Q. Mr. Chairman, I would like to ask another question of Mr. Allard. In the last paragraph on page 4 on television you say:

> The next forward step is immediate implementation of the policy of competitive service in all areas of Canada...

Don't you think that too much competition in the field of a service like broadcasting or telecasting might create the destruction of the private station or a tendency towards monopoly on behalf of the private station to survive?—A. We definitely do not think, Mr. Boisvert, that it would tend towards the destruction of privately owned stations. These factors would be taken care of by the normal interplay of economic forces that apply to all businesses.

Q. What happened before when competition was so strong that trusts and monopolies developed to such an extent that all the countries were forced to pass legislation to protect the public against trusts and monopolies?—A. Well, this, I believe, is the financial field you are referring to. In the case of broadcasting this again is a matter that can be of but academic interest to us. I imagine it is a matter that the existing government of Canada in whatever day the problem became important would deal with through its licensing authority and the body that recommend on the licences.

Mr. GOODE: Isn't it true, Mr. Allard, that over the years competition in sound broadcasting has proven itself? Mr. Elphicke, I am quite sure, will correct me if I am wrong in saying that even within the last few months we have increased the number of sound broadcasting stations in British Columbia on the lower mainland. It does not seem to me that competition is killing itself. I think competition in the sound broadcasting field is helping sound broadcasting and I am of the opinion that it will do the same for television. Competition never hurt anyone, intelligent competition.

Mr. BOISVERT: But having seen in the province of Quebec a station offering to sell its assets—it is in the newspapers, advertising the sale of its assets to some other people. I have never seen it before.

Mr. GOODE: It leaves me open to invite the hon. member to move to British Columbia.

Mr. FLEMING: I quite recollect that the purpose in mind of the legislation that my friend Mr. Boisvert was referring to was to ensure the maintenance of competition. Surely he is not going to put that forward as any reason for maintaining a system which today is a system of monopoly?

The CHAIRMAN: We are going too far from the question field, don't you think?

*By Mr. Knight:*

Q. Mr. Allard, in connection with what Mr. Fleming has said, you were talking the other day about the government of the day and what is might do. I feel there certainly is an idea in my mind and may be in yours that the government of the day might change.

Mr. FLEMING: Hear, hear.

*By Mr. Knight:*

Q. What was the position of the last Conservative government under Mr. R. B. Bennett in regard to this matter of competition that my friend Mr. Fleming has been talking about in regard to the radio field?—A. Well, I was not suggesting any necessary change.

Q. No, I am asking you a question.—A. As I recall it the question was what was the policy of the Bennett government in reference to competition in the broadcasting business?

Q. Right.—A. I am not precisely certain that I know, but I think the Aird Commission report was implemented in the form of the Broadcasting Act during that particular regime. In certain respects the Broadcasting Act and the findings of the Aird report were contradictory and I have not been able, from the reading I have done, to calculate what the policy was intended to be.

Q. I take it you have read Mr. Bennett's remarks on the inauguration of the broadcasting company?—A. With great interest.

Q. It was in interesting speech.

The CHAIRMAN: We are still on the first point of the brief.

*By Mr. Knight:*

Q. Do the regulations of this Radio Act apply to television to a great extent?—A. I think that Mr. Dunton has explained to the committee that there is what is called, I believe, a gentleman's agreement which applied in general the spirit and intent of the radio regulations to television broadcasting. There has been no formal proclamation of any television regulations.

Q. In reply to Mr. Boisvert's request for certain statements of the revenue of your stations you said that you had not the information or that you could not get it or you would not give it?—A. As I recall it, I said we do not obtain that information from our member stations.

Q. You do not ask for it?—A. Precisely.

Q. The regulations here—they may have been amended since—are that, "The minister may require that periodical or other returns be given by the licensee of the revenues, profits and expenditures of the station and any other information required by the minister for the purpose of these regulations."

Mr. FLEMING: That is the minister.

*By Mr. Knight:*

Q. You are not allowed to ask for it, you say. Let me finish the quotation: "And the purpose of this is to ensure that such station is operated in the national interest and for the benefit of the community in which it is located." I am merely drawing that to your attention. Does that rule still operate? Does the minister frequently ask for that?—A. Yes, sir, the situation is that every privately owned broadcasting station in Canada is required to file annually with the Minister of Transport its complete operating statement and the minister naturally does not divulge that information to us and as far as my knowledge goes to anyone else.

Q. Do you have logs—I think that is the technical term, is it?—in regard to the operation of stations, I mean logs which show the comparative time of paid material or broadcasting as compared with other kinds? Are those logs available?—A. We do not obtain logs, Mr. Knight. The logs are kept by the stations. They are required to file copies of those logs periodically with the Canadian Broadcasting Corporation. We obtain information on specific points from time to time by way of questionnaires to stations, but not the entire logs.

Q. You are speaking now as an officer of the association?—A. Yes, sir.

*By Mr. Fleming:*

Q. That applies to television as well?—A. Oh, quite.

*By Mr. Knight:*

Q. One more question and I shall finish. On this question of revenue I expect Mr. Boisvert was trying to determine how the stations were doing financially. How are they doing financially, just a general picture, are they

poverty stricken or doing pretty well? Give us that picture?—A. I would hope and expect and have every reason to believe that the well managed stations are operating at a financial profit.

Q. We have an excellent station or two in my city. I think that is the case there.—A. I would certainly hope so, sir. We certainly do everything in our power to see that they operate at a profit.

Q. There is one other question and I think I shall be finished. I was interested in one of your own statements in which you said that you were not prepared to dictate taste to the public and my question is simply this: do you assume any responsibility for the cultivation of public taste? It is a difficult question. You have answered it before, however, and I know you are an expert. It would be interesting to have that on the record.—A. We certainly take the responsibility but responsibility is a great deal different from direction. Our responsibility is to provide the listeners of the individual stations making up our association with a type of programming which they can enjoy, from which they will derive benefit by way of relaxation, information, entertainment and education. Naturally, none of us would willingly put on the air any material that we thought was not in the general interests of or general benefit for, the community.

*By Mr. Boisvert:*

Q. May I interject, Mr. Chairman? What means have you got to test the programme taste of the public?—A. Our listeners, sir, are very critical and very articulate and they have no hesitation in putting forward their opinions and those opinions received by us by way of telephone calls, mail, personal interviews and the like are supplemented by the service conducted by the research organizations from time to time. These research organizations give figures for individual programmes, on programme periods and the total circulation of the station.

The CHAIRMAN: How often do you make that survey?

The WITNESS: Some of them twice a month.

The CHAIRMAN: Now, Mr. Knight.

Mr. KNIGHT: Mr. Allard would not, I am sure, put anything on the air which would be considered harmful to public taste; but how does one expect to exercise control of 150 private and pretty independent stations all across Canada in that regard?

Mr. MONTEITH: Apparently we do not; the majority of them view the United States stations.

The WITNESS: De facto control is exercised by the listeners themselves. To their wishes we are extremely sensitive. We must be in order to stay in business.

*By Mr. Knight:*

Q. I think that is a bit contradictory to what you said before. You are saying now that you are prepared to give to the public what the public wants. Is that not a wee bit contradictory?—A. I suggest there is nothing inconsistent in the two viewpoints. You may put a program on the air, and if you find it to be offensive to any segment of the public taste, you would be forced to withdraw it even if you did not want to. I know our people would want to. It may be that in the case of certain programs you have to build up a large audience fairly slowly and over a period of time. That is not infrequently done.

*By Mr. Fleming:*

Q. There is no antipathy between the idea on the one hand of satisfying listener interest and on the other hand of conducting the kind of program which would be instructive as well as entertaining to the public, unless you assume

that the public taste is depraved.—A. Precisely. We must bear in mind that the nature or structure of the program itself may have a great bearing. There are some subjects which can be presented in one of two fashions; one which is rather dull, and the other which is rather interesting. The same subject will fail in acceptance in the first case, yet it will readily gain acceptance in the second case even if over a period of time. The method of presentation is frequently very important.

Q. That is where competition is of benefit all round.—A. This is one of the stimuli which competition provides.

*By Mr. Knight:*

Q. You would agree that the one way to promote good taste in whatever you like, be it literature, art, drama, or music, is to expose the public to those things. You get a taste for something by cultivating the use of that thing. I take it that the way to promote good taste in music is to expose the public to good music.—A. Assuming our definition of good music is the same—and we could get into a very interesting collateral discussion—but making that assumption, we could create a demand, if you like, for good music by exposing the public to music itself; but you must have a beginning point; then by degrees the public taste is formed and this process is inevitably bound to expand and widen the public's horizons; I think it is not unfair however to cast our memory back to a time not so very long ago in terms of history, when music especially of a certain type was the prerogative, so to speak, of a fairly limited class of people; but the radio programmes of today have made music of all types available to everybody everywhere. It has had that interesting effect.

*By Mr. Carter:*

Q. What about casinos? What is your experience about public acceptance of them? Does the public favour them or want them; is that why they are put on the show or included in the program?—A. There always seems to be a period in every community when ideas of this type, used by all forms of communication, are highly acceptable to the public. The period of acceptance is usually a short one however.

Q. If the public wants it, the private stations will put it on.—A. I suggest that newspapers, magazines, and broadcasting stations whose business it is to deal with the public, must not set themselves up as judges of what the public should not have; and if the public demand any certain product, we must in fairness and in justice to them give ear to it. After all, there is I think something, broadly, in the theory that the majority rules, even apart from the broadcasting industry.

Q. Don't you think that these things come pretty close to gambling?—A. I think that all schemes which have certain elements of chance in them come reasonably close to gambling. The same can be said of life insurance; and indeed we are led to believe that life itself is a gamble.

Mr. FLEMING: What about politics?

The WITNESS: Life is a gamble in which you have no final chance of winning.

Br. GOODE: You have never run in an election. That is a gamble. I wonder if Mr. Elphicke has ever run one of those programs.

Mr. F. H. ELPHICKE: Yes.

Mr. GOODE: What was the public response?

Mr. ELPHICKE: It was very, very good at the outset, but it started to wane, so we cancelled it.

Mr. GOODE: It is still going on?

Mr. ELPHICKE: Not with me!

Mr. GOODE: It is in British Columbia?

Mr. ELPHICKE: Yes, there is still one continuing.

Mr. GOODE: I remember seeing one of these shows, and I learned that one day's take in regard to one of them was 80 thousand for that one show. Whether there is public aceptance or not, it could be judged by those figures. Now I want to ask you two more questions. What would you do about programming if you had to provide a television station?

Mr. ELPHICKE: We would do two or three things which we have in preparation for the eventuality which we hope will come about. We would try to get together basically some small talent groups—not large ones because we could not afford large talent groups. We would seek out as many interesting topics as possible around the city, and there are many. We would go in heavily for news. It has been a great success with us in radio; and we would have a farm director on television.

In British Columbia we have a garden program on the air now every night —no, five nights a week; and a home economics program; and a fashion program; also a home building program, and programs of that nature. And then I suggest we would have to turn to films.

Mr. GOODE: What would you do about sports?

Mr. ELPHICKE: We are heavily into sports now, both sports commentators and sports forum, and actual broadcasts of sports. But there are problems there in that we might not be able to get our cameras into the big games or the senior games. However there are many games that we can get into.

Mr. DINSDALE: In regard to programming at the present time, what are you doing in your radio programs? I believe Mr. Allard suggested earlier today that you would be in a position to tell the committee.

Mr. ELPHICKE: We have drawn very heavily upon service broadcasts. In Vancouver when we instituted a farm Bureau with a Farm Director—he was a graduate of the University of Alberta—the people there thought we had gone crazy because Vancouver is a metropolitan area; nevertheless we have a farm program on for fifty-five minutes daily, and beyond that he covers the country. We have newscasts every hour; we have three weather, road and temperature reports daily, and we have a very all embracing sports schedule. We have a talent grop, and have had it for five or six years. We try to develop other small talent shows from time to time, and we have sports forums. Basically that is it.

For music, outside of our talent groups, it is recordings or transcriptions; and drama is at the present moment all transcriptions. In view of our situation in Vancouver where we have a Mutual Network affiliation, we take certain programs from the Mutual Network.

Mr. DINSDALE: You are an affiliate of the C.B.C.?

Mr. ELPHICKE: No, no, of the Mutual Broadcasting System.

Mr. DINSDALE: You do not handle C.B.C. programs at all?

Mr. ELPHICKE: No.

Mr. GOODE: CJOR has the other network.

Mr. ELPHICKE: CJOR has the C.B.C. Dominion network; and the C.B.C.'s own station carries the C.B.C. Trans Canada network in Vancouver.

Mr. GOODE: What arrangements do you have in regard to the United States network? How many programs from the United States do you put over your sound broadcasting every week.

Mr. ELPHICKE: Approximately five hours a week, chiefly dramatic, and some musical programs such as the Los Angeles Symphony orchestra, and the Chicago Theatre of the Air without Colonel McCormick in it, and drama.

*By Mr. Weaver:*

Q. I want to follow up the line of questions. This afternoon Mr. Allard mentioned as one of the aptitudes of a well-managed station the ability to remain in the black. In relating that to television, I take it there would be no question in the large centres as to this being applied; but I wonder what the lower limit would be with respect to the size where it would apply?—A. We have now reached the place where licences have been applied for from centres the size of Charlottetown, Wingham, and Barrie. Indeed there are non government television services actually operating in Regina, Saskatoon, Calgary, Edmonton and in Brandon, Manitoba. The lower limit will be reached by a combination of technological development and economics. As more and more television stations go on the air, the cost of equipment will come down and the cost of programs will come down.

Q. The cities you mentioned would be the lower limit today. Would you say that?—A. I think it is safe to assume that since they are the lowest limits which have so far applied, we have now reached those limits. It is difficult to forsee specific future limits in a business which moves as rapidly as this; tonight's limit might be different 60 days hence.

Q. You would not care to prophesy?—A. The role of a prophet is always a sorry one.

Mr. FLEMING: In politics.

*By Mr. Robichaud:*

Q. What is your organization doing in that regard? In the last twelve months how many private stations applied for a licence for television and were turned down?—A. It depends on how you define an application. The Department of Transport which receives these applications finds itself in this position: if you write in, let us say, from Vancouver or from the other five cities involved and indicate that you would like to apply for a television licence, they say they are not in a position to receive your application; it is not officially considered by them as an application.

If you define application as a firm intention to go ahead with a television station if you can get a proper licence—let us say there are at least three such applications from Vancouver, at least two from Winnipeg, at least four from Toronto, at least three from Montreal, and at least two from Ottawa, and at least one from Halifax.

The CHAIRMAN: In television?

The WITNESS: Yes sir, in television.

*By Mr. Robichaud:*

Q. Most of the applicants you mentioned are from the larger centres where they already have television service. What is your opinion about an area like my own constituency facing the Gaspé coast where we have a population of about 200 thousand which could easily be served by one station? As far as I can find out there has not been any application by any private station. It may be because the revenue would not be high enough. Do you think it would be the duty or the policy of the C.B.C. to look after this area, or would it fall to a private station?—A. What would be the central point in your county in which such a station might be located?

Q. A station might not have to be located in my county; it might be located across the Bay of Chaleur, at New Carlisle where it could serve a population of at least 200 thousand.—A. I think, without casting myself in the role of a prophet, that you may find an interest in the very near future in that location for television broadcasting.

Q. I am looking forward to it.

The CHAIRMAN: Have we answered the questions on this point?

Mr. GOODE: I notice the member for Okanagan boundary is listening to the proceedings of this committee very attentively and very carefully; and the director from that part of British Columbia is here. I wonder if Mr. Allard would permit me to ask what is the situation in regard to the Kootenay valley as far as television is concerned?

Mr. MAURICE FINNERTEY: Mr. Goode, the Okanagan valley is what we consider today to be a very marginal market, and the three existing radio stations serving the Okanagan Valley have combined to investigate the economic feasibility of giving television service to that area. Station CKOV in Kelowna, station CKOK in Penticton, and station CJIB in Vernon have hired one of the companies to make a complete technical survey, and we will be hiring another to survey a second channel. There are two feasible channels available there.

The decision which we will make will depend entirely on the coverage pattern that we are successful in getting. If we can get a coverage pattern which will serve 75 thousand to 80 thousand people, or that would give us a potential maximum of close to 20 thousand homes, I think our decision would be to go ahead, not that we expect that we are immediately going to jump into a private station; but the growth factor is one of the highest in Canada in that area, and on a long term basis we think it would be a good long term investment.

On the other hand, it is quite possible that when we add up the cost of equipment and balance it against the potential number of television homes, we may decide that we are going to have to wait until equipment costs come down, or until more growth occurs.

Mr. GOODE: Is there any television in the Okanagan valley now?

Mr. FINNERTEY: There is no television, either Canadian or American.

Mr. GOODE: Thank you.

*By Mr. Richardson:*

Q. Your organization has about 150 members?—A. 128 radio, and 22 television.

Q. How many other operators are there, to your knowledge, outside the organization?—A. Approximately twenty.

Q. So you have a pretty good familiarity with the members who are in your organization?—A. Yes sir.

Q. At the moment, do you know of any of them that are in a depressed financial condition?—A. I would not want to leave the impression with you—

Q. I am only asking for your opinion.— —A. that we were making out a case for the poverty of some of our members. It happens that a few of the stations which have come into being in the last two or three years are still in a rather difficult position financially. I should explain that that is par for the course. The normal break-even period is thirty-two months in any radio broadcasting station operation. These people are still going through that development period. Apart from that, the stations which are well-managed seem to be able to serve the community in such a fashion that the shareholders are returned a proper share of their investment at the end of the fiscal year.

Q. Of those who live through the thirty-two months of the incubation stage, do you know of any, or in your opinion are there any which are in a depressed financial position?—A. There are one or two, but that is an unusual condition.

Q. In other words, there are not very many.—A. Precisely.

Mr. BOISVERT: Is there a trend at the present time to transfer the ownership of private stations from responsible individuals to an incorporated body?

The WITNESS: If there is, it has not come to my attention.

*By Mr. Carter:*

Q. You continually qualify your answers by saying "those stations which are well-managed". Are you inferring that there are some which are not well-managed?—A. It would be extremely unlikely if in an industry which is spread from coast to coast and which is made up of approximately 150 units there were not a few odd instances of bad management.

Q. Have you any idea as to the percentage of the whole which are badly managed stations? Would it be 1 per cent, 2 per cent, or 5 per cent, for example?—A. I would be extremely surprised if it went as high as 5 per cent. I would probably select a figure somewhere between 2 per cent and 4 per cent.

*By Mr. Fleming:*

Q. Competition is the thing which will eliminate the operators which are weak and ill-managed.—A. Competition has a great tendency to induce people to get rid of incompetent managers.

Mr. GOODE: Is television or radio any different from any other business? You will find well managed businesses and poorly managed businesses in the grocery business.

The WITNESS: That is precisely the point. In this respect we are no different from any other business.

Mr. KNIGHT: You said there are 150 units now. Could you give us the figures to show the increase in the number of stations say over the last ten years? For example, how many were there, 4, 5, 6, 7, or 8, and so on. That would be, in part, the answer to Mr. Richardson's question I think.

The WITNESS: While I would have to look up the information to get it accurately for you, and either or both, the Department of Transport or the C.B.C. would have that, I would be prepared to say at a rough guess there are somewhere between 22 and 27 more stations in existence today than there were ten years ago.

*By Mr. Dinsdale:*

Q. Last year I believe there were six cases of surrendered licences. I notice these all were FM stations. What is the reason for the surrendering of the licences in FM operations?—A. In the case of FM it is very simple indeed; nobody listened.

Q. They are not included in these incompetent managers?—A. No. FM simply, to put it bluntly, never got off the ground. The Canadian public did not find itself prepared to buy FM sets. Without listeners a broadcasting station just folds up.

Q. So you would conclude that FM is a dying operation in Canada?—A. At the moment we are coming pretty close to the position where you could say it is dead.

The CHAIRMAN: Could we go now to part 2, "Separate Regulatory Body". Is there any question on that?

*By Mr. Richardson:*

Q. For the sake of accuracy and my own understanding, because I am a new member of this committee, will Mr. Allard be patient with me and look at page 7, the fourth line from the bottom. The underscoring, I take it, is Mr. Allard's. He says:

"Emphasized that government corporations should be separate from, and subject to, any governmental agency."

Has a "not" been left out there?—A. No. That reads:

"Government corporations should be separate from and subject to any governmental agency concerned with the same field."

The distinction is between "corporation" on the one hand and boards, tribunals, or government departments on the other.

Q. I was reading: "Government corporations should be separated from any government agency in the same field." Or "government corporation should be subject to any governmental agency." Is it poor construtcion?—A. I think the report which we are quoting verbatim may have taken in too much ground.

Q. That is not in quotation marks?—A. No, but the line there is taken verbatim from the report. They said that the government operating corporation should be separate from any governmental agency connected with the same field and, too, that it should be subject to regulation by such department or tribunal.

*By Mr. Fleming:*

Q. Mr. Allard, how closely does the type of regulatory tribunal or regulatory board you propose in this brief correspond with the proposal advocated by Dr. Arthur Surveyer in his minority report as a member of the Massey Royal Commission?—A. Very closely. There are some differences between them but in principle and in substance they correspond very closely.

Q. Dr. Surveyer wrote his report out of a lengthy experience that brought him with all his immense engineering experience very closely into the field of radio?—A. Yes, sir, and more importantly experience in the fields of economics and business administration.

*By Mr. Goode:*

Q. I am going to put it to you in regard to the difference between a commission appointed by the government and this independent body you speak of, after having some time to reflect would not the independent television and radio operators be satisfied with a government appointed commission to investigate this whole matter giving us a broad view. Here we have listened in the committee on two different sides and I do not think the public of Canada are quite decided which is the best. Would you agree a commission appointed by the government would be a satisfactory first step in an investigation of what should be done in this ever improving television field?—A. While we would naturally prefer that the government of Canada would move on its own initiative in the creation of the separate regulatory body, which we propose, we would be prepared to accept a Royal Commission or some similar body as the next best thing.

Mr. FLEMING: Depending on the composition of the body.

The WITNESS: We would like to see a commission made up of men and women of practical experience.

*By Mr. Carter:*

Q. You say on page 9:

The Canadian Broadcasting Corporation is both controller and competitor.

Now, why do you say that?—A. Well, very simply, because it happens to be a statement of fact.

Q. It is not a statement of fact as set out in the government policy. Government policy says private stations are not competitors, that there is one national system composed of government and private stations, each supplementing the other in a national system.—A. While I do not recall any such statement in such precise terms in any document or statement issued by the government, if that indeed does exist it has been vitiated by the facts of the situation. It is a fact that the Canadian Broadcasting Corporation writes, interprets, and enforces the regulations. It is a fact that the corporation operates broadcasting stations and is therefore in competition with the private stations for audience, which is the life blood of both; and for business.

Q. Would you say that the private broadcasting stations have exactly the same degree of responsibility that the C.B.C. is charged with?—A. The proposed functions, the theoretical functions are one thing. Those which apply in practice are another. The element of competition exists in fact whatever the theory of competition. A Chev and a Cadillac are designed for different purposes, but I suggest if I sell you one or the other I have effectively closed out competition for somebody selling the other car.

Q. You do not consider yourself as part of a national system which makes provision for private stations to discharge certain responsibilities within the framework of the C.B.C. and under its supervision?—A. Even if you accept that position for the non-government stations the element of competition exists.

*By Mr. Knight:*

Q. Does not the term "competitive" Mr. Allard not imply an equality of purpose as among equal stations?—A. Oh no sir. Not in the slightest. The A. J. Freiman department store is certainly competitive with the T. Eaton Company of Canada Limited but the competition is clearly not on an equal basis.

Q. But you are talking now about business competition completely—you are talking about competition only in the sphere of making dividends and making money.—A. In both the business of securing listeners and of securing sponsors.

Q. Is your only complaint against the C.B.C. as a regulatory body based on the fact that in your assertion—I do not accept it—it is a competitor?—A. We are not complaining of the C.B.C. but only of the legislative situation which forces the Corporation into the position of being simultaneously a competitor and a regulator.

Q. Can you tell us specifically how what you call an independent regulating body would be an improvement on the present position? I know you would like to expand on that and so I ask the question.—A. It would in our view be an improvement in this respect, that such a separate regulatory body would be in an entirely neutral and objective position in relation to both units of the broadcasting system. This would completely eliminate any suspicion that the present system is unfair or unsound and permit the public with a clear conscience to give that support to the broadcasting Act and to the C.B.C. which we feel both of them deserve.

*By Mr. Carter:*

Q. Would you say that the C.B.C. has three specific responsibilities, first to develop a national service, secondly to develop Canadian talent and thirdly to keep up all-Canadian production? Do the private stations have the same three responsibilities? Are you charged by law to carry out these responsibilities?—A. In no terms as specific or as precise as that. There is a general implication in existing legislation as to some of these things.

Q. Would you admit that the C.B.C. is charged with these responsibilities?—A. It might be a little unfair if I started to put the C.B.C. into a fixed position and perhaps their officials could reply to that question.

The CHAIRMAN: You could direct that question to Mr. Dunton when he returns before the committee.

*By Mr. Carter:*

Q. I am asking the witness whether he accepts that statement as representing the position? You do not interpret government policy as charging the C.B.C. specifically with these responsibilities?—A. I think there is a general implication in government policy with regard to some of these things.

Q. Can you be more specific in this case?—A. Scarcely, Mr. Carter. I am not responsible for government policy nor am I familiar with how the officials of the Canadian Broadcasting Corporation interpret it.

Q. That policy has been laid down and the C.B.C. has been charged with the responsibility for these matters. That is either a fact or it is not. Do you accept it as a fact?—A. No. Not in terms as precise and specific as you have made them. I certainly find nothing in any written or verbal statement by the government—though this may be due to my neglect—that charges the C.B.C. with those responsibilities in terms as precise and definite as that.

Q. Assuming that it is the fact that the C.B.C. is charged with these responsibilities, would you say that the C.B.C. could discharge them if they did not have some control over the private stations?—A. They could certainly discharge the responsibilities and functions which you have mentioned very efficiently and very thoroughly if the regulatory functions over the privately owned stations were exercised by an independent tribunal.

Q. What would be the difference, if it is a fact that it is government policy for Canada that we should have a national system, one single system made up of government stations on one hand and the private stations on the other each having a part to play with the major responsibility resting on the C.B.C., if the government gives some other body the responsibility to control or regulate or supervise the programs that emanate from the private stations? Somebody has to carry out that policy, so what difference would it make? Somebody has to control the private stations and see that the policy is carried out. Would it make very much difference whether that controlling body was the C.B.C. or an independent body such as you suggest?—A. It would make a great deal of difference. In so far as the general policy is concerned, the way it could work is this: if the policy of the government of Canada is laid down in the terms you have suggested there would be an easy means for the government of Canada to transmit its orders for the maintenance of that policy to any independent tribunal that existed and to indicate which parts of that policy it meant to apply to the Corporation and which part to the private stations, and the tribunal would discharge its functions within that framework of policy reference.

Q. If my assumption is correct there would not be much difference. —A. There would be a great deal of difference.

Q. You have not yet told me what it would be.—A. We were not dealing with the functions assigned either to the C.B.C. or to ourselves, which form no part of our case. We have not come here before the committee in order to complain of the exercise of its functions by the C.B.C. which has been placed in a position by legislation where it must discharge those functions whether it likes to or not. However, here is the situation that results: if you, as an individual, wish in certain cases to apply for a radio or a television broadcasting station licence in a particular city, first you will find yourself before the Board of Governors of the C.B.C. It is their recommendation that is considered

by the governor in council. It might happen that the C.B.C. owns and operates a station itself in that city, or it might contemplate the ownership and operation of such a station. I do not suggest that the findings of the Board of Governors in making its recommendations have been biased in this respect, but I do say that there is room for suspicion in the public mind. This element was emphatically pointed in the report of the MacQuarry Commission—that it is important that you obtain public support for the administration of an Act and for a corporation of this type.

Q. You say there is room for suspicion. Do you mean that there is suspicion in the public mind, or does the suspicion exist only among private operators? —A. I think it is very obvious Mr. Carter that the suspicion does in fact exist in other minds than those of the people connected with the private stations.

Q. Can you give us any evidence of that?—A. Yes, there are the various resolutions that have been presented to the Government of Canada from time to time by such bodies as the Canadian Chamber of Commerce, and I think that resolutions have been passed by other bodies such as Junior Chambers of Trade, Women's groups, Church groups and so on.

Mr. FLEMING: And by the young Liberals of Canada.

The WITNESS: Yes. Representations have also been made by some groups not unconnected with the political field. There has been considerable vigour shown in editorial comment in the daily and weekly press, in letters to the editor, speeches before public forums and so on from which it is obvious that these suspicions do exist in the minds of a great many thinking Canadians.

*By Mr. Carter:*

Q. Does not that stem from the fact that the present government policy is not understood or that the role and responsibilities of the C.B.C. are not clearly comprehended or that the relative positions of the C.B.C. and the private stations are not clearly understood by the general public?—A. It seems from the fact that the role is understood all too well. It stems from the fact that where anybody is placed in the awkward and incongruous position of being at the same time a party to a case and a judge in that case no matter how fair or objective he may be, in fact there will be room for suspicion, and suspicion does exist in the public mind when the regulating C.B.C. decides a case which involves the interests of the operating C.B.C.

Mr. FLEMING: If I may interrupt, with Mr. Carter's permission, to recall a particular example that was before us quite recently and which was not very far from Mr. Carter's immediate territorial interest... Do you recall, Mr. Allard, a case of an application of a would-be private broadcaster in Newfoundland for a television transmitting licence? The C.B.C. to whom that application was referred decided that it itself wanted the same channel for a precisely similar purpose, and while dealing with this application it made a recommendation to the Minister of Transport that the C.B.C. should have the channel, but if not, that the other applicant should. Do you not see that as a very striking example of this same antipathy in the conflicting positions in which the C.B.C. is now placed either by statute or by government policy or whatever you like to call it?—A. That is precisely the type of situation we have in mind and the point is that this situation in our view reflects unfairly upon the Corporation's other activities and functions. It may well be that the Corporation's findings were purely and entirely objective and that they sincerely believed that the best interests of the country would be served by a Corporation and not a privately owned station in St. John's. Newfoundland. But they were placed in the invidious position where the recommendation was in favour of themselves. Consequently it was bound to

arouse a degree of suspicion in the public mind. Indeed that suspicion was on that occasion so strong that the recommendation was not accepted by higher echelons.

*By Mr. Carter:*

Q. Would the situation have been any different, do you think, if that had gone to a separate regulatory body?—A. Obviously a separate regulatory body not being an operating body could not have recommended in favour of itself. It would have either found in favour of the Corporation or the private applicant and being in a completely neutral position it would not have been the subject of any suspicion. If, Mr. Carter, you and I are engaged in litigation no matter how badly we might feel about the decision of the judge sitting on the bench we would feel at least that we have had a fair hearing and received a neutral decision, but if I am the judge on that case and I find in favour of myself I suggest that there would be suspicion in your mind and in the minds of others that this was not a fair or equitable way to handle our difficulty.

Q. You will not admit then, Mr. Allard that the C.B.C. must make its finding in accordance with what it considers to be its responsibilities?—A. It may well be that what it honestly considers it to be its responsibilities—

Q. —are not its responsibilities? Is that what you were going to say?—A. —places it in a position where its findings will cause a wide degree of suspicion in the public mind, which is an invidious situation and it is this very situation we are suggesting would be cured by an independent regulatory tribunal.

Q. I don't see where the correction comes in there. If the responsibilities of the Canadian Broadcasting Corporation are a fact and if the responsibilities are greater in degree and in kind than the Canadian Broadcasting Corporation stations and if they have a responsibility to build up the national system and to determine what place private stations shall have in it as a supplementary service, surely they are the proper people. If they are charged with that responsibility surely they are the people to make the decision.

Mr. FLEMING: Why?

The WITNESS: I think myself, Mr. Carter, we are talking about two separate things.

Mr. FLEMING: They have conflicting responsibilities, that is the trouble.

*By Mr. Holowach:*

Q. You say on your summary on page 1, the third line from the bottom, ". . . and with like situations in every part of the democratic world, and so to create for Canadian broadcasting a regulatory structure based upon fundamental democratic principles," I would like to know if you would amplify what you mean. Do we understand that you say the present radio and television set-up in Canada is the only one of its kind in the recognized democratic country?—A. The set-up of it?

Q. The actual set-up we have in Canada of television and radio.—A. The present regulatory structure of Canadian broadcasting is, as far as we can find—and we have certainly sought diligently—the only one of its kind in the world. The closest parallel situation is in Australia who, as we pointed out earlier today, have privately owned stations and networks. There are government owned stations and networks, but the government stations do not exercise a regulatory function in relation to the privately owned stations. The regulatory function is exercised by a five-man board called the Australian Broadcasting Control Board, whose structure, functions and power are almost identical with our Board of Transport Commissioners.

Now, that is almost precisely the situation we advocate for Canada. You can, of course, find no parallel in the United Kingdom where until recently there has been but one radio broadcasting system and that on a non-commercial basis operated by the United Kingdom government. Nonetheless, the position in the United Kingdom was significantly different in this respect that the British Broadcasting Corporation was directly responsible to the Postmaster General who did exercise supervisory authority; in other words, we do not have the position where an operating body itself possesses supervisory authority over itself.

No like situation exists in Canada except in broadcasting. We have noted the instances of the railways and airlines in Canada where in both instances government corporations and non-government corporations exist side by side. The government corporations, however, do not exercise the regulatory functions. These are impartially and objectively exercised by an independent board or tribunal.

Q. In other words, Mr. Allard, you would say that the present set-up in Canada is quite singular as far as comparison with other areas in the world is concerned?—A. As far as we can find the present regulatory system of broadcasting in Canada is unique.

*By Mr. Richardson:*

Q. I would like to get some information. I don't recall, Mr. Chairman, how long Mr. Allard has been associated with the association which he represents here today.—A. I have been with the association, sir, since 1948.

Q. Seven years?—A. Roughly.

Q. I wonder if you would be helpful to me as a new member of the committee. In section 21 of the Canada Broadcasting Act it says:

"The corporation shall carry on a national broadcasting service within Canada."

What in a short sentence would be your interpretation of that?—A. A national broadcasting service, briefly, would be a service made up of a number of stations in various parts of Canada and connected by networks.

Q. And that is the full extent of your understanding of the phrase "national broadcasting?—A. Yes, sir.

Q. I wonder then may I help myself and perhaps your association out. At the top of page 7 were you really strictly accurate when you say here, "Clearly they did not intend the board of governors to regulate for privately owned stations." How does one synchronize that statement with section 21 of the Act?—A. I think, Mr. Richardson, they are in no way inconsistent. What the framers of the Broadcasting Act visualized was a situation where there was a number of stations scattered across the country, all of these being owned and operated by a government owned corporation and connected by network and a board of governors supervising the functions of that national system, national in the sense that it was certainly not local and certainly not provincial.

Q. I am still at a loss to understand how you say it is a consistent statement that they did not intend the board of governors to regulate the privately owned stations and yet in section 21 they say the board may make regulations for that.

Mr. GOODE: When was 21 put in the statute?

Mr. RICHARDSON: 1936, I think.

The WITNESS: That would be four years after the original Broadcasting Act was passed in 1932. The situation at the time of the passage of the original Broadcasting Act was this: The Aird Commission had recommended the complete nationalization of broadcasting in Canada. They visualized a Canadian B.B.C. and nothing else. Those who framed the legislation obviously intended

to implement that report. The present siutation, therefore, has come about by accident, not design. The legislation was intended to create one national system made up entirely of stations owned and operated by what has now become the Canadian Broadcasting Corporation and the board of governors was intended to be a citizen body, if you like, to supervise the activities of that corporation. However, as we point out, the public was not prepared to accept this recommendation and privately owned stations continued in existence. Various modifications were made to the Act but the basic anomaly still remains.

*By Mr. Richardson:*

Q. Reverting back to your answer in respect of the Newfoundland situation, in your experience of the past seven years that is one instance where it might be possible for some body or some group of people to suggest that there might be some suspicion. In your seven years' experience what other instance have you had?—A. It is obvious that there not only has been room for much wider suspicion than that but that the suspicion exists.

Q. Precisely, in what experience?—A. Well, in the broad field, Mr. Richardson, of regulations. The regulations drafted, interpreted and enforced by the Corporation discharging the function allocated to it under the Act apply to all privately owned broadcasting stations in Canada. There have been those who have suggested from time to time in the press and in public meetings—they might or might not be right and we make no point of it—that the regulations were designed to protect the competitive position of the Corporation. We do not put forward that charge but many have.

Q. But you are obviously here, if I may say so, and all of us, to get what information we can. I agree fully, I am sure, that what you have given us is very helpful and I ask you again in your experience of seven years what other experience have you specifically of the kind that was related a few minutes ago.—A. Oh, there have been a good many experiences where applications for broadcasting stations, both radio and television, were made in circumstances where a potential applicant, if licensed into business, would of necessity be a competitor with an existing Corporation station either located in the same city or nearby. Now we do not—and I stress this point—put forward the suggestion ourselves. We merely say that these instances have created a certain suspicion, a fair amount of suspicion constantly and consistently expressed and we would like to see a situation of equitable third party regulation, and recommendation on licensing and like matters that would enable the corporation as an operating body to receive that degree of support from the public free of these suspicions that we think the corporation is entitled to receive.

*By Mr. Knight:*

Q. Is there any other experience in your knowledge where an application for a licence by the C.B.C. was turned down other than the St. John's, Newfoundland, case?—A. I can think of none offhand, Mr. Knight.

*By Mr. Fleming:*

Q. I would remind you of a case nine years ago where the C.B.C. took away the channel of CFRB in Toronto who wished to continue to operate on that channel. There was no opportunity to refer to any independent body the relative claims of the C.B.C. on the one hand and CRFB on the other?—A. I understood Mr. Knight to be asking me if I recalled a recommendation of the C.B.C. being reversed, and I can think of none other than this one. In the case you mention the recommendation of the C.B.C. was not reversed.

The CHAIRMAN: If you have any questions, Mr. Knight—

*By Mr. Knight:*

Q. These suspicions in the public mind Mr. Allard mentioned, I must say I don't find any with my own particular public out west. Would you suggest perhaps, Mr. Allard, that some of these suspicions... have been promoted in the public mind by lobbies of various kinds.—A. I would not care to suggest that.

Q. It would not be any part of your function to suggest such a suspicion?—A. It is part of my function to answer questions when I am called upon to do so, but would not suggest that it goes so far as to create suspicion where none already existed.

Q. Is it not rather fortunate for you before this committee that you have no responsibility to answer any questions which it does not suit your purpose to answer, while the C.B.C. is in the unfortunate position that they have a certain responsibility here as a government corporation, and that we can pretty well insist on getting the facts out of them?

Mr. FLEMING: Mr. Chairman, on a point of order I think that question is open to objection.

The CHAIRMAN: What is your question of privilege?

Mr. FLEMING: I do not think that Mr. Knight intended it to be objectionable, but he has suggested very definitely that Mr. Allard answered such questions as suited his convenience. That is not fair. I do not think that Mr. Knight would wish to leave that impression on the record for all time. Mr. Allard has been a very willing witness and there is no question that he has been asked which he has not answered to the best of his ability. I do not think that Mr. Knight wishes to leave another impression on the record.

The CHAIRMAN: Mr. Allard said that he was supposed to be able, and permitted to answer questions asked him outside of this committee, not specifically in this committee. When he goes around and people ask him questions about the present set-up, he is then entitled to give his opinion.

Mr. FLEMING: Mr. Knight said that Mr. Allard, in appearing here today as a witness, answered such questions as suited his convenience and, inferentially, does not answer those which do not suit his convenience. That is not a fact and I do not think that Mr. Knight wishes to leave that impression on the record.

The CHAIRMAN: Mr. Allard is not obliged to answer any questions.

Mr. KNIGHT: That is exactly the point I made. Mr. Allard is in the fortunate position that he has no responsibility here to answer any questions.

The CHAIRMAN: Any witness coming here is not obliged to answer any questions if he deems it his duty not to answer, or considers ahat it is not convenient for him to answer, and we cannot force him to do so.

Mr. KNIGHT: That is right

Mr. FLEMING: We can send for any witness and compel him to answer.

The CHAIRMAN: Suppose he says that he does not know the answer.

Mr. FLEMING: Well, if he does not know, that is a different question.

*By Mr. Richard* (Ottawa East):

Q. I think what Mr. Knight really meant was that Mr. Allard is answering very well according to the information he has in hand. He is not hiding anything, but I think Mr. Knight meant that when we have the C.B.C. before us we are in the position to get all the books and information that we want. On the other hand Mr. Allard is not an operator. He represents an organization, but he cannot give detailed information which you can get from the operator himself.—A. That is correct.

*By Mr. Knight:*

Q. With respect to the matter of logs and the things I have been asking Mr. Allard about, Mr. Allard is in the fortunate position of saying that it is not his business to produce the logs.

Mr. GOODE: You look at these things differently at a quarter to ten at night than you do at ten o'clock in the morning.

*By Mr. Henry:*

Q. When did this business of suspicion first arise, in your opinion, in the minds of the public?—A. Shortly after the present regulatory structure came effectively into being.

Q. Would that be before you took over your present duties?—A. A great deal before then.

Q. What year would you say this suspicion began to arise?—A. If you want a definite year, I would imagine it was somewheres around 1934 or 1935.

Q. Would you term it very acute before you took over your present duties? —A. I do not think it has grown any more or less acute since I took over my present position.

Q. Did you take over from a predecessor?—A. Yes, and he in turn took over from a predecessor. The position has existed for a good many years.

Q. Did your immediate predecessor certify to you as to any appreciable degree of suspicion in the public mind on this subject?—A. You mean: did he inform me of this?

Q. Yes.—A. Certainly. He had available, as we have available, press clippings and other reports of what had been going on in the public mind in connection with this matter.

Q. Do you think that the Massey report was responsible? It is true there was a minority report, but do you think that the Massey report was responsible for sharpening the suspicion?—A. I would not use the word "sharpening"; it may have been instrumental in bringing some of the fundamental issues more closely into focus.

Q. Would you go so far as to say that this degree of suspicion is shared largely by the public today?—A. We certainly got that impression. I would suggest in connection with obtaining that impression you might care, in an objective fashion, to check, yourself, by way of a continuing press clipping service, and by way of consistent interviews with interested people, and by informing yourself of the various resolutions passed from time to time by various bodies interested in public affairs.

Q. Have you ever had occasion to observe any surveys or public research surveys on the subject?—A. Yes sir. We filed a very extensive survey on this subject at the 1951 hearing of this committee, and a somewhat briefer survey of the same type at the 1953 hearings.

Q. What percentage of the population of Canada do you say shares your suspicions?—A. You would find the exact percentage in the record of the proceedings in the 1951 and 1953 committees and I would rather refer you to the record than trust to my memory.

Q. Do you think it is shared by the mojority of Canadians?—A. At least a majority.

Q. How do you relate that to the result of the 1949 and the 1953 elections?— A. This was not an election issue.

Q. This is the first time I ever heard that.

Mr. FLEMING: That is one more thing Mr. Henry can afford to look up. Perhaps he will be good enough to look at the records of each of the previous proceedings and he will see that the predecessors of Mr. Allard made the same submissions Mr. Allard is making here.

The WITNESS: This matter was definitely not an election issue in any way. But we ourselves would certainly be prepared, in the interests of getting an objective expression of public opinion, to have it made the subject matter of a referendum or plebescite.

Mr. HENRY: That would be a little costly.

Mr. FLEMING: Why not take the opinion of the Young Liberals or the National Liberal Federation to the extent that was permitted to be made public.

The CHAIRMAN: Is this your "safer" ground, Mr. Fleming?

Mr. FLEMING: That is perhaps something that has escaped Mr. Henry in the present calculations.

The CHAIRMAN: I do not think it has.

*By Mr. Carter:*

Q. Are any private sound broadcasting stations operating in Britain?—A. There are no privately owned radio broadcasting stations there but arrangements have been made for privately owned television broadcasting.

Q. No sound?—A. No, sir.

Q. You cited the B.B.C. as an example just now but that only means in Canada we decided to have a different policy. I would like to get back to this word "competitor". Would you think the word "partner" would be a better description of the role of the private stations with the C.B.C., with the C.B.C. as a senior partner?—A. No. But it is possible to be in a position where you are partially a partner and partially a competitor in varying degrees and that position frequently exists.

Mr. GOODE: Is it not true that where the C.B.C. have television no private station can go in, but where private stations are located the C.B.C. can certainly go in that territory?

The WITNESS: Yes, sir.

Mr. GOODE: There is competition.

The CHAIRMAN: We have ten minutes. Can we finish tonight?

Mr. DINSDALE: As I read the brief it seems to me that the appeal for an independent regulatory body is based on the desire for freer expression in publication, or it is an appeal to the freedom of publication based on a situation that has arisen as a result of changed circumstances described on page six of the brief:

> Virtually all legislation pertaining to wireless communications is based upon broadcasting's development and position more than a quarter of a century ago—when this form of mass communication was in its infancy, when broadcasting's development and its present place in the community could not have been foreseen.

In other words, you are appealing for a revision in legislation which will bring the present broadcasting operation into line with the present circumstances and basing it on the fundamental basis of freedom of publication?

The WITNESS: Yes, sir. In line with today's realities which are governed by a situation not visualized by those who framed the legislation. I agree that you have substantially stated our case for us and I would add this proviso that what we are advocating is a situation long recognized as a democratic fundamental, that a difficulty between any two parties is settled by third party judgment.

Mr. FLEMING: Having regard to the fact that the C.B.C. has these dual functions now of carrying on the national service, an operating function, and at the same time the regulation of all forms of private broadcasting in Canada, do you not think that if the C.B.C. were relieved of the second function it would be free to do a better job on the first?

The WITNESS: Unquestionably, sir.

Mr. CARTER: Do you not think if there were two partners in a firm, a junior partner and a senior partner, that there should be a third party to come in to pass a judgment before they make a decision?

The WITNESS: That is not the situation which exists here. We are not partners in the same firm. We certainly have no share of authority in the conduct of the affairs of the Canadian Broadcasting Corporation.

*By Mr. Boisvert:*

Q. You were talking about suspicions on behalf of the public. Would you call "lobbying" suspicion? We have been lobbied for many many years about that proposition contained in the second part of your brief. Do you consider "lobbying" suspicion on behalf of the public?—A. Lobbying may be a reflection of existing suspicion, yes.

Q. I understand that we have already competition between operators. There is no doubt that the private stations have private interests which might be in competition with the C.B.C., but what about the public? Was not the first aim of broadcasting to sell goods to the public or to deliver programmes which would contain an entertainment for the public?—A. You could not, sir, do the one without the other.

Q. I feel that I can cay at the very beginning there was no question of using broadcasting to sell goods. So, what is the position of the public, the viewers and the listeners to a programme?—A. Their position, Mr. Boisvert, is this—and might I first point out one thing: that there were in existence in Canada a number of broadcasting stations, as in other parts of the world, who were putting on the air programs of a type acceptable to the public, so that they might be instrumental in assisting the wider distribution of merchandise—for many years before the Aird commission was formed and before the present regulatory structure evolved from that. It is interesting to note in virtually every survey taken that commercial programmes command a higher degree of listener interest than most non-commercial programmes. This is an indication of the attitude of the public.

Q. I agree with you that the producers of programmes have found a good medium to sell their merchandise or their products, but it is not the first aim of broadcasting. It is difficult for me to reconcile the two situations. I think that we have to consider the public first and the advertiser on the second hand. —A. Of course, no part of our case depends upon the position of the advertiser. The competition referred to in this is not competition for business but competition for audience. Such competition would exist even in the rather theoretic, and I think unlikely situation, where privately owned stations were not in receipt of advertising revenue. The principle itself is unaltered. The competition for audience still exists.

Mr. KNIGHT: Mr. Allard, you stated in reply to Mr. Boisvert that you could not do one without the other—this is related to entertainment and selling goods and such—and your statement was that you could provide entertainment without doing the other which was selling goods. How could you explain the present set-up in that respect.

The WITNESS: I did not intend to leave that impression, but the reverse, that you could not assist in the sale of goods unless you provided first programmes acceptable to the public.

*By Mr. Richardson:*

Q. Nobody can operate a television or broadcasting station unless he, or the company, gets a licence from the Minister of Transport. Is that right? —A. That is right.

Q. So, from the point of view of initial operation it might well be that the Minister of Transport listens to the recommendation of the C.B.C., but the ultimate responsibility, as I understand it, is in the hands of the Minister of Transport who is responsible to the cabinet which is responsible to parliament which is responsible to the people of Canada. Right or wrong? Is that your understanding, or am I wrong?—A. Are you asking the chairman or myself?

Q. I am asking you through the chairman.—A. The ultimate responsibility in the Act is with the Minister designated, which currently is the Minister of Transport.

Q. If that is so he is the responsible party and he, my understanding is, is responsibility to the cabinet and the cabinet is responsible to parliament and parliament is responsible to the people of Canada. So you have in a sense, through the Minister of Transport, a regulatory body in the point of issue of the licence already, have you not?—A. No, sir, for two reasons; in the first place this is a long continuous chain which exists more in theory than in practice and secondly with the business of government as widespread and complex as it is today the power—

Q. You are telling us.—A. I am just leading up to this point, that it is generally recognized that the power to recommend is in fact the power to govern. No minister can possibly with the other responsibilities devolving upon him, examine into the facts of each case and this is why various types of administrative tribunals have been set up to inquire into facts and make a report.

Mr. FLEMING: I suggest Mr. Richardson have a good look at the Railway Act in regard to the Board of Transport Commissioners to get a good parallel, of the function of the Air Transport Board in relation to air transport.

Mr. RICHARDSON: The Canadian railways do not provide a free service to anybody.

Mr. FLEMING: What about the commercial revenue?

*By Mr. Holowach:*

Q. Mr. Chairman, I am sure you are aware that the C.B.C. operates a very important branch—the International Service of the C.B.C. which has a very vital function and it may be that as time goes on it will become a still more important function. I want to ask you, Mr. Allard, if you can visualize the stations operated by private interests being induced in certain circumstances into that field?—A. As a matter of fact that is actually the case in the United States where a very powerful international short-wave station is operated by private interests.

Q. By private interests?—A. Yes.

Q. Do they receive a subsidy from the government?—A. The particular station involved does not receive a subsidy from the government.

Q. Presumably it is a public service?—A. Definitely.

Q. And are they "in the red"?—A. Very definitely in the red. It is a completely non-commercial operation.

Mr ROBICHAUD: It could not be made a practice?

The WITNESS: I doubt that it could be or that there would be any need for it to become a general practice. There are similar instances, by the way, in Europe where at least one station is operating to my knowledge supported entirely by voluntary contributions from North American citizens. This station is operated primarily and solely I think for the purpose of informing the people behind the Iron Curtain of what is happening in our part of the world.

Q. Where do these programs originate?—A. Some of them originate in Great Britain, some in France, the United States and similar countries; they are transported to the station for broadcast. Some of the programs originate at the station, but their number is comparatively few.

Q. Are the programs controlled by the government?—A. No sir.

*By Mr. Knight:*

Q. Did you say with regard to this station in the United States that the expenses are paid by the contributions sent to the station, or from the stations' funds?—A. The station in Europe is supported by voluntary contributions; the one in the United States is supported by corporation funds.

The CHAIRMAN: I think we have exhausted our questioning of Mr. Allard.

*By Mr. Knight:*

Q. There is one thing I would like to say, with regard to the question raised by Mr. Fleming. If Mr. Allard feels that I have given him any offence I want to apologize. I want him to understand that I have nothing against private stations. We have three very fine and efficient stations in my own town and I think they have a very useful function to perform, and I think they perform it well. This is simply a matter of policy, and I certainly meant no offence.—A. May I assure you Mr. Knight that I certainly took no offence and I am quite sure that none was intended.

The CHAIRMAN: I thank you Mr. Allard and Mr. Davidson and the other members of the delegation for your attendance here and I hope you have a very pleasant journey.

I would like to tell the committee that on Thursday we shall continue with the hearing of Mr. Dunton and then on Friday morning we have sitting given to Mr. Murdoch of the Musicians' Union. On Thursday afternoon there is a separate sitting for the Bell Telephone Company.

# APPENDIX "A"

1. List of Officers and Directors of The Canadian Association of Radio and Television Broadcasters.

2. List of Member Stations of The Canadian Association of Radio and Television Broadcasters.

**No. 1**

## OFFICERS AND DIRECTORS OF THE CANADIAN ASSOCIATION OF RADIO AND TELEVISION BROADCASTERS

*President*: Mr. J. M. Davidson, Northern Broadcasting Co. Ltd., Toronto, Ont.
*Vice President:* Mr. J. A. Dupont, CJAD, Montreal, P.Q.

### DIRECTORS

| | |
|---|---|
| **ATLANTIC** | |
| Mr. F. A. Lynds | CKCW, Moncton, N.B. (Radio) |
| Mr. John Hirtle | CKBW, Bridgewater, N.S. (Radio) |
| Mr. George Cromwell | CHSJ-TV, St. John, N.B. (Television) |
| **FRENCH LANGUAGE** | |
| Mr. F. B. Ricard | CHNO, Sudbury, Ont. (Radio) |
| Mr. Henri Lepage | CHRC, Quebec, P.Q. (Television) |
| Mr. D. A. Gourd | Radio Nord Inc., Rouyn, P.Q. (Radio) |
| Mr. Rene Lapointe | CKBL, Matane, P.Q. (Radio) |
| **CENTRAL CANADA** | |
| Mr. W. Slatter | CJOY, Guelph, Ont. (Radio) |
| Mr. J. E. Campeau | CKYW-TV, Windsor, Ont. (Television) |
| Mr. W. T. Cruickshank | CKNX, Wingham, Ont. (Radio) |
| Mr. J. M. Davidson | Northern Broadcasting Co. Ltd., Toronto, Ont. |
| Mr. J. A. Dupont | CJAD, Montreal, P.Q. (Radio) |
| **PRAIRIES** | |
| Mr. Gerry Gaetz | CJCA, Edmonton, Alta. (Radio) |
| Mr. J. B. Craig | CKX, Brandon, Man. (Radio) |
| Mr. H. A. Crittenden | CKCK-TV, Regina, Sask. (Television) |
| Mr. J. S. Boyling | CHAB, Moose Jaw, Sask. (Radio) |
| **PACIFIC** | |
| Mr. F. H. Elphicke | CKWX, Vancouver, B.C. (Radio) |
| Mr. M. P. Finnerty | CKOK, Penticton, B.C. (Radio) |

**No. 2**

## MEMBER STATIONS OF THE CANADIAN ASSOCIATION OF RADIO AND TELEVISION BROADCASTERS
### RADIO BROADCASTING SECTION

**ATLANTIC**

CKBW, Bridgewater, N.S.
CKNB, Campbellton, N.B.
CFCY, Charlottetown, P.E.I.
CFNB, Fredericton, N.B.
CHNS, Halifax, N.S.
CJCH, Halifax, N.S.
CKCW, Moncton, N.B.
CKMR, Newcastle, N.B.
CKEC, New Glasgow, N.S.
CJRW, Summerside, P.E.I.
CHSJ, St. John, N.B.
CFBC, St. John, N.B.
CJON, St. John's, Nfld.
VOCM, St. John's Nfld.
CKCL, Truro, N.S.
CFAB, Windsor, N.S.
CKEN, Kentville, N.S.

FRENCH LANGUAGE

CHAD, Amos, P.Q.
CJMT, Chicoutimi, P.Q.
CHFA, Edmonton, Alta.
CKCH, Hull, P.Q.
CHEF, Granby, P.Q.
CKRS, Jonquiere, P.Q.
CKLS, LaSarre, P.Q.
CKBL, Matane, P.Q.
CKBM, Montmagny, P.Q.
CHLP, Montreal, P.Q.
CKAC, Montreal, P.Q.
CHNC, New Carlisle, P.Q.
CHRC, Quebec, P.Q.
CKCV, Quebec, P.Q.
CJBR, Rimouski, P.Q.
CHRL, Roberval, P.Q.
CKRN, Rouyn, P.Q.
CJSO, Sorel, P.Q.
CKRB, St. Georges de Beauce, P.Q.
CFGT, St. Joseph D'Alma, P.Q.
CHNO, Sudbury, Ont.
CKLD, Thetford Mines, P.Q.
CFCL, Timmins, Ont.
CKVD, Val D'or, P.Q.
CFDA, Victoriaville, P.Q.
CKVM, Ville Marie, P.Q.

CENTRAL CANADA

CKBB, Barrie, Ont.
CJBQ, Belleville, Ont.
CFJB, Brampton, Ont.
CKPC, Brantford, Ont.
CFCO, Chatham, Ont.
CKSF, Cornwall, Ont.
CFOB, Fort Frances, Ont.
CKPR, Fort William, Ont.
CKGR, Galt, Ont.
CJOY, Guelph, Ont.
CKOC, Hamilton, Ont.
CHML, Hamilton, Ont.
CJRL, Kenora, Ont.
CKLC, Kingston, Ont.
CKWS, Kingston, Ont.
CJKL, Kirkland Lake, Ont.
CKCR, Kitchener, Ont.
CFPL, London, Ont.
CJSP, Leamington, Ont.
CFCF, Montreal, P.Q.
CJAD, Montreal, P.Q.
CFCH, North Bay, Ont.
CFOR, Orillia, Ont.
CKLB, Oshawa, Ont.
CFOS, Owen Sound, Ont.
CHOV, Pembroke, Ont.
CHEX, Peterborough, Ont.
CFPA, Port Arthur, Ont.
CHOK, Sarnia, Ont.
CKCY, Sault Ste. Marie, Ont.
CKTB, St. Catharines, Ont.
CHLO, St. Thomas, Ont.
CJCS, Stratford, Ont.
CKOT, Tillsonburg, Ont.
CKGB, Timmins, Ont.
CFRB, Toronto, Ont.
CHUM, Toronto, Ont.
CKFH, Toronto, Ont.
CKLW, Windsor, Ont.
CKNX, Wingham, Ont.
CKOX, Woodstock, Ont.
CHNO, Sudbury, Ont.

PRAIRIES

CKX Brandon, Man.
CFAC, Calgary, Alta.
CFCN, Calgary, Alta.
CKXL, Calgary, Alta.
CFCW, Camrose, Alta.
CKDM, Dauphin, Man.
CJOC, Lethbridge, Alta.
CHAT, Medicine Hat, Alta.
CHAB, Moose Jaw, Sask.
CJNB, North Battleford, Sask.
CKYL, Peace River, Alta.
CKBI, Prince Albert, Sask.
CKRD, Red Deer, Alta.
CKCK, Regina, Sask.
CFRN, Edmonton, Alta.
CHED, Edmonton, Alta.
CJCA, Edmonton, Alta.
CFAR, Flin Flon, Man.
CFGP, Grande Prairie, Alta.
CKRM, Regina, Sask.
CFQC, Saskatoon, Sask.
CKOM, Saskatoon, Sask.
CKRC, Winnipeg, Man.
CJOB, Winnipeg, Man.
CKY, Winnipeg, Man.
CJGX, Yorkton, Sask.

PACIFIC

CHWK, Chilliwack, B.C.
CJDC, Dawson Creek, B.C.
CFJC, Kamloops, B.C.
CKOV, Kelowna, B.C.
CHUB, Nanaimo, B.C.
CKLN, Nelson, B.C.
CKNW, New Westminster, B.C.
CKLG, North Vancouver, B.C.
CKOK, Penticton, B.C.
CKPG, Prince George, B.C.
CJAV, Port Alberni, B.C.
CJAT, Trail, B.C.
CJOR, Vancouver, B.C.
CKWX, Vancouver, B.C.
C-FUN, Vancouver, B.C.
CJIB, Vernon, B.C.
CKDA, Victoria, B.C.
CJVI, Victoria, B.C.

TELEVISION BROADCASTING SECTION

ATLANTIC

CKCW-TV, Moncton, N.B.
CHSJ-TV, St. John, N.B.
CJON-TV, St. John's, Nfld.
CFCY-TV, Charlottetown, P.E.I.

FRENCH LANGUAGE

CFCM-TV, Quebec, P.Q.
CKRS-TV, Jonquiere, P.Q.
CJBR-TV, Rimouski, P.Q.

CENTRAL CANADA

CKVR-TV, Barrie, Ont.
CHCH-TV, Hamilton, Ont.
CKWS-TV, Kingston, Ont.
CKCO-TV, Kitchener, Ont.
CFPL-TV, London, Ont.
CHEX-TV, Peterborough, Ont.
CFPA-TV, Port Arthur, Ont.
CKLW-TV, Windsor, Ont.
CKNX-TV, Wingham, Ont.

PRAIRIES

CKX-TV, Brandon, Man.
CHCT-TV, Calgary, Alta.
CFRN-TV, Edmonton, Alta.
CJOC-TV, Lethbridge, Alta.
CKCK-TV, Regina, Sask.
CFQC-TV, Saskatoon, Sask.

HOUSE OF COMMONS

Second Session—Twenty-second Parliament
1955

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SPECIAL COMMITTEE

ON

# BROADCASTING

*Chairman:* Dr. PIERRE GAUTHIER

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## MINUTES OF PROCEEDINGS AND EVIDENCE

No. 11

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THURSDAY, MAY 26, 1955
FRIDAY, MAY 27, 1955

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WITNESSES:

A. Davidson Dunton, Chairman of the Board of Governors of the Canadian Broadcasting Coporation.

Mr. John A. Dochstader, Assistant to the President, and Mr. Harold G. Young, General Manager, Toll Area, of the Bell Telephone Company.

Mr. Walter M. Murdoch, Executive Officer for Canada of the American Federation of Musicians of the United States and Canada.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955.

58665—1

## SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Dr. Pierre Gauthier

*Vice-Chairman:* Mr. G. D. Weaver

and

Messrs.

Balcer
Beaudry
Boisvert
Bryson
Carter
Cauchon
Decore
Dinsdale
Fleming
Gauthier (*Nickel Belt*)
Goode
Hamilton (*Notre-Dame-de-Grace*)
Hansell
Henry
Holowach
Kirk (*Shelburne-Yarmouth-Clare*)
Knight
McCann
Monteith
Reinke
Richard (*Ottawa East*)
Richardson
Robichaud
Studer

R. J. Gratrix,
*Clerk of the Committee.*

## ORDER OF REFERENCE

WEDNESDAY, May 25, 1955.

*Ordered,*—That the name of Mr. Hamilton (*Notre-Dame-de-Grace*) be substituted for that of Mr. Diefenbaker on the said Committee.

*Attest.*

LEON J. RAYMOND,
*Clerk of the House.*



58665—1½

# MINUTES OF PROCEEDINGS

Room 118,
THURSDAY, May 26, 1955.

The Special Committee on Broadcasting met at 11.00 o'clock a.m. this day. Dr. Pierre Gauthier, Chairman, presided.

*Members present*: Messrs. Carter, Fleming, Goode, Hamilton (*Notre-Dame-de-Grace*), Henry, Holowach, Knight, Reinke, Richard (*Ottawa East*), Richardson, Robichaud, Weaver.

*In attendance: From the Canadian Broadcasting Corporation*: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, E. L. Bushnell, Assistant General Manager, G. Young, Director, Station Relations, E. Schnobb, Assistant Treasurer, R. E. Keddy, Secretary, Board of Governors, J. A. Albert, Assistant to Secretary.

*From the Canadian Association of Radio and Television Broadcasters:* Mr. J. T. Allard, Executive Vice-President.

*From the Department of Transport:* Mr. F. K. Foster, Broadcasting regulations Inspector.

Mr. Dunton recalled, made a statement on the brief presented by the Canadian Association of Radio and Television Broadcasters and was questioned thereon.

Mr. Ouimet answered questions specifically referred to him.

At 12.50 o'clock p.m., the examination of the witness still continuing, the Committee adjourned to meet again at 3.30 o'clock p.m. this day.

## AFTERNOON SITTING

Room 118,
THURSDAY, May 26, 1955.

The Committee resumed at 3.30 o'clock p.m. Dr. Pierre Gauthier, Chairman, presided.

*Members present:* Messrs. Boisvert, Bryson, Carter, Cauchon, Fleming, Holowach, Knight, McCann, Richard (*Ottawa East*), Richardson, Robichaud, Weaver.

*In attendance*: *From the Bell Telephone Company*: Mr. John A. Dochstader, Assistant to the President and Mr. Harold G. Young, General Manager, Toll Area.

*From the Canadian Broadcasting Corporation*: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, E. L. Bushnell, Assistant General Manager, G. Young, Director, Station Relations, E. Schnobb, Assistant Treasurer, R. E. Keddy, Secretary, Board of Governors, J. A. Albert, Assistant to Secretary.

*From the Department of Transport:* Mr. F. K. Foster, Broadcasting Regulations Inspector.

Mr. Dochstader was called, introduced Mr. Young and retired.

Mr. Young was called, and made a statement on the principles of microwave radio relay transmission and outlined the major problems involved in engineering a Radio Relay System.

The witness described the Bell Radio Relay System that links Buffalo, Toronto, Ottawa, Montreal and Quebec City, and presented an outline of the coast-to-coast network now being built by the seven major Canadian Telephone organizations which form the Trans-Canada Telephone System.

The witness also reviewed the capacity of the system which is being installed to convey television programmes as well as telephone circuits.

Mr. Young made use of slides in explanation of the technical aspects of his presentation, and used a minature microwave system to illustrate some of the properties of the microwaves.

The Hon. Dr. McCann, Minister of National Revenue, expressed to the witness the appreciation of the Committee for a very interesting demonstration.

At 5.00 o'clock p.m. the Committee adjourned to meet again at 11.00 o'clock a.m. Friday, May 27, 1955.

Room 118,
FRIDAY, May 27, 1955.

The Special Committee on Broadcasting met at 11.00 o'clock a.m. this day. Dr. Pierre Gauthier, Chairman, presided.

*Members present*: Messrs. Boisvert, Carter, Dinsdale, Fleming, Goode, Hamilton (*Notre-Dame-de-Grace*), Henry, Holowach, McCann, Reinke, Richard (*Ottawa East*), Richardson, Robichaud, Studer, Weaver.

*In attendance: From the American Federation of the Musicians of the United States and Canada:* Mr. Walter M. Murdoch, Executive Officer for Canada, Mr. J. W. McMaster, Q.C., Federation Counsel, and Mr. M. Norman Harris, Secretary-Treasurer, Local 149, all of the City of Toronto; Mr. A. Saunders, President and Mr. James Lytle, Secretary, Local 180, of the City of Ottawa; Mr. A. Fipaldi, President, and Mr. E. Charette, Secretary, Local 406, of the City of Montreal.

*From the Canadian Broadcasting Corporation*: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, E. L. Bushnell, Assistant General Manager, Charles Jennings, Director of Programmes, G. R. Young, Director, Station Relations, P. A. Meggs, Assistant to Director, Press and Information, R. E. Keddy, Secretary, Board of Governors.

*From the Department of Transport*: Mr. F. K. Foster, Broadcasting Regulations Inspector.

Mr. Murdoch called, read a brief and was examined thereon.

The witness tabled the following document:

American Federation of Musicians of the United States and Canada Application Blank.

*Ordered*,—That the said document be printed as an Appendix to this day's evidence. (*See Appendix "A"*).

At 1.00 o'clock p.m. the examination of the witness being concluded, he was retired, and the Committee adjourned to meet again at the call of the Chair.

R. J. Gratrix,
*Clerk of the Committee.*

# EVIDENCE

May 26, 1955.
11.00 a.m.

The CHAIRMAN: Gentlemen, we have a quorum.

Mr. GOODE: On a question of privilege, in the Vancouver *Sun* of May 24 the parliamentary correspondent in describing the deliberations of this committee had this to say: "Tom Goode, Liberal, of Burnaby-Richmond who has led the attack against C.B.C. in the committee . . ." I just want my position explained. I am not leading an attack on the C.B.C. as such. I have a regard for their executives and a regard for what they are trying to do. If my limited ability can be described as an attack, it is an attack upon the regulatory powers of the C.B.C. and I intend to continue that attack until the government does something about it. Thank you.

Mr. FLEMING: I was going to say that I think it is only fair to Mr. Goode and to all members of the committee to state that in all parts of the committee there is the friendliest feeling towards the Canadian Broadcasting Corporation and towards its officials. The relations that this committee has always had with the C.B.C. have been of the happiest and the most harmonious. We, in this committee, or some of us, have had occasion to take strong exception to government policy in regard to many aspects of radio broadcasting and television broadcasting, but as to the Canadian Broadcasting Corporation and its officials I think it is only fair to say for all of us that there is the friendliest feeling and the greatest appreciation of the devotion that its officials show to their tasks. We do not always approve of the policy that the government sets for the C.B.C., but that has nothing to do with the corporation as such, and certainly not with its very competent officials.

The CHAIRMAN: That is what I think, Mr. Fleming, and in my first appearance on TV I said that the members of the committee were all polite, charitable and fair.

Mr. KNIGHT: Mr. Chairman, as this is a morning of confession, and I am a suspect character, perhaps I might add a word. The same thing goes for the private stations. I have the greatest regard for the private stations and the people who run them and what they are doing, but I am a supporter of C.B.C. first—perhaps I may put it in that way in all these questions. Surely no one would have thought there was anything personal or anything of that sort in this matter, and I assume you think that there is not, so I would add to Mr. Fleming's remarks that the same thing goes in regard to the private stations and their officials. After all, we may have honest differences of opinion in regard to policy and that sort of thing, but that has nothing to do with any personal attitude.

The CHAIRMAN: If I may be permitted to say so, I absolve everyone.

Mr. KNIGHT: Now we are all in the clear, so may we proceed with the business?

**Mr. A. Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation, called:**

The CHAIRMAN: Mr. Dunton told me when he came in that he was ready to make a few observations on the CARTB brief this morning. I do not know

whether it will be agreeable to the committee that he does so this morning or whether you want to go on with the report on finance, continue and finish that report, and then he can bring forward his observations on the CARTB brief.

Mr. FLEMING: I was going to suggest that we want first to hear Mr. Dunton's observations on that brief. Last Thursday we seemed to get turned aside a little bit in the course of the afternoon's meeting. We had been dealing with the financial statement of the corporation, and I have some questions that I wanted to ask in regard to finance. However, if the committee strongly feels that they want to turn aside from that to take up Mr. Dunton's observations then let us do so.

The CHAIRMAN: If it is agreeable to the committee that Mr. Dunton makes his observations on the brief of the association now, he is ready to do so.

Mr. REINKE: While it is fresh in our minds.

The CHAIRMAN: If you have some questions to put to Mr. Dunton you can do so afterwards.

Mr. KNIGHT: I agree with the idea of Mr. Dunton's. It is my misfortune and it is only a personal reason that I have to be away tomorrow, and I would like to hear from Mr. Dunton today.

The CHAIRMAN: Does the committee agree to that?

Agreed.

The WITNESS: Mr. Chairman, I have only some quite brief comments to make. The first is with regard to the reference to the Massey Commission and the statement by the chairman of the Massey Commission at the Canadian Club as quoted in the association's brief. I have read the statement of the chairman of the commission, with which I am familiar, and also the Massey report, and my reading must be different from other people's because I can find that it has no bearing at all on this question which is being discussed of whether or not there should be two or more stations in any area. If I might very quickly refer the committee to page 302 of the royal commission's report, and continuing on page 303, it says towards the bottom of page 302:

> We do not propose to make detailed recommendations on the policy of development which it is the duty of the board of governors with its special knowledge and experience to determine. We understand that the board is proceeding with the plans laid down in the interim policy announced in March, 1949, and that coverage will be extended as rapidly as possible both through the C.B.C.'s own transmitting stations and by kinescope recordings provided to private stations which may come into being and serve as national outlets.

Later in the recommendations, recommendation "c" is:

> That no private television broadcasting stations be licensed until the Canadian Broadcasting Corporation has available national television programs and that all private stations be required to serve as outlets for national programs.

The committee will remember the situation at the time of the report: the C.B.C. had been authorized to establish production centres in Montreal and Toronto with stations, and that was all. I think, following the issuing of the report, there was some misunderstanding arising from some news reports which seemed to suggest that the committee was recommending there be no licensing at all of private stations until the C.B.C. had a network across the country. Of course, in the recommendation I have just read that was clearly not stated by the commission, and, as I read it, the chairman of the commission at the Canadian Club was simply reiterating what the commission had said.

If you read the passage as quoted in the brief of the C.A.B. it simply refers to the general question of whether any private station should be licensed any place in the country, and they thought that should be possible when the C.B.C. had national program service available, and there is no reference to duplicating stations at all. I do not think it is very important but I just wanted to mention that.

*By Mr. Fleming:*

Q. Well, Mr. Dunton, without interrupting your remarks, before you go on to something else I would like to say that the remarks of the chairman of the Massey Commission were made subsequent to the writing of the report. That is quite clear?—A. Yes.

Q. And the subject from which the extract is quoted by him in Montreal on June 11 will have to be construed according to its patent meaning. I mean we are not questioning that these remarks were made by the chairman?—A. Not in the slightest.

Q. You are offering a rather different interpretation of them; that is all, from the one that was placed upon them in the evidence on Tuesday?—A. Yes.

Q. I suppose in a case like that we will simply have to look at those remarks ourselves and draw our own conclusions as to which is the correct translation. —A. That is all I suggest you do, read the English words and make your own interpretation.

Mr. GOODE: I do not wish to get away from Mr. Dunton's point, but I think perhaps in connection with what he said he should also include the remarks of the Minister of National Revenue in the House on Monday, March 30, 1953, when his interpretation of the situation was this:

> The principle of one station to an area is to apply only until an adequate national television system is developed.

The point is: have we a national system now, which is the point that he was talking about? I expect that your views on that would be entirely different from mine, but if you will read what he says in the brief I think it is quite clear as to the intention of the government in this matter.

The WITNESS: I am not the person to interpret the intention of the government.

Mr. FLEMING: I suppose in that connection reference should also be made to the remarks of the Prime Minister in the House a week ago this afternoon. However, Mr. Dunton, that is not your function at all.

The CHAIRMAN: What did the Prime Minister say?

Mr. FLEMING: I am referring to his remarks in the House last Thursday afternoon.

The CHAIRMAN: About what?

Mr. FLEMING: In reply to questions put to him, Mr. Chairman.

The CHAIRMAN: About the commission?

Mr. FLEMING: Yes, about the so-called single service coverage policy.

The CHAIRMAN: Yes.

Mr. FLEMING: As to how long it was to be applied.

Mr. KNIGHT: I think the statement was read into the record? Did not you read it in, Mr. Fleming?

*By Mr. Fleming:*

Q. No, I do not think it was read in. Reference was made to it, and I think the substance of the statement was commented upon in our meeting a week

ago this afternoon. However, Mr. Dunton, I do not suppose we are here to ask you questions about matters bearing on policy by way of justification or otherwise. You are concerned simply with the application of the policy as you understand it. I take it that is as far as you are purporting to go before this committee at any time in the realm of policy?—A. That is right.

Q. It is hardly the function of the C.B.C. either to defend or attack government policy in relation either to sound broadcasting or television, and I do not think anybody expects you to do either.—A. I agree.

The CHAIRMAN: I have your question here and the answer of the Prime Minister, if you want me to put it on the record.

Mr. FLEMING: Yes, if you have the text there.

The CHAIRMAN: May 19, 1955:

> Mr. DONALD M. FLEMING (*Eglinton*): May I ask the Prime Minister a second question? Is the government contemplating either the abandonment or modification of the so-called policy of single station coverage with respect to television, that is to say the policy of local monopoly of television in Canada?
>
> Right Hon. L. S. ST. LAURENT (Prime Minister): The question is not one to which a categorical yes or no can be given. The policy has never been that there would be, for all time, only one station in each locality. The whole matter is under constant consideration, and the question as to when it will be deemed proper to declare that applications for duplication of service will be entertained is part of that consideration. It may very well be that no decision would be arrived at before the appointment of the commission to which the hon. member referred in his previous question.

Mr. KNIGHT: I do not think that there is any contradiction in that statement—any contradiction of what was in the Massey report or what Mr. Dunton has said. I notice that the phrase that the Prime Minister used was "for all time," and for all time is a long time, is it not? The Prime Minister has another favourite expression, when he says "at this time," which he did not use on this occasion.

The WITNESS: If I may continue, Mr. Chairman, there is a good deal of discussion in the brief, and I think there was before the committee, about the merits in general terms of competition and monopoly and that sort of thing. I would simply like to remind the committee of something which I think it is very well aware of, and that is that television, in the phrase of the Massey Commission, is akin to monopoly. The words I would use are that it is a monopolistic kind of activity, a monopolistic type of operation, in any case, because of the limitation of channels. In a practical way, let us look at the situation in Canada. Of the private stations licensed or whose licence has been recommended, there are 11 whose monopoly position, to use that phrase which I myself do not usually use, is set for as long as can be foreseen, because there are not any other channels available. Actually all the C.B.C. facilities, except in Ottawa, are not in the same position and technically there are other channels available for stations in the same areas.

It happens, as I say, from the way the channels work and can be distributed that already 11 of the private operations are in what looks like monopoly positions in VHF television for as long as can be foreseen. Around about four and a half million people live in the areas covered or to be covered by those stations.

I simply bring this up as perhaps illustrating what to me is a vital factor in considering any question of broadcasting and particularly of television broadcasting: in its essence it is a monopoly matter. Where possible, and it is

only possible in some cases, the authorities may decide to divide the monopoly, where that is possible, into two or three, but to my way of thinking it is still very much a monopoly. If, as I think there will be, a number of people wish to have a television station in Toronto—a number of different people—one only can get it, and he is in a monopoly position of being the only private television station in that area. He and the C.B.C. between them will share the monopoly of television in that area. As far as all the others who want a station in that area are concerned, there is very much a monopoly position.

It seemed to me that in all broadcasting, in all countries, the public through its proper authorities and means of decision, has to decide how it wishes these monopoly positions to be used in the best public interest, and I suggest that in Canada also different factors have to be taken into account in deciding these things: the public interest and the various aspects of it, economic factors and practical possibilities. Of course there can be differences of opinion about whether a monopoly should be divided into two partial monopolies or three at times. An illustration is the many long hearings I have sat through on our own board of governors listening to competent licence holders of broadcasting stations explaining why it would hurt their service to the public if there were another station in the area. I think it is interesting, and for amusement I had a check-back which showed that in the last three years over 80 per cent of the applications for broadcasting stations in areas served by other stations had been opposed by one or more existing stations.

It is an exception before our board when an application for an area already well served is not opposed by one or more existing stations. In some cases the board has thought the arguments of the existing stations were well founded. In some cases in recent years it has recommended favourably on the new applications, taking into account the development of broadcasting, the economic possibilities of the area and what the board can estimate about the economic position of those who are opposing the application. Naturally a board like ours will probably not take too seriously in some cases the arguments of a responsible man with all his facts and figures who says that if another station comes into his area his expenditures will go up and his revenues will go down, and he will not be able to render the same service to the public as he is doing now, or he will not be able to carry out plans for service to the public which he has in the future. As I say, we have thought those arguments well founded in some instances. In other cases where we thought the organization making those remarks had a large income, an excessive income, then we thought that there would be room and that it was a very sensible thing to have another station.

In connection with this question of duplication of television stations in any centres in Canada factors which are not too dissimilar arise. We have not the decision to make; we do not fight, as Mr. Fleming would say, for one policy or another. We have tried to point out to this committee the economic effects which we think this would have on the national system. It is for others to make a decision about whether those arguments are right or whether those effects should be accepted in the interests of allowing duplication. I think probably what we say and have said is influenced by the fact that we naturally are having constantly to look at what we see is the very big, the enormous problem, of financing the Canadian television system with its public and private components through the years ahead, producing at least a reasonable amount of Canadian programming and distributing service as widely and equitably as possible across this very big country.

*By Mr. Fleming:*

Q. You are saying in effect, Mr. Dunton, that the necessity of finding substantial revenues to sustain the operations of C.B.C. in providing the national

service, the network service, leads the board in considering applications to weigh their claims to a licence against the necessity of preserving these revenues to the C.B.C.—A. I did not say that at all. I was talking about the arguments put up by different private interests.

Q. But in your concluding remarks you were saying just about that. I thought I was paraphrasing your closing remarks of your statement.—A. No, I do not think it is quite an exact paraphrase. I was saying that what we had said to this committee in answer to questions was explaining our view of the economic pressures resulting from duplication on the whole national system, which, if you want to put it that way, naturally affect the thinking of our board and ourselves.

Q. Well, you were speaking about the considerations, among others, that you weigh in reviewing applications that are referred to you by the Department of Transport. Am I correctly interpreting it?—A. Yes. In the first part of it I was talking about sound broadcasting applications. What I was referring to was economic arguments put up by private applicants or private operators at the present time.

Q. I was dealing specifically with your closing remarks in your statement.—A. On television?

Q. Yes.—A. Quite naturally I think it is our duty under the Act to think of the whole system and structure of broadcasting across the country, the national system in its broadest sense, with its public and private components.

Q. I hope we are not at cross-purposes. As I understood your statement, and it was in accord with what I understood the facts to be, when you, as the body to whom applications have to be referred, review the arguments for and against any particular application, you do weigh as one of the considerations the necessity of preserving the revenues required to operate the national service, the network service, of the Canadian Broadcasting Corporation, and I presume that would apply in both the field of television and that of sound.—A. But in television that has not arisen, because we have not received—

Q. Not yet. We will confine it then to sound. I presume it will arise with regard to television the moment you start receiving applications for transmitting stations in areas now served exclusively by the C.B.C.—A. I cannot say what will be in the minds of the board at the time, but after all, as I think you will agree, that is a major policy decision by the licensing authorities, as to whether they will accept applications and in general be prepared to license duplicate stations. In sound broadcasting I actually cannot remember that kind of consideration coming in, because the economics of sound broadcasting, complicated as they are, are a good deal more simple than in television.

Q. With regard to this matter of monopoly I suppose the considerations that you talk about where you have objections taken by those who are going to be immediately affected by the licensing of new applicants, the same sort of thing arises as you have in any field in which the government licenses people, or where the numbers of those who may participate are limited in some form by government action or legislation. We have the same thing in every province in connection with applications for licences to operate trucks or buses on the highways. It is a daily experience that the people who are in the field are naturally going to put their cases forward before the licensing body.—A. I think I was just pointing out that there are a great many differences of opinion there.

Q. Quite, but to come back, you are relating this I take it to the monopolistic position, because in the area covered by the signal on any one frequency naturally you cannot be licensing a whole lot of people who are going to interfere with one another on the one hand in the area served. That

is what, as I understand it, has been the position you have always taken with regard to what you have called the monopolistic aspect of radio broadcasting.—A. It is an essential part of broadcasting. A channel does not exist in a usable form unless it has that protection.

Q. There is nothing new in the considerations put forward in that respect now?—A. Except that it is a basic one that is very often forgotten in discussions on broadcasting.

*By Mr. Richard* (Ottawa East):

Q. Mr. Dunton, I think you explained that in the case of Ottawa there are two television channels available for Ottawa, and those two will be taken?—A. Yes.

Q. In Toronto there would be only one channel available?—A. There are two available in Toronto. One is being used by the C.B.C.

Q. So there would be only one available?—A. Yes.

Q. And if a private station got that one, that would be a private monopoly for that district?—A. Yes.

Q. What about Montreal? What is available there?—A. I think it is either four or five; I am not sure. Montreal is in a somewhat easier position than Toronto because there are not the other heavily populated areas close by in the States and around in Canada.

Q. May we have the figures for the various areas of the channels that the governors reserve for the C.B.C.?—A. Yes. I would like to give you some of the others too.

Q. Yes, if you will?—A. To take Vancouver, I think we have had that before. Shall I give you the total figures in each case? Three in Vancouver; Winnipeg four—again that is a fairly isolated area with not any other population centres around it.

Q. Edmonton?—A. Edmonton? Calgary has four and Edmonton four.

Q. Winnipeg?—A. Winnipeg four.

Q. And Toronto?—A. In Ontario, Toronto two.

Q. Ottawa?—A. Ottawa two.

Q. Is there another possible one for Ottawa?—A. No, not under the plan. Then as regards the whole area west of Toronto, that is Hamilton, London, Windsor and Kitchener, there is a new station in the Wingham area which will be serving the northwest part of southern Ontario, and Barrie; those are all single channel areas. Kingston is a single channel area. Peterboro is a single channel area. Montreal is four. Sherbrooke, where there is a station going in which will cover half a million people, is a single channel area. Quebec is three. New Brunswick, Saint John is two. Moncton is one, Halifax is three and Newfoundland, St. John's is three.

Q. I thought you said we could switch a channel from somewhere else to Ottawa?—A. No, I did not say that.

Q. There might be one available or one might be made available for Ottawa?—A. I do not think I said that. As I think the committee is aware, as Mr. Brown explained, it has been possible at times to make some adjustment, and it was only through an adjustment that any channel at all was made available for Peterboro, Kitchener or the Kingston area. I think it is conceivable that there might be some adjustments, from looking at the plan, but I could not see it would be possible to make more channels available west of Toronto, for instance.

Q. But in Toronto itself you could not have more than one other station?—A. That is right.

*By Mr. Fleming:*

Q. I think you must have regard to the fact that is already well known to the committee both from your previous evidence and that of Mr. Brown when you say there are two channels available in Toronto, there were originally three, and in the period when applications were not received from private applicants, one of the channels was assigned elsewhere, and CBLT is occupying the other.—A. And I think to complete it further one of the shifts referred to made possible the channel for the Kitchener area, the shift which took a channel away from Toronto, otherwise there was no channel in the Kitchener area.

Q. Well, we have had the evidence before us about the way this went by way of Hamilton to Kitchener but I just wanted to bring that out to complete the answer.

*By the Chairman:*

Q. I understand that a station in Quebec is privately owned by Famous Players?—A. Famous Players have 50 per cent of the ownership.

Q. Did you receive any request to put a French-speaking station, a C.B.C. French-speaking station, in Quebec?—A. We had a number of private representations, yes, representations from private individuals or organizations.

Q. I raise this question because I received a letter this morning stating that the public is complaining that the percentage of English programs on this station is approaching 45 to 50 per cent and the English-speaking population is about 5 per cent. That is a private letter I received and of course I do not know if it is accurate.—A. I do not know; we have not checked the figures lately, but that station is an affiliate of our French network. Our full French network service is available to it. In addition sponsors and the station have asked for some English programs. We have supplied only a fairly limited number. What it is doing on its own programming I do not know at the moment.

*By Mr. Goode:*

Q. You will remember the questions that I asked the gentleman from Regina when I questioned him on the extent of his contract powers, if that is the right word, in regard to the private station in Regina, where he said that he had a licence I think for five years with no guarantee of replacement of that licence. Added to the remarks in the House of Commons on the date that I have mentioned before, March 30, was the statement that the C.B.C. may establish stations in some areas originally covered by private station. I do not entirely see your point where you talk about private monopoly. I can only go upon the evidence as placed before this committee, and, as you will remember,—I think you were in the room at the time—the gentleman from Regina intimated that there was no protection in a private station licence. It only goes to prove, I think, that point which the minister in the House mentioned, and it could be considered as a veiled threat that there is a likelihood that C.B.C. may in the foreseeable future go into a territory that is now this private monopoly. I readily agree you are right on that at the moment.—A. I think there is a misunderstanding about that. As I read the government statement of policy about the licensing policy as it is presently applied, it is completely clear when it says no two stations shall be licensed in any area, and that covers the C.B.C. just as well as private stations. We understand it perfectly clearly, and I think it is clearly stated by the government: under the present policy the C.B.C. will not be licensed in an area where there is a private station already, nor will two private stations be licensed in any area, nor will a private station be licensed where there

is a C.B.C. station. Then I think if you read what Dr. McCann is saying here in regard to what you were referring to, I think, he is saying: " . . . it may not be long before there is sufficient degree of national coverage to justify the government and the C.B.C. giving consideration to permitting two and perhaps in some cases more than two stations in certain areas. It is anticipated that, in due course, private stations will be permitted in areas covered by C.B.C. stations, and the C.B.C. may establish stations in some areas originally covered by private stations." In other words, he is saying that in the future the two might happen at the same time, but under the present policy neither can happen.

Q. But that policy is not being followed, because it is not true of the Toronto area, where you are allowing two stations in there now?—A. The Hamilton area?

Q. In the Toronto area.—A. It is not "B" service from the Hamilton area.

Q. But we have evidence before this committee that two stations are being received in the Toronto area.—A. I said it is not the "B" service. It can be heard, as our station can be heard, in Hamilton, but it is not, under the contour plan, as we understand what is meant by "B" service in Toronto.

Q. There is no argument about the fact that the policy of one station in an area is not being carried out. I do not think you will argue that this policy is being carried out in Toronto.—A. I think it is being carried out, as was explained by responsible officials, with some overlapping. In other words, they are trying to apply it in a fair and commonsense way.

Q. In one place you call it overlapping and in another place you call it monopoly. That is the difference between your point of view and mine.

The CHAIRMAN: Any other questions?

*By Mr. Richardson:*

Q. Is that correct?—A. As I read the statement of the situation.

Q. I was referring to the remarks just made by Mr. Goode. Speaking for myself there would seem to be some difference of opinion between Mr. Dunton and Mr. Goode. What is the correct statement of fact?—A. I put it in this way: there is a station in the Toronto area and a station in the Hamilton area, and there is some overlapping of the outer coverage; some Toronto coverage goes into Hamilton, and under certain conditions the Hamilton station can be heard in Toronto, but under the policy explained by the officials of the Department of Transport there is not too much overlapping. If it had been said that even that amount of overlapping would not be accepted then it would not be possible to have a station in the Hamilton area at all.

*By Mr. Goode:*

Q. Let us talk about this overlapping. My information is that 3,000 television sets in the Toronto area—and I do not maintain it is all over Toronto because I do not know too much about it—can receive the Hamilton station. Would you agree with that?—A. I do not know. I think there are about 280,000 sets in the Toronto area.

Q. Would my figures be correct, or do you know?—A. I do not know. I do know that a survey shows that there is some listening to Hamilton in Toronto, but it is only a small amount.

Q. It is a pretty big overlap, is it not, if 3,000 sets, meaning perhaps 12,000 people in Toronto—and I am going a little below my information in order to try and be on the correct side—can hear a station outside. Can we call it an overlap?—A. Well, 3,000 sets, of course, is not a large percentage.

Mr. ROBICHAUD: It is 1 per cent.

Mr. REINKE: I think the record yesterday or Tuesday would show us how many people in Hamilton are listening. I think it was 9,000.

*By Mr. Goode:*

Q. There are a lot of people in Vancouver who do not listen to CBUT and they are missing something. I have said in this committee that I think you have the best programs on the air in Vancouver, but nevertheless there are other alternate services available, not from Canada. In Toronto that is not true.—A. But, Mr. Goode, I think this should be applied in a commonsense way.

Q. Do you mean to say I am not talking common sense?—A. I was not suggesting that, no.

The CHAIRMAN: I am sure Mr. Dunton is not suggesting that.

The WITNESS: I think it would be perfectly possible that if a station were established in Victoria there might be on the outer edges of the coverage some overlapping.

*By Mr. Goode:*

Q. I quite agree.—A. I take it you would not object to that.

Q. I would be most happy for them to have a station in Victoria that we could hear, and then I believe that we would be on the same plane as the Toronto area, and I submit that Vancouver is just as much entitled to it.—A. I would guess it is perfectly possible that it might happen.

Mr. RICHARD (*Ottawa East*): My suggestion is that some people on the outskirts of Toronto are almost as close to Hamilton as they are to the centre of Toronto.

*By Mr. Robichaud:*

Q. Would this contour map that is asked for settle this problem?—A. If I might just comment on that, as I think the Department of Transport officials explained, those are engineering calculations. We all know in television, and many listeners know, that in many cases you get reception beyond those contours. In some cases reception even at the edges of the contours is not too good.

*By Mr. Henry:*

Q. Mr. Dunton, speaking of television channels, I understand that there is a VHF and a UHF group. Is there any other group of channels?—A. That is all we know of so far that have been allocated in the States or contemplated for allocation in Canada. I think the radio spectrum in general is getting pretty crowded.

Q. It is. Taking into consideration the two groups, what is the potential of the Toronto area in terms of the number of channels?—A. There are some UHF channels allocated there too; there are two UHF channels.

Q. What is the international body that distributes these channels in each of the two groups?—A. It is a national body in each case, the Department of Transport here and the Federal Communications Commission in the States, and there is an international agreement between the countries on the use of television channels in areas near the border.

Q. So that the distribution of these channels for the Toronto area is a matter of agreement between the United States and Canada—A. Yes.

Q. Have the two countries in reserve any further channels in either of these two groups which possibly could be distributed in the Toronto area?—A. It would be my guess that there is not anything in reserve. The competent

people to say would be the Department of Transport, as I have said. We, as laymen, looking at the plan and knowing their problem cannot see where they could get any more channels.

Q. Do I understand that for all time, having in mind present knowledge as to this matter, we are limited, as you have said, to this number of channels for the Toronto area?—A. It would appear so, but I think that nobody would say that there might not at some time be technical developments or that there might not be some changes which would make something possible. What I said is from what we know now, and as far as we can foresee that seems to be the situation.

*By Mr. Fleming:*

Q. Do you not mean by that last answer that it is the limit in the Toronto area now, since the other channel originally intended for that area was shifted in the manner referred to earlier this morning?—A. That is the limit, and I would make my usual addition to that, that that shift made possible VHF service in another area which did not have it.

Q. But so far as the Toronto area is concerned, about which Mr. Henry is talking, there were originally the three channels assigned?—A. Yes.

Q. The question was raised earlier about this overlapping, and I have looked up the evidence given on the Elliott Haynes' survey on this matter. It may not be the complete answer, I agree, but this was the evidence given on Tuesday about that matter, if I may refer to it. Mr. Allard in quoting the figures of the Elliott Haynes' survey was dealing with what he called total circulation, and so far as York county is concerned, the county in which Toronto is located, the CBLT Toronto circulation was 791,528, and CHCH-TV Hamilton 76,954. Then Wentworth county, in which Hamilton is located, showed the circulation of station CHCH-TV Hamilton as 112,207, and CBLT Toronto 65,454. I suppose the figures of Halton county are partly of interest, seeing that it lies between the two. CBLT Toronto circulation 18,671, and CHCH-TV Hamilton 18,671. I wonder if that is quite right, because it shows the same figure for both. I wonder if perhaps there is a reporting mistake in that figure, Mr. Chairman. They would hardly be exactly the same. I am referring to the original flimsy, Mr. Chairman. It may have been corrected.

The CHAIRMAN: The clerk tells me that Mr. Allard has read the copy, that is to say the information you have there, and he did not notice the mistake if there was a mistake in it.

Mr. FLEMING: It just struck me in reading this over now that it would be a great coincidence if the figures were exactly the same.

The CHAIRMAN: That can happen.

Mr. FLEMING: For the two stations in Halton county. However, those were the figures that were given to us the other day in regard to circulation.

*By Mr. Henry:*

Q. I was wondering, in regard to the city centres across Canada, about the relative number of radio stations as compared to the relative number of available TV channels. Are they just about equal, Mr. Dunton? Take the Toronto area as an example. You would have four there. There were originally five and now there are a possible four channels as I see it.—A. You are including UHF?

Q. Yes.—A. UHF, as you know, and as I think has been explained to the committee, has many difficulties.

Q. At the moment it is not commercially possible?—A. It has a great many difficulties. In Toronto there are about six—two C.B.C. and four private stations.

Q. Then it looks as if in Canada there will be a lesser number of available channels than there are existing radio wave lengths now?—A. Thinking very quickly I would say yes.

Q. Did you ever make a rough approximation as to where this is going to lead? Would there be, let us say, two-thirds the number of channels in relation to the number of radio stations that we may have?—A. I have not made that investigation. I think one would have to look over the list of channels and the number of stations in different places. In some places if you add UHF and VHF together there would be probably more channels than existing stations, but UHF at the moment does not look very practicable in Canada.

Q. I understand there are some adjustments or there is some instrument which could be attached to the average set which would make the UHF group of channels more usable.—A. Yes, adapters can be put on sets. Mr. Ouimet can explain it to you if you like. However there has been a lot of trouble with those adapters.

Mr. OUIMET: Adapters of any kind whether for FM or UHF have not proved very popular because they are additional equipment which has to be added to the set. Generally adapters have not received public support.

Mr. HENRY: Why do the manufacturers not put them in, as a selling point for example? Would it add to the cost of the set too much?

Mr. OUIMET: Well there is a difference between the set designed to receive UHF and a VHF set which you later fit with an adapter. I was answering your point with regard to the adapters. It is perfectly feasible to make sets which will receive both VHF and UHF, and many sets which are made today will do just that. They are more expensive but they can be made easily and they have been sold. However there is another problem apart from the receiver and that is that a UHF station has a more limited range because it uses much higher frequencies and you have to use relatively much higher power to get the same coverage. As a matter of fact, to get exactly the same coverage as for a VHF station you need powers which are not practicable; in other words you have to use millions of watts instead of thousands of watts. The whole question of the economics of UHF broadcasting is one which is in an experimental stage in the United States, a number of UHF stations have had to close down, and the outcome of the experiment is still not certain in any way.

Mr. HENRY: Is there any analogy between the early days of radio and the present state of affairs in television for use on the UHF channels? In other words did we have wave lengths in the early days of radio which were commercially non-profitable and technically non-desirable?

Mr. OUIMET: I would not say that there was anything similar to this. You have perhaps a similarity as between FM and AM radio and UHF and VHF-TV. FM also was an experiment and it has not worked out too well, although technically it could be done, but the question of economics came in, and economics are the big problem for UHF. Nobody can say with any certainty whether UHF will eventually be used on a large scale. It may or it may not, but at the present and for some years to come it does seem that it has a definite disadvantage as compared with VHF.

Mr. HENRY: Thank you.

Mr. WEAVER: Mr. Chairman, I would like to go back to sound broadcasting for a moment to present to the C.B.C. officials a partial or a possible solution of some of their problems in the fringe or sparsely populated areas. To give some of the background, as you know, Canada consists of a long strip of heavily populated area running east and west, and as you work

north it thins out, although it goes for many, many miles north. The Precambrian Shield runs northwest, and the further west you go the further you go into less populated areas. There are roughly three sections of the country that fall into this category. One has been mentioned already, in the Northwest Territories, where the C.B.C. officials have said that they are actively considering solutions there. The eastern area is roughly Newfoundland and northern Quebec, and I do not think the problem is quite as serious there as it is in mid-central Canada, which is roughly northern Manitoba and northern Saskatchewan. When you go north of Manitoba the population is very, very sparse, so that that could hardly be considered at the present time. In the Northwest Territories there are approximately 27,000 people. In northern Manitoba, in this area that I speak of, there are approximately 50,000 people, and taking in northern Saskatchewan it would be about two and a half times the numbers spoken of in the Yukon Territory. There is a station CFAR at the present time at Flin Flon in Manitoba. I have been told that a satellite station could be put up at a place called Gillam on the Hudson Bay Railway, at a rough capital cost of $25,000 and a monthly maintenance cost of about $400. I have also been told that the same thing would apply at a place called Lac de Brochet. These are two centrally located points in that area that would practically cover all those people. There are many problems and I am just presenting this for the consideration of the officials. I realize that in order to get the C.B.C. programs over these areas you would have the problem of C.B.C. station and private station programmes going over satellite stations, and the question would be: who did the station belong to? Those are things that could be gone into later. But the thing is that the C.B.C. programmes could go through CFAR, be picked up by these satellite stations and broadcast to cover most of that mid-central area, at a relatively low cost.

I think it might involve an increase in the power of CFAR, but I think that that is a difficulty that could be taken care of. It might involve a direct wire from C.B.C. to CFAR. These things are in the realm of possibility. It might take a change of policy or it might not, but if the officials would give that their serious consideration I feel that the mid-central Canada section of the sparsely populated areas could be taken care of at a reasonable cost, and I would be very grateful if the officials would take that into consideration.

The WITNESS: Mr. Chairman, we will be glad to look into the possibilities both technical and financial.

Mr. FLEMING: May I turn now to the financial statement?

*By Mr. Goode:*

Q. Before going to the financial statement I wonder if Mr. Fleming would allow me to ask a question. I have two telegrams here covering the situation in East and West Kootenay in British Columbia. I am informed that the two Spokane television stations have erected either one or more masts in East and West Kootenay and are now piping television programs to private houses from the State of Washington. I understand the field extends from Kimberley and Cranbrooke into the area of Trail and Rossland. These two telegrams only cover Trail and Rossland but there is a number included here of 950 television sets or householders who are now using the service. I expect that the total, including Kimberley and Cranbrook would be something like 1,500. What the Spokane stations are doing is to charge the householder something like $115 for the original installation and $4 a month for the service. I wonder, does the C.B.C. or the Department of Transport give the Spokane stations a licence to do this? May I explain that the people who are actually doing the piping are a firm of McLellan, McFeeley and Prior Limited a large wholesale

hardware house in British Columbia. The service is already in operation, I am informed. I have never seen it but I am told by these telegrams that the service is now available to the householders in this part of the country. What do we do about a licence for an installation of that kind?—A. That is a Department of Transport matter.

Q. It has nothing to do with you?—A. It is not ours. I think Mr. Brown mentioned that they were just setting the conditions of licences for such things, conditions and rules.

Q. Could you tell me if licences are issued or do these people just go ahead? Does the Spokane station go ahead and provide a service without getting a licence?—A. I am not sure of the situation at the moment. I know there is a provision in the Department of Transport regulations for private commercial receiving stations which would cover this sort of operation.

Q. I would have to check with them?—A. Yes.

Mr. GOODE: May I be allowed please for Mr. Dunton's information to put this letter on the record. I have just received it. It is from my colleague Mr. Fairey, the member of parliament for Victoria, and he addresses to me. He says:

> "It is my understanding that a TV channel is allotted to Vancouver Island.
>
> In the event that a private licence to operate a TV station on Vancouver Island is considered, I request that you recommend to the committee that the claims of Victoria, the capital city of British Columbia, be fully considered before the allocation is finally decided."

I thank you for allowing me to put that on the record.

The CHAIRMAN: Will you hand in that letter?

Mr. GOODE: Yes.

*By Mr. Knight:*

Q. I think that maybe we should not go into the financial position until we have had a word or two more about this brief which we have had presented to us over the last day or two. I take it that our concern here as members of parliament must be the public interest. It is still my opinion that some support for the C.B.C. as it is presently operating is in the public interest. I want to ask Mr. Dunton this question: if the requests of the private organizations as outlined in this brief, as presented in the last day or two by Mr. Allard, were granted, is it Mr. Dunton's opinion that it would be detrimental to the C.B.C. in its present functions?—A. With regard to the suggestion of allowing duplication of stations where it is possible, I think, as we have tried to explain before to the committee, that at the present time it would have an adverse effect on the general support for the whole system, the whole national system, trying to produce and distribute programs to public and private stations. I do not think it would be completely disastrous, but it would have an adverse effect making the financing and support particularly from advertisers for Canadian programming more difficult. With regard to the suggestion of a separate regulating body, which is an old and much discussed problem, my best answer is to refer the committee to the Massey report again, and particularly to pages 283 to 286, where they give there their views after their very long study of the matter.

Q. We had the suggestion put forward I think by Mr. Allard, and by somebody else, that there was growing opposition to C.B.C. policy across Canada, and that certain suspicions were being created in the public mind of the C.B.C. as an adjudicator. As Mr. Allard stated, rightly or wrongly, as a competitor of the C.B.C., there was a growing suspicion in the public mind that C.B.C. would

not in certain circumstances do justice to private citizens. Now I suggest that this suspicion, of which I have heard nothing among my own constituents or in my own province, as a matter of fact, because I think my own province is fairly solidly in support, from what I can gather, of the C.B.C.'s present actions and policies—some of this suspicion might be caused by lobbies of various kinds by people who were perhaps not so concerned with the public interest as they were with certain private interest. I wanted to ask Mr. Dunton if there is in fact a definite lobbying in his opinion being carried on against C.B.C. policy and to what extent? What is the extent of that lobbying?

Mr. FLEMING: Is that a fair question to ask Mr. Dunton? What does he know about it?

The CHAIRMAN: Mr. Dunton will judge the fairness of it.

Mr. FLEMING: Is the lobby applied to the C.B.C. or to parliament?

Mr. RICHARD (*Ottawa East*): It is the same question that was asked of Mr. Allard.

The CHAIRMAN: Was that the question which was asked of Mr. Allard the other day?

Mr. GOODE: The only unfair part of it is this: I think it is an interesting question, but I do not think it is C.B.C. policy. If there has been a lobby, it is on government policy. I think the C.B.C. policy in this matter is non-existent; it is given by the government of Canada to the C.B.C. to carry out. I wonder if Mr. Knight would change his question.

Mr. FLEMING: Was Mr. Knight talking about a lobby applied to the C.B.C.'s board of governors, or one applied to members of parliament. I quite understand Mr. Dunton having within his knowledge the information with which to answer the first question, if that is it, but not to answer the second one. It may be within our knowledge, but not within his.

The CHAIRMAN: Members of parliament could answer it.

Mr. FLEMING: Yes.

Mr. KNIGHT: Mr. Dunton is a man of discretion and I think he might be allowed to answer a question in his own way and use his own discretion.

Mr. FLEMING: You are surely not going to allow Mr. Dunton to put himself in the position of answering your question as to whether or not any lobby is exercised upon members of parliament.

The CHAIRMAN: Would you please put your question again, Mr. Knight?

Mr. KNIGHT: It would be a lot of trouble. Mr. Dunton understands it, and so does the committee.

Mr. RICHARD (*Ottawa East*): Let me put it this way: is he aware of a growing suspicion—the suspicion which Mr. Knight mentioned amongst the public against the C.B.C., and its actions, as a Board of governors?

The WITNESS: I think I would try to answer both at the same time. I do not know anything about lobbying. I think it has been obvious to anybody who follows the public prints and expressions of opinion that there has been promotion of opinions and views mostly about the broadcasting legislation. I have not seen much recently which looks as if it was directed towards C.B.C. activities itself.

Mr. KNIGHT: Perhaps we could get it from another direction. Are there protests? I think this question is fair: are the protests against the things I have been talking about, which Mr. Dunton receives in his public capacity as head of this institution—are they coming mostly from bona fide members of the public who are interested in television and radio, to the same extent as they are coming from, shall we say, private interests or people who have

interests financial or otherwise to serve? Would that be a fair question? I mean: is the brunt of the propaganda against the C.B.C. originating in the minds of the public or with other people who have interests—and quite legitimately—of their own to serve?

The WITNESS: I cannot answer the question in that form. I can only repeat that I think it is obviously—where there is nothing said or done in Canada—that there has been a promoted effort to spread opinions—certain opinions—particularly about broadcasting legislation and about questions of our regulatory power and so on; but naturally not much of that comes to us directly. If it does, we explain that we do not write the laws and so on, and that we try to carry out our job as set by parliament.

Mr. FLEMING: I think Mr. Dunton is going outside his sphere, and I want to take exception.

The CHAIRMAN: What do you mean?

Mr. KNIGHT: It is a point of privilege.

Mr. FLEMING: This concerns the proper sphere of Mr. Dunton's testimony in line with what I said earlier about what is the proper sphere of questioning Mr. Dunton in regard to this matter. He said in the latter part of his last answer that this is a matter which comes to a very slight extent before the board of governors because they are not the people who write the policy; but in the first part of his answer he undertook to make a statement of some general import. Now, Mr. Dunton is here to answer questions on matters which come within the policy and experience of the C.B.C., but not to make statements of a general nature which obviously have nothing to do with the discharge of his duties as chairman of the Board of Governors of the C.B.C.

The CHAIRMAN: Can you give us the answer exactly the way you gave it, to see if Mr. Fleming is correct?

Mr. FLEMING: Why not let the answer be read back by the reporter? Mr. Dunton undertook in the second part of his answer to make a general statement in regard to what is going on in the country, and to say that it comes only slightly to his knowledge and to the C.B.C. because that is outside the sphere of the C.B.C.'s board of governors. The opinion of anyone could be taken on that basis as to what is going on in the country in the way of the formation of opinion.

Mr. KNIGHT: It seems stupid, so far as I am concerned. This is a sort of hemming and hawing, and getting around the edge of things. What we are here to find out is the ultimate truth; and so far as I am concerned that is what we want to get in this committee. But we are harried around here with regulations and personalities and that sort of thing. That is why I was a bit ouspoken yesterday. We "fooled" around with this thing and I finally asked a definite question and you took objection to it.

Mr. FLEMING: They are not proper questions to put to this witness.

Mr. KNIGHT: I put questions of the same sort to Mr. Allard yesterday.

Mr. FLEMING: As I understand a lobby, it is something which is applied to members of parliament.

The CHAIRMAN: This question has been decided. The second part of Mr. Knight's question was dropped.

Mr. FLEMING: Mr. Knight still wants an answer to his question.

The CHAIRMAN: He did not mention the word lobby in his last question.

Mr. FLEMING: He has not received an answer yet and he wants it. He will keep at it until he gets it. He has been coming close to asking Mr. Dunton for his opinions in his question, and I submit that Mr. Dunton is over-stepping his proper sphere in his testimony, as chairman of the board of governors.

The CHAIRMAN: Do you want the reporter to read back the answer wich Mr. Dunton gave?

Mr. KNIGHT: If I have learned anything in persistence, I have learned it from my hon. friend.

Mr. RICHARD (*Ottawa East*): Some of us have ears too; Mr. Dunton did say that he was not in a position to answer about lobbies; but that personally he was aware—just as it has appeared publicly—that there are certain promotions going on in the country in the past few years. Everybody knows that. I will take the witness-stand myself if you want me to do it, or you can do it yourself. There has been promotion published in the past few years against the C.B.C. legislation particularly in regard to the institution of an independent board. That is what he said. And he also said "but I have nothing to do with the legislation".

Mr. FLEMING: I would like to know what Mr. Richard means by "promotion"?

Mr. RICHARD (*Ottawa East*): Publicity and articles.

Mr. FLEMING: This is a free country.

Mr. RICHARD (*Ottawa East*): Everybody knows about it.

Mr. FLEMING: There is a great to do about something that is purely the right of free men in a free country to express. It has been discussed in the House of Commons. I take issue with the term "lobby".

Mr. RICHARD (*Ottawa East*): Nobody said it was a lobby.

Mr. FLEMING: Oh yes.

Mr. KNIGHT: I do not care if I never get an answer. In his opposition to having the witness answer the question, Mr. Fleming has gone quite far enough in my mind.

Mr. CARTER: Mr. Allard made a statement in his testimony that there was a growing suspicion. I am a member of parliament and I have not found any suspicion in my district, or encountered any in any of the provinces in which I have moved about. I think what Mr. Knight was trying to get was this: that there may be pressure groups which are putting on pressure and becoming vocal in impressing the idea that there should be a separate regulatory body, and in justifying it on the basis that there is widespread suspicion of the way in which the C.B.C. handles, or makes recommendations about applications for private stations. I think that is the trouble, the basis on which they put forward this pressure I think is wrong because I do not believe there is any widespread suspicion anywhere in Canada.

Mr. KNIGHT: If these assertions are true, then I claim that the witness at present before us has the right to say whether or not they are true, and whether in a borderline case where the C.B.C. has to make a decision of that sort, whether it has committed the injustices which it has been asserted are being made, and of which we are told there is a growing suspicion throughout this country, to which I object, and which I do not believe. I think that Mr. Dunton is perfectly competent to answer that question.

Mr. HAMILTON (*Notre-Dame-de-Grace*): I think perhaps this works in reverse as well. The C.B.C. has spent almost one-half million dollars—$483,000 on press and information. I think it can be proven without very much difficulty, using your own words, that a portion of this money is spent to present the C.B.C.'s point of view.

The WITNESS: It is not spent to promote the C.B.C.'s point of view on radio legislation.

Mr. HAMILTON (*Notre-Dame-de-Grace*): On page twenty-nine of your annual report, you say:

> Provision of information about radio and television programs and C.B.C. operations generally is the responsibility of the Press and Information Division. The work of this division falls generally into the categories of general information, press services and publications.
>
> In the field of general information, P. & I. personnel deal directly with requests from the general public for information on a wide range of subjects. Requests for information on specific subjects from press sources are also handled.

I would imagine that the C.B.C. would object strenuously to any suggestion that this money was being spent to present their views on the legislative position of the C.B.C. or on anything which properly falls within the field of the government. Mr. Dunton just drew that to our attention; but I daresay that almost any corporation in Canada—and certainly one which is in the public eye such as the C.B.C.—would be delighted to have one-half million dollars to use for press and information services of whatever nature, shall we say.

The WITNESS: What is that?

Mr. HAMILTON (*Notre-Dame-de-Grace*): For press and information services of whatever nature.

The WITNESS: If you had been on the committee earlier you would have heard us explain how the money was spent. It was not spent in putting forth any views on what parliament said our job was to be.

Mr. HAMILTON (*Notre-Dame-de-Grace*): I am not suggesting that. We were discussing the presentation of a certain point of view, and I thought that I might remind the committee that the C.B.C. was spending almost $500,000 on press and information service to comment on C.B.C. operations generally.

Mr. GOODE: I think the remarks of Mr. Hamilton would have been qualified if he had been sitting in this committee for sometime. I have put up the argument here, not against the C.B.C., but against the policy. But if Mr. Hamilton would perhaps read the transcript for the last few weeks he would find out that the C.B.C., on questioning from both sides, has quite readily submitted to this committee a reasonable excuse for the large expenditure. Let me put it that way; and I am quite satisfied that not one nickel of that money has been spent to promote their claims or their regulations. But when we are talking about suspicion, I think that "suspicion" is a most unfortunate word. I think there is disagreement in the country in regard to whether the C.B.C. should be the judging body; and when they start to talk about a so-called lobby, I have a newspaper clipping from one of the Vancouver newspapers which expresses Mr. Laing's views. Mr. Laing is the Liberal leader in British Columbia and he is quoted as having taken issue with the federal government policy, and to have called for private television licenses in all parts of Canada.

I do not go all the way down the line with Mr. Laing because I do not agree that private stations should be licensed in all parts of Canada. I think they should be licensed in urban centres. Mr. Laing has only five or six members in that House and he would not be in a position to conduct a lobby.

The public feeling in British Columbia, as I have tried to point out in a very small way, is displeased with the government policy that the C.B.C. should be the final judge and jury on the matter of licenses. I still disagree with that, but as far as suspicion in regard to the officials of the C.B.C. is concerned, there is no thought in my mind of that at all.

Mr. KNIGHT: I want to reserve my place because I have a couple of minor questions to ask which have no relation to this particular thing. But I do want to make my position clear: that if by its very nature radio and television are a monopoly, and if they have to be a monopoly, then it has to be either a public or a private monopoly; and if it has to be one of those monopolies, my preference is that it should be a public monopoly which would be responsible to the representatives of the people of Canada in parliament.

Secondly, I think that the policy and action of the C.B.C. at the moment is in the public interest. Perhaps that may change in the future; and if any of these suspicions about which we were told exist in the public mind, then I want the public to know where and by whom that particular suspicion is engendered. That was the purpose of my whole questioning. I want the public to know that this suspicion is not a thing which has arisen simply spontaneously, but that it is to some extent at least the result of what I choose to call a lobby, but which another person may call something else. I presume there is a difference in the meanings of the word, but I thought my meaning was perfectly clear in its language.

Mr. GOODE: As far as your statement is concerned, you are just expressing the C.C.F. policy of a government monopoly in regard to television and radio.

Mr. KNIGHT: I expressed what has been the Liberal policy over the years in that regard. But why bring it up?

The CHAIRMAN: I do not think we should continue on that ground.

Mr. KNIGHT: No. As far as the C.C.F. party is concerned, I am a member of it, and I am proud of it.

Mr. FLEMING: May we ask Mr. Dunton a question about monopoly?

Mr. KNIGHT: I want to keep on going for a moment or two, because I have to go down and make a broadcast over a private station. However, Mr. Dunton, I asked Mr. Allard about private stations yesterday, and about logs. Mr. Allard told me that he had no responsibility to provide logs to this committee. I suggest he had no responsibility to provide anything to this committee except his own opinions which he did quite freely.

The CHAIRMAN: I did not get the last part of Mr. Knight's observation.

Mr. FLEMING: Mr. Knight is undertaking to make a statement of Mr. Allard's evidence. It is not correct. Mr. Allard said that he did not get the logs of the station; he said it was the C.B.C. which got the logs of the station, whenever they chose to ask for them.

The CHAIRMAN: That was his answer.

Mr. KNIGHT: I am quite sure that the private stations have logs of their own affairs.

Mr. FLEMING: Mr. Allard was there on behalf of the organization. He does not operate any private station. We must be fair to Mr. Allard in the evidence which he gave.

Q. Let me ask this question: you have the logs in your possession?—A. Yes.

Q. I wonder if they are available to the committee?—A. They are very bulky things. We get them every week from all across the country. It is a great volume of material.

Q. It would be hardly reasonable then to ask you to produce them; but I am interested in the proportion of time given by stations to sustaining programmes on the one hand, and to commercial programs on the other. What is the proportion, roughly speaking?—A. We have not done a survey. It is not an easy thing to do, because you get a great many programmes in which there are spot announcements, but whether they are commercial or non-commercial, it would require quite a long job to ascertain. It will be pretty difficult.

Q. I take it that there is some obligation on the part of private stations to give a proportion of their time to sustaining programmes.—A. Not particularly. We naturally watch the operation of programming since we have an obligation to make recommendations upon the renewal of licences and that sort of thing. We do keep an eye on the amount of commercial messages and spot announcements which are covered by regulations, but we agree with most private stations that the quality of the program itself is more important, whether it is sponsored or not. We do not say that when a station does give a local programme which becomes sponsored, that it necessarily casts any pall on the programme at all. We are more interested in the programme itself. We are much more interested in the general service they do; in the various aspects of it, in the amount of live programming of any kind, in the amount of community service which they do with live talent in relation to the practial possibilities of their area.

Q. I understand from my own observation of some of the private stations that they are giving a very excellent service to the public in the matter of affairs of a local nature, and sustaining programmes. Is there any widespread gap between them in that regard?—A. Yes. I think with Mr. Allard that there is a lot of variation in the amount of what is generally called community service, and in the quality of it; I believe that there had been a lot of very good work done around the country.

Q. We have a private station in our own community, CFQC, which has made a very good record in that regard.—A. We know them, and they have done a lot of very good work. There was a question of about how much live programming is being done by private stations across the country. Taking a sample week in January of this year, and averaging the programming of all the stations right across the country, it is about twenty-one per cent in live broadcasts.

Q. Perhaps I should mention the other station, CKOM, as well. They are very much a rival station.

*By Mr. Goode:*

Q. What is the percentage of live programming of the C.B.C.?—A. The entire network?

Q. Yes. You mentioned the private stations as averaging twenty-one per cent right across the country. What would the C.B.C. average be right across the country?—A. You can see that in the annual report, where we gave a breakdown of the various programmes.

Q. You put a percentage on the record with regard to the private stations. What is that percentage for the C.B.C.?

Mr. FLEMING: For the over-all?

The WITNESS: Yes.

*By Mr. Goode:*

Q. Yes, exactly on the same basis.?—A. This was for January. It would not be on the same basis on the C.B.C. because in sound broadcasting we are to a large extent operating networks and providing network programmes.

Q. I would like to have a figure on exactly the same basis as the twenty-one per cent figure for the private stations.—A. We could get that for you on the network service.

Q. I want it on the same basis as you based your twenty-one per cent, right across the country.—A. We cannot do it for individual stations.

Q. Then how did you base that twenty-one per cent?—A. By taking a breakdown of what each private station was doing and averaging it.

Q. Could you not do the same thing for me as far as the C.B.C. is concerned, and let us have it at some time?—A. For our network service?

Q. Yes, yes.—A. Yes, sir.

*By Mr. Knight:*

Q. Getting back to my question: is the time element a correct measure of the public service that a station is rendering? There are times at which these programmes come on. There are certain times which may be better than other times. Consequently there are some broadcasts which are much more profitable than others; spot broadcasts, for example, are some of the most profitable sources of income for a station. There must be many other considerations as well as the actual time during which the station is engaged in broadcasting, in order to measure the public service of that station.—A. Very much so. We think that the volume of time is a quite imperfect measure. When we study what a station is doing, we look not only at the volume of time allotted to the different types of things. We ask them to tell us what they are doing in this or that period, and we agree with the stations very much that they may be putting much more effort, and being much more useful to the community in a half an hour with a particularly concentrated programme, than in two or three hours of much more ordinary programming; and the question of the useful time is related to the size of the general audience at different times of the day. Now in the daytime in many cases you have as big an audience as at any time at night.

Q. I have one more question and then I shall have finished. We know there are C.B.C. regulations which allow the various scripts which are used in the C.B.C. programmes to be obtained by members of the public who write in.—A. There is no such regulation.

Q. It is simply a courtesy?—A. It would be a courtesy by the station.

Q. If there is no such regulation in regard to the C.B.C. then neither is there such a regulation in regard to private stations?—A. No.

Q. Suppose I wrote in and asked—let us say it is one of our own local stations—for the script of a certain programme. If they gave it to me, it would be a matter of courtesy, and they are not under an obligation to do so?—A. That is right.

Q. When a speech has been made over a C.B.C. station I take it that there is a regulation that the script of that speech should be left with the station?—A. Yes.

Q. For filing?—A. Yes.

Q. That is a definite regulation?—A. Yes.

Q. Do the private stations follow that same practice?—A. Yes, pretty well, I think. There is a general regulation that they should keep any material of that kind either on file or available, but not to the public.

Q. It is not necessarily produced on demand.—A. Not to the public, no.

Mr. KNIGHT: Thank you very much.

*By Mr. Carter:*

Q. Following up Mr. Knight, private stations are required to carry a minimum of 5½ hours of C.B.C. programmes?—A. I think there is a misunderstanding about that. Originally when the service was starting, we said we would guarantee to private affiliates a minimum of ten and one half hours, and would expect them to carry a minimum of 10½ hours. But since then it has developed to the point where that 10½ hours has grown, to 30 and to 40; generally, usually 35 to 40 hours a week. There was not an accurate explanation of that 10½ hours the other day.

Q. When you make that time available to the private stations are there any conditions attached? Do you require them to space it at certain times of the day, or are they free to use it at any time they wish?—A. No; it should be used at the time it is on the network. If they are an interconnected station, it has to be used when it comes to them on the network. For scheduling reasons, or for sponsored demand, we usually ask the private stations receiving the service by recording in most cases, to programme it at certain times corresponding to the interconnecting network.

Q. When you say thirty hours, that includes sustaining as well as network programs?—A. We would have both sustaining and commercial programs, in other words, both commercial as well as non-commercial programs.

Q. Do you require the private stations to carry a minimum?—A. So far in television we have not come down to a system of rigid reserved time for programs. We have been working more by cooperative discussion with the stations, and, as we explained before, there have usually been more cases of the stations wanting more service, rather than forcing them to take more. But as the system develops we will probably get to the point with some of our non-commercial programs that we will haxe to insist on their being carried. Our affiliates are reasonable people and they know, for instance that we want the main, national television news covered, so most of them take it and are very glad to have it, as well as some of the other important programs. It has not yet in any way come to a question of forcing or not forcing. There are some programs which the stations have said they do not want to carry and we have not insisted that they do so.

*By Mr. Richardson:*

Q. I do not know if as a member of the committee I am too much interested in whether the so-called suspicion referred to by Mr. Allard last Tuesday is what I would call a legitimate suspicion, or one which might be referred to as an inspired suspicion. I am interested at the moment only in what are the facts. A person may be suspicious and yet may have no facts at all; or he may be suspicious and have his suspicions confirmed by the facts. I am prepared to believe Mr. Dunton, Mr. Chairman, but there is a question I would like to put to him through you, that might be termed as a serving answer. I am also very much confirmed in my view that he is intelligent and honest enough to give me the best answer he can. My question is very simple. In Mr. Dunton's experience have there been any great number—or any instance at all—of abuses or prejudices to private stations in respect of the advisory or regulatory authority which the C.B.C. has?—A. In my view there have been none in the decisions or the recommendations made by the Board of Governors in carrying out the duties given to it by parliament.

Mr. GOODE: You would not want to include the applications made to the Department of Transport. That is a different matter.

The CHAIRMAN: Now gentlemen, the figures quoted by Mr. Fleming during the course of this debate are, I am told by the Clerk, accurate figures—that is the figures he quoted from Mr. Allard's evidence of yesterday.

I might tell the committee that I made a mistake in forgetting to welcome a new member, Mr. Hamilton, and I hope he will excuse me for having forgotten.

Mr. RICHARDSON: Does he replace somebody?

The CHAIRMAN: Yes, Mr. Diefenbaker.

This afternoon we shall have representatives of the Bell Telephone Company here and I hope all members of the committee will attend. It will be most interesting.

## AFTERNOON SESSION

MAY 26, 1955.
3.30 P.M.

The CHAIRMAN: Gentlemen, we have a quorum. As I told you previously, we have here two officials of the Bell Telephone Company, who are coming to add to our knowledge of the microwave radio relay system. Mr. Harold G. Young will be the principal speaker. He is the general manager of the company's toll area and is thus directly responsible for the system which, as you know, carries network television programs under contract with the C.B.C. Now I will call upon Mr. John A. Dochstader to introduce Mr. Young. Mr. Dochstader is in Ottawa as assistant to the president of the Bell Telephone Company.

Mr. FLEMING: Mr. Chairman, will you let me say in recommendation of Mr. Young, that he comes from Toronto.

The CHAIRMAN: That is so. That is in addition to his good reputation, Mr. Fleming.

Mr. RICHARDSON: Mr. Chairman, in spite of that we will be glad to hear him.

Mr. JOHN A. DOCHSTADER: (*Assistant to the President, Bell Telephone Company*): Mr. Chairman and gentlemen, two years ago we inaugurated our radio relay system between Montreal, Ottawa and Toronto. This system carries long distance telephone messages and television programs at the same time. Also in 1953 we completed an international link between Buffalo and Toronto. The equipping and construction of this so-called core system, as well as the present radio relay development that we are undertaking in cooperation with the other six member companies of the Trans-Canada Telephone System, have been under the direction of Mr. Harold G. Young. Since early in 1953 Mr. Young, as the chairman said, has been general manager of our toll area, which is that part of our organization responsible for all the facilities and services from a long-distance standpoint. However, Mr. Young's association with radio relay goes back well beyond that date since when he was general manager of our western area (with headquarters in Toronto, Mr. Fleming) he guided most of our experimental work in radio relay. In this work I might say that Mr. Young is active not only as a telephone company executive but also as a radio enthusiast in his own right. I understand—and I will not divulge the year—that he was just fifteen when he first became actively interested in radio, and even now as a ham operator he has a station in his home in Montreal which operates under licence No. V.E. 2C.P. which was granted by the Department of Transport. It is exactly to the day forty-one years ago that Mr. Young was granted Com. Opr. Licence No. 38.

Mr. Young during 1917 and 1918 was a wireless operator with the Royal Canadian Navy, and in 1920 he graduated from the University of Toronto in electrical engineering. Since that he has had thirty-five years' service with our company, and during that time he has been closely associated with most of the major developments in the telecommunications field.

I have pleasure, Mr. Chairman and gentlemen, in presenting Mr. "Cy" Young, who comes before you today as a representative of the Trans-Canada Telephone System.

Mr. HAROLD G. YOUNG (*General Manager of Toll Area, Bell Telephone Company*): Mr. Chairman and gentlemen: I thank you very much, John for the introduction. It is a pleasure for me to come before you to deal with the radio relay system and its relation to television, and to try and give you some information about a very technical subject in a non-technical manner.

First of all I would like to say a few words about the Trans-Canada Telephone System so that you are clear as to what it is. Across Canada there are seven major telephone organizations. Starting from the east there is the Maritime Telegraph and Telephone Company Ltd. operating in Nova Scotia and Prince Edward Island, a privately-owned company. In New Brunswick there is the New Brunswick Telephone Company Ltd., another privately-owned telephone company. In Ontario and Quebec the Bell Telephone Company of Canada; in Manitoba the Manitoba Telephone System, a creature of the provincial government. In Saskatchewan the Saskatchewan Government Telephones, and in Alberta the Alberta Government Telephones, both also provincial government organizations; and in British Columbia the British Columbia Telephone Company, a privately-owned company. These seven members make up the Trans-Canada Telephone System, and the Trans-Canada Telephone System is not a corporate entity: it is an association of these seven members who agree to provide the facilities to give a coordinated long-distance telephone service across Canada, and who undertake to provide the facilities in their own territories to inter-connect with the other systems. The association is governed by a committee elected by the members, and they do their business through that governing committee.

Now of course the revenues from toll messages are collected by each company and they are cleared through a clearing house, and the clearance is based on the mileage of the facilities furnished by each. The Bell Telephone Company, playing its part in this Trans-Canada Telephone System, have extensive long-distance facilities, of course, and I would say that the major backbone route of the Bell Telephone Company of Canada consists of buried cables from Windsor to Quebec. Across the rest of the country the backbone system is a pole line on which is wire, and superimposed on the wire are carrier systems.

Back in about 1949, in the section between Montreal and Toronto those buried cables had a capacity of some 500 telephone circuits, and in 1949 about 350 of them were in use. It was quite evident that we were going to have to do something to add to those facilities, and there were several ways of doing it: to lay another underground cable, and if we did that we had to follow the same routes, and it would be very desirable to have a separate route. If we required a separate route we would have to lay two cables from Montreal to Toronto. The third way was by radio, and radio of course got a tremendous boost during the second world war, where a lot was learned about radio in a very short time, and as to the cost that was indicated to reinforce the facilities between Montreal and Toronto, a single cable and a radio relay system were about a stand-off. Now, of course, the radio relay system gave you an alternate route so that the hazards were not common to the two routes, and at the same time the C.B.C. were interested in television circuits between Montreal, Ottawa and Toronto, and we were invited to tender for those facilities.

Of course your television transmission cannot be put over ordinary telephone cables, while it can be put over radio relay, so a combination of events decided that we would put in a radio relay system Montreal-Ottawa-Toronto: hence our real entry into radio relay.

As regards the situation across the rest of Canada, by and large with probably the exception of Calgary to Vancouver, a pole line and a fully loaded pole line, will supply about 100 telephone circuits, and we have about 100 circuits on that pole line in all sections except Calgary-Vancouver. Therefore the same situation holds right across Canada as held between Montreal and Toronto, that we had to do something to reinforce the telephone facilities.

Now again the C.B.C. are interested in television across Canada, and that fact weighed in the decision to build a radio relay system, the detail of which is on that map there if you care to examine it afterwards. I am going to give

you in the course of a short description some of the engineering considerations in designing a radio relay system, but first of all before I start that I would like to talk about frequencies just a little bit.

Now you are all familiar with 60 cycle lighting current and you are all pretty well familiar with audio frequencies in general. I might say that the piano is a good illustration of the frequencies involved. The bottom note on the piano is an A and it is 28 cycles per second. The top note is a C and it is 4,196 cycles per second. Those are the fundamental tones from the bottom to the top of the piano. The piano tuner uses one of these things (tuning fork) and he tunes A above middle C to a tuning fork which is 440 cycles per second. This is what 440 cycles sounds like (demonstrating). Now I think we should let you hear maybe 50 cycles just for a second, and 4,000, just to get an impression of the difference. May we have 50 cycles? If we cannot we will go right ahead.

Mr. FLEMING: I guess it is the government service which has broken down!

Mr. YOUNG: I would like you to get this. Well, we will skip listening to the voice sounds for the moment, but the audio and the voice range extends from some 20 cycles to 20,000 cycles per second.

Now over the telephone facilities we transmit a band of 3,000 cycles—from 200 to 3,200 roughly. We could transmit the full 20,000 cycles but your telephone service would be a lot more expensive, and 3,000 cycles is a perfectly adequate range of frequencies to give good telephone conversation where you can recognize the voice of the speaker, and it will carry all the voice inflections that are involved in understanding a telephone conversation.

As regards other forms of wave propagation: sound, of course we are all equipped with a transmitter. I am working mine here and you are hearing it, and you are hearing it through a pair of receivers which you have. As regards radio where the frequencies extend from 20,000 cycles per second well up into the megacycles, a person is not equipped with transmitters and receivers, but when you go a little higher and come to the frequency of light, for instance, we all have a pair of perfectly good receivers that are sensitive to frequencies of light.

Now television, a video circuit, requires a band of frequencies between 3 million and 4 million cycles in width, compared to a telephone circuit of 3,000 cycles, and on the same facilities that we can carry a television video picture we can put 600 telephone circuits. To a telephone engineer that suggests right off the bat that television is a very expensive form of communication. It does convey a tremendous amount of information, and maybe 600 telephone circuits is a fair measure of the complexity of the information which it carries. Actually, while it looks to us as a very expensive thing, it is a very small part of the cost of television. I happened to read just yesterday a review of the cost of a half-hour program across the line, which in over-all cost was $56,000 for a half-hour. It went to 83 stations in the American network and the communications company which carried the network received $1,000 for that half-hour program, slightly less than 2 per cent of the cost of producing the half-hour program.

Now I would like just to talk about radio frequencies for a moment, if I may have my first slide, and have these lights turned down a little bit. I am not going to bore you with this very much.

—(First slide)

This is an arbitrary division of the radio spectrum, and while the voice frequencies are entered at 20,000 cycles you will see the radio picks up at 30,000 and of course it goes all the way to 30,000 megacycles, 30,000 million, and even higher. The ordinary radio that you are familiar with, this AM

broadcasting, uses the frequencies from about 525 to 1,500 kilocycles, and as to the range of AM broadcasting you are also familiar with the fact that in the daytime you may hear an AM station a hundred miles away, for instance in Montreal you might hear Ottawa, but at night in Montreal you might hear even Los Angeles. The range is much greater at night. The reason of course is that these radio frequencies are reflected by the ionosphere, and the distance that the reflection takes place varies between day and night. It is reflected by a layer of the ionosphere which is ionized by the sun's rays. As you go down in frequencies the range of radio varies greatly. For instance at 7 million cycles per second here the range probably would be about 1,000 miles in the daytime and half-way around the earth at night. As a ham I have talked to Australians early in the morning on 7 megacycles many times. When you go a little bit higher in frequency, to 14 megacycles, which is another ham band, in the daytime the range, if there is an opening, may be half-way around the earth but at night it would be confined to line-of-sight; so the maximum distance that you might get at night would be a line-of-sight, 30, 35 or 40 miles. That also holds with the rest of the higher frequencies, except that in the daytime the range is the same as at night.

These higher frequencies are not reflected by the ionosphere as are the lower frequencies, and therefore radio in these higher frequencies is confined to short distances and line-of-sight.

The frequency chosen by the Bell system, the telephone system, for their radio relay is 4,000 megacycles—4,000 million cycles per second—which is a common carrier band which is reserved for common carriers. Now there is television broadcasting in the lower band and in the higher band, there is FM and many other uses of radio. Where the frequency is very high and the wavelength is very short, perhaps I might just describe the relation between frequency and wavelength very briefly. All these radio frequencies travel at the speed of light, 186,000 miles per second, or 300 million metres per second. Let us take this 500 kilocycle one as a sample. In one second that energy will travel 300 million metres, and in the same second there are 500,000 cycles of that energy. During the space of one cycle that energy will travel 300 million metres divided by 500,000, or 600 metres, and the wavelength of that frequency is 600 metres or roughly 1,800 feet.

If you come down to take this mobile telephone band of 150 megacycles, the wavelength there is obviously 2 metres, 6 feet. When you come to 4,000 megacycles the wavelength is 3 inches. Now the first antenna that is a good radiator of radio energy or a good collector of it depending upon whether it is a receiving antenna or a transmitting antenna, is a wire half a wavelength long. If you wanted a really efficient antenna for AM broadcasting you would try and get a wire, taking this 600 metres or 1,800 feet, where half a wavelength would be 900 feet; but when you come down here where the wavelength is 3 inches the radiator would be an inch and a half long. Where the wavelength is short it becomes practical to introduce that radio energy at the focal point of a reflector or of a lens and to send it out as a beam of radio energy concentrated all in one direction, and concentrated in any direction which you wish, just as a searchlight concentrates light by introducing the light at the focal point of a lens and sending it out as a beam.

Now our radio relay system uses that very system of reflectors or lenses to concentrate the beam of energy in one direction and send it all in that direction, and, as a result, our radio relay system can use a power output of half a watt, whereas the ordinary power you think of in radio may be termed in kilowatts, and many kilowatts.

For our radio relay system, where you can beam it all in one direction, we actually use an output of half a watt.

—(Second slide)

There is just a small point here. Of course the bane of the radio engineer's existence is noise. He must design his system to have a signal that is well above the noise level. All man-made noises such as ignition systems and static from lightning and so forth is concentrated in low frequencies. Above 1,000 megacycles no really man-made noise exists, so that in the radio relay system which we use we have to concern ourselves with residual thermal noise from vacuum tubes and other parts of the circuit but not with static or man-made noises.

—(Third slide)

This will take but a few minutes to describe: designing a radio relay system to go from Buffalo to Toronto, which was one of our first problems and one of the most interesting ones that we had. This is the geography. The distance from Buffalo to Toronto is 58 miles air line, most of it across Lake Ontario. Buffalo is a little bit east and of course south. Now here is one alternate route, to go to Fonthill and to Toronto, with one repeater. Another alternate would be to go to Fonthill, to Milton, to Toronto, with two repeaters. That might suggest to you that this lake has some effect on radio, and I will show you why it does. At one time we thought we might have to go right around the end of the lake to get from Buffalo to Toronto satisfactorily.

—(Fourth slide)

Now, of course the first thing you do when you are designing a radio relay system is to examine maps and look for high points so that you can reach as far as possible with a clear line-of-sight. You must have a clear line-of-sight between the transmitting and receiving antennae. Now this is the profile of Toronto to Buffalo. In Buffalo the ground level is 600 feet above sea level, and in Toronto it is about 290 feet above sea level, the lake being 234 feet above sea level. The top of the New York Telephone Company building in Buffalo is 830 feet above sea level, and the top of our Adelaide-Elgin building is 500 feet above sea level. Obviously that would have to go through the Niagara escarpment, and the high point in between is the Niagara escarpment. In order to get a direct shot there would require 500-foot towers on both of those buildings, and obviously it is not a possible solution.

—(Fifth slide)

By examining the maps, Fonthill is right on the edge of the Niagara escarpment and it is 825 feet above sea level. Again in Toronto the top of the Canada Permanent building—and I will explain why we used the Canada Permanent building rather than our own building in a later slide—is 530 feet, so that you get clearance over the high spot, the high spot being Lake Ontario. We need more than just clearance for good transmission; as a matter of fact in that path we need 105 feet. If anybody is interested in optics it is the first fresnel zone clearance, and the first fresnel zone clearance is that distance which would make this route a half wavelength long rather than the direct one. A half wavelength here is an inch longer. In order to get that clearance we need 105 feet above Lake Ontario, to get first fresnel zone clearance. This is the path that we chose, and this is the bug that is in it. Drawn on here, as well as the direct path between transmitter and receiver, there is another path reflected off the lake to the receiver. The lake is a good reflector. So that you have, arriving at the receiver here in Toronto from this transmitter, two radio pieces of energy, and if they are in phase they would give you a stronger signal than if there were no reflected path. If they were out of phase, of course, they would subtract. If they would stay put they would not be very worrisome,

but they do not stay put, they vary in phase, and for that reason we have to use two frequencies across this path with a receiver on the end of each frequency and an automatic switch from one to the other. We have found from experience and we have operated this for at least two years, that this works very satisfactorily, and the Bell system have found that as long as the separation between radio frequencies is 40 megacycles they do not fade at the same time. Therefore we actually use a difference of 180 megacycles in the two frequencies. We have two transmitters and two receivers, and the one in use is automatically switched to the one with the good signal at the receiver in Toronto.

—(Sixth slide)

Now I am going to show you a few pictures of the testing equipment and I will describe how they are used. This is a picture of a test tower which can be put up in two or three hours to a height of 200 feet, and the antennae can be raised and lowered on it. That is the antenna and it has a parabolic reflector, and you can put it at any height you wish to test and see that you are getting clearance.

—(Seventh slide)

This is a picture of the transmitter and the parabolic reflector, and this is where the microwave radio energy is generated, and it is transmitted out into this parabolic reflector.

—(Eighth slide)

This is a close-up with Hugh Bishopric here helping me adjusting the wave-guide. The radio energy comes out of a rectangular wave-guide to the focal point of this reflector, is spilled back into the reflector and then goes out as a beam of radio energy.

—(Ninth slide)

This shows the receiving antennae we used for the tests, just sand-bagged down on the roof of the Canada Permanent building. The receiver looks like the transmitter; it is the same kind of a dish.

—(Tenth slide)

Now over in Fonthill we put in for the use of the C.B.C., before we had our permanent construction, a temporary set-up in which we used 80-foot poles, and it is just a little interesting to show a picture of that. Here is the reflector, a parabolic reflector towards Buffalo, and there are two on the side towards Toronto. We used that for about a year. The equipment is haused in this little building here, and of course we have to have this kind of a building for regular purposes.

—(Eleventh slide)

This is a picture taken from the top of our Adelaide-Elgin building in Toronto looking towards Fonthill. We wanted to use the top of our building, but in order to see Fonthill it was exactly through that slot. This is the Royal York Hotel on Front street and this is the *Daily Star* on King street, and the line-of-sight of Fonthill was through this slot between the Royal York and the *Daily Star*. That is why we moved over to the Canada Permanent building at the start, because from the Canada Permanent building you see Fonthill clear of the *Daily Star* building. When we first started up we actually used our building and we had trouble. I remember having Mr. Ouimet and some others there when we first started, and we really had trouble. This was the nature of the trouble that we had. The transmitter at Fonthill is of course sending

a beam of radio energy here which was coming through this slot into our antenna. It was also going up University avenue to the Hydro building, it was reflected off the Hydro building back onto the Royal York and again back into our antenna, so that we had two signals in our antennae on our building, one through the slot and one up to the Hydro building back to the Royal York and then up to our antennae. The signals varied too much and therefore we could not use that slot for radio transmission. What we did was to put a 150-foot tower on the Adelaide-Elgin building so that we got the signal up here.

—(Twelfth slide)

Now here is the geography of Montreal-Ottawa-Toronto, including the leg over to Buffalo. The first thing you do is to pick these points by looking at topographical maps, and once you have picked them you have to make sure that there are no obstructions in these paths. We do that using the test equipment and the test towers which I showed you to check the accuracy of the maps and to determine accurately the height of towers that we need at each point. This has twelve intermediate points which, by the way, are unattended, and three main points, Toronto, Ottawa and Montreal. At each of these spots one needs an access road, one needs power and one needs telephone facilities. The average length of these paths is 27 miles and the route mileage is 43 miles longer than the air mileage. The longest path of course is across Lake Ontario, 42 miles, and the second longest one is from Rigaud to Montreal, 33 miles. The two shortest ones are getting in and out of Ottawa, Ottawa being at the Ottawa river level, and being surrounded by rising land, we can only get short shots out of Ottawa, 15 miles to Leonard and 17 miles to Stanley Corners. The towers vary from 50 feet upwards, the highest ones being 212-foot towers, one at Enterprise and one at Westport. Of course those heights are a minimum, because these towers cost roughly $300 a foot and you juggle your tower heights to get the best economic solution out of it.

Since we have built these, Peterboro, which is just north of Hastings and Bethany here, has been added, and Kingston, just south of Enterprise, has been added to the system.

—(Thirteenth slide)

Now another little thing that we have to watch out for in designing a radio relay system is to stagger the stations. They must not be in a straight line, because, for instance, here is a transmitter in Ottawa transmitting in that direction at a frequency of 3,770 megacycles; in the next section it has dropped to 3,730 and in the following it is back at 3,770. In this receiver we do not want any energy from this transmitter; we only want it from that one, so this receiver must be off this line far enough that it does not get energy from the one further on. Therefore all the way we must endeavour to avoid over-reach interference.

—(Fourteenth slide)

This is the Enterprise tower, a 212-foot tower, and you can see the antennae at the top. There is a platform up there to hold up the antennae. There are four antennae, one for receiving from each direction and one for transmitting in each direction. The equipment is located in a building at the base of the tower, and the transmission from the equipment to the antennae is by wave-guide up the tower. A wave-guide is merely a rectangular brass tube that is finished very smoothly on the inside.

—(Fifteenth slide)

This is the other 212-footer at Westport, and you can see the building.

—(Sixteenth slide)

Here is the Bethany site where there is a 50-foot tower with four antennae. These are lens antennae, and the equipment building.

—(Seventeenth slide)

This is the antenna for the mobile telephone system which covers the country around Peterboro, so that we can give you a telephone in your automobile if you want it and you can communicate with any other telephone in the Bell system. This would be the transmitter and receiver that would receive the signals from your car.

Just a word about towers. This beam of radio energy is a beam that only varies on degree from centre. Therefore these towers have to be very rigidly constructed so that they will not vary either way more than one degree. Consequently the footing at the corner of each tower has to be big enough to hold it down, not hold it up, but to hold it down so that the wind will not blow it, and it is designed to stand 120-mile an hour wind.

—(Eighteenth slide)

Just as a sample, at the Enterprise 212-foot tower this chunk of concrete which is the footing, is 12 feet square, 3 feet thick and buried 10 feet, so that there is enough weight of concrete and fill at each corner of that tower to hold that 212-foot tower down in a 120-mile an hour wind.

—(Nineteenth slide)

Here is a picture looking along Adelaide street towards the east at our Adelaide-Elgin building, and there is the 150-foot tower on top of the Adelaide-Elgin building.

—(Twentieth slide)

This is in Ottawa and the top of the O'Connor street building. Of course the design of this tower in Ottawa just had to be different to conform to appearance and so forth. Mayor Whitton and the committee for Ottawa came forward with that design of tower, and you can see it out here at O'Connor street. There are also the antennae. These are the ones that look towards Leonard and the other ones towards Stanley Corners.

—(Twenty-first slide)

This is the Montreal Terminal at the head of Shakespeare road or Remembrance road. We had to dress the building up a little bit there because of the location. That is a 75-foot tower and these two antennae look at Rigaud. Now of course we have extended this system on to Quebec, and also on this tower is an antenna towards Quebec and Rougemont mountain is the first point east towards Quebec.

—(Twenty-second slide)

Now I am just shortly going to describe what the Trans-Canada Telephone System has under way. The C.B.C. are authorized to enter into a contract with us covering television from Sidney to Vancouver. This system, of course, is what we have already built, Buffalo-Toronto-Montreal to Quebec, and this we are building. As regards the points that it is going to touch, there is one left out: Barrie, North Bay, Sudbury, Sault Ste. Marie, Timmins, when they have a station, Fort William to Winnipeg. In general this follows the Trans-Canada highway and there is not one station on that route, and there are 36 of them, that is more than a mile away from the highway. This has all been path tested completely, and of course we build the section in Ontario and the Manitoba Telephone System builds from the boundary to

Winnipeg. We will maintain this system Toronto-Winnipeg from three points other than Winnipeg, from North Bay, from Kapuskasing and from Fort William, and those will be the only attended points on this system. Now we have an alarm system which we put in, and talking about Toronto-Montreal there are twelve unattended points between Toronto and Montreal. The alarms from those points come into Kingston. The man in Kingston can tell 42 things about these stations: he can tell when the door is opened; he can tell whether the temperature is too high or whether the temperature is too low; he can tell if the pressure on the wave-guide goes up or falls off, and he can also do ten things in each station. We have emergency power in each station, and he can start the emergency engine. It starts automatically, but in case it does not start he can start it from Kingston.

—(Twenty-third slide)

This is the western section from Winnipeg-Brandon-Regina-Moose Jaw-Saskatoon-Medicine Hat-Calgary-Edmonton-Lethbridge and Vancouver. The path testing of this section at the moment is done to Medicine Hat including Saskatoon. Edmonton to Calgary is done and they are presently working from Calgary to Medicine Hat, and they have this amount left to do.

—(Twenty-fourth slide)

This is the eastern section from Quebec to Sydney Mines: Quebec-Fredericton-Saint John-Moncton-Sydney Mines and Halifax. Now, you will notice the dotted line on here. That dotted line is a radio relay system which is a part of the transatlantic cable. The transatlantic cable is going from Oban in Scotland to land at Clarendon in Newfoundland and at Sidney Mines, and the transatlantic cable circuits are extended by radio relay through to New York and to Montreal by our system. Now we get a ride on there for television by leasing from the E. T. and T. Company, the Eastern Telephone and Telegraph Company, a subsidiary of the A.T. and T. There are three owners of the transatlantic cable, the E.T. and T. representing the American Telephone and Telegraph, the C.O.T.C., the Canadian Overseas Telecommunications Corporation, and the British Post Office. We have shown it as E. T. and T., but there are really three owners of this and we are leasing television channels there and building these spurs. Now the path testing on this spur is finished and they are starting up here right now. That path testing will be all done this summer both in the east and we hope in the west. Of course in many sections of this country topographical maps were not accurate, and where we did not have accurate topographical maps we gathered all the pictures that had been taken by anybody, and where we could not find pictures we flew it and pictured it so that we could draw contour lines and determine the high points. Of course the path testing checks that and determines actually the height of towers which you have to build. On this system we are planning to instal two channels in each direction, two radio channels in each direction. We are going to put the television channel on one of them and in addition 120 telephone circuits on the same channel, and have the second one as a spare which can be switched in automatically if one fails. Therefore right across Canada that is the picture. The ultimate capacity of this radio relay system is six channels in each direction, five of which you can use, and the sixth can be used as a spare. That gives the capacity of this system. You can have five television circuits in each direction or you could have five groups of 600 telephone circuits, or you could have any combination of those. You might have one television channel in each direction and 2,400 telephone circuits.

That is the last slide, I think.

Mr. RICHARDSON: Mr. Young, you did not make any reference to Newfoundland, except just a passing reference there.

Mr. YOUNG: Well, I will be very pleased to tell you about Newfoundland. Newfoundland is a bit of a problem for television purposes. It is not an impossible problem. As a matter of fact the C.B.C. did inquire about the cost of television to Newfoundland and at the moment we were not prepared to say what the price was. We know how to do it but it is going to be quite expensive. I think that is about all I would like to say about Newfoundland. Now there are some interests in some communication systems in Newfoundland. A T.D-2 or an over-the-horizon radio relay system would be a fine alternative to the transatlantic cable from Newfoundland to the mainland and there the three owners of the transatlantic cable are interested. We are interested as an alternate for the Newfoundland telephone service and I am sure the C.B.C. are going to be interested from a television standpoint, and somehow in the future we will work out a mutually satisfactory scheme.

Now I am perfectly willing and prepared to take any questions you like to fire at me. I hope I have given you a sufficient description of what we have built. The detail of it is all in that map. There are 136 relay points from coast to coast. There are many things I could talk about in it. As regards the vacuum tube, which is the main transmitter, there is one on that board there all in pieces. It is a 416 triode with an output of half a watt and very close element spacings developed especially for this service. Of course you may be able to picture the maintenance of that system. Of the 136, well over 100 will be unattended stations, and our experience with Montreal-Toronto, as well as the Bell system's experience right across the United States, is that it is a very reliable system. I do not say that we do not have troubles; we do, but they are not serious.

Hon. Mr. MCCANN: What would your capital costs run to from Sydney to Vancouver?

Mr. YOUNG: In the order of $40 to $50 million.

Hon. Mr. MCCANN: That accounts for the high rates that we have to pay for rental.

Mr. YOUNG: I would not subscribe to the proposition that the rates are high. I think they are very reasonable.

Hon. Mr. MCCANN: I will leave out "high" then.

Mr. YOUNG: All right. It really costs money. Now if there are any questions anybody would like to fire at me, technical or otherwise, I will do my best to answer them. If you do not have any questions I am going to give you a little demonstration of a radio system which I think you will find interesting.

Now we have a little demonstration equipment here. This equipment is the equipment which we used to give our maintenance people an understanding of how microwave behaves. In this little box is a transmitter, a radio transmitter on a frequency of 10,000 megacycles, and in this one is a receiver. The energy comes out of these little horns, which are designed just to direct it in this direction, so now perhaps we might have a little tone over it.

Mr. KNIGHT: The reporter will have a little difficulty with that one!

Mr. YOUNG: Now we are just modulating it with about 400 cycles. If these were two sites, let us say Westport and Enterprise, and there was a hill in there that was not supposed to be, and this piece of brass was the hill, that is what would happen. This is a piece of brass, a conductor, and of course a conductor is a good reflector of radio energy. Now this is a piece of dry wood, an insulator, and it does not have any effect, it does not reflect the radio energy and it does not have any effect, whereas my hand is a pretty fair conductor.

This is a plastic box and of course the plastic is an insulator, and the water in it is of course a conductor. The water of course reflects the energy and it does not get into the receiver. Therefore that illustrates clearly that we have to have a clear line-of-sight with no conductors anywhere in the way.

Now this is a screen. Those are just ordinary wires. All these radio systems have certain polarization. This is a vertically polarized radio system. You are all familiar with throwing a stone into a pond of water and you see the waves travel outwards from where the stone falls, and you get the drops of water merely going up and down. This radio energy is advancing like the waves on the water, of course at the speed of light, 186,000 miles per second, and the electrons in between here are merely vibrating back and forth. Now I will hold this thing so that they can vibrate across here, and they will still continue to vibrate, but if I hold it the other way up they will bump into these wires and they will not go. Now we can horizontally polarize this system by just turning these things over onto their side and now the electrons are going up and down. If I put it in this way it will obstruct them and if I put it in the other way they will still be able to go up and down.

Now here is a type of crude lens. It is thicker in the middle than it is at the outside and it tends to take any bits of radio energy that go through the outside and let them go through fast, and the ones in the centre are retarded. Again the slots have to be horizontal so that the electrons can move. I will demonstrate here how this crude lens does collect the radio energy here and direct it onto that receiver. I think you can see here that it does act as a lens and focus it on that spot. Of course if you have it this way up it would stop it, the same as the wires.

Now this is just a piece of solid plastic which is of a rectangular cross-section and is a very good wave-guide for both light and for radio energy. This flashlight does not have a great output, but perhaps we could have the lights turned down and I think you can see that that light does go around the corner and come out at the end of that, so that while light travels in a straight line, when you put it in a wave-guide you can make it go any shape you like. It is also a very good wave-guide for radio energy, and we can demonstrate that. It takes it around that corner beautifully.

Just to illustrate the fact that this is a very good reflector of radio energy, a conductor, I can demonstrate it in this way. We can do a double one, if we can get it just right. Can you hear that? Therefore it illustrates that you can reflect these radio waves with the conductors.

Now we have here a piece of flexible wave-guide which is of course a very good conductor of this radio energy. It is just a hollow flexible piece of metal, and it does not matter what shape it is in; it can be straight or crooked.

There is one other thing that I can demonstrate with this equipment, and this will illustrate the problem of crossing Lake Ontario. Here is a direct radio wave and I am going to reflect another one. As I move this up and down you can hear the phase of this wave come in and out, and you will hear the thing louder and weaker. At that point you are in phase. I think that is a fair demonstration. It does not matter which way you go.

Now, gentlemen, that is the demonstration and I thank you very much. I am open to questions if you wish to ask any.

The CHAIRMAN: Thank you very much, Mr. Young. It was very interesting, and I will now ask Mr. McCann to express proper words of thanks on behalf of the committee.

Hon. Mr. MCCANN: Mr. Chairman and gentlemen, some two or three months ago I was intrigued by an article in a scientific magazine which was sent to me by the Assistant to the President, Mr. Dochstader, of the Bell Telephone Company. It was so interesting that I read it two or three times,

partly from the point of view of having a better knowledge of recent developments in electronics, and the thought struck me then that it might be a good idea, when the radio committee sat if they could have copies of the article, and the more practical thing of having a demonstration here today, so I took it upon myself to invite Mr. Dochstader to supply us with an electronics engineer, who happens to be Mr. Young, to put on this practical demonstration. I want to thank the Bell Telephone Company, Mr. Dochstader and Mr. Young, for this very interesting demonstration of something in which we, the radio committee of the House of Commons, are intensely interested. To me at least it always adds to my knowledge when I am able to use my visual senses in making an appraisal of the value of these things, than if I read about it or am told about it. Therefore I think that today's demonstration has been of great benefit to all who have been here today.

I thank you and I wish you to convey to Mr. Eadie of the Bell Telephone Company the appreciation of the members of this committee of the House of Commons because, as a result of the demonstration, we all have a better idea of those matters which affect the very interests which we are considering as the committee on radio broadcasting. Thank you.

The CHAIRMAN: Is it the wish of the committee to continue to sit, or shall we adjourn until tomorrow when Mr. Murdoch will be before us as a witness for the Musicians' Union?

Mr. FLEMING: Then we will resume on Tuesday with Mr. Dunton's evidence?

The CHAIRMAN: Yes, Mr. Fleming.

# EVIDENCE

MAY 27, 1955,
11.00 a.m.

The CHAIRMAN: Gentlemen, I see a quorum.

As previously announced to the committee, we have here this morning Mr. Walter M. Murdoch, executive officer for Canada of the American Federation of Musicians. It is understood, I believe, that Mr. Murdoch will read his brief and we will question him after it has been read. Is that agreeable to the committee?

Agreed.

**Mr. Walter M. Murdoch, Executive Officer for Canada of the American Federation of Musicians, called:**

The WITNESS: Thank you, Mr. Chairman.

May I say that there is a typographical error in the title on the cover. Musicians occasionally do make an error. It should read, "American Federation of Musicians of the United States and Canada."

Mr. Chairman and hon. members: as Executive Officer for Canada of the American Federation of Musicians, I wish to express the gratitude of the Canadian membership for the privilege of appearing before this body on its behalf.

I scarcely need say that the role of the musicians in broadcasting—radio and television—is a vital one; that the musician is an integral part of the broadcasting industry; without music, radio and television would be lifeless things indeed.

In reading the evidence of the 1955 committee—and the hon. members can be sure that I read it each year with interest and diligence—I have seen several references to the place of unions in broadcasting, specifically the Federation of Musicians. By inference a number of these references have not been precisely favorable; certainly there has been a degree of misapprehension over, and misinterpretation of, union policy. I feel it reasonable, therefore, to state the case of the American Federation of Musicians vis-a-vis broadcasting in Canada.

Let me say here that the name "American Federation of Musicians" does not imply "foreign" or "American" control of the destinies of Canadian musicians. Our name is a geographic accident and a convenience of association. Music is an international commodity: in North America it knows no boundaries and flows back and forth across the border from broadcast transmitters and by way of travelling dance bands, concert artists and ballet and grand opera companies. Canadian musicians find employment in the Unites States, and American musicians find employment in this country. They are equal partners in an honored profession. The oldtime dance fiddler in Brandon, Manitoba, as a member of the federation, has the same status as the conductor of the New York Philharmonic.

When the American Federation of Musicians came into being in 1896 the Toronto Musicians' Union had been in existence for nine years. The

federation began chartering Canadian locals in 1900, and in 1913, at the international convention in Toronto, the United States flag was removed from the official emblem of the federation, in order that it be regarded as a truly international union.

The constitution of the American Federation of Musicians requires that at least one member of the executive board be a Canadian living in Canada. (The member at this time is myself.)

Moreover, the Canadian locals of the A.F. of M.—like all locals of the organization—are autonomous bodies. Each elects its own officers, sets its own scale of pay, collects its own dues, and selects its own delegates for the annual international convention. At the annual convention these delegates in turn enact or amend by-laws and elect the officers for the coming year. All international executive officers, including the president (since 1940 Mr. James C. Petrillo), are elected each year by secret ballot.

The president does what his membership tells him. As executive officer for Canada, I do what my membership tells me. Our union is not run by a "czar" or "dictator", whatever some critics may claim.

The finances of the federation are subject to the most careful scrutiny and are audited by a highly reputable firm of public accountants. Membership to the union is open to any professional musician, and at a reasonable fee. There are two restrictions to membership: no fascists or communists are accepted, and an applicant must be a citizen of the United States or Canada, or have declared intention to become a citizen. Blind musicians are accepted without initiation fee and pay no dues, but enjoy full membership privileges and rights.

In Canada the American Federation of Musicians has 11,865 members, in 32 locals, from Atlantic to Pacific. Membership has been increasing at the rate of about 300 a year, a slightly higher rate, on a per capita basis, than in the United States.

The professional musicians you hear on the radio and see or hear on television are, on the whole, members of the federation. This is because the federation has agreements with the Canadian Broadcasting Corporation and because virtually all private stations, on those relatively rare occasions when they do use live musicians, recognize the union's place in the framework of music; also, the phonograph records which we all hear in such profusion on local radio programs are made, again almost entirely, by federation musicians.

As far as I know, the federation is the oldest union in the broadcasting industry in Canada. In recent years the actors and writers have formed their own unions, as have the engineers and newsmen. So that today a large proportion of the creative, performing and technical side of broadcasting is organized on trade union lines.

When the musicians began to form their union in the late 19th century, the life of a professional musician in North America was a precarious, and poorly paid one. Conditions improved in the early 20th century, but the musicians have passed through at least two major crises. One was the advent of talking pictures in 1927, which within a year or so threw 20,000 motion picture theatre musicians out of work. The other was the ascendancy of the phonograph record in the mid-thirties and early forties.

Radio stations had found that it was a good deal cheaper to buy phonograph records and play them over and over again than to hire live musicians. The musician was paid once for his work; yet that work could be played endless times without further gain to him, but with gain to the broadcaster, who could build commercial programs around recordings.

The threat of mechanized music became so great that, in 1942, after negotiations for a royalty arrangement with the record manufacturers broke

down, recording was stopped by the union for several months. This dispute finally was settled, after years of negotiation, in the establishment of the Music Performance Trust Fund, a positively unique device, to which I will refer briefly later on.

Despite this settlement, however, and despite the existence of contracts with broadcasters and others, the economic position of the vast majority of musicians in Canada is still precarious.

Considering the investment in time and in instruments that a professional musician will make in his lifetime, the lack of economic stability in the profession, the little promise that the musician has for substantial, or even decent, earnings, is unfortunate and certainly limits the number who reach professional status.

To play regularly on radio or television a musician must be highly proficient. No second-raters need apply. To reach this state of proficiency he must spend many years and many dollars taking instruction and studying. Good instruments are extremely expensive—a bassoon can cost $1,500, trombone equipment $1,400 and a violin anywhere from $500 to $25,000. When the amount of available professional work is so limited, it is natural that a man or woman, however talented, will think twice before dedicating a lifetime to a career of music.

Agreed that compared with what he got twenty or thirty years ago, the steadily employed musician is reasonably well paid. Indeed, some of our leading performers and arrangers manage to make a very good living. But I deliberately emphasize the phrase "steadily employed". Of the nearly 12,000 "professional" musicians—that is, musicians who work for pay—in the federation in Canada, only a relatively small proportion make their entire living, or even most of their living, out of music.

In cities outside Toronto and Montreal many members of local symphony orchestras are doctors, lawyers, dentists, plumbers, salesmen and so on—in other words, everything but full-time musicians. There simply is not enough to go around. I would certainly hesitate myself before advising a young person to embark on a career as a professional musician under today's limited opportunities.

Fortunately network and commercial radio and television broadcasting do provide important employment for musicians and the C.B.C. particularly does much to foster and stimulate Canadian musical talent. At the same time, our sparseness of population reduces this important employment to two or three major production centres, notably Toronto and Montreal. As a result, musicians in cities even as large as Ottawa can benefit only slightly from broadcast employment.

For example, of the 373 federation musicians in the capital city, only six, let me repeat that, only six, are employed regularly on radio. These six are musicians playing on a "western" music program (something of an incongruity for an eastern city) broadcast once a week from Ottawa to the network.

In recent years the proportion of expenditures on music in relation to over-all program expenditures by the C.B.C. has remained fairly constant: in fact, it has risen slightly. On the other hand, the 153 private stations in Canada provide a relatively small degree of live musical employment. I am heartened by references by the chairman of the C.B.C. to the increased usage of live talent—including musical, I presume—on privately owned stations, but on the whole the amount of employment is still limited. During 1954, according to the federation's records, only 40 out of the 153 private stations gave employment to live musicians. (If any member of the committee is interested in the exact amount of employment given by any station, I will be very glad to supply the details after completion of this brief.)

I should like to add here that the rates of pay for musicians in the employ of the C.B.C. in radio have not changed in five years, as we are still operating under an agreement signed in 1950. Our television agreement dates from July, 1952.

Several references have been made in the proceedings of this committee to the contractual conditions concerning live music performances on the C.B.C. I must say, with all respect to the members, that not all references have shown an understanding of the problems involved.

First of all, let me make it clear that the federation does not simply draw up a list of employment conditions and rates of pay and hand them to the C.B.C. and say, "sign here, or else." The trade agreements are brought about as a result of a meeting of minds—as a result of usually long and always earnest discussions between the corporation and the federation.

At the same time the federation is sufficiently realistic in its thinking to know that broadcasting has its day-to-day problems, and I am sure that the C.B.C. will be glad to witness that through the years we have not been inflexible in the interpretation of our trade agreements and many times have given the necessary cooperation to meet special situations.

The federation, as a matter of course, puts in its contracts specific limitation on the re-use of an original performance whether in tape recordings of broadcasts, kinescopes or films of live television programs, or in the sound track of a motion picture.

The musician, as I have pointed out, knows from bitter experience that his work can be reproduced mechanically for endless replays and that each replay deprives him of potential employment. The author of a piece of fiction sells his work for specified reproduction; his contract usually limits the publisher to a described use. A painter is similarly protected. The musician feels that he merits the same degree of protection.

In the evidence before this committee it has been said, in effect, that "union rules" prevent, by way of making too expensive, the feeding of Canadian programs to United States networks. I know that Mr. Bushnell has interjected that this is not a rule of the musicians' union. But I wish to make the point once more: our agreement on radio broadcasting with the Canadian Broadcasting Corporation does permit the feeding to the U.S. of any radio musical program without extra charge.

Our agreement respecting television is for domestic broadcasting only and does not cover live transmissions to the U.S. If a program is kinescoped or filmed for delayed transmission to the U.S. or any other foreign country our contract with the C.B.C. specifies an additional payment to the artists of 50 per cent of the live program fees.

We feel that such protection is justified in television as it is a much more complex medium than radio and involves not just one but two methods of communication, sight and sound.

There have been references, also, to "stand-by" fees paid to the federation for amateur musicians appearing on radio or television, or in public performances. That is to say that when an amateur, whether juvenile or adult, goes on a show, the regular fee which would have gone to a professional musician is paid to the federation.

This is simply a protective device for the professional musicians and is not, as some like to picture it, a calculated piece of discrimination against amateur talent. After all, amateur talent in general seeks to become professional. But the federation does not tolerate amateur talent taking legitimate jobs away from the working musician.

The federation refuses to recognize, for example, the legitimacy of a sports promoter or other entrepreneur employing, on the basis of a donation, a high school band or military band at a function to which the public pays admission. It demands that if professional musicians are not employed then "stand-by" fees are paid to the federation.

The federation, on the other hand, raises no obstacle to the legitimate appearance in public or on the air, of musical organizations where the theme is educational, charitable or of a public service nature, and customary "stand-by" fees are waived.

We have agreements similar to our agreements in the broadcasting industry, with concert halls, public auditoria, hotels, theatres, and so on. These, in effect, say that only union musicians will be employed. But when public school or high school orchestras appear in these places for concerts sponsored by the Board of Education—as in Toronto—to give one example, the federation gladly gives permission. When the huge Metropolitan Opera group comes to Toronto for the annual engagement at Maple Leaf Gardens no stand-by fees are claimed. This is because the appearances are sponsored by a service club and the proceeds are for charity.

By the same token, the federation recognizes that when military bands take part in such events as the opening of parliament or when they play for regular regimental or garrison functions, and when these events are broadcast, televised or filmed for newsreels, that this is legitimate news coverage and requires no special fee. Similarly, the annual Santa Claus parade, in Toronto, involving a great many bands, has been completely covered in the past by radio and television, and I believe by newsreels, without claim on the parade's sponsor.

Exceptions are also made where the cause is just or the circumstances unusual. For example, the Toronto local of the federation has very recently been engaged in negotiations which it was hoped would bring the Kitsilano Boys Band of British Columbia to Toronto for a free concert—at which the local would make no claim for stand-by fees. It was felt that this was the case of an outstanding young musical organization which deserved increased public recognition.

I referred earlier to the Music Performance Trust Funds, which came into being as the basis for settlement of the long dispute between the federation and the recording industry.

A certain small proportion—equivalent to a royalty—on each phonograph record sold is turned over to an impartial trustee in New York City. (In 1950, fees from television films involving musicians were included in this arrangement.) The trustee, in turn, allocates these funds to 654 geographical areas in the United States, Canada, Alaska and Hawaii. Included in this are 30 areas in Canada.

In 1954, $84,030 was allocated to these 30 Canadian areas.

These funds are non-cumulative and must be spent. And they must be spent specifically on musical projects which are by nature charitable, beneficial or in the public service. Performers are sent to play free in military and civilian hospitals, in charitable institutions for the young and old, in playgrounds, parks, schools, libraries, museums and other public buildings, and for special patriotic and charitable events.

Let me give you some typical expenditures: In Vancouver last year just under $7,000 worth of free music and entertainment was provided out of this fund. In Brandon, Manitoba, as an example of a small city, approximately $400 was spent. In Montreal the total was nearly $17,000. In Regina it came to nearly $1,600. In Hamilton it was $2,850. In my own city of Toronto the total expended was $20,456.

During the year, the Toronto local, of which I am president, provided entertainment at Sunnybrook, Divadale, Red Chevron, Runnymede, Our Lady of Mercy, Queen Elizabeth Lodge, Laughlen Lodge; for the Canadian Institute for the blind, the Salvation Army, the Canadian Organization for Rehabilitation through Training, known as the O.R.T. Federation, the Cerebral Palsy Association and the City of Toronto. We also gave many free concerts at city and suburban schools.

Everything from military bands to concert orchestras and dance bands to small groups and individual musicians were involved.

The foregoing were activities carried out under the Music Performance Trust Funds.

In addition to activities paid for out of the trust funds, our various locals give tens of thousands of dollars worth of free time for various charitable and community projects. In Ottawa, for example, the local recently gave $1,321 worth of music for the "Springtime Party" of the Ottawa Philharmonic Orchestra, which is held annually to raise funds for the orchestra.

In 1954 members of the Toronto local of the federation provided $28,500 worth of free music and entertainment for various special projects. These included over $12,000 in services for the Hurricane Relief Fund, and I may add that our Montreal local have graciously sent us their cheque as a donation to this Toronto disaster fund for $100, which we appreciate very much, and $6,900 for the annual Easter Seal Broadcast from Maple Leaf Gardens, to name two events which will be familiar to the members of the Committee. We already have done much in special projects in 1955, including $3,700 worth of free music for the St. Michael's Hospital Fund and $10,417 worth for this year's Easter Seal Show.

In 1950, to alleviate suffering in the great national disasters of the Winnipeg flood and the Cabano and Rimouski fires, a special relief program was held in Maple Leaf Gardens and broadcast nationally. The musicians in Canada gave over $20,000 in free services and cash donations to these funds. The members of the Toronto Symphony alone provided $8,200 worth of free entertainment.

In my files I have a great many unsolicited testimonials and sincere letters of gratitude from organizations across Canada for the contribution of time, talent and money given by the membership of the American Federation of Musicians in Canada.

The last section is perhaps not precisely relevant to the investigations of this committee, but it is put forward as an illustration of the fact that the philosophy of the members of the federation is by no means all take and no give, as is the picture drawn in some quarters.

I have tried to illustrate, too, that the federation in Canada recognizes clearly that it has an important stake in the broadcasting industry, in both the public and private aspects, and fully accepts its responsibilities as a member of that industry. It is not capricious in its attitude nor casuistic in its dealings. It makes a contract: it lives up to it (the American Federation of Musicians has never broken nor reneged on a contract); and in return it expects the other party to live up to his end.

The federation above all is vitally concerned with the furtherance of the musical culture of this country, for without a healthy environment—which in turn means a reasonable return to the musician for his labors—music in Canada cannot continue to enjoy even the degree of success it now does.

Mr. Chairman, I have a note that I made this morning, if you will permit me to make reference to it now so that I will not further disturb this hon. committee with my raucous voice:

"C.B.C. Regulation 13(1):

With respect to the regulation requiring the employment of live talent between the hours of 7.30 to 11 p.m. except with the previous

consent in writing of the corporation, our agreement with the C.B.C. provides that the C.B.C. will give a list of any extensions of recordings and transcription time given to individual stations during such period.

We feel that this provision of our agreement should be now implemented in view of the fact that our members are not receiving a fair portion of employment from the individual stations."

Our television agreement with the C.B.C. includes this: it is now common practice for the corporation to supply kinescopes to the private stations free of charge. These are reproductions of a program outside of the federation's arrangement with the corporation, and the federation feels that these private stations—I should not say that the corporation feels, but the federation feels—that these private stations should pay something for that. Where you have the case of 153 private stations in Canada, and when only 40 of them give employment, we resent very much the corporation giving our services "buckshee" to those stations which give no employment whatsoever to our members; and we would like to work that out in negotiations with the C.B.C., Mr. Chairman. Thank you very much for listening to me.

The CHAIRMAN: You have heard the brief read, and you have listened to it very carefully. If the members have any questions to ask of Mr. Murdoch, he is ready to answer them.

*By Mr. Richardson:*

Q. Mr. Murdoch, you said in the early part of your brief that you were a member of the board of the American Federation of Musicians. How many constitute the full board?—A. Five, sir, four in the United States, and one in Canada. They think that is a reasonable representation for Canada.

*By Mr. Reinke:*

Q. There was a comment in the committee at one of our prior meetings. It will be found on page 26 of our proceedings. It was pointed out there that a recording by a band or orchestra would cost about three times the amount that you would pay for a live broadcast. Would you please comment on that?—A. Would you please repeat your question?

Q. The assertion was made in answer to a question with respect to tape recordings that it would cost about three times as much for a tape recording that it would cost for a live broadcast.—A. Our business is extremely complex. I have read the proceedings, and I think this committee has been very patient. In the first place, recordings whether on tape or on disc come under a special category. For instance, we have a fee for a sideman, that is, one of the members of the orchestra. For one hour of service, of which 15 minutes can be transcribed, his fee is $27. The fee of the leader is double; and whether it is one man or fifty men, it is just a matter of arithmetic as to what would be the cost.

On a live broadcast, the member would get $8 for half an hour; and he would get $4 per hour for rehearsals. No, that has been changed. The rate is now $5 for rehearsals in television, and $10 is the fee for a sustaining program. I would refer to a sustaining programme as one given by a station, and the commercial fee is $12 for half an hour. There is a category for those rates which are all covered in our agreement with the C.B.C.

Q. Once a recording is taped, it can be used at the discretion of the broadcaster indefinitely.—A. No. There again there is a classification of what is known as a "dingle" or regular distributed programme which is made for one hearing. Usually it is done for the convenience of the corporation or our membership, in that instead of it being made live, they make a transcription.

In television there are two categories. One is for kinescope which must be made simultaneously with the telecasting. If it is made at any other time, it comes under the film agreement which is in another category which is also covered in our agreement.

I assure that the C.B.C. is managed most effectively so far as we are concerned. They do not think any more of ten cents than you do of your right eye. So any fees they paid out during the year are covered in the trade agreement.

*By Mr. Holowach:*

Q. On page 4 you mention membership fees. What is the membership fee for a professional musician?—A. It cannot be more than $50, because the federation restricts it. In some locals it is as low as $10, but it must not exceed $50.

Q. Is it a yearly fee?—A. No. That is the initiation fee. Now, the dues in the locals vary. In Toronto it is $10; in Montreal, I think, $22, which includes an insurance policy, a death policy, and all sorts of things. In Ottawa it is $6. In Hamilton, I read by the record that it is $6.

Q. You said that no fascists or communists would be eligible. I suppose you mean that if some musician is known for his political activity as being a fascist or a communist, he would be barred from membership?—A. That is right. Our only difficulty is to prove that he is a fascist or a communist.

*By Mr. Richardson:*

Q. How do you define those terms?

Mr. STUDER: Can you tell by his music?

The CHAIRMAN: That is a good question!

The WITNESS: You may have something there! Suppose a person is openly associated with such an organization. Our constitution has clauses in it which are more daring than any political party in Canada would dare to put in their program, and I say that with great respect. I have with me here one or two copies of our application form. We try to get them before they come in. Here it is:

> (*a*) Are you at present or been in the past member of the communist party? Answer yes or no.
>
> (*b*) Do you have any leaning toward the communist party or assist this party by any action that might further the progress of this party knowingly? Answer yes or no.
>
> No. 10 are you a member of any branch of the armed forces of the United States or Canada?

Those are the clauses. We have three paragraphs and if any member of the committee is interested, I would be glad to give him a copy of the International Constitution, which, I suggest to you, you proposed as being very good.

*By Mr. Richardson:*

Q. Where are the paragraphs dealing with fascists?—A. They are the same thing.

Q. Where are they?—A. They are in the constitution which I will submit to you. There are three very excellent paragraphs.

The CHAIRMAN: Would it be agreeable to the committee if we put this in as an appendix? I refer to the application form.

Agreed. *(See Appendix).*

*By Mr. Holowach:*

Q. Do you know of any case where some musician visiting this country, such as an international celebrity, has been refused, or where a situation has been created wherein your organization has protested the performance given by such an artist in auditoria which have contracts with your union?—A. I do not understand your question.

Q. Is there any case that you know of where a musician from another country . . .—A. You mean an instrumental musician?

Q. Yes, where a musician from another country, coming here to perform in one of the houses which have contracts with your organization—a union house—is there any case where you have protested such a visit?—A. No. We would not protest. If a musician from the United States came to play, let us say, in Massey Hall, he would probably be a member of the federation, and we would expect that musician to respect our contractual or trade agreement with Massey Hall. I mean that the fact that he is a member of the federation would not permit him to dilute any contract which we had.

*By Mr. Goode:*

Q. In regard to this communist clause in your application form, suppose a member of your organization says: "No, I am not a communist." Yet after a period of time you find that he is. Have you a screening set up in your organization?—A. We have. On the bottom of the application there is printed a "grandmother" clause which reads as follows.

*By Mr. Richardson:*

Q. Did you say: "grandmother" clause?—A. Yes. My counsel, Mr. McMaster, has used that term on occasion.

Q. What law school did he graduate from?

Mr. FLEMING: From the best in the country, Osgoode Hall Law School!

The CHAIRMAN: Will you please continue, Mr. Murdoch.

The WITNESS: The obligation is that if he does not answer any of the questions truthfully—in other words, has any mental reservations of any kind—his membership becomes null and void.

We have had little white lies, you know, on previous occasions, but nothing serious.

*By Mr. Goode:*

Q. That does not answer my question. What I want to know is: if a man, in his application to your union said that he was not a communist, yet you found out that he was, what is the process of elimination from then on?—A. That is a hypothetical question.

Q. No, it is not. It is quite a practical question.—A. Because it has never arisen, but if it did I am sure we would be able to deal with it.

Q. You have thousands of members of your union, among whom there must be some communists because we find them everywhere.—A. We have one communist in the Ontario legislature.

Q. Yes.

Mr. FLEMING: You mean in the former Ontario legislature. There is no Ontario legislature at this moment.

*By Mr. Goode:*

Q. What procedure do you have to find if there are any communists in your union?—A. If we suspected a man, we would ask him directly at a board meeting. For example, some of our people flitted behind the Iron curtain for

culture. We have asked them, because of their association with some of the organizations which the city police say are leftist on the telephone. The R.C.M.P. also are good enough to screen all of the communist literature which comes to me, and I get a great deal of it. I do not open it. I just write "R.C.M.P." on it. They must have a terrific library in Toronto. I have not the time to read it.

We would ask them directly: "Are you a communist"? Of course they always say "No". But we have got to prove it; and if Mr. Goode will give us a better method of proving it than we have, I would be glad to have it.

Q. That still does not answer my question.—A. We have not any machinery.

Q. Suppose you find out that a man is a communist; I suppose automatically you would take steps to put him out of your union.—A. That is true. He would appear before the board, and if the members of the board decided that he was a communist, then they would immediately expel him.

Q. Which board would he appear before?—A. Before his local board.

Q. It would be done by the local board?—A. That is right. And he then has the right of appeal against any decision by the local board to the international executive board.

Q. You say that he has the right to appeal to the American board of which you are a member?—A. The international board.

Q. Then we have this position: if a local board says that a man is a communist, that man can appeal to the international board, and we have the position of an American board, with an American majority on it, saying that a Canadian is a communist, when perhaps your local Canadian affiliation might think entirely differently.—A. Isn't that going rather far afield?

Q. Is it not true?—A. May I give you an illustration: At the convention of the American Federation of Musicians in Chicago, an alternative delegate took the floor and proposed a resolution. While he was on the floor another member rose and said: "Mr. Chairman, the speaker ran for the mayoralty of a New England city on the communist ticket". Of course the newspaper men began to write furiously. You could smell the lead burning. He was brought before the board, and the board instructed his local to expel him from the federation. That is how it was handled in a democratic way. It was not a matter of a small board; it was the general membership, the delegates covering the United States and Canada.

Q. Could I have a yes or no answer on this: am I correct in saying that the international board of your union has the right to say to a Canadian "You are a communist", and to expel him?—A. No. My answer is no!

Q. If the local board says that a man is a communist, and he appeals, you have told us that he must appeal to the international board.—A. Yes, and he would have his day in court.

Q. And the international board will decide. Suppose he is a Canadian who comes, let us say, from perhaps Vancouver. He is a communist, and they will make the final decision on whether he is a communist. Will you please answer yes or no?—A. No. They can allow or disallow his appeal.

Q. If they disallow it, that means that they officially say that he is a communist.—A. No.

Q. Then who does?—A. His local says that he is a communist; and when he gets through with the federation he will have his day in court.

Q. This man has been before his local board which says that he is a communist. Then he appeals to the international board which is made up of four American members and yourself as the Canadian member, and they will decide the case, whether or not he is a communist?—A. They do not. They may deny his appeal against the local action, and he has a perfect right to have his day in court.

Q. I think the chairman will allow me to require an answer on that. Does the international board finally decide that this man is a communist?—A. The answer is no!

Q. Then what would the board do?—A. They would simply disallow his appeal.

Q. That is to say, they would decide that he was a communist?—A. They do not.

*By Mr. Boisvert:*

Q. Mr. Murdoch, at page 4 of your brief you mentioned that you have 11,860 members in your organization. Have you any statistics to show how many of them are Canadian-born citizens?—A. They must be either Canadian citizens or citizens of the United States; and whenever they come to the country they must wait for one year before they join; they must state their intention of becoming Canadian citizens.

Q. But you have no statistics to show how many are Canadian citizens and how many are aliens?—A. No—pardon me; I would say that at least 98 per cent are Canadian babies.

Q. 98 per cent?—A. Yes.

Q. You say also in your brief, at page 2, that Canadian musicians find employment in the United States and that American musicians find employment in this Country. Have you any figures to show how many Canadian musicians found employment last year in the United States?—A. In the National Ballet which toured the United States there were a number of Canadian musicians and singers in it—any number of them. Unfortunately too many of our Canadian musicians are going to the United States.

Q. And how many musicians from the United States are coming to this country?—A. The disadvantage is ours. We are sending more than we are getting.

Mr. FLEMING: The Toronto Symphony Orchestra and the Mendelssohn Choir and similar organizations have performed in American cities?

The WITNESS: Yes. Four major orchestras are chosen to go to New York every year. Boyd Neil, the dean of the Toronto Conservatory of Music has a fine string group and has made tours of the United States and will make others.

*By Mr. Boisvert:*

Q. In answering a question of Mr. Holowach you said that the initiation fee is $50. What is the annual fee of the local?—A. In Hamilton and Ottawa it is $6 a year, in Montreal it is $22 because of the insurance and everything, and in Toronto it is $10.

The CHAIRMAN: Can you give us the reason for the difference between Montreal and Toronto?

The WITNESS: We have a limited sick benefit and death benefit, they have a complete insurance policy covering their members.

Mr. REINKE: Do all the locals have a sick and a death benefit?

The WITNESS: I would not know that.

*By Mr. Richardson:*

Q. On page four of your brief it refers to agreements between the union and the C.B.C. I suppose this question might be more properly directed to the C.B.C. What are those agreements and the dates?—A. The radio agreement is July 1950 and the television agreement is I think July 1952.

Mr. BOISVERT: It is your brief I believe.

*By Mr. Hamilton* (Notre Dame de Grace):

Q. There is a musicians performance trust fund. Have you any idea what amount is paid into this fund by Canadian companies, Canadian recording producers?—A. I am sorry you asked that question because it is infinitesimal. There is one new recording company headed by Mr. McKelkin, Q.C., in Toronto known as The Beaver who have done recordings of the Toronto Symphony and other groups, and the Hallmark have also done some. But Canadian recording is very small.

Q. But I take it that this is based on records sold?—A. Yes.

Q. So that actually the amount paid into the trust fund would eventually be a reflection of the number of records sold in Canada?—A. No. Our share is based on the over-all sale of records in North America.

Q. Your share which comes into Canada?—A. Yes.

Q. What I am getting at is the amount paid into this fund?—A. By Canadian recording companies?

Q. Yes.—A. I would be very glad to give you that figure, but I cannot give it to you now.

Q. I am not talking about the new recording companies but RCA Victor and Decca, both of whom I understand operate in Canada and the United States. You do not have that amount here?—A. It is certainly very minor or infinitesimal compared to the over-all picture of recordings.

Q. Would you say it is more or less than the amount Canada draws back? —A. It would be 5 per cent of what we draw.

Q. So it means, since it has the same relationship to the number of records which are being sold, between Canada and the United States, 95 per cent more of the total production of records are being sold in the United States?—A. Yes.

Q. What use is made of this money apart from providing free performance? —A. That is the only use. Not one five cents worth is spent on advertising or on money spent for a vehicle to take the large units to an engagement.

Q. Apart from administrative charges?—A. There are no administrative charges of ours.

Q. Part of that is paid back?—A. 100 per cent is.

Q. Have you any idea of the amount of standby fees collected in radio performance in a year?—A. There was a figure given by the C.B.C. and my memory is that it was around 4 or 500,000. Another member raised the question whether this money went to the head of the musician's union in Canada and I will state here not one penny went to either Mr. Petrillo, who does not need it, nor that one penny went to me, and I do need it; it goes to the relief fund of the local.

Q. You have heard of ASCAP?—A. Yes.

Q. Does any of the revenue collected by ASCAP find its way to the American Federation of Musicians?—A. Not one penny. Those members of ASCAP who produce an original composition get a royalty collected by ASCAP or KAPAC in Canada. That is in relation to the recordings in Canada and it is really peanuts.

*By Mr. Dinsdale:*

Q. I was interested to read on page 12 of the brief that considerable exceptions are made to the standby fee procedure. You say:

> The federation, on the other hand, raises no obstacle to the legitimate appearance in public or on the air, of musical organizations where the scene is educational, charitable, or of a public service nature, and customary 'standby' fees are waived.

Apparently that applies particularly to amateur groups?—A. Yes.

Q. Amateur bands for example?—A. Yes. In cases where no admission is charged. You are all familiar with Vancouver, the beautiful city in the west—

Mr. GOODE: Mention that word quite often please.

The WITNESS: I understand that Burbank is just adjacent to Vancouver and on one Easter morning out there the natives had a sunrise service. They get up at 5.00 o'clock in the morning and have these services. One of them involved the C.B.C. We had a call from the director of Music of the C.B.C. who said that the citizens are not generally awake at that time and might they delay that until two o'clock. The band involved was the Shrine Band which was not entirely composed of members of the federation. We said that as long as it did not replace a live programme that the citizens of Vancouver might hear that it could be put on at two o'clock.

Mr. ROBICHAUD: Were they up then?

The WITNESS: I will give you another example. They had a concert at Carnegie Hall of beautiful original Canadian music, and the conductor, Mr. Stokowski, started out with 60 men. Those of us who know that great conductor knew he would finish up with 90 men and he did; he had a choir. The C.B.C. thought that it must broadcast that concert in the interests of Canadian music. It occurred on a Friday evening when they had commitments for the Promenade Symphony in Toronto and they wanted to know what it would cost to have a transcription made and broadcast that in Canada. When I found out the cost I shuddered; it was nearly $19,000. I discussed it with the president of the federation and told him that as far as the C.B.C. is concerned this is a "must". I said that I doubt if the programme is worth $19,000 and he said to me if you feel it is in the interest of Canadian music tell the C.B.C. they may take it at cost. I called Mr. Bushnell—and I made sure he was sitting down—and I told him he could take that for nothing provided he gave me an assurance that the due credit would be given to the American Federation of Musicians. When I got the record it did not contain any credit line to the federation. We could have said to the C.B.C., of course, that you must broadcast this other programme and keep to the terms of the agreement. But it was not a realistic point of view and we appreciated their problem.

*By Mr. Dinsdale:*

Q. On this point of amateur musicians, I imagine you are familiar with the fact that the high school band has not developed as rapidly in Canada as in the United States. In the case of a high school band, would that band be allowed to perform on a local radio station with the American Federation of Musicians' permission?—A. If there was no admission charged and the application was a new one it could be granted. But may I suggest to you that these young men playing in high school organizations and studying, hope, when they graduate to pay their way through university and through their profession and make it possible to do that by the fees which they earn. There is quite a difference between the boy who is sixteen years of age playing in the high school band and the boy of seventeen who joins and says "What are these people doing competing with me?" I have a great interest in boy's bands. I attended my first rehearsal and then had my seventh birthday two weeks later, so I am sympathetic and I know something about it. We do permit it, but again there is the matter of competition.

Q. In your brief you make specific reference to the Kitsilano Boy's Band. That would be a network programme?—A. No. I have known the conductor of the Kitsilano Boy's Band for years. He is very interested in the boys and gives them a lot of instruction. In turn, we in Toronto receive applications

quite frequently from members of that band to come down for further study and to join the association. They are on tour now and the son of Mr. Delamonte suggested they could be in Toronto on May 16 and they wanted to arrange a concert in a church or auditorium to help them with their fees. I said, knowing Toronto or the Canadian audience, that if there is an offering they would get only nickels, dimes, and some buttons. I immediately got in touch with the largest English paper in Canada and suggested they might take over the project; meet the boys, give them breakfast, take them on a tour around town, put a concert on at the exhibition grounds, publicize the band, buy them a dinner and perhaps give a donation towards the organization. That was a practical approach to it. The paper was interested but could not do it. I was very disappointed. That was not the first time we have assisted the Kitsilano Boy's Band. But, that band has no right to go on and become competitive on a national network. It is an organization which I think the citizens of British Columbia should get behind and subsidize or help and do something similar to what the province of Quebec are doing under Dr. Wilfred Pelletier, to help those boys develop professionally.

Mr. GOODE: I think I should say that the people of Vancouver have been very kind to Mr. Delamonte and the Kitsilano Boy's Band. The people of Vancouver have certainly done a lot towards keeping that band together and I think we should give them the credit.

The WITNESS: I agree with you.

Mr. ROBICHAUD: You mention there are 11,865 Canadian members of the federation. What is the total of the United States membership?

The WITNESS: The combined total is about 250,000.

*By Mr. Carter:*

Q. Mr. Murdoch, in the case of the Guy Lombardo band which is advertised to appear in Montreal, would that band pay standby fees to the Montreal local?—A. No, not if the band appeared as a theatrical arrangement.

Q. They are advertised to appear on Sunday, May 29.—A. We are very delighted to have a Canadian band come back home.

Q. I was interested on page 11 of your brief in which you mention the job done in developing Canadian talent. Can you give me some idea, or some comparison, of the job in developing Canadian talent as done by the C.B.C. and the private stations? How does the total job done by the private stations compare with the total job done by the C.B.C.?—A. Of course it does not compare. I think the chairman of the C.B.C. in being asked whether talent had improved over the years answered in the affirmative and said that there was a great surplus of fine instrumentalists; and I may say to you that on the C.B.C. for a man to get into that circle he must be a better man than the man who is in. For instance, the C.B.C. have a very excellent symphony orchestra on Monday nights. I went to their concert in Massey Hall. They have brought conductors from all over Canada to conduct that orchestra and it has been a real educational thing for the people of Canada. One member of this committee said that he has an ear for music. May I suggest you need two ears to appreciate music and that the area about the ears is possibly more important than the ears. Every type of music was presented. The C.B.C. has made a great contribution. We are not their cousins and we speak very frankly with each other at times. But they have made a very great contribution. I think it is unthinkable that out of 153 private stations that only 40 of them employ musicians.

*By Mr. Studer:*

Q. You said there were only forty out of 153 that employ musicians, and it would appear in regard to that profession that it would be one of the most unstable professions in existence. There is no way for a musician to determine what his earnings might be unless he is permanently employed?—A. You are quite right.

Q. And as a result of that a musician necessarily would have to have another occupation as the situation now stands. The only alternative to that I imagine would be a guaranteed annual wage. The question of a guaranteed annual wage appears to have some prominence at the present time and they apparently would be as much entitled to it as anyone. Definitely there is a need for more music in the world and less talking.

The CHAIRMAN: More harmony.

Mr. STUDER: I think there is a necessity throughout the whole country for a better understanding of music which would create more of a demand for it. How are we to be educated? Music is something like a painting; how does one come to appreciate a good painting? Something similar is in evidence in music because it usually describes a situation which we, with no idea of music, do not appreciate. In order to have an appreciation of it you would have to have a course in music, would we not?

The WITNESS: No. I do not know whether this is realistic, but I think the members of the House here in Ottawa, after they have visited a number of spots of entertainment might organize an orchestra, and you would find it a great method of escape.

Mr. STUDER: We surely need that.

The WITNESS: I know you have two very fine musicians in this committee. You have a start with a trumpet and a trombone, and it is simple. In fact many groups of professional men in the states have orchestras, doctors, lawyers and so on.

The CHAIRMAN: We have a choir amongst the Liberal members, Mr. Murdoch.

The WITNESS: I would like to hear it sing.

Mr. FLEMING: You would not say that if you heard them.

*By Mr. Goode:*

Q. Mr. Murdoch, in regard to the private stations and the employment of musicians, you expressed great satisfaction with the C.B.C., and I certainly agree with you, but I am quite sure you would regret it if these forty private stations discontinued using live talent.—A. Of course we would.

Q. Then I take it you would be in agreement with having more private television stations on the air because there would be more employment provided for musicians?—A. I am sorry, I cannot agree with you. To take the statement made in the House, in this committee, the other day—I have not got the verbatim report and I can only depend upon what I read in the newspapers—you have a loosely knit organization of radio stations which frequently quarrel amongst themselves. I was at one of those donnybrooks at Calgary when they were in the process of firing the general manager. The difference between their organization and the C.B.C. is this, that you gentlemen can bring the C.B.C. here and say: "What did you do and how did you do it and what did you spend," and all about it, but you have not any such control over the private stations. You are all familiar with Bellingham, for instance, and from what I hear about 90 per cent of the telecasts there—and I talked to Victoria just the other day, and Vancouver—

are filmed, such as Amos and Andy, coming in from Bellingham. You just have an influx into Canada of film, and when they say to you that they will use the same process in television as in radio, that is not good enough so far as we are concerned.

Q. Can we take it then, Mr. Murdoch, that you are not in agreement with further private television stations going on the air in Canada?—A. Yes, if the private television stations will make an agreement that they will give a definite commitment to have live programmes on their television stations.

Q. Then the only reason you are against private stations—A. I am not against them; I am for them if they will provide employment.

Q. Please do not turn my words. The reason you are against private stations is that you are not sure that they will employ musicians from your union?—A. No. The difficulty is I am sure that they will not employ them.

Q. You wish to anticipate and to argue then, Mr. Murdoch, with the words that have been spoken by the private station operators who have been before this committee, that they are quite willing to put on a percentage of live programmes on the air. You do not believe that statement?—A. Did they say what percentage?

Q. Neither did anyone else say a percentage. We have had evidence here that 50 per cent of the programmes, not only through the C.B.C., are coming from the United States, and they must necessarily be canned, so we can take it, as they have told us, that they think that the percentage of the same type of programmes would be shown on the private stations. I would rather think, if a number of private television stations were on the air, that your men would get more work. I think that is reasonable, is it not?—A. Mr. Goode, when you are dealing with an industry, as in any other business, it must be responsible, it must have control, discipline within its own ranks.

Q. I am quite sure you are in agreement with that, Mr. Murdoch?—A. And if they had that discipline and would make a commitment and spell out station and position and so on, they certainly would have our blessing. I was fortunate enough to be invited by His Excellency the Governor General on the appointment of Mr. Charlesworth as the chairman of the old corporation. We had a dinner at the York Hotel and the grape juice was excellent. So I was in at the birth of this thing. Mr. McMaster, our counsel, and I were just checking—I am terrifically remiss on dates—to ask him how long his company had been associated with us, and we figured out that it was twenty-three years, so that we have been with this thing from the beginning. There is nothing sadistic about us at all; we feel that if Canadian culture, instrumental culture, is going to get anywhere, it will come from the source of professional musicians who will teach, so that they will not have to romp all over the world to learn how to play the piano or the violin. During my visit to Calgary at the C.A.B. convention, the Palliser Hotel could not provide me with a radio, and I thought it was very important while I was at this meeting that I should get a radio. Therefore I went to a shop and rented one, and I played it, and 90 per cent of the music was western hill-billy. I think that is an insult to the western people, because I do know that such a quartet as the Parlow Quartet receives many of the requests they get for fine music from western Canada. You have a fine symphony in Vancouver, you have one in Calgary and one in Edmonton, they are struggling in Saskatoon and Regina. If the C.B.C. for instance could carry out a survey and, for peanuts, ask each of these people to let them take bits and pieces of a programme and produce it on different stations it would be interesting, but when approached, Dr. Pelletier of the Quebec Symphony—and he is one of our great Canadian musicians—declined. Now those orchestras would never have been heard on the air unless they went on the theory that salvation is free, and, as a Presbyterian, I know that is silly; it costs money to get through the pearly gates.

Q. Of the 153 private stations, how many in total give live musical employment?—A. How many stations?

Q. No, how many persons in total?—A. I could not give you that. I could give it to you in money.

Q. You said in your brief that if any member of the committee was interested in the exact amount of employment given by any station you would provide it?—A. Last night, Mr. Chairman, I made a complete survey and checked my arithmetic, knowing how keen this committee are, and the sheet is in my room. Perhaps Mr. Harris could grab a taxi and get back there and fetch it.

Q. Do you remember it in round figures?—A. No, I would not dare. We will get that sheet. Bring the bundle. I will have it for you and I will tell you precisely what every station paid.

Mr. FLEMING: I think we might tell Mr. Murdoch that that could be sent to the committee later.

The CHAIRMAN: Would you like these figures right now?

Mr. GOODE: I am in no hurry for it now. It is only that I am interested in Mr. Murdoch's views on private stations. I think I would like to have it.

The CHAIRMAN: Right now?

Mr. GOODE: Yes.

The WITNESS: We will get it right now.

*By Mr. Holowach:*

Q. Mr. Murdoch, we understand that the steadily employed musicians are reasonably well paid, but that there are very few such musicians who are steadily employed. Is that correct?—A. That is correct, yes.

Q. Have you any figures to indicate how many members of your federation do make their entire living, or even a portion of it, out of music?—A. No. I could only speak relatively.

Q. Can you give us some figure?—A. We have the secretary of the Montreal local present here—we are very glad to have them—and possibly they could give me their approximation. I would say in the city of Toronto possibly—are you saying now employed on radio and television only?

Q. How many members of your federation make their entire living or most of their living out of music?—A. I could not give you that figure without a survey, but I can tell you as regards the large centres, perhaps Montreal can give me an approximation, and I would say in Toronto about 200.

Q. Now, another question. On page 7 of your brief you state as follows:

> "I would certainly hesitate myself before advising a young person to embark on a career as a professional musician under today's limited opportunities."

A. That is right.

Q. Are there any specific recommendations which your federation makes or recommends to improve this situation?—A. No. This is a national problem, and I do think that, for instance in our conservatories throughout Canada, whether it be done provincially or whether it be done federally, there should be some system of scholarship for those talented children who cannot afford the long years of tuition. I remarked that I was playing at seven, but I did not earn a dollar as a professional musician until I was about twenty-one, and all those years I was studying an instrument and the theory of music.

*By Mr. Dinsdale:*

Q. Mr. Chairman, in reference to the use of live talent for broadcasting, I presume that most of that talent is used in connection with network broadcasting.—A. There is some local broadcasting I think. I want to get the figure for Mr. Goode, and he will see just exactly how much money is spent by each station in the major centres. Vancouver has done very well, Victoria particularly well. You have to differentiate between the sponsored programme and the commercial program, because on the commercial programme the station does make money.

Q. But so far as C.B.C. broadcasting is concerned it would be network broadcasting employing mostly live talents?—A. That is right.

Q. Have you any idea of the concentration of your membership in the larger centres across Canada, Montreal, Toronto, Winnipeg?—A. Yes, I can give you those figures. I can show you exactly what happens there. As a matter of fact we have many people who have to leave their homes and their families, and so on, who have to move to Toronto and Montreal, whereas if employment was provided for them in their own home town they would have a much more wholesome life. Taking the larger locals, in Toronto we have 2,293, and we shall have to do something about this, because in Montreal they have 2,299; they are up six on us, but we will correct that next month. Vancouver has 732 members; Winnipeg, 410; Kitchener, Ontario, 605; London 490; Hamilton 606 and St. Catharines 487. I am just picking out the larger locals. Calgary has 225.

Q. What about Brandon?—A. Brandon, yes, that is my favourite town.

Mr. DINSDALE: Hear, hear.

The WITNESS: Brandon has 50 members.

*By the Chairman:*

Q. Did you give Vancouver?—A. I did, yes; Vancouver has 732.

Mr. DINSDALE: Would you enlarge on that statement that Brandon is your favourite town?

*By Mr. Reinke:*

Q. In going through the evidence in the first book of the minutes of proceedings I came across this piece of evidence upon which I would like you to comment if you would. The question was asked what it would cost to put a professional band on the air.

The CHAIRMAN: What page?

Mr. REINKE: Page 27—how much it would cost to put a professional band on the air, in round figures, and the answer was given that for a 40-piece band for a half-hour show and rehearsal would probably cost $60 per man or $600. There seems to be some discrepancy there.

The WITNESS: Did the chairman of the C.B.C. give that?

*By Mr. Reinke:*

Q. That was given by Mr. Bushnell. There seems to be a discrepancy there somewhere.—A. I would like to know from the record when the C.B.C. ever employed 40 men in a professional band to play on the air.

Q. This is a theoretical answer.—A. It would cost the same price if they put 40 orchestral people on the air. I read that, and I thought the arithmetic was reasonably faulty.

Q. I was trying to establish from the point of view of arithmetic whether the $60 per man or the $600 was inaccurate.—A. Mr. Reinke, you are talking of radio. The band would be on for half an hour. It would be 40 men plus

the half-hour scale, They would rehearse probably, or they should rehearse ten hours, but I have not convinced the C.B.C. they should, so possibly they would get five hours rehearsal which would be at $4 an hour, so that would be $20 multiplied by the number of men. There is nothing unusual about whether it would be a band or an orchestra, it is a comparable scale, covered by our agreement.

Q. It was the $60 figure that I thought was rather high.—A. It is high. I wish we could get some of that employment.

*By Mr. Dinsdale:*

Q. Mr. Murdoch, what procedure would be necessary to get one of our military bands on the air almost regularly?—A. When you say "a military band" what do you mean?

Q. An air force band.—A. An active service band, you mean?

Q. Yes, an active service band.—A. Unfortunately I have not any power over the air service regulations made by the Minister of National Defence, and I think it is very improper for me to interfere with or try to dilute the regulations made by the minister.

*By Mr. Goode:*

Q. It has been the case though, Mr. Murdoch, that the R.C.A.F. band and other service bands have been kept away from certain activities by the union, have they not?—A. That is not true. The policy of the government in connection with their recruiting for the army has been to handle it in a perfectly realistic way through an advertising agency who provides the band and they play at regular fees. Now it would be lawfully unfair to the army—and I belong to the army—for the air force to have an advantage over the army or the navy, and so we think that they should follow the standard practice and go through the usual sources.

Q. Is it not right, does not my memory serve me right, that during the regime of I think it was Mr. Powers as the minister that your union, I think I can use the word "stopped" certain bands from going on a recruiting tour? —A. No, we have never stopped a band going on a recruiting tour.

Q. Were you in your present position during the war?—A. Yes. Unfortunately I have been for sixteen years.

Q. I wonder if you would tell the committee just what the story was on that recruiting band procedure?—A. Mr. Chairman, may I say that members of the cabinet and all members of the government are continually pressed by people who want to put on a show and use service bandsmen. They will occasionally invite a minister to appear to open a fair and incidentally say, "Please bring a band with you,"—"Please bring your violin." I had an occasion when a Minister of National Defence came to Toronto for the Army Show, which incidentally is broadcast without fee all over Canada in the interests of recruiting and it was suggested that the minister might speak. The C.B.C. said, "The minister will have two minutes" and the minister had two minutes. Now any army band, any service band, can go on tour, can rent a hall and can put up posters saying, "We are here to recruit members for the permanent forces," and they have our blessing. We have many of our members in the permanent forces, but when they come in to play at an affair for which admission is charged they are in the same category as if they said to the men in the service, "All you men who are electricians fall out to the left, the carpenters on the right. We propose going to the Canadian National Exhibition. You will do the wiring and you will build the stands, and the regular members of those unions will stay at home and applaud." That has nothing to do with recruiting; it is just contriving to save a dollar.

Q. I want to proceed with this a little. This was during the wartime, the country was at war, as I understand it. The R.C.A.F. band was being sent on a commission to assist recruiting. My information is that because of the actions of your union they were not allowed to go.—A. No you are posing a question without any detail.

Q. I am not posing anything.—A. What R.C.A.F. band, where were they going and what were they going to do?

Q. Well, you tell me, Mr. Murdoch.—A. I cannot tell you. There are hundreds of things and I am a very busy man. You give me the specific instance.

Q. I am very busy too and I would like an answer to it, if you do not mind.—A. I cannot answer that sort of question.

Q. You can answer this: did you or did you not as an executive member of your union stop a recruiting tour of an R.C.A.F. band in Canada during wartime?—A. Certainly not, and I am surprised that I am asked such a question.

Q. Well, you do not need to be surprised at what I ask you.

The CHAIRMAN: I think Mr. Holowach had not finished. Was there another question you wanted to put?

*By Mr. Holowach:*

Q. There was one other question. The other day we had a very interesting submission made by the Canadian Association of Radio and Television Broadcasters. I suppose you read their submission?—A. No, I have not had a chance of doing so yet.

Q. In their submission they made definite recommendations, and I refer to page 1, clause 2, of that brief in which they advocate that an independent regulatory board for Canadian broadcasting be created. Would you mind telling us the attitude of your federation towards such a recommendation? —A. Well of course I do not want to prejudge the royal commission.

Q. No, but we would like to hear the attitude of your federation.—A. Well, do you want a very frank answer?

Q. Absolutely. That is why I asked.

*By Mr. Fleming:*

Q. Has the federation an opinion on that subject?—A. No, the federation has not an opinion but if you want my opinion I will be glad to give it to you for what it is worth.

*By Mr. Holowach:*

Q. Then let us hear it.—A. As a Canadian, individually.

The CHAIRMAN: Is the committee prepared to accept the answer of Mr. Murdoch as a Canadian and not as the president of the Federation of Musicians? I do not think so. I do not think you can ask that question, Mr. Holowach.

Mr. GOODE: No, because Mr. Murdoch is appearing here as the representative of his union.

The CHAIRMAN: Yes. I am sorry, Mr. Holowach, but I do not think you should press that question.

Mr. HOLOWACH: I believe that we are here to get the benefit of these people's opinions.

The CHAIRMAN: Yes, but Mr. Murdoch is appearing as the president of the Association of Musicians, and you cannot ask him to state his opinion as a private individual.

The WITNESS: I have not read the report.

Mr. FLEMING: I think it is a matter of being fair to the witness. Mr. Murdoch comes before us as the leading official of the federation, and he is putting before us a brief for the federation. The views he is expressing to us this morning, as I understand it, are the views of the federation, and if a question leads him outside that to express a personal opinion I do not think it is quite fair to those he is representing here this morning.

The CHAIRMAN: Mr. Holowach can ask the question privately if he wants to.

*By Mr. Studer:*

Q. I do not know whether this is the place to ask it, but I would like to know the percentage of time in broadcasting spent in broadcasting music. Is that in your sphere?—A. We would not know that. I know that for instance the musical content of television shows is less than 10 per cent.

Q. The reason I ask it is this: would it not be in your own interests to endeavour to have more time on the air dedicated to music?—A. Indeed.

Q. Would not that be an angle to work on?—A. Yes, indeed, and we have been working on it.

Q. Keep on. I would like to hear more of it.—A. Thank you, sir.

*By Mr. Carter:*

Q. Mr. Chairman, I have a very short question: in view of the remarks that Mr. Murdoch made earlier about the lack of opportunities, and so forth, has his organization considered, or given any consideration to, the setting up of scholarships out of the funds which they obtain from the standby fees?—A. As a matter of fact, the amount we get for contribution is peanuts. Only the bookkeeper would know they came in at all and he would post them to the relief fund. It is a dying industry. Many of our members teach kiddies for nothing in order to help them. There is not a musical director in a high school in Toronto who is not a member of ours. Many of our members make music a teaching profession and that is the background which will help the profession of music in Canada.

Q. For my own personal information do you have any bagpipe players among your members?—A. Yes. I am sorry Senator Reid has gone to the other place and is not here to uphold the bagpipes. It is a musical instrument, a very difficult one, and we have young men in our organization who have gone to Edinburgh to study there who are back here now. When one of the parties want to have their principal piped to the chair we can provide them with first class musicians to do the piping.

Mr. STUDER: Did you say it was a musical instrument?

The WITNESS: Yes, certainly. It violates the laws of harmony because the tones are in fifths and you are not supposed to write consecutive fifths.

Mr. ROBICHAUD: You mentioned earlier that the fees in the Montreal area are higher on account of their insurance scheme which is attached to it. Could you give any idea of the benefits of this scheme to the members?

The WITNESS: Yes. The Montreal local have in addition to their fees a tax which looks after their members when ill. There is a regular payment for sickness when they cannot work and a $1,000 death benefit when they get their harp.

*By Mr. Carter:*

Q. When you make a contract, does your contract specify that you will be employed for so many hours?—A. Yes. It is a legal contract.

Q. For the whole year?—A. No. Most of our engagements are miscellaneous. In Toronto we do about $3½ million.

Q. In the case of the C.B.C. it employs talent the year around and they would just have an individual contract with individual union locals?—A. Yes, for 13 weeks, 26 weeks, or up to 52. I would like, Mr. Chairman, to let this honourable committee know we do attempt to protect the interests of our members. For instance, there was a famous recording made. Its contents I will not comment on, only the music,—"The Investigator". The music was all original. I would suggest that if you can buy that record that you do so for the music alone. It was written by Agostini and there were 28 men employed. In some manner a tape was made of that broadcast and as the Canadian Broadcasting Corporation had only bought the Canadian rights we fought for them. I read in addition to the three Toronto papers the New York Times and I find that it has a great deal of Canadian news in it which is not ordinarily covered by our Canadian press. I saw that these records were selling, 15,000 one week and 48,000 another week, and I immediately telephoned New York to find out what was going to happen to this material and the transcription. We finally were able with the cooperation of the American Federation of Musicians to collect $5,600 for the composer for his music and the 28 men who played. That money has been paid without any embarrassment to the C.B.C.

The CHAIRMAN: I see, gentlemen, that it is a quarter to one. I do not think you are finished with Mr. Murdoch. Would it be in order to sit this afternoon or shall we go on?

Mr. GOODE: I would like to ask the indulgence of the committee because I have some information to come from Mr. Murdoch. Also there are a couple of other questions I would like to do some research on and perhaps we could meet again.

Mr. FLEMING: The information Mr. Murdoch sent for could be put on the record, could it not?

Mr. GOODE: There are some other questions, if you would bear with me. I am not in a position to ask them until later.

The CHAIRMAN: I am in the hands of the committee. Does the committee wish to have another meeting at 3.30 or will you keep on?

Mr. GOODE: I am also in the hands of the committee. I would like to ask these questions but I am not going to insist on it. It is in connection with the answers which Mr. Murdoch has given me regarding the R.C.A.F. My information is different. I do not want to argue on it because I am not sure of my ground. But I have been given this information and I would like to check it to make sure. I do not suggest for a moment that Mr. Murdoch is wrong but I would like to be sure.

Mr. FLEMING: Is not the R.C.A.F. the place to go to for your information? You have heard Mr. Murdoch's answer. I do not think Mr. Murdoch is going to modify his answer. If it is a matter of information I would think that the only place to go is somewhere else.

The WITNESS: I may say that the honourable Mr. Powers was the Minister for Air and he issued a statement which will be in our files which clarified the situation. It was also in the press pointing out the error of the allegation.

Mr. GOODE: I want to be very fair with you. This situation was brought to my attention only yesterday afternoon in a statement from a very responsible member of parliament which was entirely different from the answer given by you. With all respect to you I would like to look into it. It is not too important however and as Mr. Fleming stated I can find it out somewhere else.

Mr. FLEMING: We proceed in this committee on the basis of not trying to tie people down in the questions that are asked and the matter Mr. Goode is asking now is not pertaining directly to broadcasting or television.

The WITNESS: It was approximately 15 years ago.

Mr. FLEMING: I know what the answer of Mr. Murdoch is on the question and if I know Mr. Murdoch that is the answer he is going to stay with. I think that if the matter is to be pursued there is not much point in pursuing it at further meetings at which Mr. Murdoch is to be asked to be a witness.

Mr. GOODE: I would suggest, Mr. Chairman, that Mr. Murdoch has given me a definite answer, no, and with that on the record I thought that perhaps the other side should be put on but as I say I will leave it.

*By Mr. Robichaud:*

Q. I had one more question. Could you tell us what is the full name of this association or branch known as AGVA?—A. The name is the American Guild of Variety Artists.

Q. Do you know if there was any musician out of work through disagreement with this association?—A. Of course, there always is.

Q. Last year?—A. Yes. They have removed approximately $150,000. Every musician has lost money. Their administrative secretary was removed immediately afterward.

Q. Could you give us the total contribution received by your association in Canada in any year, the total contribution in fees paid by the members?—A. You could compute it. In the two larger locals, Montreal and Toronto, if you take the membership of Montreal you would multiply it by $22 and in Toronto multiply it by a simpler arithmetic of $10. I have the figures in answer to Mr. Goode's question. The private stations in 1954—by our records there are 40 of them—paid our members in sustaining broadcasts $315,117.28; in commercial employment they paid $210,913.89, or a total of $526,031.17. That is split among 40 stations.

*By Mr. Reinke:*

Q. Do you have the figures of the C.B.C.?—A. Yes. These are approximate. Our data come from contracts of instrumental musicians and on behalf of that the C.B.C. would pay additional amounts for arranging and composing. We hope next year to be able to keep a very close record on that. The C.B.C. in 1954, according to the records, paid to our members $1,417,253.94. I say that is an approximate figure because in addition to that there would be amounts for compositions and arranging.

*By Mr. Goode:*

Q. The private stations actually pay one third or an equivalent?—A. No.

Q. One fifth of the income of the musicians in Canada?—A. Yes.

Q. But you have said, Mr. Murdoch, that these private stations fight among themselves and I expect they fight with your union as everyone else does with other unions?—A. No.

Q. And they pay your people a half a million dollars a year?—A. Yes, but when they get their licence they give the Department of Transport certain guarantees that they will produce so much live talent. I am not complaining about the forty who paid our rates, but I am thinking about the other 153 who share our product and the C.B.C. facilities and do not spend a nickel.

Q. You have expressed the opinion that you do not welcome private television stations across Canada?—A. I have not said that.

Q. Would you welcome them?—A. I would certainly welcome them if they would give a guarantee on a contractual basis as to the employment they would give.

Q. You will agree with me that $500,000 is a lot of money for private stations to pay to musicians in Canada?—A. I think it is a very small amount spread all over Canada.

Q. How much do you think it should be?—A. About five times that.

Q. More than the C.B.C.?—A. We would expect the C.B.C. to increase. I do not mind admitting that I am prejudiced. My job is to sell musicians.

Q. I think perhaps a job of selling could have been done to the other private stations by your union?—A. We have tried.

Mr. GOODE: Keep trying.

*By Mr. Richardson:*

Q. On page 2 of Mr. Murdoch's brief—I do not want to read anything in that should not be there—but I would like an explanation. He says:

> Let me say here that the name American Federation of Musicians does not imply foreign or American control.

Why do you say that?—A. Because there has been a suggestion made and I have been the straw man so often that I think that I should make it perfectly clear to the committee that I can wave the "jack" or other emblem whichever is decided on, with a great deal of enthusiasm because I am a Canadian; my parents were born in this country. I just wanted to make it perfectly clear that every local has local autonomy. On June 6 when we meet at Cleveland nobody will know who are delegates until they arrive. They will bring their credentials and the Canadians have the same right to get up on the floor and make resolutions. As a matter of fact at one of our conventions one of our Canadian members said on an occasion "I think you are nuts". Somebody apologized for him and I said that I thought he had the perfect right if he thought in his opinion they were nuts to say they were nuts.

Q. Does the Board of Directors administer the affairs of the federation?—A. They administer the rules and regulations of the federation as enacted by the general body at a convention.

Q. Those rules and regulations of the general body enacted at a convention apply to all the union chapters?—A. Yes, in some aspects. There are certain things like motion pictures that are international. In that case, the convention will say to the International Executive Board will you negotiate a new agreement. We meet these people—and it involves $29 or $30 million—and make a trade agreement for five years. The same is true in the recording field which is international. We meet and decide on conditions. But when your daughter gets married and you want to have an orchestra play you go to the local union and they say we are delighted, here are the scales, and then you go and you employ them on your own. Outside of motion pictures and recordings and transcriptions, it is a matter of local autonomy. In Canada it is not a one man show. We invite our members from coast to coast in as advisors and we sit down and talk as reasonable men.

Q. You would say that by and large the general interests of Canadian musicians would not be affected much, if any, if they belonged to a chapter which had a Canadian charter rather than an American one?—A. No. Neither music nor business is organized that way. I suggest you read the financial critic in the Globe and Mail who has been pointing out how little Canadians have to do with the control with some of the larger corporations. Americans come here and we have to have some control when they come to us and they have control when we go to them.

*By Mr. Goode:*

Q. But it is a fact you can be out-voted four to one on that board?—A. The Canadian executive think one Canadian is worth four Americans. I want to assure you there is not anything that is ever sent to the federation either from England, Australia or South Africa that Mr. Petrillo does not send to me for comment and usually tells us to make our own decisions.

Q. Is it not a fact, without being facetious, that you are out-voted four to one on the board?—A. Yes.

The CHAIRMAN: Thank you, Mr. Murdoch, for the very interesting brief and the very interesting answers which you have given to the committee.

# APPENDIX "A"

AMERICAN FEDERATION OF MUSICIANS OF THE UNITED STATES AND CANADA

APPLICATION BLANK

# AMERICAN FEDERATION OF MUSICIANS OF THE UNITED STATES AND CANADA

## Local No. 149

## Application Blank

I, the undersigned, desire to become a member of TORONTO MUSICIANS' ASSOCIATION under Article III of the Constitution and By-Laws, and I do hereby promise and agree that if elected to membership I will faithfully and at all time support, conform to and be bound by the Constitution, By-Laws, Rules, Regulations and Tariff of Fees of said TORONTO MUSICIANS' ASSOCIATION, and of the American Federation of Musicians, as the same now exist and as they may be added to, altered, amended or repealed, at any time during which I may in future be a member, and I furthermore agree to forfeit my membership in this Local if it shall be proven that I have answered untruthfully any question contained in this application, and furthermore agree to forfeit all fees paid to the Local or American Federation of Musicians, as the case may be.

1. Name? .....
   (Professional Name) .....
2. When and where born? .....
   .....
3. Where do you reside? .....
4. How long have you resided there? .....
5. Where did you reside before entering this jurisdiction? .....
   .....
6. Why did you fail to apply for merbership there? .....
   .....
7. What instrument or instruments do you play? .....
8. Are you a citizen of the United States? .....
   (Citizens of Dominion of Canada will so state) .....
   Final papers issued:
   When? ..... Where? ..... Number?.....
9. If "No" to Question No. 8, have you legally declared yourself to become a citizen of the United States?
   First papers issued:
   When? ..... Where? ..... Number? .....
   (a) Are you at present or been in the past a member of the Communist party? .....
   (b) Do you have any leaning toward the Communist party or assist this party by any action that might further the progress of this party knowingly? Answer yes or no .....
10. Are you a member of any branch of the armed forces of the United States or Canada? .....
11. Are you at present a member of any Musicians' Protective Organization in the United States or Canada? .....
12. Name it? .....
13. Have you ever been a member of any Musicians' Protective Organization in the United States or Canada, and if so, name it? .....
14. Have you ever made application for and been refused membership by a Local of the American Federation of Musicians, and if so, for what cause? .....
15. Have you ever been suspended, erased or expelled from a Musicians' Protective Organization in the United States or Canada? .....
16. When and where? .....
17. For what cause? .....
18. Have you ever rendered service at a place or with an organization on the National Unfair List? .....
19. If so, where and with whom? .....
20. Have you ever rendered service at a place on the Forbidden Territory List of the American Federation of Musicians? .....
21. If so where? .....
22. Do you work at any other trade or vocation? .....
23. If so, name it? .....
24. Is there a Union of that trade or vocation in this jurisdiction? .....
25. Are you a member of the Union of that trade or vocation in this jurisdiction?....
26. Have you ever been suspended, erased or expelled from any Union affiliated with the American Federation of Labor or any other Labor Union? .....
27. If so, for what cause? .....
28. Have you been imported into this country by an agent, musical director, or employer? .....
29. Have you played any professional engagements during the time you were not a member of the Federation, and if so, where and with whom? .....
30. Have you been persuaded to come here under promise of engagements? If so, state who made such promises, and the conditions under which you were induced to come here? .....
31. Signature .....
    Social Security Number .....
    Residence .....
    Telephone Number .....
    Recommended by .....

*This application for Local membership will not be accepted from any prospective member until a complete answer on said blank has been made to No. 8 and/or No. 9 (this relating to citizenship status in the United States or Canada.)*

### BOND

The undersigned does hereby pledge himself as Surety for .....
a minor, until he has reached his majority, who promises to faithfully support the Constitution, By-Laws and Tariff of Fees of the T.M.A. and the provisions as enumerated in the above application, and that in case of any violation of the same, the undersigned will be responsible for all such charges brought, or fines imposed against said person.
Witnessed by ..... (Signed) ..... Surety.

This application was made on ..... 19 ..... Signed by .....
Secretary of Local No. 149 of Toronto, Canada.

HOUSE OF COMMONS

Second Session—Twenty-second Parliament

1955

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SPECIAL COMMITTEE

ON

# BROADCASTING

*Chairman:* Dr. PIERRE GAUTHIER

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## MINUTES OF PROCEEDINGS AND EVIDENCE

No. 12

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THURSDAY, JUNE 2, 1955

FRIDAY, JUNE 3, 1955

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WITNESSES:

A. Davidson Dunton, Chairman of the Board of Governors of the Canadian Broadcasting Corporation; F. G. Nixon, Assistant Controller of Telecommunications, Department of Transport.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955.

58675—1

SPECIAL COMMITTEE ON BROADCASTING

*Chairman*: Dr. Pierre Gauthier

*Vice-Chairman*: Mr. G. D. Weaver

and

Messrs.

Balcer
Beaudry
Boisvert
Bryson
Carter
Cauchon
Decore
Dinsdale
Fleming
Gauthier (*Nickel Belt*)
Goode
Hamilton (*Notre-Dame-de-Grace*)
Hansell
Henry
Holowach
Kirk (*Shelburne-Yarmouth-Clare*)
Knight
McCann
Monteith
Reinke
Richard (*Ottawa East*)
Richardson
Robichaud
Studer

R. J. GRATRIX,
*Clerk of the Committee*

# MINUTES OF PROCEEDINGS

Room 118,
THURSDAY, June 2, 1955.

The Special Committee on Broadcasting met at 11.00 o'clock a.m. this day. Dr. Pierre Gauthier, the Chairman, presided.

*Members present:* Messrs. Boisvert, Carter, Cauchon, Fleming, Gauthier (*Nickel Belt*), Goode, Holowach, Knight, Monteith, Reinke, Richardson, Robichaud, Studer and Weaver.

*In attendance: From the Department of Transport:* Messrs. F. G. Nixon, Assistant Controller of Telecommunications, W. B. Smith, Senior Radio Regulations Engineer, W. A. Caton, Head of Inspections and Examinations Section, and F. K. Foster, Broadcasting Regulations Inspector.

*From the Canadian Broadcasting Corporation:* Messrs. A. Davidson Dunton, Chairman of the Board of Governors, E. L. Bushnell, Assistant General Manager, W. G. Richardson, Director of Engineering, H. Bramah, Treasurer, C. Jennings, Director of Programs, R. C. Fraser, Director of Press and Information, G. Young, Director of Station Relations, J. P. Gilmore, Coordinator of Television, M. Carter, Executive Assistant, D. Manson, Special Consultant, R. E. Keddy, Secretary of the Board of Governors and J. A. Halbert, Assistant Secretary.

*From the Canadian Association of Radio and Television Broadcasters:* Mr. J. T. Allard, Executive Vice-President.

Mr. Nixon was called and, pursuant to an order of the Committee of May 19, 1955, tabled maps showing the service contours of television stations, copies of which were distributed to members of the Committee.

In response to a request of Mr. Boisvert at a previous meeting, the witness also tabled the following document, copies of which were distributed to members of the Committee:

> New Stations authorized in areas already having primary service from existing stations during the period April 30, 1953 to May 13, 1955.

*Ordered,*—That the said document be printed as an appendix to this day's evidence. (*See Appendix A*).

In reply to a question asked by Mr. Fleming concerning the removal of restrictions on the issuing of new licences for private commercial broadcasting stations, the witness tabled a form letter dated January 2, 1953, advising all concerned that applications would be accepted from new stations for changes in existing stations effective from that date.

*Ordered,*—That the said form letter be incorporated into this day's evidence. (*See Evidence*)

Mr. Nixon was examined on the maps tabled by him, Mr. Smith answering questions specifically referred to him.

At 12.50 o'clock p.m., the Committee adjourned to meet again at 3.30 o'clock p.m. this day.



58675—1½

AFTERNOON SITTING

Room 118,
THURSDAY, June 2, 1955.

The Committee resumed at 3.30 o'clock p.m. Dr. Pierre Gauthier, the Chairman, presided.

*Members present:* Messrs. Bryson, Carter, Cauchon, Fleming, Goode, Hansell, Holowach, Knight, Reinke, Richardson, Robichaud and Weaver.

*In attendance:* See list of attendance at the morning sitting.

The examination of Mr. Nixon was continued, Messrs. Dunton, Caton, Allard and Smith answering questions specifically referred to them.

The examination of Mr. Nixon being completed, he was retired.

Mr. Dunton was recalled and, in response to a request of Mr. Weaver, tabled the following document:

Populations served by TV Stations A & B Coverage.

*Ordered,*—That the said document be printed as an appendix to this day's evidence. (*See Appendix B*)

The Committee resumed its detailed examination of the Annual Report 1953-54 of the Canadian Broadcasting Corporation. The examination of Mr. Dunton was continued thereon, Mr. Bramah answered questions specifically referred to him.

Mr. Dunton tabled the following documents, copies of which were distributed to members of the Committee:

1. Tentative statement of income and expense for the year ended March 31, 1955—Sound broadcasting and integrated services.
2. Tentative statement of income and expense for the year ended March 31, 1955—Television service.

*Ordered,*—That the said documents be incorporated into this day's evidence. (*See Evidence*)

At 5.30 o'clock p.m., the examination of the witness still continuing, the Committee adjourned to meet again at 11.00 o'clock a.m., Friday, June 3, 1955.

R. J. Gratrix,
*Clerk of the Committee.*

# MINUTES OF PROCEEDINGS

Room 118,
FRIDAY, June 3, 1955.

The Special Committee on Broadcasting met at 11.00 o'clock a.m. this day. Dr. Pierre Gauthier, the Chairman, presided.

*Members present:* Messrs. Boisvert, Carter, Fleming, Goode, Hansell, Holowach, Knight, McCann, Monteith, Reinke, Richardson, Robichaud and Weaver.

*In attendance: From the Canadian Broadcasting Corporation:* Messrs. A. Davidson Dunton, Chairman of the Board of Governors, E. L. Bushnell, Assistant General Manager, W. G. Richardson, Director of Engineering, Charles Jennings, Director of Programmes, H. Bramah, Treasurer, R. C. Fraser, Director of Press and Information, George Young, Director of Station Relations, M. Carter, Executive Assistant, D. Manson, Special Consultant, R. E. Keddy, Secretary of the Board of Governors and J. A. Halbert, Assistant Secretary.

*From the Canadian Association of Radio and Television Broadcasters:* Mr. J. T. Allard, Executive Vice-President.

The Committee resumed its detailed examination of the Annual Report 1953-54 of the Canadian Broadcasting Corporation, the examination of Mr. Dunton continuing thereon.

During the course of his examination, Mr. Dunton tabled the following documents, copies of which were distributed to members of the Committee:

1. Projection of income and expense fiscal year 1955-1956—Sound broadcasting.
2. Projection of income and expense fiscal year 1955-1956—Television.

*Ordered,*—That the said documents be incorporated into this day's evidence. (*See Evidence*).

A debate arising as to the propriety of certain questions directed to the witness, Mr. Weaver moved,

*That Mr. Dunton not be required to answer hypothetical questions on future financing beyond the projection of income and expense for the year ending March 31st, 1956.*

After further debate and the question having been put, Mr. Richardson moved in amendment thereto that the motion be amended by inserting after the word "that" the following:

*the question put to Mr. Dunton by Mr. Fleming being beyond the terms of reference of this Committee.*

After further debate, and the question having been put on the amendment to the motion, it was resolved in the affirmative on the following recorded division: *Yeas:* Messrs. Boisvert, Carter, Goode, Holowach, Knight, McCann, Reinke, Richardson, Robichaud and Weaver. *Nays:* Messrs. Fleming and Monteith.

And the question being then put on the main motion as amended it was resolved in the affirmative on the following recorded division: *Yeas:* Messrs. Boisvert, Carter, Goode, Holowach, Knight, McCann, Reinke, Richardson, Robichaud and Weaver. *Nays:* Messrs. Fleming and Monteith.

At 1.00 o'clock p.m., the Committee adjourned to meet again at 3.15 o'clock p.m. this day.

## AFTERNOON SITTING

Room 118,
FRIDAY, June 3, 1955.

The Committee resumed at 3.15 o'clock p.m. Dr. Pierre Gauthier, the Chairman, presided.

*Members present:* Messrs. Boisvert, Carter, Fleming, Goode, Hansell, Holowach, Kirk (*Shelburne-Yarmouth-Clare*), Knight, McCann, Monteith, Reinke, Richardson and Weaver.

*In attendance:* The same as at the morning sitting and Mr. J. P. Gilmore, Coordinator of Television, Canadian Broadcasting Corporation, and Mr. F. K. Foster, Broadcasting Regulations Inspector, Department of Transport.

The Committee resumed its detailed examination of the Annual Report 1953-54 of the Canadian Broadcasting Corporation, the examination of Mr. Dunton thereon continuing.

During the course of Mr. Dunton's examination, Mr. Bushnell answered questions specifically referred to him.

On motion of Mr. Richardson, seconded by Mr. Knight, the Annual Report 1953-54 of the Canadian Broadcasting Corporation was adopted unanimously.

At 4.30 o'clock p.m., the examination of Mr. Dunton being concluded, he was retired and the Committee adjourned to meet again at the call of the Chair.

R. J. GRATRIX,
*Clerk of the Committee.*

# EVIDENCE

JUNE 2, 1955.
11.00 A.M.

The CHAIRMAN: Order, gentlemen. I see a quorum. I would remind Hon. members that there are many committees sitting this morning and I would like this committee to keep a quorum to the end of the sitting. I would therefore ask you as a favour to stay here as long as you can, and I thank you for it.

Mr. FLEMING: Perhaps one other point might be mentioned in that connection, Mr. Chairman. I believe that the multiplicity of meetings has thrown quite a strain on the committee staff and that we shall have only one reporter here with us for the first hour and a half. Perhaps we might take a recess at some point.

The CHAIRMAN: Yes.

Mr. GOODE: I think it should be mentioned for the record—since you have put your remarks on the record, Mr. Chairman—that a number of members on this committee should be serving on other committees which are sitting but they have chosen to attend this committee. As long as that is on the record I am satisfied because my constituents are quite free in telling me that I am not attending the meetings of certain committees which it is not possible for me to attend.

The CHAIRMAN: I think it is in the minds of the general public that this committee is the most important committee of the House of Commons.

Mr. FLEMING: Certainly it is the most harmonious.

Mr. GOODE: Up to now, anyway.

The CHAIRMAN: We have here this morning the officials of the Department of Transport. We have with us Mr. Nixon, the Assistant Controller of Telecommunications, Mr. W. B. Smith, Senior Radio Regulations Engineer, Mr. F. K. Foster, Radio Inspector of Regulations and Mr. W. A. Caton, Head of the Inspection and Examination Section. I understand that certain information has been requested from the department by Mr. Boisvert, Mr. Weaver and Mr. Fleming. Mr. Boisvert—you put a question to Mr. Brown the other day.

Mr. BOISVERT: Was it with respect to members of the Board of Directors?

The CHAIRMAN: Exactly.

Mr. BOISVERT: Yes. I was informed it would take quite a lot of time to produce such a list, and that it would be too late for this committee to consider, so I will come back next year with that question as early as possible. I am withdrawing the question for the present.

The CHAIRMAN: Did you have another request for information in regard, I believe, to new stations authorized in areas already having primary service from existing stations during the period April 30th, 1953 to May 13, 1955?

Mr. BOISVERT: I understand that the department is ready to answer that question.

The CHAIRMAN: Information on that matter is available to members of the committee now. Have you any explanation to give, Mr. Nixon, with regard to that? Have you copies for distribution to members of the committee?

**Mr. F. F. Nixon, Assistant Controller, Telecommunications, Department of Transport, called.**

The WITNESS: Yes, I have copies of a list of stations which also includes the new stations authorized in areas not previously having primary coverage. We have copies in sufficient quantity to provide them to members.

The CHAIRMAN: Shall we include this information in the record?

Mr. BOISVERT: I move.

The CHAIRMAN: At this point or as an appendix?

Mr. BOISVERT: As an appendix.

(See Appendix A.)

The CHAIRMAN: We have further information to come from the department with regard to a question asked by Mr. Weaver. I understand that we have copies of the reply here.

The WITNESS: Yes, Mr. Chairman we have copies of maps showing the service contours of television stations which are now in operation and those which have been authorized and are expected to be in operation before the end of the year. I would like now to make that information available.

(Maps distributed as described, with footnote:

> In each case the inner contours encompass the grade A service areas and the outer contours the grade B service areas. Good reception can be expected in most locations in the grade A service area with an indoor antenna and in the grade B service area with an outdoor antenna.)

the processing of applications for authority to establish private commercial broadcasting stations were removed. The date on which the restrictions were removed was January 2nd, 1953. All concerned were advised that applications would be accepted for new stations or changes in their existing stations with effect from that date and we have a copy of the formal letter which was distributed if it should be required.

The CHAIRMAN: Have you got copies for distribution?

The WITNESS: No sir.

The CHAIRMAN: The department do not have copies but if you wish to take cognizance of this letter or have any questions to ask on it you are welcome to do so. The letter will be inserted in the record.

Mr. FLEMING: Yes, Mr. Chairman, the letter is very brief and we might put it on the record. It is just a couple of paragraphs long.

The CHAIRMAN: It is moved that this document be put on the record at this point.

OTTAWA, January 2, 1953

Dear Sir(s):

1. I would refer you to the letter of February 17, 1951, advising of the policy that no more new licenses for Private Commercial Broadcasting Stations in Canada would be issued, or authority for changes in existing stations granted, unless certain conditions were met.

2. In this connection, I now wish to inform you that restrictions on vital materials have eased within the past few months and, therefore, effective immediately, applications for new Broadcasting Stations and changes in existing Broadcasting Stations, involving the use of hitherto critical materials, will be accepted by the Department of Transport for transmission to the Board of Governors of the Canadien Broadcasting

Corporation, in order that they may make a recommendation to the Minister. You understand, of course, that it will be necessary that such applications be in the form prescribed by this Department.

Yours very truly,
(G. C. W. Browne)
Controller of Telecommunications.

*By Mr. Fleming:*

Q. Just so we may relate this date on which restriction were formally removed by the government to the question, could you indicate how long it normally takes a station once licensed to come into operation? We are speaking now of sound broadcasting stations.—A. In accordance with the regulations the station must commence construction within 3 months and complete within 9 months of the date of authorization.

Q. What is the average period of time required?—A. It varies considerably. Some stations require extensions of time beyond the 9 months.

Q. Is that a frequent occurrence?—A. Not too frequent, no.

Q. Would it happen in one case out of ten?—A. Something of that order. Very often they run into winter construction conditions and delays have to be authorized on that account.

Mr. GAUTHIER (*Nickel Belt*): Are there any delays in the supply of equipment?

The WITNESS: Sometimes.

*By Mr. Fleming:*

Q. You would not expect delays in obtaining equipment after January, 1953, would you?—A. I would say there has been no major equipment delays.

*By Mr. Goode:*

Q. Would you think the same thing would apply with regard to television broadcasting—there is certainly no shortage of equipment there.—A. There has been in certain components from time to time, yes.

Q. I mean at the present time. You know of no shortage?—A. No general shortage.

Q. What do you mean by "general". Is there some shortage?—A. Very often certain items will be in short supply temporarily.

Q. Temporarily though.

The CHAIRMAN: Are there any other questions on this matter?

Mr. WEAVER: There are two or three questions which I want to ask.

The CHAIRMAN: On the maps?

Mr. WEAVER: On the contours. I did not catch the name of the witness.

The CHAIRMAN: Mr. Nixon.

*By Mr. Weaver:*

Q. I am looking at the map of the Maritimes and Montreal now, with special reference to the two Montreal stations. I take it the two circles there are more or less identical which would seem to indicate to the committee—it looks like double circles... are they just doubled so that you can distinguish them?—A. There are two antennae located on the same tower and one set of the circles applies to CBFT and the other to CBMT.

Q. They would be identical?—A. The difference indicated on the chart is intended to indicate the difference between the two stations.

Q. Actually there is a different coverage between the English and the French stations?—A. Yes.

Mr. RICHARDSON: How great a difference?

The WITNESS: It is just the difference that you see on the chart. It is very small.

*By Mr. Weaver:*

Q. Is there any reason or is it just a technical difference—something to do with the position of the antenna?—A. There are a great many factors which have to be taken into account in determining the coverage contour. There is a difference in frequency, a possible difference in antenna structure and so on.

Q. Is the difference between the A and B contours largely due to a difference in the strength in the signal—that is, as you go farther away from the transmitter you reach a point where an inside area will not pick it up and a better aerial is needed. Is that the chief difference?—A. Speaking with respect to one particular station, now, we have endeavoured to indicate in a rather simplified form what the A and B service areas mean, in which case the inner contour encompasses a grade A service area and the outer contour a grade B service area. Good reception can be expected at most locations within the grade A service area with an indoor antenna and in the grade B service area with an outdoor antenna. That is rather a simplified explanation of what may be expected in the areas encompassed by these contours.

Q. This question is related to the single coverage policy. Supposing there is a city which is not covered now and an application comes in to establish a station in that city. Would that applicant normally come to you for these contours and attempt to fit his contour in in order to cover as much as possible without overlapping? Is that the normal procedure?—A. The usual procedure is for his engineering consultant to discuss with our engineers ways and means of establishing a station which will comply with the policy as laid down.

Q. I do not know whether this question should properly be addressed to you but I think it should. In your licensing policy do you keep the ratio between the contour and population in mind when licensing a station?—A. In assessing an application in relation to the policy, population would be taken into account.

*By Mr. Fleming:*

Q. In what way?—A. The general policy being to extend coverage as widely as possible, I think a station which was going to extend coverage to areas in which large numbers of people were not now receiving Canadian television signals would certainly have a bearing on the matter.

Q. That comes down to this, does it not, Mr. Nixon, that when you speak of existing services you are thinking of extending them to larger numbers of people rather than in mere geographical terms.—A. I think both are taken into consideration.

Q. Well, let us go beyond this. We are trying to reach as many people as possible, but I do not think the question which Mr. Weaver asked had anything to do with competing applications. It is not a matter of favouring one application or another.—A. Perhaps I misunderstood the question.

*By Mr. Weaver:*

Q. My question was directed to this: that as many Canadian citizens as possible should get coverage. I am in favour of the single coverage and I want to be sure that as many people as reasonably can shall get television reception

before too many get double or treble coverage, and I was wondering if you have any set ratio in mind as between the population in the various areas, and your contours.—A. That is the general policy and in considering new applications we apply the principles that were laid down previously in regard to it.

*By Mr. Knight:*

Q. Have you any tables showing the estimated percentage of population covered in each province—the estimated population presently covered by television on a percentage basis?—A. No, we have nothing on that.

Q. If you have no table perhaps you could go by your own knowledge. Have you, for instance, any idea of the percentage of the population of Ontario who have television available for reception in their own homes? Perhaps you could also get the figure with regard to another province.

The CHAIRMAN: I have a paragraph which is relevant to that, Mr. Knight, in the evidence which Mr. Dunton gave at page 13 of the minutes. I will read the paragraph.

> I would like to try to describe quickly the stage the system has reached as of now. As the committee knows, Mr. Chairman, at the moment there are seven C.B.C. stations operating at key points in the country and eighteen private stations. All of these stations carry national service and all are extending national service. The system in this way is covering slightly over 70 per cent of the population, that is, it is making service available in areas in which a little over 70 per cent of the Canadian population lives.

Does that meet your requirements?

Mr. KNIGHT: Not exactly. I was thinking of a comparison by provinces. I was aware that Mr. Dunton had said that about 70 per cent of the population of Canada was covered. Let me put it this way. Are there any provinces which are outstandingly short?

Mr. GOODE: British Columbia. You can tell him that, Mr. Chairman.

Mr. KNIGHT: Not the lower mainland.

The WITNESS: No, we have not that information. Some indication, of course, can be obtained from the maps which are before us but it should be remembered that a considerable amount of overlap is provided outside the contours shown on these maps.

*By Mr. Fleming:*

Q. May I go back to the answers which you gave to Mr. Weaver's questions. It was not quite clear as to what you meant, Mr. Nixon. Obviously applications which come from widely separated parts of the country have no bearing on each other at all when they come before your department. They are dealt with entirely separately, without relation to each other. Is that not a fact? —A. That is correct.

Q. So the point you are making in answering Mr. Weaver, if I followed you correctly, could only arise where you have applications from areas where there is overlapping to some extent?—A. Yes.

Q. Does your answer go beyond this, and do you say that in a case of that kind if the two applicants—who would be competitors or rivals—were not proposing to have their transmitters at exactly the same place you would measure them—if the transmitters were of equal strength—to see which of the two was going to cover the greater number of people and approve the station which was going to give service to the greater number of people? Is that correct as a statement of general policy?—A. I was not referring in my

remarks to competing applications. If there were competing applications it would be considered in relation to the single service coverage policy, and if the applications were acceptable they would be referred in the usual manner to the C.B.C.

Q. If applications which are in no sense geographically competitive are not considered by the department to have any relation to each other, then adding your last answer to that I do not see what room there is for the application of what I thought was the principle which you were enunciating in reply to Mr. Weaver. I would have thought that what was meant was that where you have two applicants for the same or overlapping areas you were saying that you would give the preference to the one who promised to reach the larger number of people, or, similarly the one which would have the stronger signal and put more money into the investment and reach more listeners by using higher power. Is that not what you mean?—A. No. I was referring to one applicant who would have to be considered in relation to existing stations or existing authorizations under the single service coverage policy, and to the extent that that new application might serve an additional area and people not now served the more likely would it be to be approved under the single service coverage policy.

Q. I presume that as long as an applicant is not going to overlap any existing stations, generally speaking you would welcome him. Is that not correct? I am speaking of an applicant who is going to start a service in a new area.—A. That is correct.

Q. But are you making some reservations where there is a station in existence and an applicant comes forward whose application would involve some overlapping of the existing station? Is that the case in which you are supposed to apply this principle which I thought you were enunciating that you like to see how many more people are going to be covered by the applicant than are covered by existing stations which might overlap in part?—A. Yes.

Q. Does that mean if there is some overlapping by an applicant over the contour of an existing station you would still entertain an application?—A. It would be considered in relation to the rules which were tabled at a previous meeting.

Q. In an earlier answer to Mr. Weaver you spoke about the rules, as you called them, or policies laid down by the committee previously. What committee were you referring to?—A. Presented to this committee.

Q. By whom?—A. By Mr. Browne.

Q. You are referring now to the evidence given by Mr. Browne ten days ago.—A. Yes, sir.

Q. In defining the single service coverage policy?—A. Yes.

Q. Where do you draw the line in reference to this policy where an applicant comes forward with an application which is acceptable in other respects but which offends the single service coverage policy to the extent that the contour of his proposed transmitter does overlap in some measure the contour of an existing station, whether C.B.C. owned or privately owned? Where do you draw the line and say "we will not accept this application because there is some overlapping." How much overlapping does there have to be before you say "we cannot entertain that application?"

The CHAIRMAN: I notice that in the minutes at page 476 there was evidence given by Mr. W. B. Smith, Senior Radio Regulations Engineer, which has a bearing on this. Do you want me to read the paragraph, Mr. Fleming, so that we may review the information which was given?

> The problem there, Mr. Chairman, Mr. Fleming, was that prior to the application of Kitchener there was in existence a station in London, and a station in Toronto, and one had been authorized for Hamilton. The interpretation we have placed on the government's single service

policy is that the A contours—that is, the grade A service contours—would not overlap in any case, and that the grade B contour of a new station would overlap the A contour of an existing station to a minimum degree. Those criteria were set forth to the consultant who, as a result, brought up the directional pattern which was subsequently authorized for Kitchener, and it complied very closely with the spirit and the letter of the single service coverage policy.

Mr. FLEMING: Thank you for that reference, Mr. Chairman.

*By Mr. Fleming:*

Q. Mr. Nixon, was the principle referred to there, which was the policy in that particular case, one of general application?—A. Yes.

Q. I take it then that the point where you draw the line with regard to the single service aspect of the single service coverage policy is that you will not permit any overlapping whatever of class A contour?—A. Yes, that is correct.

Q. And you will apparently permit some slight overlapping of the B contours but that overlapping must be confined to the minimum figure?—A. That is right, and it should be remembered that the basic principle is the extension of coverage to new areas, and the application must be examined to see to what extent it is providing or would provide services to new areas not now adequately served.

Q. That is not the aspect of the matter with which I am dealing in my questions. I am directing your thought—and I hope we understand each other clearly on this, Mr. Nixon—to the case of an application brought forward now which seems to impinge, perhaps slightly, perhaps more, on the contours served by an existing transmitting station. I am not directing my questions to a case of an application in an area which is not served at all. We are concerned about a new application which may appear to impinge in some degree on an area served by an existing station, whether operated by the C.B.C. or privately owned. Do we understand each other, and did your answer enunciate the general principle applied by the department to all these applications, namely that you will not accept an application if the contour of the proposed station overlaps in any degree whatever the grade A contour of the existing station, and secondly that you will tolerate overlapping of the B contours of existing stations only to a minimum degree? Is that a fair statement of the general policy which is followed?—A. Just for the sake of clarification, Mr. Fleming, you are referring to applications for new stations in relation to existing stations which are going to be to some degree overlapping?

Q. Yes.—A. Yes, we would apply those principles.

Q. Have I stated correctly the general principle which is applied in all those cases?—A. That is correct.

*By Mr. Goode:*

Q. Mr. Nixon, what is your understanding of A and B contours?—A. I do not think I could do better than to refer you to the covering document which is attached to the map.

Q. I wonder if you will put your understanding of this matter on the record, because I have some questions to ask on it and I would like to have your answer available. Use your own words if you like.

The CHAIRMAN: You want to know the difference between A contour and B contour?

Mr. GOODE: I want to know Mr. Nixon's understanding of A and B contours as an official of the Department of Transport.

The WITNESS: I do not think I could improve upon the wording which appears here on the document I have referred to.

Mr. GOODE: Where is that wording?

The CHAIRMAN: On the sheet attached to the map.

*By Mr. Goode:*

Q. Then let me refer to this. What is the grade A service area, and what the grade B service area? Let us stay with the notes which you have referred to me.—A. The grade A service area is the one within which good reception can be expected at most locations using an indoor antenna.

Q. So actually, Mr. Nixon, there is no difference with regard to grade A and grade B contours except in respect of the facilities available for reception at private homes. That is right, is it not?—A. There is a difference in the strength of the signal.

Q. But actually the receiving apparatus is the determining factor. No one in the home differentiates between A and B contours—so far as the ordinary householder is concerned it is merely a matter of the type of antenna which he has in his set. Is that right?—A. No. The signal is much stronger within the A contour than outside the A contour and within the B contour.

Q. But as far as the householder is concerned—the man who has bought a television set—the whole thing depends on the receiving apparatus—whether he has "rabbit ears" in the house or an antenna on the roof. That is a simple explanation, is it not, as far as the householder is concerned?—A. I think his service man would be concerned with the signal strength.

Q. Let us talk about the householder, because I think you are bound to agree with me that as far as the householder is concerned the only difference between A and B contours is in respect of the antenna he has to use on the set. Let me put it this way—you have a set within an A service area; if you have an indoor aerial you can pick up the signals well. If you move further away into a B service area you have to erect an antenna on the top of the house in order to get the same result. Isn't that right?

Mr. RICHARDSON: On page 479 Mr. Smith gave some evidence that might be helpful. Perhaps it will be helpful to the witness.

The CHAIRMAN: Have you got your minutes with you, Mr. Goode?

Mr. GOODE: I do not have the minutes with me, Mr. Chairman.

The CHAIRMAN: Can you state the lines you have in mind, Mr. Richardson?

Mr. RICHARDSON: It is marked there in red.

The CHAIRMAN: Is it marked in red in the book which has been handed to you, Mr. Goode?

*By Mr. Goode:*

Q. Well, Mr. Nixon, on page 479 Mr. Smith giving evidence said:

> In general a grade A service is one which can be received with a minimum of antenna; a grade B service requires a more elaborate antenna and a fringe area service requires a first-class antenna installation in order to be received with any success. All we are interested in under the single service coverage policy is in seeing that grade A services are not duplicated.

That is just exactly what I have asked you and I think you would agree with that.—A. Yes, sir, I agree with that.

Q. So actually what grade A and grade B service areas are depends on the receiving apparatus in the home. Is that not the position?

*By Mr. Knight:*

Q. Has the element of distance anything to do with the strength of the signals?—A. Yes, very much.

*By Mr. Goode:*

Q. That is what Mr. Smith says if I understand it rightly. But reception depends, according to his statement, on the antenna used. I am not going to argue too much about this point. I take this view: that reception in the service contours you have given us really depends entirely on the receiving apparatus which is in the home. There may be other things which come into the question, but this is the important one. Before I go on, there is one further question I would like to ask: is Barrie, Ontario, operating?—A. No.

Q. But you have given them a licence according to this map?—A. We have authorized construction.

Q. If that is true there are five stations which can be received in the Toronto area according to your contour map—four now, and one when Barrie is in operation.—A. I am not quite clear—may I have your question again?

Q. According to your map there are five stations which can be received in the Toronto area—four now and one when Barrie is operating. Is that correct?—A. Can you name the stations, Mr. Goode?

Mr. FLEMING: Excuse me, Mr. Goode. Do you mean Canadian stations?

*By Mr. Goode:*

Q. Yes. I see there Hamilton, Kitchener, Peterborough, Barrie,—when it is operating—and Toronto itself. According to your contour map that statement is correct. There will be five Canadian stations received in the metropolitan Toronto area.—A. I do not believe that to be correct.

Mr. REINKE: And B coverage.

Mr. GOODE: If you will count the number of the stations you will find that there are four now, and one more when Barrie is operating. That will be five, if I can read this map.

An Hon. MEMBER: You will not receive Barrie in Toronto.

*By Mr. Goode:*

Q. According to this map it is well within the contour area.—A. It is true that the B contour of Barrie overlaps B contour of the Toronto station, but the B contour of Barrie is still north of the metropolitan area.

Q. But it could be received in the metropolitan area?—A. I don't believe it would be received.

Q. Just what is the outside contour of the Barrie station?—A. That is the B contour?

Q. Does not that overlap now the Toronto area?—A. It appears to be approximately 20 miles north of the centre of the city of Toronto.

Q. I am not talking about the centre of the city. My question related to metropolitan Toronto and I asked you, according to your map, whether Barrie would not be received within that metropolitan area? I have not said "Toronto". I said "the metropolitan area" and I say that according to your contour map five stations will eventually be received within that area.

Mr. FLEMING: There is a problem here as to what should be the geographical interpretation of the expression "metropolitan Toronto". I rather think, Mr. Goode, that you and the witness are using the expression in a different sense. After all, when you talk about "metropolitan Toronto" there is a municipality of Metropolitan Toronto. Then we use the expression "metropolitan area" rather loosely with reference to the larger area which has large

communities within it, but which is not necessarily within the strict limits of the municipality of Metropolitan Toronto. That may be the reason why Mr. Goode and the witness are not at one.

Mr. GOODE: Let me change my question somewhat: ultimately according to your contour map, there will be five stations within the contour of CBLT Toronto. Is that not true?

Mr. WEAVER: This might help to clarify the point—is this map on the scale of 50 miles to the inch?

The WITNESS: The scale is shown on the sheet.

Mr. WEAVER: I have not got a rule.

The WITNESS: It is approximately so but I would draw attention to the fact that all the maps are not drawn to the same scale.

*By Mr. Goode:*

Q. I want to make the point on which I started if I may. You have two contour circles surrounding the station. I take it that the outside contour marked—if I know my artillery maps—is the extent to which you expect the station to be received. Is that right?—A. In the manner defined in the covering statement with the maps.

Q. If that is true it will eventually be possible for five stations to be received within the contour of CBLT Toronto? I am only expressing to you what is said on your own map.

The CHAIRMAN: Order. Let Mr. Nixon answer, now.

*By Mr. Goode:*

Q. I would like to have an answer to this one question because it is most important in any argument I may wish to present at a future date.—A. I believe there are only four stations apart from Toronto.

Q. Would you tell me what those four stations are? I want a reply because the contour map does not go on the record.—A. Peterborough, Barrie, Kitchener and Hamilton.

Q. And Toronto?—A. Yes.

Q. That is five. So my original suggestion was correct, that eventually five stations would be received in the area confined within the contours of CBLT?—A. Within limited portions of the area served by CBLT.

Q. All right. Now may I refer to Alberta. I am not going to take too long about this, because there are other questions to follow. CFRN Edmonton and CHCT Calgary are both operating—is that true?—A. That is true.

Q. And your department is now inviting an application for a station at Red Deer?—A. We do not invite applications.

Q. But there have been suggestions—it has been decided by your department that a television station is going to be approved for the city of Red Deer? —A. We have received an application which is being processed.

Q. And am I correct in saying that it will be approved—that some application in respect of Red Deer will be approved?—A. I really do not know.

Q. May I say that it is my impression that approval will be given?

If Red Deer is allocated a channel in the Canadian television picture will it not overlap the Calgary transmission?—A. The application before us complies with the single service coverage policy.

Q. We have to take that answer because you are not the minister of the department. Let us turn to British Columbia for a moment.

*By Mr. Fleming:*

Q. May I ask one more question, Mr. Nixon, about your last answer. You say that the department has decided that the application for a proposed station at Red Deer would conform to the single service coverage policy. That means that the grade A circle of the Red Deer station would not impinge on the grade A circle of the Calgary station, but that the grade B circle could overlap. Can you tell me to what extent the B circles of those two stations—that is, the existing station at Calgary and the proposed station at Red Deer—would overlap?—A. We do not happen to have the contours for the proposed Red Deer station and not having that information I would be reluctant to estimate the degree of overlap.

*By Mr. Goode:*

Q. Mr. Nixon, this is most important. Would you not agree that if you put a station in at Red Deer it would be almost impossible for it not to overlap the Calgary contour?—A. The B contours will obviously overlap.

Q. I take it that A and B contours are exactly the same.

The CHAIRMAN: You take it?

*By Mr. Goode:*

Q. I just want to ask one question now regarding British Columbia, and members may be surprised that I am limiting myself in this way.

If a television station was established at Victoria and Nanaimo would it also overlap CBUT at Vancouver?—A. That is a general question.

Q. It is not a general question. I want to hear it put on the record that Victoria and Nanaimo are well within the CBUT contour. It is only natural that they should be well within it.—A. A very great proportion would be within the contours.

Mr. FLEMING: Nanaimo would be within the A contour?

The WITNESS: Yes.

Mr. GOODE: All that means is that people would have to use an outside antenna in British Columbia. That is all.

*By Mr. Knight:*

Q. I am confused because Mr. Goode has put his own interpretation on the record more or less as evidence, and I am not yet clear about it, and I do not accept Mr. Goode's assertion that A and B areas are the same; I would deny I think if I knew anything about it his assertion that whether you are in an A area or a B area is merely a matter of the type of instrument you have in your home for reception.

Let us take the A and B circles round Calgary. Is it not true that if you are out on the extreme edge of the B circle or a little further out still, your reception would be extremely poor irrespective of what type of machine you had in your home or of the type of antenna you were using?—A. Yes.

Q. In other words we come back to the original question: does not the element of distance play an important part in determining the strength of the signal? Am I right in saying, with respect, that Mr. Goode is wrong in his assertion that the only difference between reception in A and B areas depends on the type of apparatus you have in your room?

The CHAIRMAN: Order gentlemen, I think this would be an appropriate time to give a break to the reporter while the salute of guns is going on outside.

(On the resumption of business:)

*By Mr. Goode:*

Q. I think on a matter of privilege here, Mr. Chairman, I should take exception to Mr. Knight saying I was wrong. I am wrong on many occasions, I admit, but in this case it is the matter of the evidence which has been given by the Department of Transport itself. It says this in its communication to us this morning; the inner contours shown on the maps encompass the grade A service area and the outer contours the grade B service area and—this is the point—

> Good reception can be expected at most locations in the grade A service area with an indoor antenna and in the grade B service area with an outdoor antenna.

Hence my assertion that it is a matter of the antenna which is used in general practice. Those are the words of the department; they are not mine.

*By Mr. Knight:*

Q. My question was, Mr. Chairman, is it in fact entirely a matter of the antenna used—I think my question boils down to that—or does the element of distance not regulate to some extent the strength of the signal? That is my question. I have one more when you have answered it.—A. I think I may answer that by saying that it is a function of both. Definitely the signal diminishes as the distance from the station increases, and to some degree the quality of reception can be restored by improving the efficiency of the antenna, but other factors come into the picture—interference from man-made electrical equipment and so on which tend to cause reception to deteriorate at a greater distance.

Q. One more question and I think the position will be clear. Let us take the area around Calgary—the A and B circles. We shall suppose for the moment that a man lives on the edge of B area. His reception at times, irrespective of the type of the antenna he uses, will be poor due to the fact that he is a long way from the city. We shall suppose that that man changes his location and moves into a location inside the A circle. Would his reception by virtue of that move of location not be considerably improved, supposing he uses the same antenna that he used in the other spot?—A. Using the same antenna there would be a considerable improvement.

Q. Thank you. That is all I want to know.

*By Mr. Reinke:*

Q. Mr. Nixon, is there such a thing as C coverage—a C coverage area? —A. The term has been used. It indicates what we generally refer as a fringe area.

Q. Could you answer this: these boundaries which are recorded here—are they more or less theoretical in character? How effective is the theory of A and B coverage—in other words do people with receiving sets pick up A coverage outside the A contour boundary?—A. Oh yes, it does vary with the location.

Q. Just one more question in that respect: can you explain to the committee, from the standpoint of general information, why the contours vary so widely in their shape? I notice that the contours often take on a definite pattern—there is one in Hamilton, for instance, which is shaped like a sausage, you might say, and others have small protrusions. How is it possible technically for the stations to transmit in the patterns which are laid out here on this map? How is it done?—A. The determination of the contour depends upon a great many factors such as the characteristics of the antenna, the terrain surrounding the station, the power and the frequency and when all those factors are taken into account, those shapes are the result.

Q. And is the result in practice actually as is shown here—is this theoretical, or is it the result observed in practice?—A. You would not find all locations along an A contour measuring the same signal strength. We know from practical experience that the reception varies considerably even though the distance from the station may be the same, but the contours given are intended to represent an average.

Q. Just one more question. I think someone has pointed out—I cannot remember now who it was—that the station in Barrie being on channel 3 would mean that those persons in Barrie who are now receiving Buffalo will in future not be able to do so. Will channel 3 obliterate channels 2 and 4 to a great extent once the station comes into operation?—A. I would like to ask Mr. Smith to speak on that point if I may.

The CHAIRMAN: Very well. Did you get the question, Mr. Smith?

Mr. REINKE: I am not concerned with the reception from Buffalo, as a matter of fact. I would not care if it was not received.

Mr. W. B. SMITH (*Senior Radio Regulations Engineer*): Adjacent channel reception is largely a matter of the engineering of the receiving set itself and if the receiver has an adequate selectivity and is used in conjunction with an antenna which is reasonably directional and the two stations concerned are not in the same line there should be no difficulty in separating the stations. However, if they are in the same line the only way to separate them is through having a receiver with reasonably good selectivity, and such sets are on the market.

Mr. REINKE: What about the possibility of receiving the transmission from Barrie in Toronto?

Mr. SMITH: In order to receive Barrie in Toronto you would have to have a fairly good antenna in conjunction with highly directional characteristics, and if it were directed at the Barrie station nothing would be received from Buffalo.

Mr. GOODE: Would it not be possible to have an antenna such as I have at home. By pressing a button I can direct my antenna in any way I desire, so as to receive either CBUT or American stations. We have to have that in Vancouver because of the presence of transmitters in the United States.

Mr. SMITH: The rotating type of antenna is fairly common and if one wishes to receive a number of stations in various directions to the exclusion of others it will be found very advantageous.

Mr. GOODE: Everyone has it in Vancouver and it is possible in the Toronto area, I should think. It is effective except in the very rare locations where the stations concerned are in a direct line.

*By Mr. Fleming:*

Q. May I go back to an earlier question, Mr. Nixon. You said earlier that the policy of the department was not to permit overlapping with the grade A circle of any existing station by any new applicant, and that as far as overlapping of the class B circle was concerned it would only be permitted to a limited degree. Is that correct?—A. That is correct.

Q. Is there any case where you would permit the overlapping of the class A circles of an existing station by the class B circles of an applicant—in other words, to put it plainly, would you allow the inner circle of an existing station to be overlapped by the outer circle of the applicant?—A. That would be an overlapping between grade B of the proposed station and the grade A contour of the existing station. That is allowed in accordance with the policy.

Q. You do allow that?—A. It is in the record I believe.

The CHAIRMAN: On page 476.

*By Mr. Fleming:*

Q. Am I to understand then, Mr. Nixon, that the policy frowns upon the overlapping of these class B circles to the point where it will be tolerated only to a minimum degree, but notwithstanding that fact the policy does permit the overlapping of the inner circle—the class A circle of the existing station—by the class B circle of an applicant?—A. I do not think I can do better than refer to page 476 of the minutes where our general policy is outlined, and you note there, Mr. Fleming, we have said nothing about the overlapping of grade B contours with another grade B.

Q. But you did this morning.—A. If I did it was in error.

Q. I came back to it several times. What you said this morning—and you referred to the evidence on page 476—was that you would not permit under any circumstances the class A circles or contour of an existing station to be overlapped by the grade A circle or contour of an applicant station. We are quite clear on that?

The CHAIRMAN: Mr. Smith will deal with this answer.

Mr. FLEMING: Mr. Nixon gave me a clear answer on at least two occasions this morning. I would like to pursue the matter.

The WITNESS: Would you repeat the question please?

*By Mr. Fleming:*

Q. Did you not say this morning that it was the clear and definite policy of the department not to permit the class A circle or contour of any existing stations to be overlapped in any degree by the class A contour of an applicant station?—A. That is correct.

Q. Did you not also say that it was the policy of the department not to permit the class B circle of an existing station to be overlapped by the class B circle by an applicant station except to a minimum degree?—A. If I said that it was in error. I was merely repeating the policy which has been placed in the record previously which states that the grade B contour of a new station should not overlap the grade A contour of an existing station except to a minimum degree.

Q. I am afraid you gave me that answer twice or three times. Am I to understand now that you are not saying that it is the policy not to permit Class A contours of existing stations to be overlapped by Class B contours of applicant stations?—A. In answer to that I think the evidence on page 476 outlines the rule.

The CHAIRMAN: Did you read that?

*By Mr. Fleming:*

Q. I want to get this clear. We have dealt with the two Class A contours. You do not allow overlapping there?—A. That is correct.

Q. What you said to me earlier this morning—and if you want to correct it let us have it now—was that it is the policy to permit Class B contours of existing stations to overlap Class B contours of existing stations only to a minimum degree. If that is not a fact, now is the time to correct it.—A. That is not a correct statement.

Q. Well, first of all, with regard to the two Class B contours, will you make your correct statement, please.—A. We have no rule with respect to the two Class B contours.

Q. So it is quite permissible even in an application under the single service coverage policy to have an overlapping of Class B contours?—Yes.

Q. There is nothing in the policy which frowns on that kind of overlapping?—A. No.

Q. So, in that situation, people who have an outdoor antenna really are outside the scope of the so-called single service coverage policy?—A. I do not understand your question.

Q. We are dealing with Class B and with people who have outdoor antenna, and if there is nothing in the policy which prevents the overlapping of Class B areas, then there is nothing in this so-called single service coverage policy which frowns upon applications for duplicate service for people with outdoor antennas.—A. The single service coverage policy is designed to extend coverage. In so doing there will be areas created in which more than one station can be received.

Q. Let us come down to that. I thought I put my question to you very clearly, Mr. Nixon. There is nothing in the so-called single service coverage policy which is intended to prevent duplication of facilities in the cases I have been talking about of overlapping, for people who have outdoor antennae?—A. The application of the single service coverage policy, as I have said, is designed to extend the coverage, and in so doing duplication to a degree must be tolerated.

Q. Well, you do not need to keep repeating about the purpose of the single service coverage policy. I am trying to invite you to answer me in regard to this duplication in reference to people who have outdoor antennae, and I put it again to you for the third time: that as this so-called single service coverage policy is being applied, there is nothing in it which prevents duplication of facilities for people with outdoor antennae?

Mr. REINKE: In a Class B area.

Mr. FLEMING: They are in a Class B area if they have outdoor antennae.

Mr. REINKE: I think you should include that as well.

*By Mr. Fleming:*

Q. I do not think I need to, they are synonymous.—A. I am not certain as to the relationship of the outdoor antenna. There will be duplication, and in some cases indoor antenna will receive two stations, while in other cases it might require an outdoor antenna.

Q. In cases where only an outdoor antenna does give reception that is what we are talking about, this single service coverage policy does not prevent duplication for the people with outdoor antenna?—A. It is not intended to avoid that duplication.

Q. Well, it does not affect it then in the cases I am talking about?—A. No, it does not.

Q. You say it is not intended to avoid duplication in all cases. Is that what we are to understand?—A. Well, in giving the effect to the policy, there must of necessity be duplication to a degree.

Mr. GOODE: In actual fact, there is no single service coverage policy any more. In the Toronto area it has been brought up four times that there is no single service coverage policy any more.

The CHAIRMAN: Mr. Nixon cannot answer that question. I think you are going too far into the interpretation of the single service coverage policy and I do not think that Mr. Nixon should be called upon to answer that question.

*By Mr. Fleming:*

Q. I would like to follow it up. I have dealt with two cases in my questioning to Mr. Nixon, the question of the overlapping of class A circles on the one hand, with class B circles on the other hand; and there is a third

case which in fairness we should look at for a moment. That is a matter of the overlapping of Class A circles with class B circles of another station. What is the policy of the department in a situation like that?—A. Mr. Chairman, that would be outlined on page 476.

Q. Is that the case where you do permit overlapping to a minimum degree?—A. That is correct.

Q. So we have got three cases now. Yow won't allow any overlapping of two class A circles; you will allow overlapping of class B circles; and you will allow overlapping of class A with one of class B, but only a minimum degree?—A. That is correct.

Q. Is that a fair and complete statement of the policy as it is applied?—A. Perhaps I should add to that the fact it has been outlined elsewhere in the evidence that the new station must be giving service to areas not now adequately served. That is the basic principle of the policy.

Q. I think we can assume that this will not be the only service, and that it is not just going to be a complete duplication. I think that we can assume that this is more an overlapping of circles which are not concentric. We are at one on that.—A. The reason I made the statement is that you can probably concoct some proposal which would comply with this yet not give any service to new areas; so we must keep the basic principle in mind.

Q. I think we can assume and understand that we are not going to deal with it simply on that basis of duplication and nothing more. I was looking again at the Calgary map and I think it is quite clear, is it not, that while you could not tell me the margin of overlapping of the class B circles, if a station is licensed, let us say, at Red Deer, is it not fairly clear from the map that if a station is licensed at Red Deer its class A circle is going to overlapp the class B circle of the Calgary station?—A. I think Red Deer is approximately 20 miles north of the class B contour of Calgary. I presume there would be some overlapping but I could not say just how much. We have not got the data with us.

Q. I realize you are not saying exactly how much it is going to be, but I take it that it is pretty clear from the map that there will be some over-lapping of the class A circle from Red Deer station and the class B of the Calgary station. Isn't that correct?—A. We have information to indicate that the proposal for Red Deer is for a fairly low-powered station, and it is quite conceivable that there would be no over-lapping.

Q. Is the policy of the department then to discourage an applicant at Red Deer from using as much power as perhaps he would like to use in order that his class A circle will not overlap the class B circle of the Calgary station? —A. We would not discourage the applicant as long as he complied with the single service coverage policy.

Q. No, but does this one single service coverage policy not mean this: that this applicant's chances of getting his station at Red Deer are better if he uses low power than if he uses higher power which would give a clearer signal in the area of his coverage?—A. I would say that certainly would be to the point where the grade A contours would overlap it, and it would require a considerable amount of power; I do not know whether it would be within the treaty; he certainly would not be discouraged, because in that instance he would be giving service to a very large new area.

Q. You have not answered my question at all. I asked you if the chances of his obtaining a licence in Red Deer would not be much better with a low power than with a high power station which he might otherwise wish to set up, just because you might not wish his class A circle to overlap the class B circle of Calgary.—A. There would be no difference up to the point where it might conflict with the policy.

Q. No, let us not talk about conflicting with the policy. Let us talk about the application of the policy in terms of the way it works out with regard to the existing circles on this map. I ask you for the third time if this applicant at Red Deer would have a better chance of obtaining a licence with low power than if he used higher power which he might otherwise to use because in that way by reason of the low power his class A circles would not overlap the class B circles of the Calgary station.—A. Well, Mr. Chairman, he can apply for as much power as he wishes under the treaty, or up to the limits under the treaty, up to the point where it would conflict with the policy. Below that, we would not encourage or discourage him in the matter of power.

Q. No, you have not answered my question.

The CHAIRMAN: I understand you are asking Mr. Nixon if a low-power station would be better for the applicant.

*By Mr. Fleming:*

Q. He would have a better chance of getting his licence if he had a low-power station, because the low-power station means a smaller class A circle, therefore there would be less overlapping with the class B circle from the Calgary station?—A. There would be no difference, we would not discourage him from applying for more power.

Q. No?

The CHAIRMAN: Would there be any difference between the two powers, either low power or high power? Would there be any difference in the coverage?

The WITNESS: No, there would be no difference provided the higher power does not conflict with the policy.

*By Mr. Fleming:*

Q. When you translate that into terms of applications of policy, in the circles around that Calgary station—A. I think there would be no overlapping with grade A contours, from Calgary.

Q. What about the overlapping of grade B contours from Calgary with grade A contours of the new station, or vice versa?—A. That would have to be considered in relation to the new area which was being served.

Q. I know it would have to be considered, but what is going to be the form of the application of the policy? Will that application permit the licensing of this man at Red Deer with such power as will give him a class A circle which will overlap in respect to the class B circle of the Calgary station?—A. Are you referring to the actual application which has been submitted?

Q. I have been told that an application has been submitted. I have not asked you for details about the power of the station, but I do ask you about the application of the policy under those circumstances.—A. I think I am quite safe in saying that the application which has been submitted conforms to the policy.

Q. Does that application involve any overlapping of class A circles of the Red Deer station with class B circle of the Calgary station?—A. I am sorry, but we have not got that information with us.

The CHAIRMAN: You have not that information? Mr. Nixon he has not that information, Mr. Fleming.

*By Mr. Fleming*:

Q. Then, if you have not got the exact particulars of this application, let us test it on the basis of factors which may in part be hypothetical. If the

power of the proposed station at Red Deer is such that its class A circles will overlap the class B circles of the Calgary station, will that rule out the application?—A. Not necessarily.

Mr. RICHARDSON: I am trying to be helpful. If you look at the contour map around your constituency. I think you would get the answer right there.

Mr. FLEMING: I will come to that, if Mr. Richardson does not mind.

The CHAIRMAN: He said he was only trying to be helpful.

Mr. FLEMING: His intentions are very good, Mr. Chairman, and I will give him credit for his good intentions.

Mr. BOISVERT: Take a short cut and go to Toronto.

*By Mr. Fleming:*

Q. Will the chances of the applicant for a licence for a station like that be improved in inverse proportion to the extent of his overlapping of the class A station with respect to the class B circle of the existing Calgary station?—A. If the overlapping appeared to be at the expense of new areas to be served, the chances of approval would be reduced.

Q. Other things being equal, the chances of his being licensed are diminished in proportion to the extent to which the class A circle of the applicant will overlap the class B circle of the existing station?—A. We cannot divorce that consideration from the consideration of the new area to be served.

Q. Will you answer my question, please?

Mr. RICHARDSON: He already answered it.

The CHAIRMAN: I think that was a fair answer.

Mr. FLEMING: It was a fair question.

The CHAIRMAN: It was a fair answer too. I do not think that Mr. Nixon can give another answer.

Mr. GOODE: Would you be good enough to allow me to ask a question in cooperation with Mr. Fleming?

The CHAIRMAN: Yes.

*By Mr. Goode:*

Q. Do you know what power was included in the application for the Red Deer station?—A. 4,540 watts video power.

Q. Can you tell us of a station in Ontario that has been permitted to use that same power, when perhaps we can get an idea of what Mr. Fleming is trying to obtain from the witness?—A. It would be impossible to simplify it to that degree because the type of antenna, that is, the antenna height, and the surrounding terrain must be taken into consideration.

Q. Can you give us a comparison to that with another station in Ontario, in general terms? None of us are experts. Perhaps we could get a rough picture of the whole thing.

Mr. REINKE: How does it compare with Brandon, for instance?

The WITNESS: Mr. Chairman, Sudbury, for example, would be lower, and Port Arthur would be higher. We have not got one which is exactly the same.

Mr. GOODE: That would give a good idea to Mr. Fleming.

*By Mr. Fleming:*

Q. May I go back now to my question and if it is not clear I will try to put it more clearly. It seems to me that it admits of a very short answer, and an unqualified answer. Do the chances of the applicant not vary in inverse proportion? Let me put it positively: do they vary in inverse proportion to the

extent to which this class A circle is going to overlap the class B circle of the existing station? Is that the way the policy works out?—A. I cannot give you a yes or no answer.

Q. Give us the best answer you can.—A. Coupled with that consideration must be the consideration of the new area to be served.

Q. All right, I am prepared to take that factor into account; but with other things being equal—and that will include all the factors you are speaking of—are the chances of an applicant not better to the extent to which his class A circle will not overlap on the class B circle of the existing station?

Mr. BOISVERT: The witness answered that question three or four times.

Mr. FLEMING: No.

Mr. BOISVERT: Yes, four times at least. He has answered your question at least four times.

*By Mr. Fleming:*

Q. The witness set up some qualification which I am covering now, and I am saying, all other things being equal.—A. I do not think you can reduce it to that simple form, Mr. Chairman.

*By Mr. Reinke:*

Q. Is it not true that a station could telecast from a very high power and yet it may be protected from other channels so that it may not overlap the station to which Mr. Fleming referred? They could operate at a maximum and yet overlap to but a very limited degree by use of a directional antenna?—A. A directional antenna may be used to limit the degree in television broadcasting; I mean that the directional characteristics in one direction as opposed to another direction.

Q. That could also be a factor in giving them the maximum power that they should ask for, by using a direction antenna, they could be given added power yet they would overlap to a minimum. That is another factor.—A. It could; it is a factor.

Mr. FLEMING: That is what I was trying to include by saying "other things being equal".

*By Mr. Knight:*

Q. I would like to put a question simply for my own information and for no other reason. Is it not true that the policy, generally speaking, is not to overlap, but that certain overlapping is allowed where it cannot be helped? In an effort to give service to the greatest possible area which is not served at all; is that the situation, generally speaking, or the policy?—A. The policy is to serve new areas not now served and in so doing to accept overlapping to some degree.

Q. In carrying out that policy to give the widest possible service to people who are not covered at all, you have to admit a certain amount of overlapping because it cannot be avoided?—A. That is correct.

*By Mr. Weaver:*

Q. Would it not be reasonable to assume from looking at the map that a station at Red Deer could be more powerful than either the one at Calgary or Edmonton without conflicting with government policy?—A. It would appear that a station with maximum power allowed under the treaty could be installed at that location.

Q. I would like to go back to what I was questioning the witness about before; some of those points have been covered since, but am I correct in

saying that the number of people reached by the A contours would be determined by the height of the antenna, the power of the station, the frequency, the antenna design, and other factors?—A. Yes.

Q. Generally speaking, where the population is concentrated, the coverage according to a possible accepted ratio of population to the pattern would be simple with a powerful station?—A. I wonder if you would mind repeating that question.

Q. Generally speaking where the populations are concentrated, that would be in large centres such as Montreal and Toronto, the coverage according to a possible ratio of population to the pattern would be simple with a powerful station?—A. I am not sure.

Q. Let me go on: as centres of population get smaller, then the required power of the station would get less for the same coverage in terms of number of people?—A. If you are intending to serve a very heavily populated and high density area, to a limited extent the power of the station would not have to be very great.

Q. When you get down to small centres such as Brandon, you would get the same ratio of population to the pattern with much less power than in the case of Montreal, for instance. Would that not be correct?—A. I think you used the term "ratio of population to the pattern". I am not quite clear what is meant by that term.

Q. That is what I asked you about at the beginning of the meeting today; if there is any relationship in administering the policy between the number of people that you can cover on the one hand and the type of the tower of the station and so on, and the various factors which you mentioned.—A. I cannot think of any simple relationship there.

Mr. REINKE: I think he means that a six thousand watt station in Brandon might cover 20 thousand people, while a 100 thousand watt station in Montreal might cover 500 thousand people.

*By Mr. Weaver:*

Q. The density of population surrounding each place out from ten, to fifteen to twenty miles would be less than the population centre itself.—A. Yes.

Q. So, keeping that in mind, would you advise an applicant as to what power would be acceptable within the range, or would you just leave it to him to come in with an application and if it fitted in, to say "yes", and if it did not fit in, to say "no?"—A. The latter is correct. But I would mention that the C.B.C. in considering applications might give consideration to the number of people to be served and matters of that type.

Q. Would anyone undertake to advise the applicant what type of application might be acceptable and what type might not be acceptable?—A. His consulting engineer would be in a very good position to advise him.

Q. But would the consulting engineer not be only in a position to advise him on purely technical aspects, and would hardly be expected to advise him on over-all government policy on the question?—A. Consulting engineers are well aware of the single service coverage policy and the general rules. I think they could give considerable advice to the prospective applicant.

Q. It seems to me that since there is not very much money in Canada available for television and since there are so many people to be covered, that an applicant might be entitled to get advice beyond the scope of what a purely technical consulting engineer could give. Would that be a fair assumption?—A. I think it is fair to say that both the Department of Transport and the C.B.C. welcome discussions with private applicants.

Q. I think that would cover it.

Mr. RICHARDSON: Again this is not to try to help Mr. Fleming, but to try to help Mr. Weaver. If you look at page 500 of the minutes of our committee, you will find in the application form there is set forth these words "to assist the board of governors in its consideration of your application... and so on".

The CHAIRMAN: I think we will have to give another break to our reporter. The reporters have been writing all the morning, if not in this committee, in other committees. So I think we should adjourn now and come back this afternoon at 3:30.

Mr. WEAVER: Mr. Chairman, before we adjourn, and while this point is fresh in our minds, Mr. Richardson has read from the application referring to information coming to the C.B.C., whereas I refer to advice coming down to them from C.B.C.

The CHAIRMAN: We shall discuss that this afternoon if you don't mind.

## EVIDENCE

JUNE 2, 1955.
3.30 p.m.

The CHAIRMAN: Gentlemen, I see we have a quorum. We had better start right away. Have you any questions to ask, Mr. Fleming?

*By Mr. Fleming:*

Q. May I ask Mr. Mr. Nixon if he has now had an opportunity of looking at his file on the application for the Red Deer station and whether he can tell us what is the power?—A. I think we gave the power this morning—4,000 odd watts.

Mr. GOODE: 4,500 watts.

The CHAIRMAN: That is right, 4,500 watts.

*By Mr. Fleming:*

Q. Has Mr. Nixon had an opportunity to consult the file and can he tell us now what are the anticipated class A and class B contours of the station?—A. Yes, Mr. Chairman. There is no overlapping of the new B contours with the A of an existing station nor is there overlapping between A contours.

Q. The A contours are clear and the B contours in each case are clear of the A contour of the other?—A. That is right.

Q. And what is the extent of the overlapping of the B contours?—A. It is rather minor. I suppose that the Calgary B contour must overlap the Red Deer B contour by something like 20 per cent.

Q. 20 per cent of what?—A. 20 per cent of the Red Deer B contour.

Q. That is 20 per cent of the total class B circle around the Calgary station A would overlap the B circle of the Calgary station. Is that correct?—A. It would be something of that order.

Q. Can you give us the width of the overlap in miles—it might be easier to understand. Just approximately.—A. It would appear to be 15 miles—between 10 and 15 miles.

Q. I take it as obvious, Mr. Nixon, that if the station strength at Red Deer were greater the overlap would be greater also?—A. There would be greater overlap between grade B contours but it would not be overlapping with which we are concerned in the application of the single service coverage policy.

Q. I am trying to keep this as simple as I can without bringing in qualifications about the policy. I asked a simple question: if the Red Deer station were licensed for greater power than the 4,500 watts you have given us, the overlap with the Calgary contour would be greater?—A. If they maintained the same antenna characteristics, yes.

Q. Now after the treaty was made we, I suppose, entered upon arrangements to determine the contemplated contours of stations set up to occupy the various channels which were signed to Canada under the agreement?—A. Mr. Chairman the treaty was developed on the basis of a certain maximum power limit associated with the various groups of channels and certain antenna heights. Beyond that I do not know of any planning until we entered upon the single service coverage policy.

Q. Well, are there in the department today any studies of this kind—have you any maps showing the contours of stations as occupying channels assigned to Canada under the treaty?—A. No, I do not think so. I cannot recall any study in connection with their allocation other than the one I have mentioned.

Q. Do we take it then that these maps submitted to us today are the only ones in the department which indicate the contours of stations if those stations were licensed to occupy channels in accordance with the assignments to Canada under the treaty?—A. There may be other maps associated with proposals which have been under consideration at one time or another—proposals which have not been proceeded with.

Q. Let us put it this way: the treaty provided, did it not, for the allocation to Canada of certain television channels and indicated the locations within 250 miles of the border. Is that correct?—A. Yes.

Q. Perhaps I may refer to clause (f) of the treaty.

> Tables A and B contain all the assignments made to the provinces and states within 250 miles of the border. The specific assignments within 250 miles of the border are accepted.

You are aware of that provision in the treaty?—A. Yes.

Q. And is it a fact that the area to be covered by the Red Deer station would be within 250 miles of the border?—A. In so far as the location of channels is concerned, the same principles have been applied throughout all of Canada.

Q. But that was not my question. Mr. Nixon, I asked you a very simple question. I asked you if the area to be covered by the station at Red Deer would be within 250 miles of the border.—A. It would appear to be just within 250 miles.

Q. It is quite evident by scaling of the distance on this map that it is within 250 miles of the international boundary, is it not?—A. Red Deer city is.

Q. Does the treaty provide for the allocation of power depending upon the particular channel? Let me enlarge my question—do you recall this provision in the treaty:

> All station assignments within the scope of this agreement shall have an effective radiated signal in any vertical or azimuthal plane not in excess of—*a*. 100 kw for channels 2-6. *b*. 325 kw for channels 7-13. *c*. 1000 kw for channels 14-83.

What channel is Calgary on? It is number 2, is it not?

A. That is right.

Q. And Edmonton is on channel 3 is it not?—A. That is right.

Q. And is channel 6 available so far as the treaty is concerned, for use at Red Deer?—A. Yes.

Q. And was it not contemplated according to the original studies made that there would be a station at Red Deer occupying channel 6?—A. An allocation was made to Red Deer assuming there would be one.

Q. And is the applicant for the Red Deer station now applying for channel 6?—A. Yes.

Q. That is an application which is now before the department—an application which, as I understand it, has been completed in form and has now been referred by the department to the C.B.C. Board of Governors for a recommendation. Is that correct?—A. The application is under study in the department.

Q. It is an application for channel 6?—A. Yes.

Q. And under the treaty channel 6 is allowed a strength up to 100 kilowatts, is it not?—A. Yes.

Q. Now is there anything under the treaty, apart from this so-called policy of single service coverage, which would prevent the licensing of that Red Deer station on channel 6 up to the full strength of 100,000 watts allowed in the treaty?—A. No.

Q. May we take it then that it is the single service coverage policy which would prevent the department from entertaining an application for that channel to be used up to the full 100,000 watts permitted by the treaty?

Mr. GOODE: I think, Mr. Chairman, that we should be fair. I have a friendly feeling for Mr. Fleming and I sympathize with him in his argument and I agree with him in parts of the argument he is making, but I think the committee should understand that all the evidence we have at the moment is that the station has applied for a certain power. I have not heard anything said yet about a greater power, and I have been waiting to hear Mr. Fleming ask questions on this—that this is the amount of power which is to be allowed to the Red Deer station as a result of consultation either between the department in the first instance and the station, or between the C.B.C. and the station, and I rather think that Mr. Fleming should question the witness with regard to this power of 4,500 kilowatts, or else establish that this has been decided with the recognition of the C.B.C. and the transport authorities. I do not think Mr. Nixon should be put in the position of answering questions which certainly have no basis in fact. As I say, I sympathize with Mr. Fleming in his questions as he knows, but let us be fair to the witness.

Mr. FLEMING: If Mr. Goode will be patient we shall come to all those points, and perhaps to one or two others as well.

Mr. GOODE: Again, before Mr. Nixon answers, I am going to point out that Mr. Fleming is proceeding on the supposition that 100,000 watts—a power of 100,000 watts—was being considered for this station or could be considered. Before this committee at the moment is an application for some four thousand odd watts so far as the board is concerned. I was wondering whether Mr. Fleming was going to address a question to Mr. Nixon because we have no evidence on the supposition that was made with regard to the power of the station.

Mr. FLEMING: My question does not relate to whether there has been an application filed in respect of channel 6 at Red Deer up to the full strength of 100,000 watts. It does not depend upon that. My question to the witness, Mr. Chairman, is whether the single service coverage policy would permit it.

The CHAIRMAN: Would you answer that, Mr. Nixon?

The WITNESS: I do not think I can give a "yes or no" answer to Mr. Fleming's question. I would like to recall the rough opinion I gave this morning to the effect that I believe a station of 100 kilowatts could be established at Red Deer and conform to the single service coverage policy if we wished to do so.

*By Mr. Fleming:*

Q. What do you mean by that?—A. The antenna characteristics might have to be of a certain nature.

Q. Will you just enlarge on that a little?—A. Somewhat directional.

Q. In other words you would have to install a directional antenna to prevent the signal going south into the contour of the Calgary station. Is that correct?—A. I would not like to say positively that you would, but it might be necessary.

Q. Is that the kind of engineering qualification which you were referring to—that might have to be used if the station were licensed up to the full 100,000 watts?—A. Yes.

The CHAIRMAN: Did you tell the committee, Mr. Nixon that this request for a new station at Red Deer was under consideration in your department, or that it has been fully considered and sent to the C.B.C.?

The WITNESS: I am informed that it has been sent to the C.B.C.

*By Mr. Fleming:*

Q. And it will be coming before the next meeting of the Board of Governors in the last week of this month, I presume?—A. I presume so.

The CHAIRMAN: Don't you think Mr. Fleming, that these questions should be put to Mr. Dunton now that the request is before the C.B.C.?

Mr. FLEMING: No. I think there is a point here. It is one thing to ask for the facts with regard to the application or what the application contains, but I hardly think it would be proper to ask Mr. Dunton about what the C.B.C. might do with this application when it comes up in the last week of this month. I do not think we could properly ask Mr. Dunton questions which might sound like probing for his opinion when the applications was still pending before the C.B.C., or an endeavour to ascertain the view which the corporation might take on it before the application had actually been received.

It is proper, however, I think, to ask Mr. Nixon about the application of the policy in these matters but as to the particular point I have been reviewing here I do not think I could ask Mr. Dunton questions bearing on the considerations which the C.B.C. will have before it in determining whether it should or should not recommend the application.

The CHAIRMAN: Do you want to know what reasons came into consideration when they had this application before them?

Mr. FLEMING: I have put my question more broadly than that, Mr. Chairman. I was dealing with the question of the treaty, the permissible strength of the station under the treaty, and how the strength has been reduced, and I think it is clear—Mr. Nixon can correct me if I am wrong—that he has said in effect: "if you put up a weak station there there is going to be less likelihood of overlapping, or that the overlapping, if any, will be less in extent": and he was dealing with a point in his last answer to me about the possibility of the use of a directional antenna or other engineering device which could be resorted to in order to prevent or reduce overlapping if the station were licensed up to the full power limit permitted under the treaty. Have I stated the situation fairly, Mr. Nixon?

The WITNESS: I would like it to be quite clear that a proper engineering analysis would have to be made of the consequences of operating the station at a higher power which, to the best of my knowledge has not been made.

*By Mr. Fleming:*

Q. Since the single service coverage policy is so well known to all concerned, we could take it for granted that any applicants for a channel now know that if they are going to improve their chances of being licensed in an area where there are existing stations on either side—as at Calgary and Edmonton—their chances of conforming with the policy are greatly increased if they apply for a station with reduced power?—A. No, not necessarily.

Q. That is as far as you can go in this situation—it may be a fact, and it may not. You leave it. Is that your answer?—A. That is correct.

The CHAIRMAN: You mean it has to be considered by the engineers?

The WITNESS: The coverage proposed for a new station must be considered in relation to the new area while it will service and in relation to the coverage of existing stations.

*By Mr. Fleming:*

Q. I recognized this morning that there are other factors, of course, but I was trying to deal with the effect of this factor in particular, the one we have been discussing here that has to do with this problem of overlapping which presents itself in relation to the single service coverage policy. I would like you to indicate what is the effect of that factor, recognizing that there are other factors as well. It is not the only factor. I will try to bring this to a close as quickly as I can because I know that there are other matters to be taken up this afternoon. Is it a fact recognized by the department that if channels allotted to Canada under the treaty are not occupied there is likely to be pressure from United States sources for the occupation of those channels by United States stations?—A. In our opinion, no.

Q. Do you feel that these channels which have been allotted to Canada under the treaty are beyond all question and for all time safe in Canada's hands to make such use of as is decided here in Canada?—A. I believe them to be.

Q. You do not take account of the fact that if these channels—when I say "you" I mean the department—are not occupied that there may be pressure to take those channels elsewhere where they may be occupied to the full permissible strength?—A. No. I have not seen any evidence of that.

Q. That is the view that is guiding the actions of the department now?—A. Yes.

*By Mr. Goode:*

Q. You mentioned this morning if I interpret your remarks correctly that population had something to do with the policy of the department in the awarding of private television licences. Is that what you said?—A. I do not believe I said it in just that way.

Q. What did you say with regard to population—do you remember? My interpretation was that you said it was one of the factors which guided the department in its consideration of applications for private television licences. —A. If it is a case which has to be considered in relation to the single service coverage policy, population would be considered.

Q. Going back to the situation in Alberta for a moment—the population covered by the two stations there now and the one station which I expect will get a licence in comparison with some of the larger urban sections of

Canada—and I say with all respect to Alberta members—is not very large is it? How many people would these three stations cover? Have you any idea, or can your officials assist you?—A. We have no figures readily available, Mr. Chairman.

Q. I wonder Mr. Chairman whether I might ask Mr. Holowach who is conversant with the situation, if he can tell the committee how many people would be living in the area covered by these three stations?

Mr. HOLOWACH: I cannot tell you exactly, but everybody knows that Edmonton is the fastest growing town on this continent. As a matter of fact I think the influx is 1,000 people per month into the city of Edmonton. The present population, I believe, is over 200,000. I think the population of Edmonton at the moment is 205,000. I suppose the same considerations as to growth apply to Calgary, but Calgary is not the capital city, and Calgary's growth is a little slower.

The CHAIRMAN: Mr. Goode, I think that Mr. Dunton is ready to give some figures which he has on that question.

Mr. DUNTON: I was not quite ready, but we have the figures here.

Mr. GOODE: I wonder whether Mr. Dunton would give us his estimate of the population.

The CHAIRMAN: Does the committee agree that Mr. Dunton should produce these figures?

Agreed.

Mr. DUNTON: It will take just a minute to look them up.

These figures are based on the 1951 census, and estimate of the population within range of Edmonton station is 254,000. The population within range of the Calgary station is estimated at 218,000.

Mr. GOODE: What is the estimate for Red Deer?

Mr. DUNTON: We have not got that figure. The station is not authorized yet.

*By Mr. Goode:*

Q. Can you, Mr. Nixon, give me any idea what number of people is expected to be covered by the station at Red Deer?—A. No, Mr. Chairman, we would not be interested in that figure because there was no question about whether or not this station would be authorized under the policy, and so it was not necessary to examine that particular question.

Q. Has the department approved it yet?—A. It has been approved for transmission to the C.B.C.

Q. What attitude does the department take with regard to granting applications in considering whether a station is going to be suitably financed or not. Has the department any cares with regard to what that situation is going to be?

Mr. CATON: Mr. Chairman, in respect to the processing of applications for broadcasting station licences the application comes in and sets forth in detail the financial capabilities of the applicant and other particulars relating to his company. That information goes to the C.B.C. together with the application and in case the application would appear to be extremely doubtful from a financial point of view it might be that the department would bring that to the attention of the C.B.C. in connection with the approval of the application. However, I have never seen a case where that has happened.

Mr. GOODE: Would the department know how many people the station would serve?

Mr. CATON: The department does not go into the question of the population served by the station. We are interested in the technical aspect of the station installation—whether it complies with the agreement—and when the application forms are complete in all details with respect to company organization, finance and so on, they are sent to the C.B.C.

The CHAIRMAN: Mr. Reinke, I think you had a question to ask.

*By Mr. Reinke:*

Q. Yes. Mr. Nixon, following Mr. Fleming's question, when Mr. Allard was before the committee I asked him if there was any suggestion that the channels not in use at the present time might at some future date be taken over by the United States. Or at least that there might be a request put forward of that nature to the Transport Board in Canada, and Mr. Allard seemed to take the view that this was a possibility at any rate, and he said the so-called "power-freeze"—which relates to broadcasting and is mentioned in the evidence—had something to do with this.

I wonder if you would care to comment on that phase of the problem. We have a difference of opinion here. One witness seemed to think that it was within the realm of possibility that we might lose some of these channels if we do not take them up, but the present witness appears to disagree.

The CHAIRMAN: This is referred to in the brief at page 4—the top of the page.

An Hon. MEMBER: Page 608 of the evidence.

The CHAIRMAN: In the brief it says:

> If channels available in these areas for use are not employed by Canada, there is a serious danger that these or adjacent channels will be employed by the United States.

That is from the brief of the Association of Broadcasters.

Mr. REINKE: Further to that, I asked Mr. Allard the question I have just asked and in reply he pointed to the "power-freeze". We should have proceeded to ask him what he meant by "the power-freeze" but possibly this is a good opportunity, and he could elaborate.

The answer given here, at page 608 was:

> Yes, Mr. Reinke, it happened to a certain extent in radio broadcasting when the so-called power freeze was in existence in Canada, and something of a comparable situation has now developed in television.

The WITNESS: I am not certain what is meant by the "power freeze".

The CHAIRMAN: I think Mr. Allard is here. Perhaps he could explain to Mr. Reinke what he meant by "power freeze",

Mr. ALLARD: There was a period when the power which could be used by privately owned radio broadcasting stations in Canada was limited. In other words stations were not permitted to apply for, or obtain, the full power assigned to them under the terms of the International Treaty but were given a maximum power of 1,000 watts. My memory does not supply me with the exact dates, but I think this was prior to 1943. Then the power freeze was removed and radio broadcasting stations were free to apply for the full power permitted to them by international treaty on their particular frequency in their particular location.

The CHAIRMAN: Does that satisfy you, Mr. Reinke?

Mr. REINKE: To a certain extent. As far as the explanation of the power freeze is concerned but there seems to be a difference of opinion whether the same thing could happen with regard to television.

The WITNESS: I think Mr. Smith might speak on that.

Mr. SMITH: Mr. Chairman, in connection with so-called power freeze I would like to make a comment on the circumstances which were in existence at that time. The power was limited to 1 kilowatt. They subsequently increased their power to 5 kilowatts but we have been unable to find that they were injured in any way by the delay in implementing the maximum power permissible under the agreement. As far as the television stations are concerned the situation is not at all parallel because we have an agreement with the United States which was worked out in collaboration with the engineers of the Federal Communications Commissions and which potential television locations were assigned in both countries within 250 miles of the border. A certain latitude is possible in assigning a channel—in other words you could shift a channel in general somewhere around from 5 to 15 miles and the channel is still useful, but you cannot shift it from Canada into the United States because there is already a channel used up in the United States which would render this channel useless, so the channel is fixed for all time in the immediate vicinity of the geographical area where the allocation plan and the agreement placed it. We cannot possibly lose channels to the United States. The only thing which could happen is that the channel would lie idle for a couple of years.

Mr. REINKE: Can you not lose a channel within 10 or 15 miles of the border to the United States?

Mr. SMITH: I do not see how.

Mr. GOODE: Pursuing that subject further for a moment, let us take a look at one of the channels available in British Columbia. At the moment channel 3 is not being used. I do not know any United States station near the Canadian border which uses channel 3, or any in the state of Washington, so if a low powered station were constructed in the state of Washington, taking our channel 3, how would your argument stand up? The case I have cited is of course a purely hypothetical one.

Mr. SMITH: In the first place no use may be made of any channel in either Canada or the United States under the terms of the treaty without prior consultation taking place with the other signatory, so we would certainly have a chance to look at that situation, and in the second place the absence of channel 3 in the state of Washington is indicative that it cannot be used in the state of Washington, or it would be assigned.

Mr. GOODE: I was basing what I said on your argument that a channel must be available within 250 miles. I know of no station within 250 miles of the border in the United States which is using channel 3.

Mr. SMITH: Channel 3 would not necessarily be excluded by the presence of another channel 3. It could be excluded by adjacent channels. That might be the case in Washington.

Mr. GOODE: Channels 4 and 5 are used there.

Mr. SMITH: That is why channel 3 cannot be used.

Mr. GOODE: Station CBUT is on channel 2. What would be the position in British Columbia at the moment supposing channel 3 were moved to another location—but if that argument of yours is sound we would be doing something entirely contrary to it.

Mr. SMITH: No sir. As long as the ratios between the wanted and the unwanted signals are maintained in accordance with good engineering practice, channel 3 may be used anywhere around there. The fact that channel 3 is

potentially earmarked for, I believe, the Chilliwack area does not mean it cannot be used at some place up the British Columbia coast, for example.

Mr. GOODE: You mean to say that just because you have allowed channel 3 to be allocated to Chilliwack there is nothing permanent in that for the people of Chiliwack.. They may think at the moment that they are entitled to channel 3; nevertheless there is nothing to stop the Transport department or the C.B.C. recommending that this channel be sent out to Prince Rupert?

Mr. SMITH: It could be used at Prince Rupert and Chilliwack.

Mr. GOODE: And it could be used on the north coast?

Mr. SMITH: Certainly. It could also be used up the British Columbia coast, too.

Mr. GOODE: That helps me a lot. I am glad you said that.

Mr. FLEMING: To take up one point in the answer given by Mr. Smith—it may be that we have not had the complete answer, or that there has been some answering at cross purposes. When you say, Mr. Smith, you think we are quite safe, what you mean I take it is, that as long as the treaty stands with its allocations of channels, Canadian rights are legally protected. In other words, that they are not legally prejudiced by reason of that fact that they are not using the full power.

Mr. SMITH: I do not believe that they will be prejudiced at all.

Mr. FLEMING: Legally, under the Treaty Agreement . . . .

Mr. SMITH: As long as the treaty is in effect we have safeguards with regard to our rights to those channels.

Mr. FLEMING: As long as the treaty remains in its present form.

Mr. SMITH: The form cannot be changed without revising the agreement.

Mr. FLEMING: Let us deal with just one answer at the time, if you do not mind. As long as the treaty stands in its present form, you are saying that Canadian rights to retain the unoccupied channels is not prejudiced.

Mr. SMITH: Agreed.

Mr. FLEMING: Very well, are you excluding the possibility in the instance you have given that if these channels are unoccupied there may be pressure by the United States for an alteration of the treaty?

Mr. SMITH: Mr. Chairman and Mr. Fleming, I fail to see how pressure in the United States could have any bearing on this matter because of the geographical fact that the channels are already assigned and used to their utmost in the United States under this very same treaty. Consequently nothing would be gained by exercising pressure. I presume you mean they will be asking for a revision of the treaty?

Mr. FLEMING: Yes. The upward revision of their allocations under the treaty.

Mr. SMITH: No. Because they already have what they want.

Mr. FLEMING: Perhaps those of us who are in the House of Commons are more sensitive to the possibility of pressures from south of the border for the alteration of treaties than people outside. There is nothing immutable about treaties. They are there until the parties alter them. For the time being under the terms of the treaty, these channels have been definitely assigned to Canada, but I take it you are basing on your case on the treaty, and assuming that it is a treaty which Canada is not going to agree to change.

Mr. SMITH: No, Mr. Fleming, we are not to the very best of my knowledge. Whether the treaty were in existence or not these channels are fixed to the geography within a matter of four or five miles and become perfectly useless if you decide to move them and until we are prepared to give up some

of our land to the United States in order to allow them to make use of the channel in what was formerly part of Canada I do not see how they can go about it.

Mr. FLEMING: You make no allowance for developments in technique which may enlarge the scope of television coverage in the matter of the area covered by the transmission?

Mr. SMITH: Mr. Chairman, I would like to say: that to the best my knowledge the techniques which are being worked out now in the laboratories and which may come to pass in the commercial world in the matter of the next four or five years are only such as may enable the stations to render a better service with possibility of a lower level of interference. But I know of no method, or even the possibility of a method which would allow such encroachments.

Mr. FLEMING: Does your answer—the answer last—mean that we do not need to depend on the treaty for the protection of these channels?

Mr. SMITH: The allocation plan has been set up and both sides agreed to it and have made allocations in accordance with it. We are too far committed for either side to draw back. We have to carry it through.

Mr. FLEMING: Because the channels are allocated and occupied?

Mr. SMITH: No sir. Because they are fixed to certain pieces of geography which do not move around very easily.

Mr. FLEMING: I am not a little interested in this matter, as you can see, Mr. Smith. Will you take up this provision in the treaty and elaborate on it a little—what was the purpose of the provision under article (f) with reference to assignments within 250 miles of the border?

Mr. SMITH: Because Mr. Fleming, the interference—producing capabilities of television stations operating under the conditions which were presumed to be followed in accordance with the agreement was considered to be just short of 250 miles. That is where the 250 miles came from.

Mr. FLEMING: That is all.

Mr. CARTER: Following the questions which Mr. Fleming has put with regard to possible future technological developments, I wonder, Mr. Smith, if you could say something about this recent theory with regard to a gentleman who has found a theory of increasing the range of television transmissions by converting the long waves into short waves and reconverting them back into long waves in the television receiver?

Mr. SMITH: I am sorry, Mr. Chairman, but I do not know anything about the technical aspects of this at all. My knowledge is limited entirely to what I have seen in the press and I am afraid I cannot make very much sense out of it. There may be a great deal in it, but I am not in a position to say because I just do not know.

Mr. FLEMING: I thought the press report said this was being investigated by the C.B.C.?

Mr. SMITH: To the best of my knowledge it has not come to the attention of the Transport Department.

Mr. CARTER: I think the report also said that the National Research Council was examining it.

Mr. SMITH: I cannot speak for the National Research Council.

Mr. CARTER: If the National Research Council were interested it occurred to me that you might know something about it and that it might interest your department, too.

The CHAIRMAN: Are we through questioning Mr. Nixon and his officials?

Mr. WEAVER: I have just one question to ask, before they leave, Mr. Chairman. It has been reported in the newspapers that the American Army are going to make available television equipment for Churchill, and I was wondering if Mr. Nixon had any information on that?

The WITNESS: None, Mr. Chairman. I have no information on that subject.

The CHAIRMAN: There is no information, Mr. Weaver. Are there any other questions on contours? I think we have strayed far away from contours in the last few minutes. Are you through, Mr. Fleming?

Mr. FLEMING: I was just considering a point in the treaty here, Mr. Chairman. I was about to make the suggestion before we leave that it might be well—it is too extensive a document to go on the record—if we could obtain copies of this treaty for the use of members of the committee. I think it would be useful.

The CHAIRMAN: Where did you get your copy, Mr. Fleming?

Mr. FLEMING: Mine is in a United States Government publication, and I assume that there are copies available.

The CHAIRMAN: Can you supply members of the committee with copies of that agreement, Mr. Nixon?

The WITNESS: Yes.

Mr. FLEMING: That is the agreement of June 23rd, 1952.

The CHAIRMAN: Now we shall give the reporter a break for a few minutes. I thank Mr. Nixon and his officials very much for interesting answers they have given and the enlightening way they have done it for the benefit of members of the committee.

The CHAIRMAN: Now gentlemen, we will review.

Mr. GOODE: Now that we have Mr. Dunton here again, I might put the following point to him. I take it Mr. Dunton heard Mr. Smith say that it was not possible to shift a channel more than 5 or 10 miles. My records here say that channel 7 was transferred from Montreal to Sherbrooke, and channel 11 from Toronto to Hamilton; also that channel 13 was transferred from Hamilton to Kitchener. Is my information correct?

**Mr. A. Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation, called:**

The WITNESS: I am not an expert in these matters. I think so.

*By Mr. Goode:*

Q. Then who is right and who is wrong? I think you heard Mr. Smith say that you could not transfer a channel more than 5 or 10 miles? I did not want to embarrass the gentleman by giving him this information which I have here because I was not sure that the information was correct.—A. I think there were changes made which would still conform with the plan.

Q. It is possible?—A. There have been reallocations which have changed the position of the channels a good deal.

*By Mr. Reinke:*

Q. Before we go into the question of the financial statement I wonder if I might ask Mr. Dunton a question relating to a different line of thought? Has any time been allocated to the communist party in connection with the forthcoming provincial election?—A. Yes.

Q. I wonder whether, for the record, you could explain to the committee the position of the C.B.C. with regard to the communist party and explain why they should be allotted time when they are committed, one might say,

to the destruction of our democratic way of life? I think that for the record it would be as well if the C.B.C. were to give us their side of the picture with regard to this question.—A. I am rather glad that this question has been raised because we have been criticized rather strongly at times in the House of Commons with regard to this matter. The corporation has a duty to carry out the law, and the Broadcasting Act says we must allocate time equitably among all parties and candidates. We are trying to carry out the law.

Q. Well, the communist party is a recognized party in Canada?—A. As we understand it. These people run candidates, put their men on the ballot and so on.

Q. What provisions must a party comply with in order to qualify for a certain period of time on the air?—A. In carrying out the statutory provisions we make working regulations which have to apply indiscriminately to any party and to all parties; we have different rules which have been amended at various times. At the present time, with regard to the provincial election for instance, they have to have a recognized leader and to nominate candidates in at least a quarter of the constituencies. The communist party met those conditions and they qualified for time under the rules. They have been given one period on the radio network and one local period on television.

Q. Do the same provisions apply in the case of a federal election?—A. In the case of federal elections the qualification is a little more stringent. Parties must have representations in the House of Commons and seek the election of candidates and put into the field a minimum number of 66 officially nominated candidates. In addition there is a provision for some network time to be given to parties without representation in parliament providing they meet the other provisions with regard to the nomination of candidates, which, in doubtful cases, can be determined only on nomination day.

Q. Do the provisions apply in respect to television as to sound broadcasting? Are the regulations the same?—A. So far there are no rules formally laid down for television, but as in the case of the general regulations we are applying the same criteria.

Q. If they applied the C.B.C. would give them time?—A. In Ontario and in the last federal election they did not get anything like the same amount of time as the other parties. In this election they are getting one sound period and one local television period.

*By Mr. Fleming:*

Q. Mr. Dunton, the regulations you speak of were passed by the Board of Governors?—A. That is right.

Q. In the exercise of its statutory authority under the Broadcasting Act? —A. That is right.

Q. You have satisfied yourselves on the occasions you have mentioned that the communist or Labor Progressive party is qualified under the terms of your regulations?—A. They have seemed to and we have been strict in checking up.

Q. You have satisfied yourselves that they qualified under the terms contained in your regulations?—A. Yes.

Q. Is any change in the regulations in contemplation now by the Board of Governors?—A. Not at the moment but the whole subject of political broadcasting has been under some consideration during this last year because of the development of television and we expect it will continue to be under study in consultation with the Parties and the private stations—as in the case of the Ontario elections.

Q. For instance, with regard to the 25 per cent limit you have set on the number of candidates below which a party cannot qualify—do you not think that in the light of your experience of these people, who can always put in "straw candidates" in order to qualify, that the number is too low and should be revised upwards now?—A. In the past we have made several changes in the regulations probably with the kind of thing in mind that you have, Mr. Fleming, and they may easily be revised again. We always have to think of all Parties in making these rules. I would point out, Mr. Chairman, that if you raise the minimum qualification too high there may be other Parties who would not, under those rules, qualify for time. The board does not by any means regard these rules as fixed and immutable. We have changed them before, after consultation, and we may change them again.

The CHAIRMAN: You have been in consultation with the different political Parties?

The WITNESS: Yes.

The CHAIRMAN: Before arriving at a definite allocation?

The WITNESS: Yes, and we discussed with them possible changes in the rules. For instance, the white paper was amended fairly considerably before the last federal election and that was done after several meetings with all the federal political Parties.

*By Mr. Fleming:*

Q. But the terms of the regulations in this respect are the responsibility of the Board of Governors?—A. Yes.

Q. And the determination that any political party complies with the definitions contained in the regulations is also the responsibility of the Board of Governors?—A. Yes.

Q. As parliamentarians we are accustomed to hear two expressions with regard to such matters. Sometimes we are told that a matter is "under consideration". Sometimes we are told that a matter is "under active consideration". Into which of these categories would you classify this subject with respect to its consideration by the Board of Governors?—A. As far as we are concerned it is under suspended consideration.

Q. Suspended?—A. Suspended by reason of the sittings of this committee.

Q. Assuming that these sittings are going to end during the coming month, can we ask you what was the degree of activity of consideration applied to this question up to the time the committee began its sittings?—A. There was quite active work done and consideration given to the question of political broadcasting and political television broadcasting last Fall and early in the winter. I think all Parties are aware that we had discussions, formal and informal on this question, and the Ontario election has provided an occasion for active experiment in the field of political television broadcasting. We expect to be taking this matter up again fairly soon—I do not know if we shall do it during the summer, but at least next Fall.

*By Mr. Carter:*

Q. Do you keep in touch with the B.B.C. with regard to how they are handling these political broadcasts?—A. Yes, and I think that as a general rule our methods are similar to those which they use, but we provide more time than they do.

*By Mr. Holowach:*

Q. Are there any restrictions placed on the material used by the candidates in these talks?—A. Not as long as it is within the law.

Mr. WEAVER: I wanted to ask you, Mr. Dunton if you could put those population figures on the record?

Mr. FLEMING: They were put in the record.

The WITNESS: I mentioned two or three figures, but I have a list here.

Mr. WEAVER: That is what I meant—figures with regard to all the stations.

The WITNESS: The list I have here may be useful for the record. It refers to coverage, but it does not take into account any duplication. The figures are based on the estimated population served by each station according to the population given in the 1951 census. I can put that on the record but I must say it is not a very formal compilation—it is something we have done for ourselves, but if the committee would take it on that basis it might be useful.

Mr. WEAVER: I think it would be very valuable.

*By Mr. Fleming:*

Q. If I may go back to the former subject for one question—Mr. Dunton, it is a fact, is it not, that the communists in Britain were not given any television time in the political broadcasts in the recent general election in Great Britain.—A. I think not.

Q. There was time allotted to the Conservative and Labour Parties on an equal basis and then there was a small period allotted to the Liberal Party? —A. I think that is right. I may say that the Board of Governors would certainly be open to any suggestion that this committee might care to make on such matters.

The CHAIRMAN: We will not forget it.

Mr. GOODE: I have always been of the opinion that the more you let communists speak to the people of Canada the more you can rely on the good sense of the people of Canada guiding our people to have nothing to do with them. If they have got one program coming to them, let them have it so that the public may see the type of men who are mixed up with these people now.

Mr. FLEMING: The point is they never talk communism on these occasions. They appear in sheeps' clothing.

Mr. GOODE: Take a man who comes before a television audience or goes before a microphone well clothed and well fed and then talks against his own country—he himself will be the strongest evidence that he is telling a lie.

Mr. FLEMING: If you could assume those premises. But they do not send people who are going to talk against this country. Their talk will be full of patriotism and the people who listen to them do not always know that they are wolves masquerading in sheep's clothing.

Mr. GOODE: I am quite willing to leave it to the people of Canada to judge themselves, and if there is one program coming to these people, let them have it.

Mr. FLEMING: It is one program coming to them under the regulations of the Board of Governors, made under statute, and I hope no one is suggesting that regulations should be made with a view to giving free time to these people who seek to destroy the freedom which they abuse.

The CHAIRMAN: Mr. Dunton said that he would consider any recommendation which this committee might wish to make on the subject.

The WITNESS: If I may comment on that—we have done a lot of looking at these regulations and we would be glad of help; you might change the regulations and cut out one Party, but you might also cut out another Party...

Mr. FLEMING: One can appreciate the difficulty of the Board of Governors. The regulations you have made in the past have been evaded by the placing

of a lot of "straw candidates" in the field in order to meet the standard you have prescribed.

*By Mr. Richardson:*

Q. As I understand the regulations, the communist party candidates in the present Ontario election qualify for a certain broadcasting period. Have any of those speeches been made as yet?—A. On the network there is just one 15-minute period allotted—I think it is tonight. There is one period on sound broadcasting on the network, and one television period which is only local in Toronto.

Q. And that is the extent of this allocation for this election?—A. Yes. I think, however, that they will have some time on the private stations.

Q. Have you had any reaction to this, other than some editorial comment which I have seen?—A. That is all I have seen so far.

*By Mr. Carter:*

Q. Could you not base your requirements on elected candidates rather than on nominated candidates?—A. I think some times there is a difference of opinion among the political Parties about that. The question, particularly in the provinces, is a difficult one. There are provinces in this country where well known political Parties have no representation.

*By Mr. Goode:*

Q. You can do me more harm and sabotage as far as British Columbia is concerned by sending "Chuck Wagon" down here. That was the last one of the season and it does not represent British Columbia television at all.—A. I have heard a lot of good comments on that program.

Q. I will show you what was said by Mr. Blackburn of *The Citizen* then. —A. I quite often disagree with his judgment on programs.

Q. I do, too, but I had to agree with that. I could not do otherwise.

*By Mr. Fleming:*

Q. Turning now to finance. I have some questions which relate to page 48 of the report—that statement on Income and Expenditures. I would like to deal first of all with some aspects of the matter of income, Mr. Dunton.

You are receiving certain monies now, that five year parliamentary grant of $6,250,000 a year and also the proceeds of the taxes collected under the Excise Tax Act on radio and television receiving sets and tubes?—A. Yes.

Q. Would you just relate the mechanics of the payment to the corporation from those two sources. Let us take the amount of $6,250,000 a year—does that come to you in one annual sum?—A. I will ask the treasurer to deal with that.

Mr. BRAMAH: It comes in by prearrangements with the Department of Finance. I think we get $500,000 a month.

Mr. FLEMING: When does the extra come in?

Mr. BRAMAH: In the last month.

Mr. FLEMING: Of the fiscal year?

Mr. BRAMAH: That is right.

Mr. FLEMING: You apply it all to sound broadcasting?

Mr. BRAMAH: Entirely.

Mr. FLEMING: None of that is allotted to television?

Mr. BRAMAH: No.

Mr. FLEMING: Then in regard to the proceeds of the tax collected under the Excise Tax Act, what are the mechanics of payment and accounting to you by the government?

Mr. BRAMAH: Those funds come up monthly as they are collected.

Mr. FLEMING: How soon after the end of the month?

Mr. BRAMAH: Between the 10th and the 12th.

Mr. FLEMING: And what you receive month by month purports to be the full total collected during the previous month?

Mr. BRAMAH: That is correct.

Mr. FLEMING: And do you attempt in any way to allocate or apportion this as between sound and television in accordance with the source?

Mr. BRAMAH: That is done for us in the manner of remission. That is stated by the department when they remit the payments to us.

Mr. FLEMING: So that you know exactly how much comes from each of the sources?

Mr. BRAMAH: Definitely.

Mr. FLEMING: Are you keeping the amounts earmarked in that same way?

Mr. BRAMAH: Oh yes.

Mr. FLEMING: Do I understand that you are applying to sound broadcasting the full amount of that tax which is collected and remitted to you on the radio seceiving sets and tubes?

Mr. BRAMAH: That is correct.

Mr. FLEMING: And similarly you are applying to television all the monies which you receive from the tax imposed and collected on the television sets and tubes?

Mr. BRAMAH: That is correct.

Mr. FLEMING: You are not mingling the two funds in any way?

Mr. BRAMAH: That is so.

Mr. FLEMING: Does that apply from the time when the proceeds of these taxes were first put at the disposal of the C.B.C.?

Mr. BRAMAH: That is right.

Mr. FLEMING: You have made some point in the past, Mr. Dunton, about the importance to the C.B.C. of assurance with regard to future revenues in making its plans for expenditures and development, by way of supporting the five year parliamentary grant as against the idea of an annual grant. It is a fact, is it not, that the proceeds of the tax on the radio and television receiving sets and tubes are quite uncertain?

The WITNESS: We have found it very hard to make good estimates about what it would be.

*By Mr. Fleming:*

Q. I think it is now agreed that when this revenue provision was introduced in relation to these taxes that the estimate then put on at that time was $6 million from each tax?—A. Roughly, yes.

Q. That was two years ago?—A. In 1953.

Q. And the tendency since has been for the revenue from the tax on radio receiving sets and tubes to become less.—A. That is right.

Q. And it is running now, I take it, probably around the $5 million per annum mark, maybe even a little less?—A. Five millions dollars in the year 1953-1954 and less in the year 1954-1955.

Q. Whereas the revenue from the tax on television sets and tubes has greatly increased?—A. Yes, for the time being it has.

Q. It has greatly exceeded the figures used two years ago?—A. Yes.

Q. The amount which you received in the fiscal year ended March 31st, 1954 from that source was $11,700,000?—A. Yes.

Q. And could you give me the corresponding figure for the year ended March 31st, 1955?—A. Yes, we received $16,960,000 for television.

Q. Roughly $17 million in that year? And how do your revenues from that source in the fiscal year which commences the 1st of April, 1955 compare with those in the corresponding period of the fiscal year ended March 31st, 1955?—A. I think it is too early to give any indication at all. I do not think we have even begun yet.

Q. You have not even received your May payment yet?—A. I may say that the monthly payments are of practically no help as a guide to what we shall get during the year. We find it more useful to try to estimate the general overall sale of sets. We do not attach a lot of importance to one month.

Q. No doubt you do watch those figures with regard to the sales of television receiving sets and tubes.—A. With great interest. It is our guess—I would call it a guess rather than an estimate—that the proceeds of that tax will be down this year.

Q. To how much?—A. We estimate about $15,600,000.

Q. That will be a reduction of about $1,960,000. We hope you will do better than that—I am reading from a press clipping from the *Globe and Mail* of May 30th; you may care to comment upon these figures which were issued just last week.

> Canadian factories produced 46,982 television receivers in April, compared with 29,631 in the same month last year, the Radio-Television Manufacturers Association of Canada reports. April sales rose to 30,721 units from 25,868 in April, 1954.

And then it goes on to say:

> In the first four months of this year...
>
> That relates, of course to the calendar year and not to the fiscal year—
>
> ...production totalled 262,900 units, up from 152,256 units in the similar 1954 period while sales rose to 197,183 sets from 137,267.

Mr. RICHARDSON: The country is booming.

The WITNESS: We have already had the benefit from the relatively high rate of sale in January, February and March.

*By Mr. Goode:*

Q. Do you consider that this possible loss of revenue relates to a decline in the sale of sets or to a fall in price of individual sets?—A. This year, more from a drop in the price. Again, this is a pure guess. We guess that the average yield of tax per set will be down a little.

Mr. FLEMING: Perhaps I may now read what this report says about the sale of radio receiving sets and tubes.

> Manufacture of radio receivers in April totalled 31,852 units, down from 44,304 in April last year, while sales gained to 35,065 sets from 33,669 in the 1954 month.
>
> Production in the first four months amounted to 119,959 units, against 183,559 in the similar period last year with sales lower at 131,693 units, compared with 142,517.

That is the end of that clipping. I do not hear any comment from Mr. Richardson.

Mr. RICHARDSON: Not booming so much.

*By Mr. Fleming:*

Q. It is Mr. Richardson who has been booming. Well, Mr. Dunton, I take it that any estimate you have made for this fiscal year which commenced April 1st, 1955, is very tentative, and we should not spend very much time on it here, so early in the year.—A. It has to be tentative.

Q. I have asked before about the matter of the fiscal year. Your fiscal year has always corresponded with the government's fiscal year. I have raised the question whether, like some Crown corporations, though not all of them, the calendar year might not be more useful to you than the fiscal year followed by the government. Has that question been studied recently by the corporation?—A. Not particularly. We have been studying so many other things that we have not gone into that matter particularly.

Q. Are there any considerations bearing on it?—A. The obvious an obvious one is the closing of the accounting year of the international service which would have to correspond with the government's financial year.

Mr. BRAMAH: It has been discussed, Mr. Fleming and I did make a note with regard to it. I could look that up and let you have it later.

*By Mr. Fleming:*

Q. In the meantime, I can go on to something else. Have you prepared a budget for the fiscal year commencing April 1st, 1955?—A. We have projections of expenditure and revenue?

Q. Could we have them?—A. I have a suggestion to make—if you would like to have our still tentative estimates for 1954-1955 in order that the committee might get the picture—I do not think that members had this information—they could be made available.

Q. That is to say, your statement of income and expenditure for the fiscal year ended March 31st, 1955. Is it complete?—A. It is getting fairly close to completion now. Our accounting department has been trying very hard to close it so that it may be presented for the interest of the committee.

Q. It would be interesting to see it. Have you copies?—A. Yes, we have copies if the committee would like them.

The CHAIRMAN: Is it your wish that these documents will be placed on the record at this point?

Agreed.

## CANADIAN BROADCASTING CORPORATION
## SOUND BROADCASTING AND INTEGRATED SERVICES

*Tentative Statement of Income and Expense for the Year Ended March 31st, 1955*

| | | |
|---|---|---|
| *Income* | | |
| Statutory Grants | $10,760,000.00 | $ |
| Commercial Broadcasting | 2,116,000.00 | |
| Private Broadcasting Station License Fees | 285,000.00 | |
| Interest on Investments | 105,000.00 | |
| Miscellaneous Income | 168,000.00 | 13,434,000.00 |
| *Expense* | | |
| Programme Division | 8,822,000.00 | |
| Engineering Division | 3,103,000.00 | |
| Station Networks | 1,660,000.00 | |
| Administration Expenses | 1,097,000.00 | |
| Press & Information Division | 483,000.00 | |
| Commercial Division | 292,000.00 | |
| Interest on Loans | 94,000.00 | |
| Integrated Services, Shared—Credit | 2,321,000.00 | 13,230,000.00 |
| Excess of Income over Expense before Providing for Depreciation & Obsolescence | | 204,000.00 |
| Deduct: Provision for Depreciation & Obsolescence | | 510,000.00 |
| Excess of Expense over Income | | $ 306,000.00 |

## CANADIAN BROADCASTING CORPORATION
## TELEVISION SERVICE

*Tentative Statement of Income and Expense for the Year Ended March 31st, 1955*

| | | |
|---|---|---|
| *Income* | | |
| Statutory Grants | $16,960,000.00 | $ |
| Commercial Broadcasting | 4,156,000.00 | |
| Private Broadcasting Station License Fees | 9,000.00 | |
| Interest on Investments | 142,000.00 | |
| Miscellaneous Income | 6,000.00 | 21,273,000.00 |
| *Expense* | | |
| Programme Division | 9,017,000.00 | |
| Engineering Division | 3,153,000.00 | |
| Station Networks | 672,000.00 | |
| Administration Expenses | 37,000.00 | |
| Press & Information Division | 114,000.00 | |
| Commercial Division | 109,000.00 | |
| Interest on Loans | 453,000.00 | |
| Integrated Services, Shared | 2,321,000.00 | 15,876,000.00 |
| Excess of Income over Expense before Providing for Depreciation & Obsolescence | | 5,397,000.00 |
| Deduct: Provision for Depreciation & Obsolescence | | 835,000.00 |
| Excess of Income over Expense | | $ 4,562,000.00 |

The WITNESS: If I could just say a word—looking at the sheet relating to sound broadcasting and integrated services, I see the $6,250,000 is being combined with the yield of the excise tax, so that figure of $10,760,000 in respect of statutory grants should be broken down into statutory grants of six and a quarter million dollars and $4,510,000 solely from the excise tax.

*By Mr. Richardson:*

Q. Am I correct in the opinion that this statement of income and expenditure is tentative and has not yet been produced in the House?—A. No, it is purely tentative.

Q. Is it a public document yet?

Mr. GOODE: It never will be produced in the House.

The WITNESS: It is a preliminary estimate of what our annual statement will be in the annual report this year. The committee has always wanted to have our best estimate as to how we should come out in the course of a year, and that is what this is.

*By Mr. Fleming:*

Q. I think we fully understand this is not a final statement of the C.B.C., but the practice of the committee has been in times past to ask for the figures to be given as completely as they can be so that as far as possible we may be up to date. Mr. Dunton, I would like to say just a word with regard to the sound broadcasting and integrated service whose revenues for the fiscal year ended March 31st, 1955 as compared with the previous year are down $1 million in round figures.—A. Yes.

Q. And your expenditures are up $800,000 in round figures?—A. I would say $700,000 in round figures.

Q. Yes, I beg your pardon. And after allowing provision of $510,000 for depreciation and obsolescence you show that you have spent on sound broadcasting approximately $306,000 more than your income?—A. Yes.

Q. To take up the other statement in relation to television—your income for the fiscal year ended March 31st, 1955 as compared with the previous year is up by $8,200,000?—A. Yes.

Q. And your expenditures are up by $8,580,000?—A. Yes, that is correct.

Q. There are two items which show increases—there is an increase in the yield from the taxes on the television sets and tubes from $11,700,000 to $17 million in round figures, and then your commercial broadcasting revenues are up from $1,334,000 to $4,156,000, is that correct?—A. Yes.

*By Mr. Goode:*

Q. May I ask one question here—what happened to that six and a half million dollars operating surplus? That was in 1954. Where do you include it in 1955?—A. In our balance sheet under our assets.

Q. It does not show in either of these statements?—A. No.

*By Mr. Fleming:*

Q. To turn to the expenditure side, your expenditures are up on every item.—A. Very much so.

Q. The Program Division is up $5 million in round figures?—A. Yes.

Q. And engineering is doubled to $3,153,000—A. Yes.

Q. And station networks are a little more than doubled at $672,000, while the commercial division is up from $31,000 to $109,000. The interest on loans is up from $278,000 to $400,053. Is that the position?—A. Yes.

*By Mr. Reinke:*

Q. I wonder if you could explain that increase?—A. Because we borrowed a lot more money.

Q. For capital equipment?

Mr. FLEMING: From the government.

The WITNESS: Yes.

*By Mr. Reinke:*

Q. What is the interest rate?—A. It varies. The government charges about a quarter of a point more than they are paying for long term money. I think you will see the rates on the balance sheet, or on the preceding page.

*By Mr. Fleming:*

Q. To take this in a little more detail, Mr. Dunton, your income on the television side has been $21,273,000, and your expenditure has been $15,876,000, yielding an excess of income over expenditure before providing for depreciation and obsolescence of $5,397,000. And then you have provided $835,000 depreciation and obsolescence, making an excess of income over expenditure of $4,562,000. Mr. Dunton, are you going to carry into the final statement the expression "excess of income over expenditure" instead of the expression "operating surplus" which appeared in the previous years' statement?—A. There has been a lot of discussion about that. I was interested in what Mr. Monteith was saying. He seemed to favour the term "surplus" or "profit". I would not say that "profit" was right, but I rather prefer the phrase "operating surplus" which seems a good phrase.

Q. Mr. Monteith is in the House at the moment engaged in discussion of the budget resolutions right now. May I come back again to my question: are you going to carry this expenditure into your statement?—A. I do not know. That will depend on what the Board of Governors decides.

Q. Like the statement itself, it is a tentative expression.—A. Exactly. I myself think the phrase "operating surplus" is perfectly good.

*By Mr. Richardson:*

Q. The expression "excess of income over expenditure" is, I take it an accurate one?—A. Yes, both are accurate.

*By Mr. Fleming:*

Q. I was not quarrelling with the accuracy of the expression. I was struck by the departure from the expression used in the last two statements—a term which I had occasion to discuss in the House once upon a time. How does the fund created by the provision made for depreciation and obsolescence stand now?—A. There is no fund created. Depreciation is not funded. Our assets and liabilities are shown on the balance sheet, and there is no actual specific reserve for depreciation.

Q. It is simply set up in your statement but is not reflected either in the books or in the operations of the corporation?—A. It is reflected in the books perfectly properly, but it is not reflected in a fund consisting of bonds or cash set aside for that purpose. I must say that in practice we have a very real cash expenditure in some way related to that since besides our major capital projects we have ordinary capital—small expenditures for various items which under accounting practice have to be capitalized and appear on the balance sheets as additions to our capital but which we handle and watch and project rather like operating expenses so that in practice over the years about that

amount of money allotted for depreciation has in fact come into what might be called ordinary capital.

Q. I note that you paid the government last year $547,000 in interest.—A. Yes.

Q. Are you proposing to continue the policy of not using any of this excess of income over expenditure for the purpose of paying back any of these loans and thereby reducing the substantial payments you are making in the way of interest on loans?—A. As we see it at the moment, looking at television, we shall have to use up practically all our surplus to get by in this current year.

Q. Does that mean you are proposing to use up this sum of $5,397,000 plus the amount of approximately $7 million in the fiscal year ended March 31, 1954?—A. Not $7 millions, $5 millions—$5,200,000 for television.

Q. I was lumping the two things together; you are confining the question to television. It is true that you did not have an excess of income over expenditure in the fiscal year ended March 31, 1955 on sound broadcasting.

The CHAIRMAN: I am afraid, Mr. Dunton, that we will have to adjourn. We must take into account that the reporter has been writing all day and must be very tired. If it meets the wishes of the committee we shall adjourn until tomorrow morning at 11 o'clock.

*By Mr. Fleming:*

Q. Are there any statements which Mr. Dunton has which he can provide for us to look over between now and tomorrow morning—the budget, for instance?—A. I think the papers you have about cover the available information. As I say, we have various projections but we are in a certain amount of uncertainty—I could give you some figures, but they would be very tentative—

Q. We will take them on that basis. Have you anything in a form which could be circulated?—A. No, I have not at the moment.

Q. Could you bring them in for us tomorrow morning so that the information could be circulated?—A. I will try to do that.

# EVIDENCE

FRIDAY, June 3, 1955.
11.00 a.m.

The CHAIRMAN: Gentlemen, we have a quorum. Shall we proceed with the financial statement of the C.B.C.?

Mr. FLEMING: Last night when we adjourned, I think I had just asked a question when you thought it was time to adjourn. I do not believe we have the same reporter with us at the moment, nor have we the evidence on that point, so I cannot tell you exactly what that last question was now. However I was asking Mr. Dunton about the net operating position at the end of the fiscal year ended March 31, 1955. There was a tentative statement supplied yesterday showing an excess of income over expenses on television of $4,562,000 and on sound broadcasting excess of expense over income of $306,000.

We realize that on the books of the corporation the accounts for sound broadcasting and for television respectively are carried quite separately, but with those figures and those for the previous fiscal year ended March 31, 1954, which showed an operating surplus on sound broadcasting of $1,284,000 in round figures, and on television $5,283,000 in round figures, we have a situation where the C.B.C. in the last two years—in other words, from April 1st, 1953 to March 31, 1955—has received approximately $11 million more than it has found necessary to expend on all accounts. Are we at one on that, Mr. Dunton?

**Mr. A. Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation, called:**

The WITNESS: Just about, yes.

*By Mr. Fleming:*

Q. Now, what has C.B.C. done for the time being with the $11 million?—A. Any large amounts of free cash are invested in bonds pending the use of the money.

Q. These are government bonds?—A. Yes.

Q. What is your portfolio of government bonds at the moment?—A. You will see it on the balance sheet for that year. It will take a little while to check that, Mr. Fleming.

Q. Perhaps Mr. Bramah could give that information to us later and I will continue with my questioning in the meantime.. In any event the $11 million is either in cash or Dominion of Canada bonds?—A. Pretty well, although this is a corporation and the assets may be in various forms, and that does not necessarily reflect the true situation because we have previous surpluses and so on.

Mr. MONTEITH: May I interject at this point? The $11 million figure is used but actually at the end of 1954 there were $14 million in cash and bonds, and with an additional surplus this year, could there not be more than $14 million?

The WITNESS: That is what I am saying. I think you will really get a better position if you look at it separately as we do. Look at the television side and the sound side. On the television side, for instance, we had a surplus for the fiscal year 1953-54 of $5,200,000. The surplus estimated for the fiscal

year 1954-55 of $4,500,000 and the combined surplus of that—which is all we have—is just over $9,500,000—$9,700,000 and that is the accumulated surplus for television.

*By Mr. Fleming:*

Q. To date?—A. Yes.

Q. What is the surplus position in regard to sound broadcasting?—A. Sound; it all adds up to close to $5 million.

Q. So we take it there are roughly $15 million in reserve now?—A. Yes. You would help me if you would keep them separate, because we think of them separately all the time.

Q. All right, $9,700,000 on television, and $5 million on sound?—A. Yes—a little under that, about $4,800,000.

Q. Well, Mr. Dunton, I drew attention yesterday to the tentative statement you submitted which showed that you had paid by way of interest on loans during the fiscal year ended March 31, 1955, $547,000.—A. That is right.

Q. Was that all paid to the government?—A. Yes.

Q. And while you were paying that, you had a surplus position in the figures you have just now described?—A. Yes.

Q. Have you the right to repay any of these government loans at any time?—A. I think the government will always take money if it is offered to them.

Q. Then I take it it was as a result of a deliberate decision on the part of the board of governors that the loans were not repaid?—A. Yes, because as we explained earlier—

Q. Out of your surplus?—A. —we have found we cannot simply look at one year or even two years on television or sound broadcasting. In television we look at our capital needs and our operating needs ahead. As I said yesterday, we also see the need of using just about all that surplus to get through our current operations in the current fiscal year.

Q. Do I understand that in addition to your anticipated income for the fiscal year which commences April 1, 1955, you expect to expend all that surplus?—A. We will have to, yes.

Q. Both sound and television?—A. Speaking only of television at the moment—if you want to shift quickly—we will have to dig quite deeply in the sound surplus.

Q. We have not got your budget yet which you were going to bring to this meeting, but it means in addition to all your income on television which will be in excess, I take it, of $20 million, you are going to expend as well your accumulated surplus of $9,700,000 on television?—A. We will have to meet the services committed for now.

Q. Perhaps this might be a convenient point to ask about the budget if you have it.—A. In answer to the request yesterday, Mr. Chairman, we heard a projection of operating income and expenditure for both television and for sound and common services, if you wish that now.

The CHAIRMAN: Do you have copies for the members?

The WITNESS: Yes.

The CHAIRMAN: Would it be agreeable to the committee to have the copies circulated now?

Some Hon. MEMBERS: Agreed.

*By Mr. Fleming:*

Q. While they are being circulated, perhaps I could continue with my questioning. Mr. Dunton, there is nothing of course to prevent you from coming to parliament this year for a grant to meet the needs of this year or

several years. The door is open, is it not?—A. I cannot say. The government has to make proposals for expenditures, I think to the House of Commons, but I might say this of necessity something will have to be involved if we are going to carry that down the line to cover capital expenditures.

Q. You mean during this present fiscal year?—A. Yes.

Q. What are your outstanding obligations on loans to the government?—A. At the moment, $15\frac{3}{4}$ million in respect of television.

Q. And what on sound?—A. $3\frac{1}{4}$ million.

Q. That is $19 million?—A. Yes.

*By Mr. Monteith:*

Q. There was an increase during 1955 on TV—a further loan?—A. Yes.

Q. And your investments?—A. Yes, we are having that situation checked, because we spent a lot of money on capital expenditures in that year. Some has either been spent or committed.

*By Mr. Fleming:*

Q. I take it then, it was a deliberate decision on the part of the board of governors to retain the surplus on account of sound broadcasting of $5 million, and not to use a portion of it to repay the outstanding loan from the government of $3\frac{1}{4}$ million on that account?—A. Yes, but it would not qutie arise in the way you expressed it, Mr. Fleming. The board has been looking at needs ahead of time, and sees the need for this money either in this year to cover an operating deficit which it sees ahead or for capital expenditures in sound which are badly needed.

Q. I understand what you have said, but I asked if it was a deliberate decision on the part of the board to hold that $5 million in the form of surplus and not to use any portion of it for reduction or repayment of the government loan?—A. Yes. I will put it as a lack of decision to apply the funds to repayment of loans.

Q. It is, as a decision, that of the board of governors?—A. Yes.

Q. And similarly it was the decision of the board of governors not to use any portion of the surplus of $9,700,000 on account of television to repay any portion of the government loan of $15\frac{3}{4}$ million?—A. Yes, both because of the needs we saw ahead for operating and capital expenditures.

Q. You have given us that reason, but the result was that you had to pay out to the government last year interest aggregating $547,000?—A. We had to pay that on the outsanding loans. We are of course getting a certain amount of interest on bonds we were holding.

Q. But the interest the bonds earned was not as much as the interest you paid the government?—A. Unfortunately not.

Q. You are actually paying them a higher rate of interest?

*By Mr. Goode:*

Q. How much difference between them?—A. You will find it in the balance sheet.

Q. I want you to put it on the record, because this whole conversation is going on the record.—A. If you will let me continue, Mr. Goode, it will be a little difficult to average quickly because the loans are different notes of interest, and the short-term investments we have are at different notes of interest.

Q. I think it should be put on the record, the difference in the amounts payable and receivable by the C.B.C. on this account only.—A. At what stage?

Q. At the stage being mentioned by Mr. Fleming.—A. You mean at the end of the last fiscal year?

Mr. MONTEITH: The total interest received was $247,000, was it not?

Hon. Mr. MCCANN: Is it not a fact that when these loans were made—

The WITNESS: In 1953-54 the difference would be about $300,000.

*By Mr. Fleming:*

Q. That is your net?—A. The difference between the interest we had to pay on the loans and the interest we received on investments which we had.

Q. The net cost to C.B.C. on account of interest was $300,000?—A. Yes.

Mr. MONTEITH: The same difference in 1954-55 approximately?

The WITNESS: I am sorry, that was the 1954-1955 figure.

Hon. Mr. MCCANN: I was going to ask if it is not a fact that when the loans were made in previous years they were at higher rates of interest than they are currently, and this makes up the difference between the earning power of present bonds and the interest that has to be paid, and that is in part the reason for the deficit. The government in loaning to its corporations tries to make loans at what are the current rates of bonds at the time the loans are made. Now everyone knows a few years ago that the interest rate on bonds was considerably higher than it is at the present time. Therefore the bonds held now do not have the earning power that they had when the loans were made.

Mr. FLEMING: Maybe that is a reason for undertaking a refunding of a portion of these substantial loans.

Hon. Mr. MCCANN: That might be good business, to have them refunded at current rates.

The WITNESS: The difficulty is, Mr. Fleming, that the government, as Dr. McCann says, loans us the money and charges long-term interest rates. We can only hold the funds in short-term obligations since we have used most of the money and of course we get a lower rate of interest, but as you see from the information I gave you, we have to use the money soon.

*By Mr. Fleming:*

Q. I will conclude this line of questioning by asking in view of the fact that parliament is sitting every year and it is quite happy at any time to review the needs of the C.B.C. and would it not have been good business and given you a better operating result if you had used those substantial surpluses of $5 million on account of sound, and $9,700,000 on account of TV to reduce your loans the government had made you, and then go back and get what you need from parliament?—A. But, Mr. Fleming, we have no assurance at all that parliament will provide money in any form apart from what is in the law now. The law makes provision for sources of revenue to us, and as a corporation we have always felt that we must try to operate within the sources of revenue we can foresee.

Q. I suggest to you, Mr. Dunton, that parliament has to be trusted in these matters, and there is no reason why C.B.C. would choose to look on that money which was received previously by way of loans as sort of "a bird in the hand worth two in the bush", and choose that course rather than a course that involves coming back to parliament more frequently for whatever may be required in the way of finances for the C.B.C.—A. Mr. Fleming, as a corporation, we can only operate within the provisions laid down for us and what is in the law. Mr. Monteith said earlier that a corporation tries to look at what revenues it can foresee and expenditures and sources of funds. We operate in that way, and we try to plan ahead and make the best use of the needs we can foresee. As a corporation we cannot propose anything to parliament. We

have no way of knowing what they will do, but we know what it has done and what it has put in the law.

Q. You talk about what is in the law. We are talking now about loans that parliament has authorized when, I presume, the C.B.C. has asked for them, and the government has chosen to put that request before parliament in the form of an item in the estimates. Is that not a satisfactory way of financing—satisfactory to the C.B.C.—for a corporation that is responsible to parliament, and is the creature of parliament?—A. As business-minded people we think loans are a poor way of covering any operating deficits or deficiencies, and this year we are facing a very large-sized operating deficiency. We have asked the government for loans for capital expenditures and we never felt we should commit ourselves to any capital expenditures until the money was available which has been either in the form of loans or what we take out of our surpluses.

Q. That is not meeting in full what I am saying. As you have need, surely you can trust parliament to review your needs and meet them. Parliament is satisfied—A. In what way—

Q. You say that you are business-minded—you and your colleagues on the board of governors you are speaking of now, I take it?—A. Yes.

Q. We here are parliamentary-minded people, I trust, and we are thinking in terms of control of public money. We are here as elected representatives of the people to insure control and it seems to me that if the policy of the C.B.C. is to be based on getting loans in advance of need and retaining them as surpluses for a period of several years, that that policy should yield to one in which parliament is kept more closely in touch with the needs of the C.B.C. and can plan to meet its needs, so that parliament may be consulted in these matters and may make the provision required from time to time, not that the corporation should be having a surplus in that way and be that much further removed from parliament.—A. I think we have been trying for some time through this committee to give parliament very full information on our position.

Q. I am not suggesting you have not given full information to parliament in this committee. The relations between you and your officials on the one hand and this committee on the other have, I am sure, always been very happy and have been marked by frankness.—A. I was not suggesting they had not been.

Q. No, but dealing with this matter of a corporation created by parliament and enjoying for its subsistence revenues put at its disposal by parliament, and having also moneys loaned to it by parliament and having substantial surpluses not required in the past several years, I am suggesting that there is no reason why you should not improve your financial operating position by using those surpluses to liquidate, as far as they go,—and not entirely of course,—your loans and indebtedness to the government knowing that the door of parliament is always open and parliament will always review the needs of the C.B.C. There is no hostility in parliament towards the C.B.C. or its work?—A. We have great faith in parliament, but I think we must look at the law. I would ask you to look at sound broadcasting. Following the report of the Massey Commission, we were given statutory grants of $6¼ million a year for five years. In addition, we have the old license fee, and then the excise tax. As far as we know we have no reason to believe anything else. The corporation had to get through the five-year period with those revenues—the statutory grant laid down for five years, the yield of the excise tax in the last few years, and our commercial revenues; and as we understood any capital developments should come out of there for sound broadcasting. That is what the board faced and has tried to operate under; to keep some reserve

for a deficit at the end of the five-year period which we are facing this year, and to have funds available for our capital expenditures which are rather badly needed.

On the television side there is a slightly different situation where there has been a very sharp rise in revenue in the last two fiscal years. Again, all we can know from parliament is that we have provision,—we get the yield from the excise tax; and presumably parliament is perfectly willing to consider proposals for loans. In view of that it seems to me that the board of governors has been perfectly right in its course of action knowing there was to be a possible deficiency coming up, and big capital commitments to make, in keeping the funds on hand so we could go ahead planning in the most orderly way possible.

Mr. MONTEITH: I would like to suggest, Mr. Dunton, that it was totally unnecessary to borrow the $4\frac{3}{4}$ million in the year 1954 and the additional $3 million in 1955 with those investments on hand when you are only putting the money into investments.

The WITNESS: But they are not going into investments. They are spent very fast for capital expenditures and a large part of these investments simply represent the holding of funds until they are actually paid out on capital commitments already under way. On the capital side we have had loans of $15,750 million and over $3 million of that had to be used for preliminary operations before April 1, 1953. Then the remainder was all used and committed for capital expenditures. In addition the corporation has committed or actually spent another $2\frac{1}{4}$ million above the amount of the loans including the last loan on capital expenditure.

Mr. MONTEITH: That may be. You may have spent those specific amounts, but did you not have an operating surplus in cash which increased your investment as at the end of the year?

The WITNESS: Yes, and as I say we committed $2\frac{1}{4}$ million out of our surplus funds for television in addition to the loans.

Mr. MONTEITH: What was your capital expenditure increased in fixed assets for 1954-55?

The WITNESS: We will try to get that.

Mr. RICHARDSON: Referring to the questions asked by Mr. Fleming, I wonder if Mr. Dunton got the impression from what was said and from what seems to be the great faith Mr. Fleming has in parliament, that if the C.B.C. approached parliament this year or next year for a substantial loan that parliament would unanimously grant that loan?

Mr. FLEMING: I think Mr. Dunton got the impression that parliament would consider it on its merits as they would any such request.

Mr. RICHARDSON: I asked Mr. Dunton.

The WITNESS: I got the impression Mr. Fleming would be very favourable anyway. I do not know if that is fair.

Mr. FLEMING: I think you got the impression, so far as I am concerned, that any such request would be examined on its merits as I hope they always will be.

The WITNESS: So do I.

Mr. WEAVER: On two occasions Mr. Fleming mentioned the words "several years" in connection with surpluses and I wondered what the definition is of "several years"?

Mr. FLEMING: I think we can take the last three for example.

The WITNESS: In television there were surpluses only for two years, because we have had revenues only for two years.

Mr. FLEMING: Take sound then.

Mr. WEAVER: The word "several" to my mind always means a number of years and if it were a fact according to what Mr. Fleming has said it might have some bearing; but to my mind it is only two years, and that has been wiped out or you expect it to be wiped out in one year.

The WITNESS: In television, that is right.

*By Mr. Fleming:*

Q. Do you mind clearing up the point about surpluses in sound and the overall position? How many years in succession have you had a surplus in sound?—A. Four, I think. In the immediate past year, 1954-55 there is not a surplus but a small deficit. I think it was three years before that, since we had the new system of finance with the statutory grant.

The CHAIRMAN: I am informed that the dictionary definition of "several" is "more than two but not many".

Mr. FLEMING: Three years' surplus on sound, and two on television; the previous year on television being part of a year. I think that is a pretty good "several".

*By Mr. Weaver:*

Q. Looking at this figure of $16,900,000 which is the figure on programming which really jumped, I do not mind admitting that I am concerned and worried about the size of that figure. I recognize it is a necessary figure, but I am thinking of the raising of the money to meet that figure and the thought that Mr. Fleming has suggested that the C.B.C. should just come back to parliament each year and get figures of that size out of the treasury is something I do not like. I would like to see these expenditures related in some way to those who are receiving the services, which would not be the case with them coming to parliament and asking parliament to make up a deficit, year after year.

Mr. MONTEITH: What is going to happen in the future?

Mr. FLEMING: The Canadian National Railways comes to parliament every year for a grant to meet their deficit, and their capital needs. If it is good enough for the Canadian National Railways, it should be good enough for the Canadian Broadcasting Corporation.

Mr. WEAVER: This problem before this committee is something which should be carefully considered and discussed by this committee. I think that it is the crux of the whole meeting of the broadcasting committee this year, and they centre around that figure.

Mr. FLEMING: I would like to ask a few questions on the so-called projection of income and expenditures for the fiscal year 1955-56. Could we have these two statements placed on the records at this point, which have been discussed?

The CHAIRMAN: Does the committee agree to that?

Agreed.

CANADIAN BROADCASTING CORPORATION
SOUND BROADCASTING SERVICE
Projection of Income and Expense
Fiscal Year 1955-56

| *Income* | *For the Year Ending March 31, 1956* | |
|---|---|---|
| Grants from the Dominion of Canada as Authorized under the Act by | | |
| Section 14 (4) | $ 3,950,000 | |
| Section 14 (3) | 6,250,000 | |
| Commercial Broadcasting | 1,800,000 | |
| Licence Fees | 285,000 | |
| Interest on Investments | 25,000 | |
| Miscellaneous | 225,000 | |
| | | $12,535,000 |
| *Expense* | | |
| Programs | $ 9,840,000 | |
| Engineering | 3,940,000 | |
| Station Networks (Wire Lines) | 1,725,000 | |
| Administration | 1,350,000 | |
| Press & Information | 570,000 | |
| Commercial | 380,000 | |
| Audience Research | 100,000 | |
| Interest on Loans | 95,000 | |
| | $18,000,000 | |
| Integrated Services | 3,900,000 | |
| | | $14,100,000 |
| Operating Deficit before providing for Depreciation & Obsolescence | | 1,565,000 |
| Add: Allowance for Depreciation and Obsolescence | | |
| Buildings | 180,000 | |
| Equipment | 370,000 | |
| | | 550,000 |
| Operating Deficit | | $ 2,115,000 |

CANADIAN BROADCASTING CORPORATION
TELEVISION SERVICE
Projection of Income and Expense
Fiscal Year 1955-56

| | For the Year Ending March 31, 1956 | |
|---|---|---|
| *Income* | | |
| Grants from the Dominion of Canada as Authorized under the Act by | | |
| Section 14 (4) | $15,600,000 | |
| Section 14 (3) | | |
| Commercial Broadcasting | 4,600,000 | |
| Licence Fees | 25,000 | |
| Interest on Investments | 75,000 | |
| Miscellaneous | 10,000 | |
| | | $20,310,000 |
| *Expense* | | |
| Programs | $16,900,000 | |
| Engineering | 5,900,000 | |
| Station Networks (Wire Lines) | 800,000 | |
| Administration | — | |
| Press & Information | 25,000 | |
| Commercial | — | |
| Audience Research | 25,000 | |
| Interest on Loans | 550,000 | |
| | $24,200,000 | |
| Integrated Services | 3,900,000 | |
| | | $28,100,000 |
| Operating Deficit before providing for Depreciation and Obsolescence | | 7,790,000 |
| Deduct: Allowance for Depreciation and Obsolescence | | |
| Buildings | | |
| Equipment | | 900,000 |
| Operating Deficit | | $ 8,690,000 |

*By Mr. Fleming:*

Q. Mr. Dunton, just to summarize it briefly, according to this projection for the present fiscal year, on sound broadcasting your anticipated income is $12,535,000 as compared with $13,434,000 in the year 1954-55, and $14,360,000 in the fiscal year 1953-54.—A. Yes.

Q. And your anticipated expenditure on sound broadcasting is to be $14,100,000, plus $1,565,000 on account of depreciation and obsolescence.—A. No. The depreciation figure is $550,000.

Q. I am sorry. I took the wrong figure, I should have said plus and provision of $550,000, for depreciation and obsolescence against the corresponding figures for the fiscal year 1954-55 of $13,230,000 and $510,000. And the figures for the fiscal year 1953-54 are $12,535,000 and $544,000.—A. Yes.

Q. Therefore on sound broadcasting your revenue, you expect, will go down another $900,000 this year, and your expenditures will rise another $900,000 approximately?—A. Nearer $800,000.

Q. So your operating deficit on sound, as you anticipated, will be $2,115,000 as against an excess of expenditures over income, or an operating deficit in the fiscal year 1954-55 of $306,000, and an operating surplus in the fiscal year 1953-54 of $1,284,000.—A. Yes.

Q. Then, under television, just so that we may have a similar summary on the record, your anticipated income for the fiscal year ending March 31, 1956, is $20,310,000 as against $21,273,000 for the fiscal year of 1954-55; and $13,070,000 for the fiscal year 1953-54.—A. Yes.

Q. And the anticipated expenditure this year is $28,100,000 plus $900,000 as provision for depreciation and obsolescence, as against figures for the fiscal year 1954-55 of $15,876,000 and $835,000; and these figures for the fiscal year 1953-54 of $7,634,000 and $422,000.—A. Yes.

Q. Now, taking the aggregate, does this projection indicate that the C.B.C. has now moved into a position where its total expenditures in the present fiscal year as anticipated will be $43,650,000, and that will include television and sound, and the provision for depreciation and obsolescence?—A. Yes.

Q. $43,650,000 indicates the size of the business that the C.B.C. is doing on the expenditure side. Does it follow from your projection of anticipated income that your income is going to fall short of your expenditures by approximately $11 million?—A. A bit less than $11 million, yes?

Q. But very close to $11 million?—A. Yes.

Q. And you are going to draw $11 million out of your two present surpluses of $5 million for sound, and $9,700,000 for television?—A. Yes.

*By Mr. Monteith:*

Q. Following that up, and again mentioning the figure of $43,650,000 as total expenditures, during this 1955-56 projection, there is $2,335,000 which is the sum of the last four items of net income which does not come from the taxpayers. $2,335,000, that is under sound; and under television the amount which does not come from the taxpayers is $4,710,000.—A. I think that is right.

Q. For those two amounts of total revenue in the C.B.C. which does not eventually come from the taxpayers, it is close to $7,045,000.—A. It should be added that it is only those taxpayers who are buying radio and television sets.

Q. Outside of these grants, and so on?—A. I am sorry, except for the $6½ million.

Q. But the total amount, that is, of $7,045,000 deducted from $43,650,000 leaves a net figure of $36,605,000 which has to come from the taxpayers either in the form of excise taxes on sets, or by way of grants.—A. Yes.

Q. It is going to come out of the Canadian taxpayers, or it is projected to come out of the Canadian taxpayers in 1955-56.—A. In the way you mentioned, yes.

Q. Is it thought that it could go on increasing in this way? It has gradually been increasing; it is up to $36,605,000 this year. What might happen in 1957-58?—A. We have not done our thinking in that way. We have thought of some years ahead and we see inevitably that television expenditures must go up in the following two years in order to fulfill the commitments for services already made, to provide service through private stations as well as through C.B.C. stations.

Q. In another year or two it should run up to $50 million as a cost to the Canadian taxpayer?

*By Mr. Knight:*

Q. Since the Canadian taxpayer has been mentioned, is it not true that ultimately every radio service, be it private or commercial, ultimately the cost will come out of the taxpayer?—A. The money for the service must come from Canadian in some form or another.

Q. If they do not pay for it in taxes, they will have to pay for it in the extra price of soap.

*By Mr. Monteith:*

Q. The thought I suggested was that, whereas in 1955-56 the C.B.C. is going to cost the Canadian taxpayers in some form or another $36,605,000, would it not be reasonable to assume that your suggested furthering of the service and so on, in another year that it would be up to $40 million, or may be in a further year $50 million?—A. It will not be in our hands to say how it is to be. All I can say is what parliament has done so far.

Q. You can say that according to the plans laid out for the C.B.C. it is not an unreasonable figure to expect?—A. I would say again that to fill out the television system as contemplated now, with a regular service committed to the private as well as to our own stations, the television side would have to rise again in the following two years. We are not planning, as far as we are concerned, for much additional expenditure on sound broadcasting. On the other hand, there are demands from different parts of the country which still have not got sound broadcasting service.

Q. These are combined services that we are talking about.

*By Mr. Richardson:*

Q. Could I ask a couple of questions on the figures? The evidence has brought out that there is something—of course there is a deficit on both sides of a little less than $11 million. But when you look at the expenditure side you find that on the projection of sound there is approximately $4 million for engineering, and under television there is approximately $6 million for engineering, or a total of approximately $10 million. Surely there must be out of all that engineering expenditure some residual assets left to the C.B.C. and indirectly to the taxpayers? What is done in respect to that item on the capital side?—A. This is only for technical operation. This does not represent engineering on any capital project. Another label for this might be "technical operations of the C.B.C." These are all operating costs, not costs of planning engineering projects which are all included in the cost of the capital projects.

*By Mr. Reinke:*

Q. Under programming of sound broadcasting, in 1954 you have an expenditure of $7,575,000; and in 1955 it climbs to $8,822,000; and the projection shows $9,840,000. With the advent of television, why would sound broadcasting be climbing at this particular time?—A. The major item in it is increased cost notes representing chiefly wage and salary rates coming from collective bargaining, and from the normal increase in salaries within the classifications corresponding to the statutory increase in civil service salaries.

Q. I notice in your radio programming statistics that we are presenting 83·1 per cent in the non-commercial service; does the C.B.C. board of governors examine this policy all the time? Are we getting to the point where we are may be going overboard in providing free non-commercial services?—A. The management of the C.B.C. are thinking very hard about ways of getting more commercial business on sound.

Q. Have you considered cutting down on your various sustaining programs? —A. Naturally, if you get sponsors and advertisers, automatically the percentage of sustaining programs drops.

Q. The figure is 83·1 per cent for non-commercial?—A. Yes.

Q. And it is paid for entirely through the revenues of the C.B.C.?—A. No. Quite a lot of them, or some of them would be exchange programs which would not represent out-of-pocket expenditures.

Q. Is not that figure getting a little bit too high, and the same thing in television; our expenditures are climbing; under television the sustaining programs take up 77·9, which is very close to 80 per cent.—A. It would not be that percentage now. The percentage of commercial programs would be a good deal higher now.

Q. Your programming, in so far as the board of governors is concerned, is to have as much good commercial programming as possible?—A. We would not use the word, "possible". We see the need for very large commercial revenues to support any programming in television.

Q. You are examining these needs as against the provisions or recommendations of the Massey report, I suppose?—A. Under television, as you know, we take a lot of business, and we have to have that revenue and support. In sound, it is not so much a question of whether or not the percentage of commercial programs should be higher. It is a question of getting business, I mean network business. That is the kind of sound broadcasting business which has been hurt most right across the continent. Therefore we suffered particularly. Private stations are still doing fairly well in the daytime and in local business which we practically do not have. Therefore we are studying ways and means of trying some new approach in sound broadcasting to help our revenues and indirectly to help the network revenues of our affiliated private stations.

Q. Do you feel with the competition with television that is going to sound today, that your programming division will think that the cost will be rising, or will it remain constant, or do you look for a reduction?—A. As it stands now, we are not planning an expansion of sound programming. We will probably tend to be put on the brakes, and any increase in cost in a general way will come from the increased cost rates to us, such as salary increases which have to come; and in fact, in 1955-56, this program figure will probably mean some braking on programming on the sound broadcasting side. To get anything close to that figure in another year would certainly represent a cut in activities.

Q. What is the percentage of increase in commercial revenue on television this year as compared to last year?—A. It is well up. In 1954-55 it was $1,834,000; and in the year just finished it was $4,156,000. So it is three times as much.

Q. Three times as much as it was in the 1953-54 year.

*By Mr. Goode:*

Q. Is it not true that there are fewer sponsors available now for sound broadcasting than there were a year ago?—A. There certainly are, for network broadcasting.

Q. Has there not been some difficulty encountered by the C.B.C. in getting private stations to accept sustaining programs from the C.B.C. now?—A. Some?

Q. Programs that have been requisitioned to them, if that is an appropriate word, where in the past they have had sponsored programs at that same time?—A. Yes. Our affiliates are naturally concerned with the number of commercial network programs which are dropped because their network revenues will drop.

Q. Your officials have encountered difficulty in trying to get private network stations to accept these non-paying programs, now, when sponsored programs were in their place some little time ago?—A. There are some things in which they are cooperating in very well. They understand the situation too.

Q. There is a difficulty there, and you are now giving the private stations connected with the non-network, the non-sponsored programs, whereas they were sponsored programs a year ago, which results in a loss of revenue to the private stations?—A. Yes.

*By Mr. Monteith:*

Q. Taking the figures for 1955 on television, this is as of March 31, 1955, the figure which we have before us; on sound broadcasting the total expenditure is $12,230,000 plus $510,000.—A. Is it not $13,230,000?

Q. $13,230,000 plus $510,000 making a total of $13,740,000. Taking the same figures for television we have $15,876,000 plus $835,000, making a total of $16,711,000. That makes a total expenditure of $30,451,000. Is that correct? —A. Yes, I agree.

Q. In your income figure of $13,434,000 there is $10,760,000 coming in the form of statutory grants which, in the long run, come from the taxpayers, which leaves a net total income of $2,674,000. Is that correct?—A. Yes sir.

Q. And in television, your total income is $21,273,000 of which $16,960,000 comes from the taxpayers; and that leaves a total from outside sources of $4,313,000; and in turn, this gross amount of income coming from outside sources totals $6,987,000; and if we deduct that from the $30,451,000 expenditure figure, we come to a net figure of $23,464,000 which in the long run it is going to cost the taxpayers of Canada to operate the C.B.C. for the year ending March 31, 1955. Is that right?—A. I think so, but you have been going rather fast.

Q. Mr. Bramah would probably know. With reference to my contention, the figure of $36,605,000 is the net cost to the Canadian taxpayers, in your projection for 1955-56, which shows an increase of cost to the Canadian taxpayers of $13,141,000 for the year 1956 over 1955.—A. Where do you get that figure? I am lost again.

Q. This figure of $36,605,000 is the net cost to the Canadian taxpayers in the year ending March 31, 1956, is that right?

I went over those figures before, and I think they were agreed upon at that time. The net cost to the Canadian taxpayers for operating the C.B.C. in the year 1955-56.—A. You got that by including the deficit.

Q. I got it by taking the total expenditures of both departments and deducting the outside income.—A. Yes, in other words, you are including the deficit too?

Q. I am including your actual—yes, I am including your deficit too. I am saying that your actual expenditures less your income in the year 1955-56 shows a deficit amount there of $36,605,000 which has to come out of the pockets of the Canadian taxpayers.—A. I myself would not put it that way. You get on the sound side $10,200,000 coming from public channels; and on the television side we estimate $15,600,000, or a total of $25,800,000, with the rest coming from previous surpluses, or much of it.

Q. Still, the cost to the Canadian taxpayer is the difference between expenditures and income and it is $36,605,000 which has got to come out of the taxpayers at some place. It may come from previous surpluses. I do not deny that.

Mr. REINKE: That is not all this year.

*By Mr. Monteith:*

Q. I am not saying that it is all this year, but it does have to come out of the Canadian taxpayers; and that operation of the C.B.C. actually will cost the Canadian taxpayers for this year—while the money did not all come from

this year—it will cost them $36,605,000 in this 1955-56 year.—A. What was your figure for 1954-55?

Q. $23,464,000.—A. I cannot justify it, because in 1954-55 you see coming into the corporation through public channels about $27,700,000.

Q. You are showing your statutory grants there as $27,720,000?—A. Yes.

Q. I claim that the operation of the C.B.C. in 1954-55 only cost them $23,464,000.—A. I realize that your figure is lower. As I said, we generally look it at from what comes into the corporation.

Q. I will simply go ahead on this basis and point out that following my method it comes from the Canadian taxpayer, because if you made a profit in that year, it would not cost them your figure.—A. I thank you for the word "profit".

Q. Excess income over expenditures; your figure is $27,720,000. I claim that any excess of income over expenditures should be taken off, and in that case it would only cost the Canadian taxpayer $23,464,000 in that year. But in your projection for 1955-56 where you are going to show an excess of expenditures over income, your figure should be increased to $36,605,000, because that is the figure which it is going to cost the Canadian taxpayers. I say there is an increase between the two years of an amount of $13,141,000 which is an increase and comes from the Canadian taxpayer in the year 1955-56 over 1954-55.—A. I say that is your way of looking at it.

Q. Due to your projected plans and so on, is it not reasonable to assume that that figure which grew from $23,464,000 in 1954-55 to $36 million odd in 1955-1956 would be reasonably increased to $40 million odd in 1956-57 and possibly $50 million in 1957-58?—A. Not that high. In the first place we cannot go beyond what parliament has authorized for us; however, I have said to meet the services already committed for, the cost of operations would rise. If it were authorized by parliament to rise it would have, as you say, to rise above $40 million by 1957-58.

Q. You say it would rise above $40 million in 1957-58?—A. Yes.

Hon. Mr. McCANN: Is it not enough to meet your intention without going into figures to say that there will be a substantial increase?

Mr. MONTEITH: Yes. Mr. Dunton just said that he expected over $40 million.

Hon. Mr. McCANN: So far as the government knows that will be the case—there will be a substantial increase in the years to come.

Mr. MONTEITH: Mr. Dunton just admitted that that is right.

Mr. FLEMING: For the next year.

Mr. MONTEITH: I do not think anyone can predict exact figures at this time.

*By Mr. Fleming:*

Q. You have given a statement now that the estimated net cost to the taxpayer for the following year—that would be the year 1956-57—would exceed $40 million?—A. I did not put it that way to you.

Q. Is that not what it means? You have to find money and it will be provided by parliament.—A. I am saying to meet the commitments on television in the next year, 1956-57, more funds will be required—considerably more than this year.

Q. But you did use the figure $40 million as applied to the year 1956-57.—A. I was referring to Mr. Monteith's figure covering both services.

Q. Yes, we are talking about both services. That is a figure which has to be provided, I take it, by parliament, because your surplus will be exhausted at that end of the present fiscal year.—A. I cannot go into how it

will be provided—that is someone else's worry—but it is clear that our surpluses will be pretty well exhausted by the end of this year.

Q. And you are not going to have the money to carry on the operations you contemplate unless you get it from parliament?—A. Unless there is some provision made for it.

Q. By parliament?—A. Yes, provision made by parliament.

Mr. REINKE: Is it necessarily true of your capital expenditures?

The CHAIRMAN: Mr. Reinke has the floor. Mr. Dunton has answered your question, Mr. Fleming.

Mr. FLEMING: May I complete my question?

The CHAIRMAN: All right.

*By Mr. Fleming:*

Q. Mr. Dunton has now given the figure of over $40 million which if the presently planned operations are carried forward will have to be provided by parliament for the years 1956-57.—A. I will use the words "For which there must be some provision",—that is just a difference in expressing it.

Q. Is there any other place it can be provided except by parliament?—A. No, except that the difference is that usually in the past parliament has not voted specific sums of money, funds for operating expenditures, but has set up some provision by which revenues come to us.

Q. In some form or other parliament has provided money for your operations as proposed by your plans?—A. Yes, some form of provision has been made. It is very hard to guess, but television revenues would have to rise a certain amount further to meet the commitments like the extension of services through private stations and the full years' operations of various facilities that will be coming into operation. As I say, in our thinking at the moment we do not see much expansion of services in sound broadcasting except for meeting the invariably rising expense.

Q. In the period 1957-58, do I take it as you project figures now in your operation that parliament is going to have to provide more money to sustain those operations than in the year 1956-57?

Mr. GOODE: Before Mr. Dunton answers that, I think the whole question is perhaps based on the wrong point of view. I do not think Mr. Dunton has the right to answer questions about what is going to happen in 1957-58. Mr. Fleming and I are fully responsible for the $40 million. Mr. Fleming can say what he likes about the C.B.C. projecting expenses, but the whole setup of the C.B.C. is controlled by the parliament of Canada of which Mr. Fleming, Mr. Monteith and I are a part. The responsibility lies entirely with us as to whether C.B.C. projects expenditures in 1957-58 or 1955-56, so far as that goes. I think if it is going to be argued it should not be argued with Mr. Dunton at all. I think it should be argued on the floor of the House in regard to policy, and that policy is not in the hands of the C.B.C. at all, but is in the hands of the parliament of Canada, and it should be argued there.

Mr. FLEMING: That is not the point at all. Of course parliament will have to decide and the C.B.C. will have to go to parliament to ask for the provision and parliament will have to decide if it is to be made, but this committee will want to know, according to the best thinking the C.B.C. has given to this, what it will cost if the scale of operations that is planned is carried forward, that is, under the existing policies. We want to know what those existing policies are going to mean in terms of cost.

Hon. Mr. MCCANN: May I interject at this point if the present method of financing is continued—it may well be that a certain development will be undertaken and I refer to particularly to what they call tele-meters that the public who are using television receiving sets may have to contribute some

of that, especially if they want extra types of programs—that is a new system that is being projected not in the government but privately.

Mr. FLEMING: We are not discussing that at the moment, although I would like to come back to that later. Mr. Dunton and I fully understand each other. We are dealing with the provision that parliament will be called upon to make if the present plans are carried forward. Now, Mr. Dunton, my question was this: if the plans that you have are carried forward, are they going to require the provision by parliament of more money in the year 1957-58 than in the year 1956-57 according to your best thinking?

Mr. GOODE: Before Mr. Dunton answers, I must make a comment, even if it has to be done on a question of privilege. I submit that Mr. Dunton cannot answer that question, with private television—I hope—coming into being in to get a change in policy so far as the government of Canada is concerned and I rather think Mr. Fleming is trying to do the same thing. Under the present circumstances with the likelihood of a change in policy, how can Mr. Dunton answer that question, with private television—I hope—coming into being in other parts of Canada? How can it possibly be assumed the expenditure the C.B.C. will have to take into consideration in 1957-58? Mr. Chairman, I do not think the question is fair. I have certainly been as stern as I possibly could be with Mr. Dunton on the question of policy, but I have always tried to be fair and I do not think this question is fair. How can the chairman of the C.B.C., facing the fact that some of us are not in sympathy with government policies on this matter, be called upon to predict what is going to happen in 1957-58?

The CHAIRMAN: It is up to the committee to decide whether or not the question can be asked.

Mr. FLEMING: The matter is not nearly as complex as Mr. Goode's statement suggests. It is not complex at all. It is a case of given facts which are well known, that is to say, the plans that the C.B.C. has before it and a continuation of the present policy.

Mr. WEAVER: It is based on undetermined assumptions.

Mr. FLEMING: Does Mr. Weaver or any other member of the committee know any other way in which you test the cost of an existing policy so far as the future is concerned than to assume that the existing policy is continued to be applied, the plans the corporation has in mind are put into effect and you ask, "What, according to your best thinking, is the anticipated cost?" There is no business man alive who can estimate the cost of the continuation of an existing policy on any other basis. From that information he goes forward in deciding what new changes he wants to make in that policy.

The CHAIRMAN: He cannot speak with any probability about the possible change in policy.

Mr. FLEMING: Of course not.

The CHAIRMAN: Your question is very hypothetical, you must admit that, so if we continue asking hypothetical questions in an attempt to get hypothetical answers we will not get anywhere.

Mr. FLEMING: There is nothing, I suggest, that is hypothetical about it.

The CHAIRMAN: It is.

Mr. FLEMING: Excuse me—so long as it is properly understood. The corporation has told us this morning, as it has on many other occasions, that they are giving thought to the need of revenues in advance. They are not just thinking in terms of this month or the next month, they are thinking ahead. Their thinking on this subject is obviously based on certain assumptions and one of the assumptions is that the plans for expansion and carrying

forward of their existing commitments as they understand they are going to be carried out. The other assumption is one on which they are basing calculations all the time, I am sure, as far ahead as they can see—that they are going to be operating under the kind of policy which has existed up to the present time. I am quite sure that would apply to the C.B.C. It is simply on that basis I am asking a simple question. May I remind the members of the question. I have asked Mr. Dunton if according to the best thinking the C.B.C. has given to this subject, on the assumption they are going to carry forward with the existing program and work and, second, with the existing policy in effect they are going to require more money to be provided by parliament in some form or other for the fiscal year 1957-58. He has already given a figure in that respect for the fiscal year 1956-57. It is very simple.

Mr. REINKE: I believe Mr. Dunton has already answered this question. He has told us that the board of governor's projection and their commitments are based on what the grants will be under the provisions of the Act.

Mr. FLEMING: That is the existing policy.

Mr. REINKE: Yes, as it has been operating. We know there is a grant of $6,250,000. We have a projection of what the income will be under the revenues from the sale of television, radio and tubes and he has told us—and it is on the record—that they are basing their policy on the income projected from these sources. Now, it is as simple as that.

Mr. FLEMING: My question is very simple and I am quite certain Mr. Dunton is perfectly qualified to answer it.

The CHAIRMAN: Suppose the conditions change and the policy changes—all your questions and answers will be useless.

Mr. FLEMING: No, it will be useful, I hope, to the committee, to parliament and to the public in deciding whether or not this is a sound policy to continue if, according to the best thinking, it is going to increase in cost in these years as far as we can foresee.

The CHAIRMAN: Parliament will have to decide whether or not it is a sound policy and not Mr. Dunton.

Mr. FLEMING: Of course parliament will make the decision, but that is no reason why we should be prevented from getting the information.

The CHAIRMAN: I think you have had all the information you require.

Mr. FLEMING: No, I have not.

Mr. RICHARDSON: Mr. Fleming is a member of the profession of which I am a member and I have the greatest respect for him. If I thought the answer the witness could give us would be information, I would be eager to have it. However, that kind of question will not give us information but a hypothetical answer.

The CHAIRMAN: That is what I said a minute ago.

Hon. Mr. MCCANN: No one has taken into consideration, Mr. Fleming particularly in asking his question, what would be the policy in the event of a future board of inquiry recommending changes.

Mr. FLEMING: Certainly you will have to take those into account, and I am quite sure that any inquiry which is made with a view to determining what change, if any, should be made, will be made with the foundation information as to what the existing policy, if continued, would cost as far as it can reasonably be estimated, and that is all I am asking. It is plain and simple, and the sandard sort of information which I am sure any business organization seeks when considering policies.

The CHAIRMAN: Gentlemen, I will have to ask the committee if it wishes to have these questions continue along this line.

Mr. CARTER: As I have been listening to the argument, I have been wondering if Mr. Dunton could answer the question as to what the income and expenditures would be and what the taxpayers' cost would be in two years' time. That would not be information, it would be just an opinion. I do not think it would have very much value because we cannot give realistic answers to something that changes so fast as the picture does in radio and television—it certainly has been changing rapidly in the last two or three years.

Mr. KNIGHT: If it is wholly speculation why confine it to two years? Why not ask Mr. Dunton what the situation will be ten years from now and expect him to answer?

The CHAIRMAN: I will have to ask the committee to take a stand on that by way of a vote or in some other way. We will have to decide whether that kind of questioning is going to be continued or stopped. I would like the committee to indicate its pleasure.

*By Mr. Holowach:*

Q. Perhaps I could ask a question or two and in receiving the answers we may satisfy the other questions asked by Mr. Fleming. As a new member I am not too familiar with all the facets of the past history of the C.B.C. but has there been a period or a time in the past when the operations of the C.B.C. have not been subsidized by parliament?—A. We have never used the word "subsidy." The whole basis of the operation of the corporation in the early years was provision in the law that the proceeds of the receiver set licence fee came to the corporation. It has to operate on those proceeds together with commercial revenues obtained by itself.

Q. Can you visualize a period in the future development of the corporation where a point might be reached when it will not be necessary to ask for these additional grants and loans from parliament?—A. I will put it this way; we are perfectly convinced and think it is very plain that it is impossible for anyone or anybody to operate a nation-wide service in this country—a national service in sound and television—on a purely commercial basis.

Q. Would the assets ever be built up to the point at which the corporation would be able to stand on its own legs?—A. Capital assets enable you to carry out your operation, but it costs money to carry out your operation and that is the big worry in both sound and television broadcasting. The Massey Commission report stated it is simply impossible in the country to produce programs as against all the pressure for importation and to distribute a program service right across the nation on a commercial basis—entirely impossible.

Mr. WEAVER: In line with what you asked a moment ago, I would move that Mr. Dunton not be required to answer questions on possible future revenues beyond what is already in the papers before us.

The CHAIRMAN: That is what you move?

Mr. FLEMING: I hope the committee realizes what that means. I cannot see any point in the committee conducting a review of the financial outlook of the C.B.C. if the committee is to be throttled in the manner proposed in that resolution. I have been a member of this committee every year since 1946, and I do not recall at any time an attempt being made in the manner proposed in this motion to throttle the discussion and prevent the committee in the open way in which this motion proposes to do it from obtaining information from the C.B.C. about matters that are highly important. This question of the future financing of C.B.C. operations is a very important matter, Mr. Chairman. I simply suggest that very serious consideration be given before

Mr. Weaver presses his motion or before members choose to support it. I personally could not see any point in continuing the meetings of this committee if that is going to be the sort of thing we are going to encounter.

Mr. REINKE: Mr. Fleming talks about throttling—

Mr. GOODE: Have you a seconder for that motion?

Mr. REINKE: I will be glad to second it. We are here to discuss the annual report for 1953-54. We have before us a tentative statement of income and expense ending March 31, 1955: It is not a complete statement, it is a tentative statement. We also have before us a projection of income and expense for 1955-56. We have projected statements here for two years. If that is throttling information I cannot agree with my honourable friend at all.

Mr. FLEMING: It is throttling information if the C.B.C. has given some thought to the following year which was the one year I asked about, is prepared to give it here, and is told by the committee not to give it in the form of this motion.

The CHAIRMAN: But you must understand that you asked for information on the tentative statement of income and expense for the year ending March 31, 1955. You have asked questions concerning the year 1955-56 and now you have gone so far as to ask about the year 1957-58.

Mr. FLEMING: I asked one very simple and easily understood question on it.

The CHAIRMAN: You will admit that you have gone beyond the request for information. Your request for information was for the year 1955-56 and now you are dealing with 1956-57 and 1957-58.

Mr. FLEMING: Yes, I asked the question about 1957-58 as compared with the year 1956-57. Mr. Dunton has given an answer about the year 1956-57 and he gave it without difficulty. I am asking a simple question about the following year which is as far as I intend to go with the matter. It is a simple comparison of the two periods according to the best estimates the C.B.C. has been able to make.

The CHAIRMAN: If you limit your question to the period 1956-57 we would not need a motion, and the whole thing would end on a friendly note.

Mr. FLEMING: Mr. Chairman, I will yield a good deal at any time for the sake of maintaining a friendly atmosphere in the committee, but I can tell Mr. Weaver the friendly atmosphere will not be contributed to by putting a motion like that. I have one simple question about 1957-58 as compared with 1956-57. Mr. Dunton has already answered my question about the year 1956-57. I did not ask for detailed figures, but simply for a comparison based on their best thinking.

The CHAIRMAN: But you must admit the answer to that would be very hypothetical.

Mr. FLEMING: It has been perfectly clear that it is based on two assumptions —certainly it was purposely understood between Mr. Dunton and myself— and I was prepared for an answer on those two assumptions as Mr. Dunton was prepared to give it, I think, on the two assumptions.

The CHAIRMAN: The motion reads like this:

> That Mr. Dunton not be required to answer hypothetical questions on future financing beyond the projection of income and expense for the year ending March 31, 1956.

Mr. MONTEITH: He has already answered concerning 1957.

Mr. FLEMING: That is not the same motion as Mr. Weaver put.

The CHAIRMAN: I am the guilty one because I should have limited the questions when you reached 1956. If I had done that we would not be in this position. We are now discussing 1957-58 and have jumped two years ahead.

Mr. FLEMING: I hope it is understood that I was asking on that basis for the C.B.C.'s best thinking on the subject because the C.B.C. with its finance officers have been thinking ahead of this matter, and we are simply seeking all the information they have developed in their estimate. It is a simple question.

Mr. KNIGHT: Aside from whether it is ethical or proper to ask Mr. Dunton the question, if information may be defined as a recital of facts, what information can he give in regard to 1957-58?

The CHAIRMAN: Can you answer that question before putting the motion?

Mr. RICHARDSON: I think he meant in the rhetorical sense.

Mr. KNIGHT: If I can be accused of rhetoric that was a rhetorical question.

Mr. RICHARDSON: I would like to speak to the motion. Mr. Fleming is a member of my profession, as I pointed out, and although the committee has a rather wide latitude I submit with great deference to Mr. Fleming that if we were in a court of law trying to get facts, he should be restricted by all the known rules of testimony and we could only speak to those documents which have been produced on the record. We only have documents for certain years. If we allow a question of this type to be asked by Mr. Fleming—and I personally do not object if he wants to project it to the year 2000 A.D.,—I suggest with the greatest respect for my friend, who is a learned member of the bar, that if a court allowed questions of that type to go on you would never resolve issues and would never get judgments. I have only been in this committee this year, and I believe we are all trying to discharge our duties and attempting to get accurate facts on which we can base good judgments, but it would be a little unfortunate if we had to have a resolution or a motion to resolve our differences of opinion. Surely, Mr. Chairman, until today in this committee we have dealt with known facts and for the past three-quarters of an hour we have been dealing in the realm of speculation.

Mr. MONTEITH: There is only one thought that I would like to express. It occurs to me that we are here on behalf of the shareholders of C.B.C. It also occurs to me that the shareholders of any company would have a perfect right to have and would expect an answer to a question put to the management if the shareholders wished to know what views the management had concerning future years.

Mr. RICHARDSON: May I speak directly to that, Mr. Chairman. Mr. Monteith and Mr. Fleming both should know that under the Companies Act shareholders meetings are called for the purpose of reviewing the affairs of the past fiscal year and they are restricted only to the balance sheets and the statements that have been submitted.

Mr. MONTEITH: And any presidential report always includes a statement of the projected future.

Mr. RICHARDSON: I submit that it does not.

Mr. MONTEITH: I submit that you would only find two per cent of the corporation reports in Canada which would not contain it.

Mr. FLEMING: Apparently we are heading for a difference of opinion as between Mr. Richardson on the one hand and Mr. Monteith on the other. I wish to take issue with the statement that in no circumstances would any tribunal receive figures based on estimates. The courts take estimates all the time. There has been a confusion here as between hypothetical questions and

an attempt to obtain estimates. The C.B.C. is making estimates for the future all the time. Any corporation is bound to look to the future and make plans and estimates. Surely this committee should not be denied the benefit of such estimates as the corporation has made concerning the future. We are not asking them to sit down here and speculate this morning. We are simply asking them as to what estimates they have already made. I was not proposing to go beyond the year 1957-58. My question was designed to bring out whether, according to the estimates they have made, they can tell us how the fiscal year 1957-58 in the matter of parliamentary provision is going to compare with the figure they have already given us based on their estimates for the fiscal year 1956-57. It is a simple as that.

The CHAIRMAN: I see that I shall have to put the motion.

Mr. GOODE: Before you put it, I think it should go on the record a little bit further. Our terms of reference say this: "That a select committee be appointed on broadcasting to consider the annual report of the Canadian Broadcasting Corporation." I usually do not stick to rules too much, as you know, and I have been quite agreeable to having Mr. Fleming ask his questions, but if he is allowed to ask that type of question there is nothing to prevent his taking it as far as 1965. I am convinced the C.B.C. has a long-term policy, but he and I both know there is a change being considered now in government or parliamentary policy on this whole matter. I do not think it is fair to ask Mr. Dunton a hypothetical question, as I said in the first place. A hypothetical question would only bring a hypothetical answer in view of the fact that we all know the policy is going to be changed. I would certainly suggest to Mr. Fleming, who is a most fair member of parliament and who has been most fair on this committee, not to proceed with the question concerning 1957-58. He could ask it in the House if he likes, but if he asks it here it will force the motion and none of us want it put on the floor.

Mr. FLEMING: The mover of the motion will have to take the responsibility for it whether the motion is put or not. I must point out that Mr. Goode read about one-sixth of the terms of reference of the committee, whereas they provide are as follows: "Resolved that a select committee be appointed on broadcasting to consider the annual report of the Canadian Broadcasting Corporation",—and please note these words—"and to review the policies and aims of the corporation and its regulations, revenues, expenditures and development, with power to examine and inquire into the matters and things herein referred to and to report from time to time their observations and opinions thereon, and to send for persons, papers and records; that the committee have power to print such papers and evidence from day to day as may be deemed advisable or necessary; that the committee have power to meet while the House is sitting; that the committee shall consist of the following members: ..."

What I am asking for, Mr. Chairman, certainly comes in the clearest manner within the policies and aims of the corporation.

Mr. RICHARDSON: I doubt that, and I submit with the greatest diffidence to my learned friend that the operative verb is "review" not "speculate"; and that is past tense.

Mr. HOLOWACH: I think it would be very unfortunate if a vote were to be called on this.

The CHAIRMAN: I would not like a vote to be called and I would like a friendly agreement to be arrived at, but if I have to put the motion I shall have to put it.

Mr. HOLOWACH: The reason why I say that is that there might well be an improper interpretation given to the activities of this committee—the public might well interpret this and the motion as implying that all this type of

information is being withheld from the committee. I think that would be unfortunate and I would like to see the matter resolved in such a way that the motion is not called.

The CHAIRMAN: I would like to ask every member of this committee to limit his questioning to the year ended March 31st, 1956.

Mr. RICHARDSON: I am not too familiar with the rules under which we have to operate, but under the normal rules of procedure the chairman himself can determine whether questions are in order or not.

The CHAIRMAN: I know it is perhaps my fault, Mr. Richardson, but I want to give as much latitude I can to every member of the committee. Now that a point of order has been raised by Mr. Goode I ask the committee to help me make the decision.

Mr. WEAVER: In my opinion the questioning was going far beyond the terms of reference, and I do not see that the question had an answer. However, if Mr. Fleming would be prepared to withdraw his question I would be prepared to withdraw my motion.

The CHAIRMAN: You mean for him to limit his questions to the 31st March 1956?

Mr. MONTEITH: But figures are on the record for 1957—Mr. Dunton put it on the record for 1956-1957.

The CHAIRMAN: I should have stopped the questioning before that.

Mr. RICHARDSON: Frankly I do not think with the greatest respect for Mr. Weaver and Mr. Reinke that this resolution is necessary at all. May I suggest that you, as chairman, have the terms of reference before you; certain documents have been placed on the record. Any member of the committee may speak to them, but I suggest that to go beyond that is to go beyond the terms of reference of the committee and that is not proper.

The CHAIRMAN: A minute ago I asked every member of the committee to limit their questioning to the 31st March 1956. If every member agrees to that we will not put the motion.

Mr. FLEMING: If the chairman makes a ruling that is one thing, but to ask me to agree that my question is not proper is another thing; I am not prepared to agree to that. My question was perfectly proper.

The CHAIRMAN: The proposer and seconder of the motion will either have to withdraw it, or I shall make a ruling, or we shall go on to vote on the motion. But I am asking every member of the committee whether he wishes to limit questioning to March 31st, 1956. As we say in French "Mon desir est un ordre"?

Mr. FLEMING: You know the respect which I have for your wishes, quite apart from your ruling, Mr. Chairman.

The CHAIRMAN: I thank you.

Mr. FLEMING: Just a moment, I have not finished . . .

The CHAIRMAN: I will thank you, just the same.

Mr. FLEMING: This matter has developed at some length, my question was proper and it was not a very extensive question, and I propose to ask it unless I am prevented from doing so by the present motion or by your ruling.

The CHAIRMAN: Then I will have to put the motion.

Mr. FLEMING: If the motion is being put, I ask that the roll be called.

Mr. GOODE: Mr. Fleming has said the question is fair. I do not agree with him on that. I do not think the question is fair. I take a contrary view to his opinion. The question was not fair in my opinion. We have no right

to go beyond a certain limit. I am not prepared to say that that limit should be the 31st March, 1956 because already questions have been asked up to March, 1957, and I am prepared to go along with regard to that date in 1957, but no further, and I would certainly hope that Mr. Fleming would see the fair point in that argument.

Mr. FLEMING: It would be proper to go as far as the C.B.C. has projected its estimates.

Mr. GOODE: No, I am not prepared to agree to that extent. I suggest March, 1957.

Mr. FLEMING: I will be prepared to go as far as and no further than the C.B.C. has gone in its projections and studies.

The CHAIRMAN: I understand that Mr. Dunton has not given the answer yet.

Mr. FLEMING: No.

Mr. RICHARDSON: Just one last word on this, because I am sure that by now the committee is "fed up" with this continued discussion. My own personal view, as a new member of this committee, is that the terms of reference given to us are to review the policies and aims of the corporation, and I submit that any good English dictionary will indicate to all of us here, very quickly, that to review those aims and policies is not to speculate into far distant places.

The CHAIRMAN: I see that we cannot come to an understanding, so I will have to put Mr. Weaver's motion.

Mr. WEAVER: Mr. Chairman, it is just about ten minutes to 1. Could we perhaps not adjourn and deal with it later?

The CHAIRMAN: Could we sit this afternoon?

Mr. FLEMING: We should not adjourn now when we are just on the point of taking a vote, and when the question is fresh in our minds and we are ready to take the vote at this time. I ask for a roll call.

The CHAIRMAN: I understand that Mr. Goode suggests that we go as far as March, 1957, but I need an amendment for that.

Mr. KNIGHT: Does it need an amendment? Already the chairman has ruled the question out of order.

The CHAIRMAN: I asked the members of the committee to limit their questioning to the 31st of March, 1956, then Mr. Goode said he was ready to go to the 31st of March, 1957. But Mr. Fleming does not accept that.

Mr. RICHARDSON: Have you made a ruling or not?

Mr. GOODE: There cannot be a ruling with a motion before the chair.

The CHAIRMAN: No, we have a motion before us.

Mr. GOODE: The chairman is governed by the motion.

The CHAIRMAN: I cannot make a ruling when the motion is on the table.

Mr. WEAVER: I would be prepared to withdraw my motion on condition that you make a ruling.

Mr. FLEMING: The motion is there. Let us have it read, and take a vote on it, and be done with it.

The CHAIRMAN: Would you amend it to 1957?

Mr. GOODE: No, I am certainly going to suggest that the motion be withdrawn and that a ruling be made by the chair.

The CHAIRMAN: Well, will the committee accept a withdrawal of the motion?

Mr. FLEMING: I will not consent to a withdrawal of the motion.

Mr. BOISVERT: Let us have a vote. I move that the motion be withdrawn.

The CHAIRMAN: I would need unanimous consent to withdraw the motion.

Mr. RICHARDSON: All you need to have is the consent of the mover and the seconder.

Mr. FLEMING: That is not the rule of parliament.

The CHAIRMAN: No. I need unanimous consent. Very well, I will put the motion.

The motion is "that Mr. Dunton not be required to answer hypothetical questions on future finances beyond the projection of income and expenditures for the year ending March 31, 1956."

Mr. RICHARDSON: I move an amendment. I am not too photographically minded, but after the early words of the motion there be inserted "that the questions put to Mr. Dunton by Mr. Fleming being beyond the terms of reference of this committee" and then go on.

The CHAIRMAN: Will you write out your sub-amendment, please?

Mr. CARTER: All you need is that Mr. Dunton be not required to answer hypothetical questions without any date.

Mr. GOODE: You could not put that in. Who is to know what is a hypothetical question?

Mr. RICHARDSON: Mr. Chairman, my amendment to the motion then would be that after the word "that" in the main motion will be inserted the words, "The question put to Mr. Dunton by Mr. Fleming, being beyond the terms of reference of this committee".

The CHAIRMAN: Have you a seconder?

Mr. BOISVERT: I will second it.

Mr. FLEMING: Mr. Chairman, the amendment is out of order, but I will not press it now, because we want to proceed with the vote. We have spent 40 minutes on this already. I would like to see the vote taken.

The CHAIRMAN: The amendment of Mr. Richardson that "The question put to Mr. Dunton by Mr. Fleming, being beyond the terms of reference of this committee," is now before us. The question is on the amendment put by Mr. Richardson to the motion by Mr. Weaver. Those in favour of the amendment will please raise their hands. We will have a recorded vote.

(*For recorded vote see minutes*).

The CHAIRMAN: It is ten to two in favour of the amendment.

Mr. FLEMING: I am asking for the roll call on the motion as amended.

Mr. GOODE: Speaking to the motion, before any misrepresentation is taken on this motion, may I put on the record that this was not a party vote and that the members of the C.C.F. and the Social Credit parties joined with the Liberals in supporting the amendment.

Mr. FLEMING: That is a highly improper comment. Mr. Goode knows the rules of the House, and in the most express terms they prohibit any comments on the vote on any motion, and those rules apply in committee as well.

The CHAIRMAN: We will strike them from the record.

Mr. GOODE: My comments are made on the same basis as the question asked by Mr. Fleming regarding 1957-58.

Mr. FLEMING: Those remarks are completely out of order!

The CHAIRMAN: Would you accept the same vote?

Mr. FLEMING: No, I am asking for a vote to be called.

The CHAIRMAN: Not the same vote?

Mr. FLEMING: No, the roll call on the main motion as amended.

(*For recorded vote see minutes*).

The CHAIRMAN: The motion is carried as amended.

Mr. BOISVERT: I will move that we adjourn, Mr. Chairman.

The CHAIRMAN: We will sit this afternoon.

Mr. FLEMING: No, we cannot get a committee room.

The CHAIRMAN: The clerk tells me we can find a room. I am afraid if we do not sit this afternoon to try and finish with the C.B.C. we will have to wait until the week after next to sit because too many members will be absent.

Mr. FLEMING: If the committee is going to meet this afternoon, may I suggest we meet as soon as the orders of the day are called instead of waiting until 3.30. We could make an earlier start.

The CHAIRMAN: If we can get a room; it will be at the call of the chair. Mr. Gratrix will try and get a room and notices will be distributed. It will be **3.15 p.m.**

# EVIDENCE

(Afternoon Session)

FRIDAY, June 3, 1955
3:15 p.m.

The CHAIRMAN: We have a quorum, gentlemen.

**Mr. A. Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation, recalled:**

Mr. FLEMING: May I ask a question?

The CHAIRMAN: Yes, sir.

Mr. FLEMING: Have we put on the record the figures which Mr. Dunton gave us this morning with respect to the projection of income and expenditures?

The CHAIRMAN: Yes.

*By Mr. Fleming:*

Q. Mr. Chairman, I have a question to ask Mr. Dunton in regard to the item which appears in all these statements, the financial statements, on page 48 for the year ending March 31, 1954 as well as on the tentative statement for the year ending March 31, 1955, and the projection for the present fiscal year. It is the item under income, commercial broadcasting. I should say to you at once that I had always understood that to be a gross figure. But from conversation in this room a couple of weeks ago I rather gathered the impression that it is not a gross figure, but it may be a net figure. Would you clarify that for me, please?—A. It is the figure covering revenue from commercial, which can be applied to the operations of the whole system. I think I could answer you by explaining that, as you know, usually in practice, particularly in commercial sound broadcasting the sponsor used, in most cases, to furnish the program. Therefore, no cost in relation to the programming went through our books. In television, some programs are furnished, and there are a number which we produce ourselves. When these become sponsored, in the first case no money related to the production of the program goes through our books. But if we are producing a program there are funds going through our books. In a case like that the amount which the sponsor pays to us in relation to the production of the program is offset by the out-of-pocket expenditures we have in connection with that program. Therefore such sums do not appear on the revenue side.

Q. Where do they appear in this statement?—A. They would not appear on either side.

Q. They are just eliminated on both sides of the ledger, in this case?—A. Yes.

Q. What would they amount to?—A. In the year 1953-54 it would be around $600,000.

Q. And in the following year?—A. In 1954-55 it will be just about $2 million. I might say that there is another figure. Funds which go through our books and which are the payments to private station networks, and which come into us and are paid out to the private stations—such figures do not show in our commercial revenue.

Q. What is your projection for this present year?—A. Somewhere around $2,300,000 or $2,400,000. That is the figure which we have been trying to get as high as we can.

Q. But the figure you gave us as to the payments made to private stations? —A. The figure I gave was for the payment by sponsors.

Q. Yes, that is commercial revenue, and that does not include your payments now, which you just mentioned made to private stations by way of sharing the revenue with them.—A. No.

Q. There was a statement made this morning by the Hon. Mr. McCann about the possible use of telemeters, the purpose of which, as I understand it, is to assess a fee on the television viewer who choses to view a particular program. Has the C.B.C. given any study to such a system for revenue purposes?—A. We have looked at them all. I think I gave evidence on it before. We have kept them under observation.

Q. What do you mean when you say that you gave evidence on it before? —A. I mean in this committee.

Q. You mean this year?—A. Yes.

Q. Well, in this matter does your function go beyond advising the government as to how this would work out and informing yourself as to how it would tie in with your work, from an operating point of view.—A. I would not say that it went that far. Naturally, we try to keep abreast of any interesting developments in the field, and we have done so in this case. It is not specific advice. I imagine that the government authorities have been watching the developments too.

Q. I wonder if Dr. McCann would care to say anything to us about what the position of the government is in regard to this matter which was mentioned this morning?

Hon. Mr. McCann: No, it has not been discussed to my knowledge with the government at all; but it has been discussed with the C.B.C. because I remember sometime ago I was invited to a demonstration of it by the people who manufacture it, and they came here all the way from California to demonstrate it. My thought was that if it was used by private stations and if they got revenue from it, there would be that much less which would have to be supplied in the way of programming by the C.B.C., which costs money. But it struck me that if it was used on C.B.C. stations—I mean on receiving sets served by a network, the company which owns it would have to be paid for its use, and it would be additional revenue.

*By Mr. Fleming:*

Q. There was one matter I asked yesterday, Mr. Chairman, and I think Mr. Dunton asked Mr. Bramah to look up a memorandum. It was in regard to the possible shift of the fiscal year of the corporation so that instead of corresponding with the government fiscal year, it would correspond with the calendar year. Apart from the initial difficulty in shifting, and making the change, has the corporation any view to express on that subject?—A. We have no official view because the board has not considered it officially. But in considering it informally, since you mentioned it yesterday, we can see quite a number of practical difficulties.

Q. Would you please tell us about them? When I asked about this matter at a previous time, I think it was in the House, my thought was that it would enable the corporation to complete its annual report earlier, so that the report would come before parliament at the session immediately following the close of the fiscal year. Now, in this year 1955, we are dealing with your statement for the fiscal year ending March 31, 1954. But if your fiscal year was closed three months earlier, we would be having, in this 1955 session of parliament,

your report and financial statements complete for the fiscal year which would have ended on December 31, 1954. That was the principal reason for asking that the subject might be considered and studied.—A. I was going to make my remarks from the point of view—the selfish point of view of the corporation's own activities.

Q. What are those difficulties which you foresee?—A. One is the international service. As you know, all our funds are handled by the same treasury department as part of the same organization. And the international service year has to close with the government's fiscal year. There will be considerable difficulty otherwise. I suppose it could be cleared up; but the statutory grants are approved as on a fiscal year basis; the excise tax yield and proceeds—while we get monthly payments of them, we get the full year when the year has been tided up, so that we can be sure that we get the full year's proceeds at the end of the government's fiscal year. Then there is the actual and practical problem of the work of our accounting department. Perhaps it is not realized that our treasury department has to do much more work on income tax returns than most organizations in relation to the size of the organization. It has to do all the work in relation to the employees income tax and also that of the artists. They have estimated that they have about 22,000 income tax returns to do.

That work now is cleared up in the early part of the calendar year, and it would be rather a heavy load to place on our treasury department to be trying to do it in January and February, and also trying to close the year out. That is purely a practical matter, but now the work is spread out a bit.

Hon. Mr. McCann: Can you tell me—I think I am right in saying that most of the Crown corporations have a corresponding year to that of the government.

Mr. Fleming: There are some of both kinds. We touched on that yesterday. There are some which are on the government's fiscal year basis, and others which are on the calendar year. Then, of course, there are some government departments which prepare their statistics on a calendar year basis rather than on a fiscal year basis.

Hon. Mr. McCann: That is not just as important.

*By Mr. Fleming:*

Q. It is a little different, but it may have some bearing. Does that complete your review?—A. Broadcasting to a considerable extent is a seasonal thing. As it stands now we can do our major financial planning and thinking towards the end of one season, getting ready for the next, because the fiscal year pretty nearly spans most of the operation season; whereas using the calendar year it would become right bang at the peak. It would not be insuperable, but I am putting the difficulties from our own point of view.

Q. Does that complete your review?—A. Yes.

Q. As far as excise taxes and payments of statutory grants are concerned, I presume you will be paid them anyway and continue to receive your net remittances on the statutory grants and the excise taxes at the same time as heretofore, part way through your fiscal year instead of in tiny amounts, so that would not be a serious problem at all.—A. It could be solved, but I remember the wording of some of the legislation.

Q. Let us assume that the legislation is adjusted to meet the needs of the change. I am thinking of any practical difficulty which might present itself to the C.B.C. Really, there was not anything in those two points?—A. They could be worked out, but there would be no difficulty.

Q. Are you speaking of it from the point of view of the government or of the C.B.C.?—A. From that of the C.B.C., and in getting money from the government.

Q. If it is from the government's point of view, let us assume that it is taken care of by legislation and you are simply receiving those remittances on the same date as heretofore, but it would come part way through your fiscal year instead of at the tail end of it. There is nothing there which is formidable in the way of difficulty?—A. I do not think it would be insuperable.

Mr. GOODE: What would be the advantage; I cannot see the advantage? I cannot see Mr. Fleming's points. We have spent quite a bit of time on it. What would be the advantage of making the fiscal year end with the calendar year rather than the way it is now?

Mr. FLEMING: It would be of assistance for parliament to have up-to-date reports before it. It would mean, as I mentioned earlier, that we would have reports before us in the session running at a date nine months later than at present. If the corporation were on a calendar year basis, we would now be dealing with the report not for the fiscal year ended March 31, 1954 but for the fiscal year ended December 31, 1954, which is nine months later.

The WITNESS: There is one other point I would like to mention, a practical one, which we would have to ask our treasury people to assume at any time at this stage, when they have such a very heavy load of work from the increase in television. There are also the recommendations in our accounting system, and the possible development of a cost accounting system in sound broadcasting. We would dislike to put that extra load on them of the shift.

*By Mr. Fleming:*

Q. I am not overlooking that the initial change in the fiscal year would present difficulty. The mere shifting of the year would obviously present difficulty. But with respect to this matter of the international service, that is just a matter of your receiving remittances in response to accounts rendered to the government.—A. Yes, I think that would be a pretty hard one to sort out because the money is definitely voted by parliament to be used in a given fiscal year. The provision of money by parliament from which we can draw to pay our bills—that would be particularly difficult to work out.

Q. Would it be possible to close off the books of the international service at the end of the calendar year?—A. I do not see how we could.

*By Mr. Monteith:*

Q. It is only an account receivable as far as you are concerned. Anything you spend is purely an account receivable from the international service or from the government. It is not an expenditure of your own. It is only an account receivable, a net amount which you spent. So whatever it might be, it is not a profit and loss of yours. It is merely an account receivable.

Mr. GOODE: We have both had some experience, but I have never seen a firm which could close off one branch on a calendar year basis and other branches on a fiscal year basis.

Mr. MONTEITH: There are other government corporations, Crown corporations with a 31st of December year end, but I do not think this international service is, as I understand it. Whatever you spend up to a certain date, less whatever you receive, is a receivable whether it be the 31st of December, or March 31st or the 30th of June. It doesn't matter, because the only way it appears on your books is as an account receivable.

The WITNESS: That is right, but I would say there is a greater difficulty in connection with the parliamentary vote of money for the international service to be used in the fiscal year.

*By Mr. Fleming:*

Q. You are anticipating a problem there from the point of view of parliament, I take it, not in collecting your monthly remittances in response to your bills?—A. Yes. I would not want to be left in a position where the finance department would say: "there is no authorization".

Mr. MONTEITH: Parliament could still vote money for twelve months ending the 31st of March, but you would only receive what you billed them up to the 31st of December.

The WITNESS: We would, in that case.

Mr. GOODE: I can foresee difficulties in regard to a thing like that very quickly, but I would be surprised if that was the general practice, I think that Mr. Monteith and Mr. Fleming would be the first to raise up serious objection to it.

Mr. MONTEITH: No. I agree with Mr. Fleming that by the time we get around to this statement, we are a year later. We have got estimates for the 31st of March, 1955 now, yet we have not got the balance sheet figures.

Mr. GOODE: We are reviewing, not anticipating. I see Mr. Monteith's point, but I would not want to try to do it in regard to the conduct of a business.

*By Mr. Monteith:*

Q. I wonder if Mr. Dunton has any figures on the amount of money spent on fixed assets during this year ending the 31st of March, 1955?—A. Yes, we have, sir. I have the figures for 1954-55, which would represent the actual cash spent out.

Q. Charged to assets?—A. Yes. On television it was $4,600,000; and on sound, it was $1,080,000.

Q. We have a projection for 1955-56. Have you got any estimate there in the projection of the expenditures for fixed assets in this coming year?—A. They are just being worked on right now.

Q. Well, I think that Mr. Dunton would agree with the figure we had this morning, whatever it was, that it was an item of cost to the taxpayers in 1954-55 of $23,464,000 and that it should be increased by this figure of $5,680,000.—A. I do not think there is any doubt that it is money which presumably comes from the taxpayers at some earlier stage, or which will be repaid out of future revenues to come partly from the taxpayers, and partly from commercial revenue.

Q. If we take in this figure of $5,680,000 as additional cost to the taxpayer, the amount for depreciation should be taken off.—A. Yes.

The CHAIRMAN: Are there any more questions?

*By Mr. Goode:*

Q. May I go back to this subject which was brought up by Mr. Fleming in regard to wired television service in Canada. As far as I recollect, Mr. Dunton, there is one in Montreal and one in Vancouver. It is a selected service to selected recipients.—A. I know there are those two systems.

Q. I have not seen either of them. I believe there is some type of typed service in the east Kootenay area. I wonder whether this subject of programming and costs could not be alleviated somewhat by the C.B.C. going into that business eventually. Private companies are making money out of it, otherwise they would not be in that business. CJOR is in it in Vancouver, if I remember correctly, but I would not be too sure because I do not know too much about what I am talking about. I wonder why the C.B.C. does not go into that business too.—A. We are primarily a broadcasting organization. That means

that we produce and collect programs and put them on the air and transmit them. But these organizations are doing something else. They are receiving and distributing organization, in one form or another. One form may be to receive what is being broadcast in its own receiver and transmit it by wire to the subscriber's home. That is not broadcasting. It is a form of communication of something which they have taken from the air, and they are getting money from their subscribers for transmitting it through cables and putting it into a monitoring set in the subscriber's house. Perhaps you can make money in doing a thing like that, but I do not think it is an operation for a broadcasting organization to develop. You would be going into a commercial communication kind of operation.

There is another type which I believe is the type used in Vancouver. In that case they have a central antenna, and with that antenna they take the signals by cable to the subscriber's house where the subscriber has his own receiving set. That is a form of common or community antenna. In that case the payment is made for the use of the good antenna of the organization which is set up, while the subscribers own the sets in their own houses.

Q. Where do they get their programs?—A. From the air, provided by broadcasters, and they get them free.

Q. Does the television program they are putting out in the east Kootenays come from the Spokane station operating jointly? What about Vancouver? Is there any such wire service from that television?—A. They simply take the television signals which are in the air.

Q. Could these people get those programs from their regular receiver just the same as the programs which they get from CJOR, or whoever puts them out?—A. No. There would be some programs which are available on the airwaves in that area in any case.

Q. What would be the advantage?—A. The advantage that in some cases you can get better reception, especially if the program originates at a distance, or if there are natural obstacles, because they can put an antenna at a high point and get good reception from a fairly distant station and pipe the signal into the subscriber's homes and thereby give them better signals than they could get in their own homes. But it is something which is taken out of the air. It is free, but they get a better quality of signals.

Q. What about this 25 cent program? Do they get different programs on the air with these metered jobs we hear of?—A. Nobody knows, because it is not operating at any place yet.

Q. There are none in the United States yet?—A. There have been one or two experiments in the United States, but the whole subject is being studied by the Federal Communications Commission. It has been the subject of a great deal of study in the United States.

Q. Would it have any connection with the kind of service which is being operated or employed in the east Kootenays?—A. No.

Q. They do not have to come for a licence or anything else. They can just pipe it in, or bring it in from a mast in Spokane and send it to the homes, and neither the Department of Transport nor the C.B.C. has anything to do with it?—A. That would come under the authority of the Department of Transport, which is considering regulations and conditions of licensing now.

Q. There is no licence needed at the moment?—A. I am not sure. I do know there is provision for the licensing of what are called private commercial receiving stations.

Mr. BOISVERT: Is that question not before the Exchequer Court of Canada?

The WITNESS: There was a case related to the use of program material by a wired system. I understand a decision was handed down.

*By Mr. Fleming:*

Q. There are a couple of items which I have been looking over and which I thought should be made a matter of comment under the heading of expenditures, and just following the trend of the expenditures on the first two items, namely programs and engineering. Under the heading of expenditure, taking the first two items, namely programs and engineering, the total expenditure for programs on both sound and television in the fiscal year ended March 31, 1954 was $11,703,000. For the fiscal year ended March 31, 1955, your estimate is approximately $17,839,000, and your projection for the current fiscal year is $26,740,000?—A. That is right—combining the two.

Q. Under the heading of expenditure, taking the first two items, namely programs and engineering, the total expenditure for programs on both sound and television in the fiscal year ended March 31, 1954 was $11,703,000. For the fiscal year ended March 31st, 1955, your estimate is approximately $17,839,000, and your projection for the current fiscal year is $26,740,000?—A. That is right—combining the two.

Q. On the engineering the total in the fiscal year ended March 31st, 1954 was $4,208,000 in round figures; in the fiscal year ended March 31st, 1955, the estimate is $6,256,000, and your projection for the current fiscal year is $9,840,000?—A. Yes.

Q. The third item I would like to comment on is the item of audience research. I do not see any such item in the statement for the fiscal year ended March 31st, 1954 and it does not appear on the statement for the fiscal year ended March 31st, 1955, but in your projection for the current fiscal year you have $25,000 estimated for audience research on television, and $100,000 for sound broadcasting services. Is this just a matter of changing the name of the item?—A. Yes. In these other years they are consolidated with the program expenditure—this is really a part of program expenditure. In the projection we have put it in separately.

Q. Well, can you give us the expenditure on audience research?—A. I think you have had the information with regard to 1953-1954.

Q. $85,000 for the year 1954-55?—A. For both sound and television.

Q. $85,000 for sound broadcasting and integrated services, $16,000 for television. What year was that?—A. 1954-1955.

Q. What about the fiscal year ended March 31st, 1954?—A. You have got pretty much the figures as you went through under listener surveys?

Q. Yes, I see a figure here in your earlier breakdown for the fiscal year ended March 31st, 1954 on listener services—$30,349 for sound, $8,013 for television.—A. Yes.

Q. Does that represent total expenditure corresponding to these projected figures for audience research?—A. It would not quite, because I think as you may have noticed we set up a special section dealing with that about that time, about a year and a half ago. So before that, when we were getting the services, and some people were working on it, they were people in other divisions—in the commercial division and the program division particularly. Then we set up a small section to deal with this question of audience research which has a small staff and deals with these surveys and material of this kind.

Q. The item embraces not only the research which you are carrying on through your own unit but also the payments you make as subscriptions to the listener research services?—A. Yes, as I explained, the large part of the work of this section, which is a small one, consists of studying the results of the commercial services to see what use they can be to us. We do very little original research or field work ourselves.

Q. What are the services to which you are now subscribing?—A. As I said before, Eliott Haynes, International Surveys and B.B.M., the Bureau of Broadcast Measurement.

Q. That is a complete list?—A. Those are the only ones to which we subscribe on a regular basis.

*By Mr. Monteith:*

Q. I would just like to put one thing on the record—the loans by the government to the C.B.C. with respect to television at the 31st March, 1954 amounted to $12,750,000?—A. Yes.

Q. I understand that there is an increase of $3 million in the fiscal year ended 31st March 1955?—A. Approved by parliament last year, yes.

*By Mr. Fleming:*

Q. Does that completely account for the projected increase in your expenditure on interest in the figures you gave us this morning? May I remind you, Mr. Dunton, that your tentative statement for the fiscal year ended March 31st, 1955 showed interest on loans of $453,000 for television and $94,000 for sound broadcasting, which would total $547,000; and in your projection for the current fiscal year you show $95,000 interest on loans on sound broadcasting and $550,000 interest on loans for television, totalling $645,000, that is, an increase of $100,000 over the fiscal year ended March 31st, 1955. Is that difference completely accounted for by the additional loans which you received in the fiscal year ended March 31st, 1955?—A. As far as the statement for 1954-1955 goes, yes.

Q. There are no other loan transactions contemplated in the present fiscal year?—A. No, but as I explained this morning, in order to meet our capital commitments and carry out capital projects we have to have a loan this year.

Q. I thought you were going to apply something like $10 million from your reserves?—A. That will be nearly all needed to cover our operating deficits.

Q. Can you indicate how big a loan you estimate you are going to require in the present fiscal year to take care of the capital requirements you speak of?—A. As we see it at the moment, about eight and a half million dollars, of which two and a quarter million dollars represents capital projects which have been largely completed out of our own surpluses—and then the remainder, about six and a quarter million dollars, represents other projects.

Mr. MONTEITH: When was that $3 million received in 1954-1955?

The WITNESS: On March 31st.

*By Mr. Fleming:*

Q. The figure we had, then, this morning of $43 million in round figures for projected expenditure for the current fiscal year is on current account only. Actually you expect to expend on both current and capital accounts in the current fiscal year about $51½ million?—A. Yes—if we get the capital loan, which we have not received yet.

Q. Subject to your receiving from parliament the loan which I take it you will be asking for of $8½ million, your projected expenditure for this present fiscal year would be $51½ million?—A. That is not quite right. We must be careful not to put things in twice. As I said, $2¼ million worth of capital expenditure has to a large extent been paid out already out of our surplus.

Q. If you get the sum you are asking for by way of loan are you going to put that back into your surplus?—A. If the loan takes care of these capital projects, that money will be available to cover current operations this year.

Q. Are you saying that this expenditure of $2¼ million was largely completed in the fiscal year ended March 31st, 1955?—A. No, but largely committed in that time.

Q. All your bills will be paid largely in this current fiscal year?—A. Yes.

Q. That means that the actual expenditure will then run to the $51½ million in the current fiscal year, if you get the loan you are asking for?—A. Yes.

Q. This will be the actual monies paid out?—A. Yes.

Hon. Mr. McCANN: This question of what might happen if a loan is granted should not be discussed here until the final supplementary estimates come in. With regard to this business of putting down figures of what the loan is going to be, you cannot do that with any certainty. You can put down what the C.B.C. have asked for, but that is always subject to the approval of the treasury board.

Mr. FLEMING: I do not think that Mr. Dunton was going beyond saying that, Mr. Chairman.

Hon. Mr. McCANN: I do not know whether the government is going to be as generous as the C.B.C. asks.

The WITNESS: I think I was covering myself very carefully.

Mr. FLEMING: Yes, I think Mr. Dunton answered that with his usual caution.

*By Mr. Holowach:*

Q. How much money was spent by the international service of the C.B.C. during the past fiscal year?—A. I am sorry, I did not quite hear the question.

Q. How much money was spent by the international service of the C.B.C. during the past fiscal year?—A. Just about $2 million.

Q. I understand that this year there is to be a substantial trimming of the monies allocated to that service?—A. That is right.

Q. What were the factors which motivated such a recommendation?—A. This was discussed in the committee before, but I will go over it again if you wish. This was a question involving a government decision, and the government decided on, and proposed to parliament, the estimates for the fund to cover the international service, and the government last year decided to propose this smaller sum of just over $1,600,000. Dr. McCann explained the matter in the House before this committee was set up.

Q. Do you not think this smaller sum allocated to the international service will adversely affect the effectiveness of the international service in its achieving its objectives ?—A. I explained earlier in the sittings of this committee that the decision covered both the question of the money allocated and also the question of the services which might be cut out or reduced, and those services will be reduced either to weekend services, or as in the case of the Finnish service, eliminated altogether.

Mr. GOODE: This is subject to government policy, Mr. Dunton?

The WITNESS: Subject to government policy, yes.

The CHAIRMAN: Are there any other questions?

Mr. RICHARDSON: We are dealing now with financial matters?

The CHAIRMAN: Yes.

Mr. RICHARDSON: When we come to refer to other matters, I shall have a question to ask.

Mr. GOODE: We are finished with finance now, Mr. Chairman.

The CHAIRMAN: We are finished with finance.

*By Mr. Richardson:*

Q. Then I have one more question, Mr. Chairman. Some members of the House read the Toronto Globe and Mail and questions sometimes arise as a result of their reading it. Here is one extract from that newspaper which I would like to put to Mr. Dunton for his comment:

> Television and other mass media threaten to black out the thinking of young and old alike, Rev. John McNab, editor of the *Presbyterian Record* told the 81st General Assembly of the Presbyterian Church in Canada yesterday.

This cutting, by the way, is dated June the 3rd, 1955.

> Dr. McNab charged that a form of subtle propaganda is being unleashed through mass communications that is changing the Christian way of thinking.

I have no doubt that it is unfair to Mr. Dunton, at such short notice, to ask him to try to answer that—and it is not too necessary to answer it as far as I am concerned. But if he would care to comment, I would like to have your views.—A. I think anyone who really watches what is on Canadian television stations and does not comment without watching, would agree that there is a great deal of material which is very stimulating and thought-provoking.

Q. Now I would like to ask a question on the evidence given by Mr. Murdock, of the 27th of May, I think, referred to in the minutes at page 688. In his brief he refers to two agreements, one of which is the broadcasting agreement signed in 1950 and a television agreement of July, 1952, and on page 695 are questions about these agreements and I said I supposed that this matter might more properly be taken up with the C.B.C. I asked: what are those agreements and the dates? And he answered:

> The radio agreement is July, 1950, and the television agreement is I think July 1952.

I would like to ask the question now: are these two agreements still in effect?—A. This is not an easy matter to answer, Mr. Richardson. There was, as Mr. Murdock said, an agreement covering sound broadcasting signed in 1950 which ran out as signed in 1951. Mr. Murdock says it is still in effect.

Q. Do I understand, or does the committee understand, that that agreement is not in effect?—A. The terms of it in general are still to be carried out with some modifications which Mr. Murdock has asked for since. It is hard to say whether it is in effect or not. There is no document covering the period from that date up to the present time.

Q. In that case I am bound to say that Mr. Murdock was less than frank with us. How about the other agreement? Is it the same speculative status?—A. As far as I know there was no other agreement signed covering television. A document was discussed in general terms. The terms in that document are those which do apply to the hire of musicians but to my knowledge there is no overall document signed by both parties in existence.

Mr. REINKE: Is there any scale for television payments in the same way as there is for sound broadcasting?

The WITNESS: Oh yes, very definitely.

*By Mr. Richardson:*

Q. In other words a lawyer might call it a "unilateral agreement".—A. In fairness, I think it should be said that quite often our people object to things which Mr. Murdock says—

Q. That is one of the reasons for my earlier questions, and if members of the committee will be patient I would like to refer again to the brief on page 688, where Mr. Murdock says:

> In the evidence before this committee it has been said in effect that "union rules" prevent by way of making too expensive the feeding of Canadian programs to United States networks. I know that Mr. Bushnell has interjected that this is not a rule of the Musicians Union. But I wish to make the point once more: Our agreement on radio broadcasting with the Canadian Broadcasting Corporation does permit the feeding to the U.S. of any radio musical program without extra charge.

I think it is only fair in view of that, and certainly in view of what we have heard now, to know just what the status of these agreements is. It seems nebulous, to say the least. You may want to ask Mr. Bushnell to answer that question, Mr. Dunton.

Mr. BUSHNELL: In point of fact as far as the rate is concerned, while we actually have no valid signed agreement we have an operating agreement and an understanding, if you like; and the musicians union has never required us to pay anything extra for the exportation of programs to the United States unless the material was on a tape or a disc.

As far as television is concerned we have no signed contract. We are working under an agreement proopsed by Mr. Murdock, to some clauses of which we take strong objection and for that very reason the contract as such has not been signed. The original document is still in my briefcase but unfortunately I did not bring it here this afternoon. But, as I say, while we have strong objections to some of the clauses in it, cooperation with the musicians union has by and large been a reasonably happy one. Whether it is signed or whether it is not doesn't seem to make a very great deal of difference at times.

There is one rather curious clause in all agreements when we do have to sign individual agreements with performers or orchestras which stipulates that the laws and regulations of the federation and of the local are "hereby agreed to". Now it is conceivable that the laws and the regulations of the international federation, or the laws and the regulations of a local could be changed at any time, and that is something which we would like to "iron out" with the federation.

I would like to make this very clear—that if we make an agreement with Mr. Murdock he keeps it.

Mr. RICHARDSON: Did you make it?

Mr. BUSHNELL: If we make it—

The WITNESS: I may say that if Mr. Murdock and Mr. Bushnell do settle something over a cup of coffee sometime they both stick to it.

Mr. RICHARDSON: We may take it that the C.B.C. have a copy for the record of these rules and regulations—this so-called paragraph which binds the C.B.C.?

Mr. BUSHNELL: I can get them.

Mr. RICHARDSON: You have not got them?

Mr. BUSHNELL: Oh, the rules and regulations—I thought you were talking about the agreement. I think they could be discovered somewhere, but officially we have never been given them so far as I am aware.

Mr. RICHARDSON: Therefore you and your associates do not know by what you are bound?

The WITNESS: At times we have found that out.

The CHAIRMAN: Are you through with those questions now?

Mr. RICHARDSON: Yes.

The CHAIRMAN: Are there any other questions? Are we finished now?

Mr. GOODE: There is just one observation I have to make, and the committee might wish to consider it: some of us are very anxious that a Royal Commission should be appointed to consider all of these matters. My impression of the statement made in the House has led me to believe that a commission is going to be appointed, and then again, the argument could be made out that it is not. No definite statement has ever been made, and I rather think that this committee should be told whether a commission is to be appointed before the end of this session. I make these remarks because the decision will affect the committee's considerations when it is bringing in the report. Personally, as I think my questions have indicated during the sittings of the committee, I am fully in favour of a commission being appointed, and so are most of my colleagues in British Columbia, and before we sit down to work out a report I think it is most important we should have this information, whether it is given in the House or whether it is given in this committee. The important consideration is that the decision should be known to us so that we can take it into account in due course.

The CHAIRMAN: I think I have no authority to ask the Prime Minister to make a definite statement with regard to the appointment of a Royal Commission. This, being a matter of policy, has to be announced on the floor of the House and it will most likely be announced on the floor of the House when it comes—if it comes.

Now do I understand that the committee is ready to adopt the annual report of the Canadian Broadcasting Corporation for the year 1953-1954?

Mr. RICHARDSON: I so move.

Mr. KNIGHT: I second the motion.

The CHAIRMAN: Moved by Mr. Richardson and seconded by Mr. Knight that the report be adopted. Is that unanimous?

Agreed.

Now we will adjourn, but before members of the committee leave it is my pleasure to thank every one of you for the cooperation you have given me during every sitting of this committee. You made my work very easy. It was my first appointment as a chairman of a committee and if I had not received the cooperation of every member it would have been much more difficult for me to guide the work of this committee. I should also like, on behalf of the committee, to thank all the witnesses who have appeared before us for the cooperation they have shown, and the understanding they have displayed. I should like further to express my appreciation and that of the committee, to the members of the reporting staff for the excellent manner in which they have carried out their task.

Mr. HANSELL: What is our next step?

The CHAIRMAN: We shall begin consideration of the report, and I think that will be at the call of the chair. I do not know when the committee will reconvene. If I gave a date now, it would be very hypothetical.

# APPENDIX "A"

New Stations authorized in areas already having primary service from existing stations during the period April 30, 1953 to May 13, 1955.

## APPENDIX "A"

NEW STATIONS AUTHORIZED IN AREAS ALREADY HAVING PRIMARY SERVICE FROM EXISTING STATIONS DURING THE PERIOD APRIL 30, 1953 TO MAY 13, 1955.

| *Location* | *New Station* | *Stations Already in Existence* |
|---|---|---|
| Edmonton, Alta. | CHED | CBXA ..... Edmonton, Alta. |
| | | CFRN ..... Edmonton, Alta. |
| | | CHFA ..... Edmonton, Alta. |
| | | CJCA ..... Edmonton, Alta. |
| | | CKUA ..... Edmonton, Alta. |
| Camrose, Alta. | CFCW | CJCA ..... Edmonton, Alta. |
| | | CKUA ..... Edmonton, Alta. |
| North Vancouver, B.C. | CKLG | CKWX ..... Vancouver, B.C. |
| | | CJOR ..... Vancouver, B.C. |
| | | CBU ..... Vancouver, B.C. |
| Brampton, Ont. | CFJB | CJBC ..... Toronto, Ont. |
| | | CFRB ..... Toronto, Ont. |
| | | CBL ..... Toronto, Ont. |
| Leamington, Ont. | CJSP | CKLW ..... Windsor, Ont. |
| | | CBE ..... Windsor, Ont. |
| Galt, Ont. | CKGR | CBL ..... Toronto, Ont. |
| | | CJBC ..... Toronto, Ont. |
| Kingston, Ont. | CKLC | CKWS ..... Kingston, Ont. |
| St. Joseph d'Alma, Que. | CFGT | CBJ ..... Chicoutimi, Que. |
| Montreal, Que. | CJMS | CBM ..... Montreal, Que. |
| | | CBF ..... Montreal, Que. |
| | | CFCF ..... Montreal, Que. |
| | | CHLP ..... Montreal, Que. |
| | | CJAD ..... Montreal, Que. |
| Chicoutimi, Que. | CJMT | CBJ ..... Chicoutimi, Que. |
| Drummondville, Que. | CHRD | CBM ..... Montreal, Que. |
| | | CBF ..... Montreal, Que. |

NEW STATIONS AUTHORIZED IN AREAS NOT PREVIOUSLY HAVING PRIMARY SERVICE DURING THE PERIOD APRIL 30, 1953 TO MAY 13, 1955.

CKYL, Peace River, Alta.
CKBC, Bathurst, N.B.
CKEC, New Glasgow, N.S.
CKOT, Tillsonburg, Ont.
CKBM, Montmagny, Que.
CKTR, Three Rivers, Que.
CKRB, Ville St. Georges, Beauce, Que.

NOTE: Although there are 18 new stations listed, one existing private station, CFPR, at Prince Rupert, B.C., was transferred to CBC ownership, making a total of 157 private stations at May 1, 1955. See Section II of the list of changes in Canadian Broadcasting Stations during the period April 30, 1953 to May 13, 1955.

# APPENDIX "B"

Populations served by TV Stations

A & B Coverage

## APPENDIX "B"

## POPULATIONS SERVED BY TV STATIONS
## A & B COVERAGE

| *CBC* | | *PRIVATE* | |
|---|---|---|---|
| CBFT Montreal ..... | 1,776,200 | | |
| (incl. English) ..... | 2,036,500 | | |
| CBLT Toronto ..... | 1,736,200 | CHCH-TV Hamilton .... | 796,300 |
| CBUT Vancouver ..... | 824,200 | | |
| (without Victoria) .... | 719,900 | | |
| | | CHLT-TV Sherbrooke .. | 507,000 |
| | | CFPL-TV London ..... | 430,000 |
| CBMT Montreal ..... | 424,300 | | |
| (incl. Bilingual) ..... | 2,267,200 | | |
| CBWT Winnipeg ..... | 424,100 | | |
| | | CKCO-TV Kitchener ... | 413,300 |
| | | CFCM-TV Quebec ..... | 387,200 |
| | | CKLW-TV Windsor ..... | 332,000 |
| CBOT Ottawa ..... | 289,300 | | |
| CBHT Halifax ..... | 266,200 | | |
| CBOFT Ottawa ..... | 206,200 | | |
| | | CFRN-TV Edmonton .... | 253,800 |
| | | CHEX-TV Peterborough | 241,000 |
| | | CHSJ-TV Saint John .... | 233,000 |
| | | CHCT-TV Calgary ..... | 218,000 |
| | | CKVR-TV Barrie ..... | 202,000 |
| | | CKWS-TV Kingston .... | 181,400 |
| | | CKNX-TV Wingham .... | 173,700 |
| | | CJON-TV St. John's .... | 156,400 |
| | | CKCW-TV Moncton .... | 152,900 |
| | | CJCB-TV Sydney ..... | 147,100 |
| | | CJBR-TV Rimouski ..... | 142,100 |
| | | CKCK-TV Regina ..... | 139,000 |
| | | CFQC-TV Saskatoon .... | 114,400 |
| | | CJRS-TV Jonquiere ..... | 99,550 |
| | | CKSO-TV Sudbury ..... | 88,500 |
| | | CFCY-TV Charlottetown | 86,200 |
| | | CJOC-TV Lethbridge ... | 84,800 |
| | | CFPA-TV Port Arthur .. | 76,100 |
| | | CKX-TV Brandon ..... | 60,600 |
| | | CJIC-TV Sault Ste. Marie | 44,800 |

HOUSE OF COMMONS

Second Session—Twenty-second Parliament

1955

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SPECIAL COMMITTEE

ON

# BROADCASTING

*Chairman:* Dr. PIERRE GAUTHIER

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MINUTES OF PROCEEDINGS

No. 13

REVISED

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THURSDAY, JUNE 16, 1955

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SECOND AND FINAL REPORT

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955.

59199—1—R

SPECIAL COMMITTEE

ON

BROADCASTING

*Chairman*: Dr. Pierre Gauthier

and Messrs.

Balcer
Beaudry
Boisvert
Bryson
Carter
Cauchon
Dinsdale
Fleming
Gauthier (*Portneuf*)
Gauthier (*Nickle Belt*)
Goode
Hamilton (*Notre Dame de Grâce*)
Hansell
Henry
Hollingworth
Holowach
Kirk (*Shelburne-Yarmouth-Clare*)
Knight
McCann
Monteith
Reinke
Richard (*Ottawa East*)
Richardson
Robichaud
Viau
Weselak

## ORDER OF REFERENCE

TUESDAY, June 14, 1955.

Ordered, That the name of Mr. Viau be substituted for that of Mr. Weaver; and

That the name of Mr. Hollingworth be substituted for that of Mr. Decore; and

That the name of Mr. Weselak be substituted for that of Mr. Studer on the said Committee.

Attest.

Leon J. Raymond,
*Clerk of the House.*



59199—1½—R

# MINUTES OF PROCEEDINGS

Room 497,
THURSDAY, June 16, 1955.

The Special Committee on Broadcasting met *in camera* at 3.00 o'clock p.m. this day. Dr. Pierre Gauthier, the Chairman, presided.

*Members present:* Messrs. Boisvert, Cauchon, Fleming, Goode, Hamilton (*Notre Dame de Grâce*), Hansell, Henry, Hollingworth, Holowach, McCann, Monteith, Richard (*Ottawa East*), Richardson, Robichaud, Viau and Weselak.

The Chairman tabled a draft of the "Second Report to the House".

The Committee commenced a paragraph by paragraph consideration of the said Report.

On the Title:

Mr. McCann moved, seconded by Mr. Richardson,

That the words *and Final* be added to the Title.

After discussion, and the question having been put, the said motion was resolved in the affirmative.

On Paragraph 1:

Mr. Fleming moved, seconded by Mr. Monteith,

That paragraph 1 be amended by inserting *a comma* after the word "development" at the end of the said paragraph and adding the following:

> *with power to examine and inquire into the matters and things herein referred to and to report from time to time their observations and opinions thereon, and to send for persons, papers and records; that the Committee have power to print such papers and evidence from day to day as may be deemed advisable or necessary; that the Committee have power to meet while the House is sitting.*

After discussion, and the question having been put, the said motion was resolved in the affirmative.

Paragraph 2 was considered and adopted.

On Paragraph 3:

Mr. Fleming moved, seconded by Mr. Hamilton (*Notre Dame de Grâce*),

That paragraph 3 be amended by deleting the words "and unanimously adopted such Report." where they appear in the second and third lines thereof.

After discussion, and the question having been put, the said motion was resolved in the negative.

Paragraph 4 was considered and adopted.

On Paragraph 5:

Mr. McCann moved, seconded by Mr. Goode,

That paragraph 5 be amended by deleting the word "future" where it appears in the fifth line thereof.

After discussion, and the question having been put, the said motion was resolved in the affirmative.

On Paragraph 6:

Mr. Fleming moved, seconded by Mr. Hamilton (*Notre Dame de Grâce*),

That paragraph 6 be amended by deleting the final sentence thereof and substituting the following:

*It is unnecessary and unsound that C.B.C. should continue to license, regulate, and control privately-owned broadcasting stations. The Committee proposes that these functions should be detached from C.B.C., and should be conferred upon a separate regulatory tribunal appointed by the Governor-in-Council and operating in the public interest. This will leave C.B.C. free to concentrate all its efforts on its own operation of the national system of broadcasting. The separate regulatory tribunal should deal with all questions of licensing, regulation, and control as applied to all forms of broadcasting, whether public or private, and whether of sound or television. This will ensure justice and fair play for all forms of broadcasting.*

*There are many precedents to support this proposal of an independent regulatory tribunal. The Australian Broadcasting System is organized on precisely that basis. Here in Canada we have a Board of Transport Commissioners which regulates the operations of the railways, whether publicly-owned or privately-owned. No one would suggest that the C.N.R., in addition to carrying on its own operations, should be authorized by law to regulate and control the operations of the C.P.R. and other privately-owned railways in Canada. Yet that would be the counterpart of the present system of radio broadcasting control in Canada today. Similarly, the Air Transport Board licenses and regulates all forms of civil aviation in Canada. No one would suggest that the publicly-owned Trans-Canada Airlines, in addition to carrying on its own operations, should have complete power to license and control all privately-owned forms of civil aviation in Canada. Yet that also would be the counterpart of our present system of radio broadcasting in Canada.*

*The danger of monopoly is great under any circumstances. It is particularly threatening when applied to such a vitally important medium for the dissemination of thought and opinion.*

After discussion, and the question having been put, the said motion was resolved in the negative on the following recorded division: *Nays:* Messrs. Boisvert, Henry, Hollingworth, McCann, Richard (*Ottawa East*), Richardson, Robichaud, Viau, Weselak.—9. *Yeas:* Messrs. Fleming, Goode, Hamilton (*Notre Dame de Grâce*), Hansell, Holowach, Monteith.—6.

Paragraph 7 was considered and adopted.

On Paragraph 8:

Mr. Fleming moved, seconded by Mr. Monteith,

That paragraph 8 be amended by adding thereto the following:

*The Committee, while affirming the principle of freedom of expression, cannot fail to take note of the fact that the present regulations respecting political broadcasts have been used by the Communists to obtain free network time at public expense for the so-called Labour Progressive Party by the device of nominating straw candidates in general elections. The Committee also notes that in the recent general election in the United Kingdom no free time was given by B.B.C. to the Communist Party. The Committee recommends that consideration be given by the Board of Governors to the revision of the regulations in such a manner as to prevent their being circumvented for this purpose.*

After discussion, and the question having been put, the said motion was resolved in the negative on the following recorded division: *Nays:* Messrs.

Boisvert, Goode, Hansell, Henry, Hollingworth, Holowach, McCann, Richard (*Ottawa East*), Richardson, Robichaud, Viau, Weselak. (12). *Yeas:* Messrs. Fleming, Hamilton (*Notre-Dame de Grâce*), Monteith. (3).

Mr. Hansell moved, seconded by Mr. Holowach,

That a new paragraph 9 be added after paragraph 8 as follows:

*Your Committee discussed at some length the subject of religious broadcasting and regulations governing religious broadcasts. The C.B.C. is to be commended on the type of network religious broadcasts which are arranged in co-operation with the Religious Advisory Council. Respecting religious broadcasts independantly supported, your Committee suggests that the greatest possible freedom of speech be given to such broadcasts, provided of course that such programmes are broadcast in good taste.*

After discussion, and the question having been put, the said motion was resolved in the negative on the following recorded division: *Nays*: Messrs. Boisvert, Fleming, Goode, Hamilton (*Notre-Dame de Grâce*), Henry, Hollingworth, McCann, Monteith, Richard (*Ottawa East*), Richardson, Robichaud, Viau, Weselak. (13). *Yeas*: Messrs. Hansell, Holowach. (2).

Thereupon Mr. Richardson moved, seconded by Mr. Goode,

That the following new paragraph 9 be added after paragraph 8:

*Your Committee discussed at some length the subject of religious broadcasting and regulations governing religious broadcasts. The Canadian Broadcasting Corporation is to be commended on the type of network religious broadcasts which are arranged in co-operation with the Religious Advisory Council.*

After discussion, and the question having been put, the said motion was resolved in the affirmative.

Thereupon Mr. Fleming moved, seconded by Mr. Richardson,

That a new paragraph 10 be added immediately after new paragraph 9 as follows:

*In a medium which exerts so strong an influence on public thought as radio and television it is desirable that the greatest care be taken to provide balance and freedom in the presentation of opinion. The Committee suggests this be constantly kept in view in seeking a wider selection in those participating in the programmes.*

After discussion, and the question having been put, the said motion was resolved in the affirmative.

*Ordered,*—That paragraphs 9 to 19 inclusive of the draft Report be now renumbered 11 to 21 inclusive.

Paragraph 11 was considered and adopted.

On Paragraph 12:

Mr. Monteith moved, seconded by Mr. Richardson,

That paragraph 12 be amended by deleting the last sentence thereof and substituting the following:

*The Committee is of the opinion that such accounting methods have been improved since the Auditor General's Report of August 5, 1954, and recommends that the Canadian Broadcasting Corporation should continue its studies to modernize and further improve all its accounting practices.*

After discussion, and the question having been put, the said motion was resolved in the affirmative.

On Paragraph 13:

Mr. Richardson moved, seconded by Mr. McCann,

That paragraph 13 be amended by adding after the word "would" in the seventh line thereof, *a comma* and the words *whenever practicable to do so* and by inserting *a period* after the word "adequately" in the eighth line thereof and deleting the words "if it is provided with the necessary financial resources".

After discussion, and the question having been put, the said motion was resolved in the affirmative.

On Paragraph 14:

Mr. Fleming moved, seconded by Mr. Hamilton (*Notre-Dame de Grâce*),

That paragraph 14 be amended by deleting the word "although" in the fourth line thereof and substituting therefor the word *while* and that the word "was" where it appears in the said line be deleted and the word *is* substituted therefor.

After discussion, and the question having been put, the said motion was resolved in the affirmative.

At 6.00 o'clock p.m., the consideration of the draft Report still continuing, the Committee adjourned to meet again at 8.30 o'clock p.m. this day.

## EVENING SITTING

Room 497,
THURSDAY, June 16, 1955.

The Committee resumed at 8.30 o'clock p.m. Dr. Pierre Gauthier, the Chairman, presided.

*Members present:* Messrs. Boisvert, Fleming, Goode, Hamilton (*Notre-Dame de Grâce*), Hansell, Henry, Hollingworth, Holowach, McCann, Monteith, Richard (*Ottawa East*), Richardson, Robichaud, Viau and Weselak.

Consideration of the draft Report was continued.

Paragraphs 15, 16 and 20 were allowed to stand.

On Paragraph 17:

Mr. Monteith moved, seconded by Mr. Fleming,

That paragraph 17 be deleted and the following substituted therefor:

*The Canadian Broadcasting Corporation is steadily becoming a drastically heavier drain upon the Canadian Taxpayer. In 1937 the Corporation was spending less than 1 million dollars a year. That amount has continually increased. In its fiscal year, ending 31st March 1952, it spent close to 11½ million dollars; the next year close to 15 million dollars; during its 1954 fiscal period 20 million dollars and in the year ending 31st March 1955 it is estimated to spend over 29 million. It is projected that in this current year, ending 31st March 1956, it will spend over 42 million dollars. All of the figures cited thus far are for operating expenses only and include no capital outlays.*

*Considering that most of the revenue received by the C.B.C. is from the Canadian Taxpayer in either grants from the Government or Excise Taxes collected on Radio and T.V. Receiving sets and tubes, it is obvious the actual annual cost to the taxpayer is not too readily discernible by perusing the financial statements.*

*In 1953-54 this amount was approximately $27,836,000.00. In the year 1954-55 it is estimated to be close to 41 million dollars. It is projected that this net cost to the taxpayer in the current year ending 31 March 1956 will be over 43 million dollars. The actual amount to be spent including the estimated commercial revenue will be over $50,000,000.00.*

*It is not only unsound to turn over to C.B.C. the yield from the excise tax on Radio Receiving Sets and Tubes but, as Mr. Dunton admitted in his evidence, the revenue from this source has the disadvantage of being uncertain in amount.*

*In order to preserve strict Parliamentary control over C.B.C. expenditure and to prevent that expenditure from becoming a heavier drain upon the Canadian Taxpayer the Committee recommends that the present system of assistance to C.B.C. from the public treasury be completely replaced by a system of an annual Parliamentary grant.*

After discussion, and the question having been put, the said motion was resolved in the negative on the following recorded division: *Nays*: Messrs. Boisvert, Goode, Henry, Hollingworth, McCann, Richard (*Ottawa East*), Richardson, Robichaud, Viau, Weselak. (10). *Yeas*: Messrs. Fleming, Hamilton (*Notre-Dame de Grâce*), Holowach, Monteith. (4).

On Paragraph 19:

Mr. Fleming moved, seconded by Mr. Richardson,

That paragraph 19 be amended by deleting the word "particularly" where it appears in the third line thereof.

After discussion, and the question having been put, the said motion was resolved in the affirmative.

Paragraph 21 was adopted.

The Committee then commenced consideration of paragraphs 15, 16 and 20.

Mr. Fleming moved, seconded by Mr. Monteith,

That paragraphs 15, 16 and 20 be deleted and the following substituted therefor:

*In establishing its own TV stations and dealing with applications for privately-owned TV stations the Board of Governors of the Canadian Broadcasting Corporation has been adhering to the policy announced by the Government in the House of Commons on December 8, 1952, and March 30, 1953. There has been no change in the policy since. This policy of local monopoly has been clothed with the euphonious title "The Single Service Coverage Policy". CBC has occupied six principal urban centres, Halifax, Montreal, Ottawa, Toronto, Winnipeg, and Vancouver, thus from the point of view of commercial revenue picking off all the biggest plums for itself. Eighteen privately-owned television transmitting stations are operating. They are, however, restricted to areas where no CBC station is operating, and they are now given by the Government's policy a complete Canadian monopoly in their local areas. To carry out this policy channels have been juggled and shifted about. The Government's policy creates and protects monopoly both for the CBC and for private stations. That policy is already breaking down. Overlapping is now occurring in the areas served by some stations, at least where the viewer has an outdoor antenna.*

*The Committee condemns this policy of monoply. It believes that Canadian competition will have a healthy effect on both CBC and private stations in their operations, in their service to the listening public,*

*and in all forms of their programming. American competition is an existing fact. Millions of Canadians are within access of television from stations located in the United States. These stations send their signals into Vancouver, Montreal, Toronto, and the populous areas of south-western Ontario. Their programmes are popular. Indeed, unchallenged evidence before the Committee showed that the Buffalo stations are listened to by almost twice as many Canadians as the CBC TV stations in Toronto. Thus the Government's policy of monopoly prevents Canadian competition, but not American. The United States stations have not been slow to exploit the protected position created for them by the exclusion of all Canadian privately-owned stations from the six major urban areas. By selling time to Canadian advertisers they are taking $2,000,000, per annum in commercial revenues out of Canada.*

*Mr. Dunton testified that approximately 50% of all programmes in the CBC television system are of United States origin. Private broadcasters indicated to the Committee that they would expect to offer approximately the same percentage of Canadian content in their programmes if licensed to operate. This is one of the things which proper regulation and control could effectively ensure, subject always to the right of the Canadian people to enjoy programmes of their democratic choosing.*

*The policy of local monoply is preventing the erection of French-language stations as well as English-language stations.*

*The dangerous policy of monoply cannot be justified on the argument that C.B.C. must have all the commercial revenues from the six "plum" urban areas. At the present time the CBC is enjoying revenues of approximately $30,000,000.00 per annum. Of this sum only $6,000,-000.00 comes from commercial revenues. The balance comes from the public treasury and is provided by the taxpayers. The CBC is not and never has been dependent upon its commercial revenues for the extension of its broadcasting or television facilities.*

*It is the opinion of the Committee that competition is desirable in the public interest, and that its desirability increases with the rapid increase in the number of television sets in use in Canada. The dangers of the present policy of monopoly are thus constantly increasing.*

After discussion, and the question having been put, the said motion was resolved in the negative on the following recorded division: *Nays*: Messrs. Boisvert, Henry, Hollingworth, McCann, Richard (*Ottawa East*), Richardson, Robichaud, Viau, Weselak. (9). *Yeas*: Messrs. Fleming, Goode, Hamilton (*Notre-Dame de Grâce*), Hansell, Holowach, Monteith. (6).

On Paragraph 15:

Mr. McCann moved, seconded by Mr. Richardson,

That paragraph 15 be amended by deleting the words "subject to the availability of the necessary funds" where they appear in the sixth and seventh lines thereof.

After discussion, and the question having been put, the said motion was resolved in the affirmative.

Paragraph 16 was considered and adopted.

Paragraph 20 was considered and adopted on the following recorded division: *Yeas*: Messrs. Boisvert, Henry, Hollingworth, Holowach, McCann, Richard (*Ottawa East*), Richardson, Robichaud, Viau, Weselak. (10). *Nays*: Messrs. Fleming, Hamilton (*Notre-Dame de Grâce*), Monteith. (3). Messrs. Goode and Hansell abstaining.

Thereupon Mr. Richard (*Ottawa East*) moved, seconded by Mr. Hollingworth,

That the Report, as amended, be adopted.

After discussion, and the question having been put, the said motion was resolved in the affirmative on the following recorded division: *Yeas*: Messrs. Boisvert, Henry, Hollingworth, McCann, Richard (*Ottawa East*), Richardson, Robichaud, Viau, Weselak. (9). *Nays*: Messrs. Fleming, Hamilton (*Notre-Dame de Grâce*), Hansell, Holowach, Monteith. (5). Mr. Goode abstaining.

*Ordered,*—That the Chairman present the Report, as amended, to the House.

Mr. Fleming expressed the high appreciation of members of the Committee for the services rendered to the Committee by the Chairman and moved, seconded by Mr. Hansell,

That this expression of appreciation be recorded in the Minutes of Proceedings.

At 10.00 o'clock u.m., the Committee having considered all matters referred, adjourned *sine die.*

R. J. Gratrix,
*Clerk of the Committee.*

*Note: On June 2nd, 1955, (see Minutes of Proceedings No. 12), the Committee ordered copies of the Canada-USA Television Agreement. Copies of the said Agreement were delivered to members of the Committee on June 16, 1955.*

## REPORT TO THE HOUSE

FRIDAY, June 17, 1955.

The Special Committee on Broadcasting begs leave to present the following as its

SECOND AND FINAL REPORT

1. Your Committee was appointed by resolution of the House on Thursday, March 10, 1955, to consider the Annual Report of the Canadian Broadcasting Corporation and to review the policies and aims of the Corporation and its regulations, revenues, expenditures and development, with power to examine and inquire into the matters and things herein referred to and to report from time to time their observations and opinions thereon, and to send for persons, papers and records, that the Committee have power to print such papers and evidence from day to day as may be deemed advisable or necessary, that the Committee have power to meet while the House is sitting.

2. Your Committee held 35 meetings, including a meeting in Montreal for the purpose of observing the operations and installations of the Canadian Broadcasting Corporation.

3. Your Committee made a detailed examination of the 1953-54 Annual Report of the Canadian Broadcasting Corporation and unanimously adopted such Report. The Chairman of the Board of Governors, the General Manager and other officials appeared as witnesses and were examined at length as to the Corporation's policies, aims, regulations, revenues, expenditures and developments.

4. Your Committee also heard submissions from the Canadian Association of Radio and Television Broadcasters, the American Federation of Musicians in the United States and Canada, and heard evidence from the Controller, Assistant Controller and other officers of the Telecommunications Branch of the Department of Transport with respect to the administration of the Radio Act and the regulations made thereunder.

5. Your Committee is grateful to the Bell Telephone Company for its demonstration of the principles of microwave radio relay transmission. The evidence on the major problems involved in engineering a radio relay system was helpful for the Committee's understanding of developments in that field.

6. Your Committee took note of a brief presented by the Canadian Association of Radio and Television Broadcasters with respect to a separate regulatory board having minimum essential regulatory powers over radio and television broadcasting in Canada. The Canadian Chamber of Commerce forwarded to your Committee a resolution supporting that view. On the other hand a communication from the Canadian Federation of Agriculture supported the present system of national control of radio and television. Your Committee is of the opinion, however, that the evidence adduced does not warrant the establishment of such a separate regulatory board at the present time.

7. Following the established practice of Parliamentary Committees not to hear representations from political parties, your Committee declined to hear representations from the Labour Progressive Party.

8. Your Committee heard evidence on regulations in effect with respect to free broadcasting time granted to all political parties and commends the declaration of the Chairman of the Board of Governors of the Canadian Broadcasting Corporation that such regulations are continuously under review.

9. Your Committee discussed at some length the subject of religious Broadcasting and regulations governing religious broadcasts. The Canadian Broadcasting Corporation is to be commended on the type of network religious broadcasts which were arranged in co-operation with the Religious Advisory Council.

10. In a medium which exerts so strong an influence on public thought as radio and television it is desirable that the greatest care be taken to provide balance and freedom in the presentation of opinion. The Committee suggests this be constantly kept in view in seeking a wider selection in those participating in the programmes.

11. Considerable information was laid before the Committee as a result of specific requests made by members of the Committee, most of which was incorporated into the evidence or appears as appendices thereto.

12. Your Committee examined at length the financial statements of the Canadian Broadcasting Corporation and considered its accounting methods. The Committee is of the opinion that such accounting methods have been improved since the Auditor General's Report of August 5, 1954, and recommends that the Canadian Broadcasting Corporation should continue its studies to modernize and further improve all its accounting practices.

13. Your Committee heard evidence on the improvements and extension in coverage in sound broadcasting since the previous Committee met. The Committee noted that, although there were no major developments in sound broadcasting, coverage was extended to certain outlying areas. The Committee also noted with approval that the Canadian Broadcasting Corporation would, whenever practicable to do so, extend its radio coverage to areas not yet served adequately.

14. Your Committee heard evidence on the operation of the International Service and having examined the estimates for that service for 1955-56, noted with approval that while a reduction in expenditure is being effected, there would be no reduction in service to countries behind the Iron Curtain.

15. Your Committee examined the television operations of the Canadian Broadcasting Corporation and was impressed with the remarkable developments since the previous Committee met in 1953, and noted the national service has been extended to over 70 per cent of the population. Your Committee also noted with approval that the Corporation is planning for further developments of the national television service and of its extension to areas not yet covered.

16. Your Committee is mindful of the importance of television. It undoubtedly has a strong influence on people throughout the country, being a valuable medium for the promotion of national unity, and a source of education and entertainment. The evidence produced to your Committee confirms its views, however, that television is a costly and complicated medium of communication. In this connection there should be borne in mind the following statement made by the Chairman of the Board of Governors of the Canadian Broadcasting

Corporation on the desirability of developing a truly Canadian nation wide service:

> ". . . we are perfectly convinced and think it is very plain that it is impossible for anyone or anybody to operate a nation wide service in this country—a national service in sound and television—on a purely commercial basis."

17. Your Committee feels that the present system of financing the Canadian Broadcasting Corporation, in the light of increasing operating costs, should be reviewed to ensure a continued expansion of the national television service. In this connection the Committee agrees that it is essential for the Corporation to continue to supplement the income it receives from public sources with revenues from commercial operations.

18. The Corporation is to be commended for its continued development of Canadian programmes in both the French language and English language services. However, your Committee recognizes the necessity of a continued outlay of public funds to ensure the maintenance of a high standard of Canadian production and the development of Canadian talent.

19. Your Committee commends the private stations for the part they are playing in the development of the national service and for their efforts to give better community service by way of discussion of matters of local interest, and other public service broadcasts.

20. Your Committee has carefully considered the single service coverage policy which now governs television broadcasting. It is of the opinion that the policy has proved to be a desirable one. It finds, however, that its application involves certain technical and other difficulties which would warrant further study of the whole question.

21. A copy of the evidence adduced is appended hereto.

All of which is respectfully submitted.

Dr. PIERRE GAUTHIER,
*Chairman.*

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