

Canada. Parliament.

J Senate. Special Committee

103 on Mass Media, 1969/70.

H7 Proceedings.

1969/70

M3DATE NAME - NOM

Al

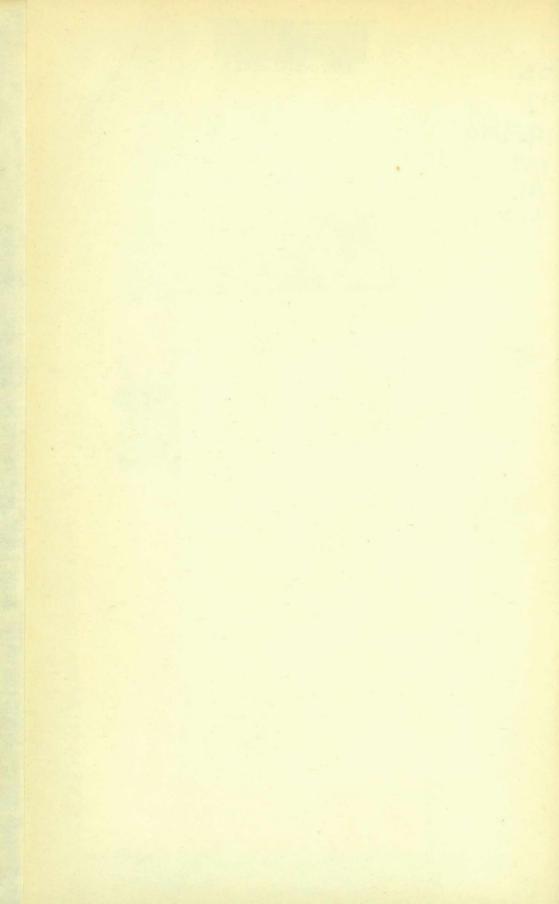
V.3 Dee the Committee

NAME - NOM

NAME - N

J 103 H7 1969/70 M3 A1 V.3

DATE DUE		
Aug26 1998		
AVR 2 0 2001		
[DEC 1 1 2002		
GAYLORD		PRINTED IN U.S.A.





1989-90

SENATE OF GANADA

PROCEEDINGS

OF WISH

POULAL SENATE COMMITTEE

1739

MASS MEDIA

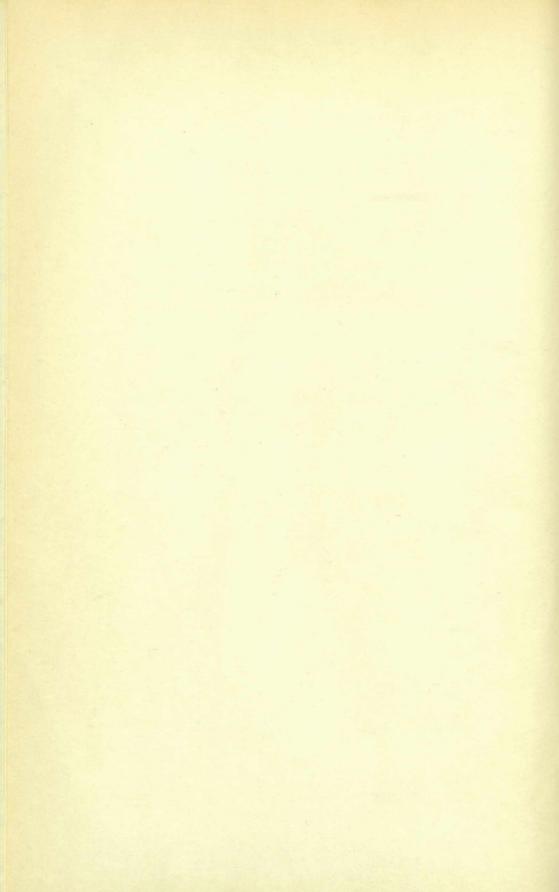
exemple KEITH DAVEN, Chairman

No. 21

STREET, SQUARES, SALES

North State

A CONTRACTOR OF THE PROPERTY OF THE PARTY OF





Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, Chairman

No. 31

FRIDAY, MARCH 13, 1970

WITNESSES:

Canadian Association of Broadcasters: Mr. R. Crépault, President; Mr. W. D. McGregor, Vice-President, Television Section; Mr. J. Fenety, Vice-President, Radio Section; Mr. T. J. Allard, Excutive Vice-President.

1969-70

MEMBERS OF THE SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, Chairman

The Honourable L. P. Beaubien, Deputy Chairman

Beaubien Bourque Davey

Everett Hays

Kinnear Macdonald (Cape Breton) McElman Petten

Phillips (Prince)

Prowse

Quart Smith

(Cape Breton) Sparrow Welch

(15 members)

Quorum 5

FRIDAY, MARCH 13, 1970

WITNESSES:

W. D. McGregor, Vice-President, Television Section: Mr. J. P. Vice-President, Radio Section; Mr. T. J. Affard, Exentive

President

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, December 18th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative, on division.

Extract from the Minutes of the Proceedings of the Senate, Friday, December 19th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That the names of the Honourable Senators Bélisle and Phillips (*Prince*) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 10th to 19th February, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, February 5, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Haig:

That the names of the Honourable Senators Quart and Welch be substituted for those of the Honourable Senators Bélisle and Willis on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 17, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Connolly (Halifax North):

That the name of the Honourable Senator Kinnear be added to the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That the name of the Honourable Senator Langlois be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With the leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 4th to 13th March, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

The question being put on the motion, it was—Resolved in the affirmative.

ROBERT FORTIER, Clerk of the Senate.

Extract from the Minutes of the Proceedings of the Sensie, Thursday, February 5, 1970.

With leave of the Senate,

non distribution and resident description of the Hollow of the Hollow of Senator service Helps of Senators service Helps of Sena

That the names of the Honourable Senators Quart and Welch be substituted for those of the Honourable Senators Delixle and Willis on the list of Senators serving on the Special Committee of the Senate on Mass Media

Estatet from the kewatemoliomediano tois goled disselepting Thursday, Legambir 18th, 1969. avianting and in bayloss ?

noil tired from the Minutes of the Proceedings of the Senate, Tuesday, February 17, 1970.

settimmon With leave of the Senate, the Hontart bore (The Unnounable Senator Michonald Bowed Sectional by the Hontart party Senator Councily (Hagner Novik), send as signed on the tart works were senator Councily (Hagner Novik), send as signed on the

That the name of the Honourable Senator Kinnear be added to me list of Senators serving on the Special Committee of the Senate on Mass Media.

—out states ratio

The question being out on the motion at was—

der 18th and from the Minds of the Proceedings of the Severe, Tureday, Murch 3, 1970.

With leave of the Senate,
The Honourable Senator McDonnid moved, seconded by the Honourruonol the Senator Dept. Dept. Discover allowed allowed and the Senator Dept.

That the name of the Honourable Senator Langlais be removed from squared in the description of the Honourable Senate on the description of the adversarion being put on the motion, it was to study the description of the adversarion.

Extract from the Minutes of the Proceedings of the Senaterillussiay, March

del ver Mith the leave of the Senate, bevon blanches McDonald moved, seconded by the Honourable Senator Denis P.C.

That Rule 76 (4) be suspended in relation to the Special Committeeand that the Committee have power to sit thring sittings of the Senate

That have so to be unspended in relation to their and told mittee of the Senate-was it motion afternotion and notification in the senate was the Connection distances and only be senate it is a selection of the senate in the senate it is a selection of the senate it is a selection of the senate it is a selection of the senate it is a s

Clerk of the Senate.

The question become up on the motion, it was

MINUTES OF PROCEEDINGS

FRIDAY, March 13, 1970. (31)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, (Chairman); Kinnear, McElman, Petten, Smith, Sparrow and Welch. (7)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses, representing the Canadian Association of Broadcasters, were heard:

- Mr. R. Crepault, President, Canadian Association of Broadcasters; President, Radio-Mutuelle Limitee, Montreal;
- Mr. W. D. McGregor, Vice-President, Television Section, Canadian Association of Broadcasters; Vice-President and General Manager, CKCO, Kitchener;
- Mr. J. Fenety, Vice-President, Radio Section, Canadian Association of Broadcasters; Vice-President and General Manager, Radio-Atlantic Limited, Station CFNB, Fredericton;
- Mr. T. J. Allard, Executive Vice-President, Canadian Association of Broadcasters.

The following witnesses were present but not heard:

- Mr. H. Audet, Director, Canadian Association of Broadcasters; President, CKTM-TV, Trois-Rivieres, Quebec;
- Mr. Frank Murray, Director, Canadian Association of Broadcasters; General Manager, Radio Stations CJBQ-AM and CJBQ-FM, Belleville, Ontario;
- Mr. R. Moffat, Director, Canadian Association of Broadcasters; President, Moffat Broadcasting Company Limited; Stations CKY and CKY-FM, Winnipeg, Manitoba;
- Mr. O. Kope, Director, Canadian Association of Broadcasters; General Manager, Stations CHAT and CHAT-TV, Medicine Hat, Alberta.

2.30 At 1.00 p.m. the Committee adjourned to Tuesday, March 17, 1970, at p.m.

ATTEST.

Denis Bouffard, Clerk of the Committee.

MINUTES OF PROCEEDINGS

Fernax, March 13, 1979.

Pursuant to adjournment and notice the Sperial Serate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, (Cheirman): Kinnear, McElman, etten, Smith, Sparrow and Welch. (7)

In attendance: Miss Marianne Barrie, Director and Administrator, Mr., Borden Spears, Executive Consultant; Mr. Eves Fortier, Counsel.

The following witnesses, representing the Canadian Association of Broadcasters, were hourd;

- Mr. R. Crepault, President, Canadian Association of Broadcasters; President, Radio-Mutuelle Limites, Montreal;
- Mr. W. D. McGregor, Vice-President, Television Section, Canadian Association of Brogdessers; Vice-President and General Manager, CKCO, Kitchener;
- Mr. J. Fenety, Vice-President, Radio Section, Canadian Association of Broadcasters; Vice-President and General Manager, Radio-Atlantic Limited, Station CFNB, Frederictor;
- Mr. T. J. Allard, Executive Vice-President, Canadian Association of Broadcasters.

The following witnesses were present but not heard:

- Mr. H. Audet, Director, Canadian Association of Broadcasters; President, CKTM-TV. Trois-Hivieres, Quebec:
- Mr. Frank Murray, Director, Cedadian Association of Broadcasters; General Manager, Radio Stations CUBQ-AM and CUBQ-PM, Belleville, Ontario;
- Mr. R. Moffat, Director, Canadian Association of Broadcasters; President, Moffat Broadcasting Company Limited; Stations CEV and CEV-FM, Winnipeg, Manitoba;
- Mr. O. Kope, Director, Canadian Association of Broadcasters; General Manager, Stations CHAT and CHAT-TV, Medicine Hat, Alberta.

At 1.00 p.m. the Committee edjourned to Tuesday, March 17, 1970, at 30 p.m.

ATTEST.

Denis Bouffard, Clerk of the Committee.

SPECIAL SENATE COMMITTEE ON MASS MEDIA

EVIDENCE

Ottawa, Friday, March 13, 1970

The Special Senate Committee on Mass Media met this day at 10.00 am.m.

Senator Keith Davey (Chairman) in the Chair.

The Chairman: Honourable Senators, I would like to call this session to order. This morning we are receiving a brief from the Canadian Association of Broadcasters and perhaps even before I introduce the guests, it will be necessary to underline that what we have here this morning is not a poor man's CRTC hearing, or a junior grade Royal Commission on broadcasting. Instead, it is a Special Senate Committee on the Mass Media and I think it is important that you realize the context in which we are looking at broadcasting—it is specifically the role of broadcasting in the overall Canadian media spectrum. I think that is perhaps important to put on the record before we even begin.

Now, the President of the Canadian Association of Broadcasters, sitting on my immediate right is Mr. Raymond Crépault, who is the president of the private broadcasters and who in real life is a prominent Quebec broadcaster. On my left is Mr. Bill McGregor who is the Vice-President, Television, of the C.A.B., whose own station is CKCO Television; and at the possible risk of embarrassing Mr. McGregor I should mention that in the first job I had in broadcasting, he was the chief engineer when I was a lowly salesman. CKCO is in Kitchener as you perhaps realize.

Next to Mr. McGregor is Mr. Jack Fenety, who is the Vice-President, Radio, of the C.A.B. and whose station is CFNB in Fredericton. Perhaps a familiar figure to some of you at the right end of the table is Mr. Jim Allard who is the Executive Vice-President of the C.A.B.

Now, there are some other private broadcasters and I think I might ask the president to begin his submission by introducing these

people. I would only say to you, Monsieur Crépault, that our procedure here I am sure you are familiar with. You have submitted a brief more than three weeks in advance in compliance with our written guidelines and we are grateful for your co-operation. It has been circulated and studied and read by the Senators and we would like you now to perhaps take ten, twelve, or fifteen minutes to make an opening oral statement in which you can expand upon your brief or say anything else which may be on your mind, and following that we would like to question you on the contents of your brief and perhaps on other matters which are of interest to us. As I have said to so many other witnesses, if you feel any of the questions could be more effectively dealt with by your colleagues, then by all means refer them.

Welcome; the floor is yours.

Mr. Raymond Crépault, President, The Canadian Association of Broadcasters: Thank you very much Mr. Chairman. Honourable Senators, I am delighted to be here this morning. Perhaps I may start with your suggestion, Mr. Chairman, of introducing the members of the Committee, the other directors of the Association who were able to attend the meeting this morning.

Mr. T. J. Allard, Executive Vice-President, Canadian Association of Broadcasters; there is Mr. Orval Kope from Medicine Hat, Mr. Henri Audet from Three Rivers, Mr. Moffat from Winnipeg, and Mr. Frank Murray, from Belleville. These are the members of the Board of Directors of the Canadian Association of Broadcasters. The Chairman was kind enough to introduce me—my name is Raymond Crépault and I here in my capacity as the President of the Canadian Association of Broadcasters.

The Canadian Association of Broadcasters, l'Association canadienne des radiodiffuseurs, includes in its membership some 260 radio stations, and some 55 television stations. In addition it includes also the CTV Network and a French radio network—Radiomutuel—

the collective membership of which represents about 98 per cent of the private sector of broadcasting in Canada.

The Canadian Association of Broadcasters appreciates indeed, Mr. Chairman, your thoughtfulness in asking for our views and ideas and as I said we are delighted to be here.

We believe that discussions of this kind, especially in this atmosphere, can be of significant value and benefit to Canada. There is one area in particular we would like to emphasize, in the hope it may engage your particular consideration.

We are all dealing here with a fundamental and very precious thing—the right of full access to public information; the right to exchange opinions, and to examine ideas in public without fear of reprisal. What our society is, results from the ability to spread ideas far and wide and to discuss and examine these.

To this day I think no one has put it better than did John Milton when speaking from the passion of his whole life, he said "Give me the liberty to know, to utter and to argue freely according to conscience, above all liberties".

In 1947 the principle was restated by "The Commission on Freedom of the Press", headed by Mr. Robert M. Hutchins, then Chancellor of the University of Chicago. It found that: "Freedom of speech and press is close to the central meaning of all liberty. Where men cannot freely convey their thoughts to one another, no other liberty is secure. Where freedom of expression exists, the germ of a free society is already present, and a means is at hand for every extension of liberty. Free expression is therefore unique among liberties as a protector and promoter of the others; in evidence of this when a regime moves toward autocracy, speech and press are among the first objects of restraint or control."

This is so true, Mr. Chairman, that everytime these take place in some country, an uprising or a revolt, we find that the very first target of the rebels is inevitably the radio and television stations. In a similar context, the Inter-American Association of Broadcasters decided a few weeks ago that it should cancel its forthcoming Annual Convention to protest the absolute take-over by the Government of Peru of all the newspapers publishing in that country.

In every age, in every place, there have been those who sought to choke off the free flow of expression and the free interchange of ideas. Usually, however, there was an informed, articulate and courageous body of opinion which, in the event, rendered attempts as meaningless as those of the forest warden who tried to keep the crows out of his park by closing the gate.

In many areas of the world, the traditional menaces to freedom of expression still exist. In our own society we think that a new kind and a somewhat curious kind of danger has arisen.

This consists of the indifference, sometimes the hostility, of large segments of the public itself—the very people whose general body of freedom depends upon freedom of information.

No one seems to know what has caused this growing tendency to blame the messenger for the news. We hope that your Committee will examine this new tendency with care, and try to find some causes and some possible solutions.

Appendix "A" of our written submission to you quotes at least one informed searcher who has sought to grapple with this puzzling phenomenon. Professor John Tebbel says: "Among the middle class especially, one senses a hatred that goes beyond simple disbelief, as though people were blaming the press for the ugliness of life today. When middle-class citizens read about riots, the plight of the ghettos and the rise of black militants, they believe the newspapers incite the poor and the blacks to make trouble for everybody else because of 'all the publicity' given to them. It is the incredibly naive idea of these people, numbering millions, that if the newspapers and television and radio would just stop talking about the militant leaders and the dissidents of every stripe, and stopped printing and broadcasting the news of crime and corruption which saturates the fabric of our life today, much of this activity which so disturbs the peaceful surface of affluence, would wither away from lack of attention."

we would like to express the hope that your Committee, particularly qualified to do of so, will carefully examine this disturbing it development. We hope, too, that your report will deal extensively with it and emphasize to Canadians that even when they dislike seeing or hearing or reading about disturbing facts in our society, that the process of bringing

these to their attention is itself the key to all their other liberties.

Insofar as broadcasting is concerned, most of the other issues you are examining have already been examined by three Royal Commissions, one "Committee", an influential private Committee, 20 Parliamentary Committees and various regulatory bodies, some of which continue that examination. Broadcasting stations are closely governed by the Broadcasting Act, the Radio Act, and Regulations made under these. To operate at all, a broadcasting station must have a licence granted by the Canadian Radio-Television Commission, after careful examination of all station's affairs. The Commission is entitled to receive any and all information necessary for the discharge of its licensing, regulatory and supervisory functions.

Any ownership transfer of shares or assets in a Broadcasting station in Canada must be approved by the CRTC. Broadcasters are required to pay a "transmitter licence fee" which is over and above all other taxes required of our and other industries. We are forbidden to sell more than approximately 25 per cent of our products; there are certain products we are prohibited from advertising at all; and others may be advertised only under limitation.

Proposals now available for public discussion, would require television broadcasting stations in Canada to be a minimum of 60 per cent Canadian and radio broadcasting stations to use 30 per cent Canadian music.

In all this, we are in direct competition with U.S. radio and television signals which can and do flow across the border freely; we are also increasingly in competition with such signals imported by cable, a means of communications which is growing at this time in Canada at a rate of 45 per cent per year, and we must remember that in any event, some 70 per cent of our Canadian population has some access to one or more U.S. signals.

Since its inception, broadcasting in this country has been a chosen instrument of public policy. In words of the present Broadcasting Act, it is selected to "safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada".

For fifty years, broadcasters have lived with this situation in spite of severe, and at times unexplainable, limitations imposed on the industry.

It is now suggested, as you know, that still further limitations be imposed on the broad-21480—21 casting industry. This is being done at a time when costs are rising steeply, the pace of technological development is making ordinary planning extremely difficult, and the impact of the United States competition being rapidly increased. Many of us, therefore, wonder if solutions utilized in the past, and the present, to try and keep private broadcasting economically healthy while at the same time, utilizing it as a chosen instrument of public policy, will any longer be workable.

In Appendix "F", we have enlarged upon this matter and suggested some possibilities which could set new patterns into the future.

One essential element of that process could be the creation of what I would call a Canadian Program Production Corporation, the financing of which would consist of (a) \$50,-000,000.00 annually, diverted from amounts now paid the Canadian Broadcasting Corporation; (b) The entire annual budget of the National Film Board which I believe Mr. Chairman is in the neighbourhood of \$15,000,-000.00 which would be merged with this new corporation; (c) Funds available to Canadian Film Development Corporation which I understand Mr. Chairman is estimated to be \$10,000,000.00 which would also be merged with this new corporation; (d) any additional funds that any private source wishes to put in. This would include grants from foundations; it would include monies put up for specific production or on a co-production basis, on a continuing or per-program arrangement; (e) Retention in Canada for payment to this new corporation of 15 per cent of amounts derived from the sale, rental. lease or exhibition in Canada of any program material imported from abroad, wherever used in Canada.

This would guarantee the Canadian Program Production Corporation a *minimum* income of \$75,000,000.00 per year. With these funds and any additional monies it was able to obtain, it would be charged with the responsibility of producing Canadian-oriented programs.

Some part of these would be used by radio and television broadcasting stations as a condition of licence. These would be free to lease, rent or purchase additional material upon mutually agreed terms. The material would also be available for sale, lease or rental abroad; and it is to be hoped that additional funds would be derived from that source.

A second essential element of that process in the field of communications Mr. Chairman, would be to have the Industrial Development Bank and similar sources of financing permitted, indeed encouraged, to extend loans to the broadcasting industry, with rates and terms dictated by a consideration for public policy objectives.

The provisions of Section 12 (a) of the Income Tax Act should be extended to include advertising expenditures of the type covered by the section made on United States broadcasting stations.

It could also be legislated Mr. Chairman that the depreciation rate of 50 per cent granted to newspapers, for obvious reasons of public policy, should be extended to cover broadcasting stations as well.

Cable transmissions should be regarded as a projection, an extension of public policy objectives. Thus, cable systems would be licensed to broadcasting transmitting undertakings in order to provide service to geographical areas which might not otherwise receive such service.

This combination of arrangements in my yiew and in our view, Mr. Chairman, would recognize the practical, fundamental realities of the situation; they would recognize finally that to use a now familiar phrase "The only thing that really matters in broadcasting is programming".

I would like to conclude this opening statement by reiterating the conviction of our Association—and which is also my personal conviction—that we are dealing here with a fundamental and very precious thing, the right of full access to public information, the right to exchange opinions, and to examine ideas in public without fear. In this respect, we have been fortunate so far in Canada, but at the same time, it does not mean, it should not mean that our Press, electronic and other, in Canada, is inevitably or automatically immune against blind or sweeping criticism. We must be conscious of the fact that there are some danger signals in Canada in the field of private broadcasting, which could suggest that if we are not careful—if the citizens of this country are not made aware of the fundamental importance of a private broadcasting system, free from encroachments and from capricious interference, we could then eventually see our press experience in Canada the same disastrous fate which has been that of the Press in many other countries of the world, including some so-called western democracies.

I am sure that all of you here are familiar with the outstanding service provided and

contributions made over the years by the private broadcasting industry in Canada.

For my part, Mr. Chairman, as you know, I am now serving my sixth year on the Board of Directors of The Canadian Association of Broadcasters, and I have been involved in private broadcasting since 1957. Throughout these years, I have become increasingly aware of the real contributions which private broadcasters have made and are making to the human values, the realism, the dynamism, strength and unity of Canada.

I have been part of many meetings of broadcasters. I have been part of informal discussion groups, of executive committee meetings, Board of Directors and annual meetings.

In all these, those Canadians whose mother tongue is French and those Canadians whose mother tongue is English, meet together on equal terms, with mutual understanding, regard and respect, with no narrow parochial feeling, dreaming no small dreams, but possessed of an admirable determination to contribute to the still further development of our national purpose and the objectives we share in common.

What people are, is reflected in what they do. All of these broadcasters return from meetings to their respective communities knowing more, I am certain, about Canada and Canadians, than most professional groups in this community; that knowledge and that spirit is reflected in their actions.

We have repeatedly talked in Canada about the essential role played by the railroads in the task of linking the various parts of our country, and of creating some feeling of a united country. I submit to you Honourable Senators, that in this second part of the 20th century, one of the essential factors working towards this proposition of Canadian unity and helping all of us to realize our national purpose, is private broadcasting."

Thank you very much Mr. Chairman.

The Chairman: Thank you. I think the questioning this morning will begin with Mr. Fortier.

Mr. Fortier: Monsieur Crépault, supposing the legislators went to the CAB and said "Gentlemen, we have decided to re-write the Broadcasting Act—we will give the private broadcasters the airwaves—we will let you make money." What would you do, Mr. Crépault, if they came up with a new text of the Act?

Mr. Crépault: Well I would first delete that last sentence about making money to begin with.

Mr. Fortier: Do you then believe that a private broadcaster should make money?

Mr. Crépault: I think it should, definitely, but I don't think we should make it sound as though it is the first objective. I think that you will find many broadcasters to begin with who are perhaps in agreement with the idea, and maybe the time has come now to undertake a pretty extensive review of the broadcasting structure in Canada and in some way this is perhaps the idea that we tried to convey in our written submission and in the Oral statement I have just made. Whether we like it or not, I think we are moving and pretty rapidly moving towards a society in which the borders, the frontiers, are really disappearing. This expression of the shrinking world I think is a well founded expression and whether we like it or not within a few years—in fact now we have this regular intrusion into Canada of U.S. signals and within a few years we have to accept the assumption that within a few years through the satellite and other technological devices we will be getting signals, not only from the United States but from all over the world.

I am sure that some of you have already seen for instance U.S. television programs in which the actors speak Japanese or Indian—in other words the frontier particularly for that kind of material is really disappearing and therefore we must ask ourselves what are the means that Canadians must have in order to be able to survive in the context of a Canadian entity.

Mr. Fortier: Survive economically?

Mr. Crépault: Survive economically and culturally. Now, I think that there are really two basic approaches to provinding a solution to this problem. One—and I am perhaps in a better position to talk about it being a French-Canadian, and you are also familiar with this approach, Mr. Fortier—one of course is to suggest that the best way to survive and to maintain and preserve the sacred aspect or the purity of a culture is to build around a given area some kind of a wall which would in fact invite the people living in that area to live in a cultural ghetto. In that way we would create for these people an immunity to whatever outside influences could exist, and to my surprise as a Frenchspeaking Canadian, I now find that some

people are advocating the same kind of approach when we come to talk about Canadian culture. As a French-Canadian I find this absolutely incredible because I know that in my province I am trying to resist the very same kind of approach.

Mr. Fortier: But has it not worked in the Province of Quebec? I am referring here specifically to the development of radio and television stations of French-Canadian talent?

Mr. Crépault: I don't know—it may be...

The Chairman: It may be that Monsieur Crépault and Monsieur Fortier would like to speak in French. We have our translation service available.

Mr. Fortier: Well, Mr. Chairman, we have already discussed this.

The Chairman: Oh, fine.

Mr. Crépault: I don't think that the French radio stations have remained French because they were forced or compelled to operate in a cultural ghetto. The same way I don't think I am less a French-Canadian because I am bilingual or because my views in terms of undertakings and so on go well beyond the Quebec borders. I think that the same approach, the same reasoning, the same mentality must necessarily apply with regard to Canada as a national entity.

Mr. Fortier: Well, I was going a step further and speaking of the fostering of French-Canadian talent on French radio and television stations where in fact this, so to speak, ghetto has been set up and has contributed to the development of the talent within the community.

Mr. Crépault: Well, I don't think it has developed because there was a ghetto. I simply think that there was a special surge of French-Canadian talent simply because we had to remain competitive.

The Chairman: May I ask a complementary question. You said as a French-Canadian. Do you think you as a French-Canadian can fully appreciate the absolute flood of American ideas, American culture if you will, into English Canada? You don't have this in the Province of Quebec because of the language barrier which I would suggest is a great advantage in this situation.

Mr. Crépault: Well, your question has two aspects. Firstly, I would like to believe that I

through my interest in Canadian broadcasting to be aware of the inflow and the impact of U.S. signals into Canada, and the second part of your question is that you are suggesting that perhaps in French Canada we have been more or less immune against this, but I don't think this is exactly correct because even French speaking television stations in Montreal or in Quebec are really in some way in competition with U.S. signals. This is true especially in the Montreal area where you have cables. Let us face the fact that French-Canadians do have cable; French-Canadians do watch U.S. signals. They watch U.S. signals if they find that the programs offered on the French channels are not of sufficient quality to attract and retain their attention. What I realize is that there is an additional concenwih regard to French-speaking tration Canada. I don't think that the basic problem is that difference between French-speaking Canada and the rest of Canada, and if I may just pursue the basic answer to your question, as I said there are really two solutions, two approaches to the solution of the basic problem that you have raised. I have touched upon one already about the way-what I call the narrow approach by saying well, all right, let's surround ourselves with the protective wall and in that way our culture will not be diluted. As I say, I think this is completely unrealistic—I think this is a completely unrealistic approach in our society today when I think that the frontiers on the borders are really disappearing and when we are really moving rapidly towards a one world concept, specially in terms of communications.

The other approach—and I think it is a fair statement that some European countries even smaller than ours realized this—that having the real answer within the context of our culture and the context of our heritage, and I think in order to be competitive it calls for money, it calls for convictions and it calls for the tools to do the job property.

The Chairman: I believe Mr. McGregor wanted to make a comment at this point.

Mr. W. D. McGregor, Vice-President, Television, Canadian Association of Broadcasters: If I may Mr. Chairman, just add to the point that our President has made. I would suggest to you that when you are discussing the effect of American culture in the Province of Quebec or in the French language parts of Canada, you can't ignore the fact

am in a position through my travels and through my interest in Canadian broadcasting to be aware of the inflow and the impact of U.S. signals into Canada, and the second part of your question is that you are suggesting that perhaps in French Canada we have been more or less immune against this, but I don't think this is exactly correct because even French speaking television stations in Montreal or in Quebec are really in some way in competition with U.S. signals. This is true

Mr. Fortier: But we were told yesterday, Mr. McGregor by the CBC, by Mr. Raymond David of Radio Canada, that those American programs that are dubbed in French were not as popular as the made-in-Quebec Canadian programs shown on the French network. The comparison with the English network was just not valid; there was no comparison, so I am afraid I would take issue with your point because even at that level a dubbed in American program has not been the success that the undubbed, non-dubbed American program on the English network is.

Mr. Chairman: Well, maybe Mr. McGregor would like to comment on that.

Mr. McGregor: I would like to suggest that perhaps two points need to be made here. One is that whether it is English Canada or French Canada the fact is the number one program of course is Canadian—that is N.H.L. Hockey. The second point I would make is...

The Chairman: The Stanley Cup may not be this year!

Mr. Fortier: Don't count out your Maple Leafs yet!

Mr. McGregor: The second point I would make in that area is that I think—I would agree of course that in many areas the native product is by far the ratings leader but I have to disagree that programs such as Cinema Kraft which are motion pictures—things of that nature indeed have extremely good audiences in French Canada and I think that it really isn't fair to make a blanket assertion such as you did. I am not trying to make it difficult for you....

Mr. Fortier: I am repeating what was said to this Committee yesterday.

Mr. McGregor: Right.

Mr. Fortier: And I take your point, Mr. McGregor. Mr. Crépault, first and foremost you appear to make the point that in order to

remain competitive you must do away with the barriers?

Mr. Crépault: That is one element anyway but it is not the sole element. As I have said, in order to be competitive you have to have quality programs and in order to have quality programs it takes first of all extensive financing, it takes talent and it takes a real organization; in fact it takes the kind of organization I presume legislators had in mind when they established the Canadian Broadcasting Corporation.

Mr. Fortier: Has it succeeded?

Mr. Crépault: In my view, personally, I don't think so.

Mr. Fortier: Why?

Mr. Crépault: Simply because I think that they have gradually shifted the emphasis they were supposed to place on the main objective of the CBC...

Mr. Fortier: Which was what originally?

Mr. Crépault: I think to really create and encourage Canadian talent and Canadian productions.

Mr. Fortier: Do you think they have tried to do exactly what you suggest or are they trying to keep competitive with the private broadcasters?

Mr. Crépault: I think that is exactly it. They have tried to become public broadcasters with private money. They have tried to do this to the tune of two hundred million dollars a year.

The Chairman: I think we should perhaps ask Mr. Crépault to discuss the CBC in the context of the Broadcasting Act, because what may or may not have been anybody's intention originally really isn't germane to the discussion. The CBC has a particular mandate now—the point I am making is whether your criticism is of the Corporation or is it of Parliament and the Broadcasting Act?

Mr. Crépault: No, I think it is probably a criticism of the Canadian Broadcasting Corporation.

The Chairman: You don't think they are meeting the mandate as described in the Act?

Mr. Crépault: I don't think so. On the basis of my interpretation of the Act I don't think they are.

The Chairman: All right.

Mr. Fortier: Do you think they have begun to commercialize?

Mr. Crépault: I think so. Well, if you really want to analyse it let us take their budget.

Mr. Fortier: I wish you would, please.

Mr. Crépault: An annual budget of \$200,-000,000. Well, in effect, out of this budget you might be very surprised to know that not more than 10 per cent of it is in fact really spent on actual Canadian talent.

Mr. Fortier: Well, I would admit it is not much but a little bit more than that.

Mr. Crépault: Well, not much more, so naturally we would ask ourselves what is the rest of it being spent on. This is where I think that my personal reaction as a Canadian citizen takes place; what is the rest being spent on?

The Chairman: That is roughly 20 million dollars?

Mr. Crépault: That's right.

The Chairman: What would be the comparable private broadcasting figures, just in passing?

Mr. Crépault: Well, I would say proportionately that all told it would be 40 per cent of it easily.

The Chairman: Well, their figure is 20 million—what would you figure be? Would it be 40 per cent of 20 million?

Mr. Crépault: 40 per cent of the overall budget. You have to take the annual budget of all the radio and television stations.

The Chairman: Well, what would it be? We are saying the CBC spends \$20 million, what would your figure be—in round figures?

Mr. Crépault: Well, I would say ...

Mr. McGregor: It is very likely, Mr. Chairman, a matter of interpretation unfortunately as is the case with so many figures. I would suggest that the figure is not less than 40—may be 60 million.

The Chairman: So you would say—I am sorry, Mr. Fortier, I realize it is your supplementary question, but you say that you are spending more on Canadian talent than the CBC is?

Mr. McGregor: Well, both in actual terms and in proper proportion.

Mr. Fortier: Maybe we should define our terms.

Mr. Crépault: I agree. I know there are different definitions and so on but I think necessarily this morning we should talk a general context. I think it is fair to say that proportionately and in absolute terms I think the whole collective private broadcasting industry in Canada is spending more on this than the CBC is.

Mr. Fortier: That is your first point.

Mr. Crépault: That is the first point. And also the other point which really flows from the first is what is the 180 million dollars being spent on? This is the point where I personally rebel as a Canadian citizen. They spend part of it in the purchase of American programs.

Mr. Fortier: What part of it, do you know?

Mr. Crépault: Well, quite frankly, I don't know what part but for instance we all know programs like Bonanza and Laugh-In for instance. In the case of Laugh-In which is a 100 per cent American program, in effect the CBC because of the vast funds available to them were able to outbid the private Canadian network in purchasing that program. Well, to my mind regardless of the interpretation one could give to the Act the CBC were certainly not meant to do that kind of thing.

Mr. Fortier: You don't believe the CBC, once Laugh-In had become the No. 1 entertainment program in America, you don't think it was justified in going out on the open market—which it did—and bid against the CTV network for it?

Mr. Crépault: It depends upon the role you want the CBC to play. If you want the CBC to operate like a private undertaking, that's fine then. In that case I think we should probably tell the CBC, "You fly on your own," but nevertheless at the end of the year if they have a huge deficit they will say to Parliament, "We have a deficit, please fill the till again."

Mr. Fortier: You don't think that it is the function of the CBC, given the mandate given to it by Parliament, in a case such as the Laugh-In program to go out, bid for it in order to show it to more Canadians than the CTV network could do?

Mr. Crépault: I don't think necessarily it is shown to more Canadians. I think that the private stations could have latched on to it, at a price by the way which was 50 per cent of the price offered by CBC. We have to be consistent with ourselves. I know we are not trying to favour the CBC giving as wide a spread as possible to American programs—or else what do you want the CBC to do—otherwise I am going to lose you in this reasoning now.

Mr. Fortier: Well, except that the Act says that the service should be predominently Canadian in content and character and I believe—correct me if I am wrong Mr. Crépault, but the point that the CAB is making is that the CBC should be entirely Canadian in content and character. Is that the point?

Mr. Crépault: That's right, most of it should be. That is the word predominantly.

Mr. Fortier: Predominantly Canadian in content and character.

Mr. Crépault: Yes, and I don't think this is the case at the moment, at least on the basis of my evaluation of things.

Mr. Fortier: But do you think that to perform effectively as a national broadcasting service, the CBC should not be in direct competition with the private broadcasters?

Mr. Crépault: I would think this would be the essence and the purpose of the whole structure in Canada. This is why we are one of the very few countries, perhaps the only one maybe, that has this kind of double structure, precisely in order to ensure that our cultural heritage would be safeguarded, maintained and encouraged and developed through public funds.

The Chairman: Are you suggesting that our cultural heritage would not be safeguarded if it were not for the CBC?

Mr. Crépault: Well, we are talking about Canadian programs at the moment.

The Chairman: It was your phraseology and I take it from your comments that you see some vitue in the CBC as a safeguard for our cultural heritage?

Mr. Crépault: Yes.

The Chairman: Would the private broadcasters not guard our cultural heritage?

Mr. Crépault: Yes.

CBC?

Mr. Crépault: I think the private broadcasting industry has made a very impressive contribution in maintaining this Canadian identity.

The Chairman: You feel then that you could safeguard the Canadian heritage if there were no public broadcasting in Canada?

Mr. Crépauli: In other words you are asking me if I am in favour and support of this dual system of broadcasting?

The Chairman: Yes.

Crépault: This exactly my proposition.

The Chairman: You do?

Mr. Crépault: Yes. What I am saying at the same time is that to really implement the spirit of that dual system I think that both sides have to operate on the basis of the policy which had been originated originally, and my second premise is the fact that one of the partners in my view has slightly drifted away from the main path.

Mr. Fortier: Drifting towards you?

Mr. Crépault: Well, all right, or drifted towards a wilderness, whichever way you Want to look at it.

[Translation]

Mr. Fortier: In fact, Mr. Crépault, are you not suggesting that there be a watertight division between the Canadian Broadcasting Corporation on the one hand and the independent broadcasters on the other?

Mr. Crépault: I have never been in favour of a watertight division or an unapproachable dividing line. When I spoke of the Canadian Broadcasting Corporation, I spoke in relation to the problems with which we are now faced. We are brought to a competitive basis. In other words, if we want to be in a position to resist the influx of American culture, we must provide the Canadian public with Canadian programs which are at least of equal interest in order to gain their attention When we are competing with American productions.

I believe that that theory applies not only to broadcasting but also to all other fields. We have always wanted a film industry, an automobile industry and a record industry in

The Chairman: What if there were no Canada. We are not the only country to have such desires. Sweden, the Scandinavian countries and the European countries had similar ambitions. I believe that we arrived at the conclusion that, in order to create such an identity with products manufactured here in Canada, we must be competitive. Indeed, it was found that in the film industry, for example, an effort will have to be made to produce quality films. You cannot force Canadians to go to see a film simply by saying: "Listen, it is a Canadian film."

> Moreover, a decision in that respect is made on the basis of personal taste. I do not believe that there is any Canadian who wants to find himself in a big brother situation. The same applies to television. I am certain, Mr. Chairman, that there is no Canadian who watches a television program simply because it is Canadian. He watches a program in the quiet of his home because that program is of interest to him. He does not ask himself whether the program is Swedish, American or Canadian.

> Mr. Fortier: Should he ask himself that question? Is that not what the Canadian Parliament told the Canadian Broadcasting Corporation?

> Mr. Crépault: Do you really think that in the type of society in which we live, culture can be put into nationalistic boxes? Take music for example. Must we listen to music because it was composed by a Canadian? We all know that music knows no boundaries. I believe that the general evolution in all fields of culture-and I use the word, culture, in its general meaning-is not becoming national. I do not believe that there is any Canadian who will agree to live in some ghetto and be told: "You will listen to that music because it is Canadian. You will see that film because it is Canadian. You will watch that television program because it is Canadian."

[English]

The Chairman: Would you agree that we don't want to be put into an American ghetto either?

Mr. Crépault: But we live in the world and I don't think there is much room where you can escape to.

Mr. Fortier: It is a big elephant!

Mr. Crépault: Don't think you can nowadays put a lable—a national label on things which are culture?

say that some witnesses have come here and said that the private broadcasters have contributed more to the Americanization of Canada than any other single influence. Would you care to comment on that?

Mr. Crépault: Well, I know Mr. McGregor will wish to comment on this. My natural reaction I think would be to say that it is a very unfair statement. But, I think it is just the opposite. I know it was the same as the railways, the way they participated where really they were the only physical link in Canada some 50 years ago keeping this country together—that role is now being played by private broadcasting keeping the various parts of Canada together.

Mr. McGregor: I think it is essential that we use a bit of historical perspective in dealing with a question such as the Chairman has put. Perhaps it isn't a question-it is more of a statement.

The Chairman: It is a statement which has been put to us by several witnesses, that's all.

Mr. McGregor: If we look back to the beginnings of radio broadcasting we find that it was the private broadcasters who provided the backbone of a coast-to-coast service. When the CBC went into the business of radio network broadcasting the backbone of their service was made up in a very vast country of private broadcasters. As a matter of fact it is today. If you use the percentage of radio stations transmitting CBC programs the CBC's percentage is extremely low. If you use the percentage of television stations today presenting CBC programs and you look at the percentage of CBC versus-of course, we are not talking now about the 5 watt low power repeaters—we are talking about the broadcasting stations—the Edmonton, the Calgary, and so on. If you look at this, again you find that the private broadcasters are the backbone of that service; not in the number of people each transmitter reaches because of the private broadcasters from the beginning of television-and I don't want to bounce back and forth to create confusion-but merely because the parallels are quite similar. The private broadcaster from the very beginning of television in 1954 took on the burden of providing television to communities as far as the Government of Canada was con-cerned—not the CBC because the CBC were eager to get more funds-the Government of Canada were not prepared to put up the kind

The Chairman: Well, I was just going to of funds-put forward the kind of funds in television which were necessary if television was going to spread rapidly across this country. What happened was that private enterprise took on the burden of providing televiservice to virtually all of the communities in Canada so that in a fairly short time-1960-61-well over 90 per cent of this country received broadcast service. It has been a very difficult struggle to get from 90 to the 96 or 97 per cent that we have today because you are now dealing with very small pockets of population and as I am sure the CBC said yesterday, very costly to reach. To reach a few hundred people means the exseveral hundred penditure thousand of dollars.

> Mr. Fortier: And they are the ones that are going to be asked to do it by the CRTC?

> Mr. McGregor: Well, this has been a general revision of principle on the part of the Government. After we achieved the 90 per cent level which was achieved as I said largely through private enterprise, then we found ourselves in a position where economically the question of whether-perhaps now we can use an analogy-whether Dawson Creek should have two mail deliveries a day or not-became an issue. In other words could the economy of the country provide television to every last home in the country, and that really has been the issue since we achieved 90 per cent.

> With that then, we come to the point which I was going to try and make which is that these private originating stations which were supplemented in 1960 by the so-called second stations have made a major contribution in the provision of a distinctly Canadian national service. Now, you say to me "Ah yes, you are carrying Ironside and things of that sort coast to coast", and I say to you "Indeed they are". With that they are carrying a certain culture as a part of it but in every one of those programs in-let us use Red Deer-the program contains Canadian information. In fact, it is one of the mysteries to me why we reduce the amount of commercial content when in fact it is all Canadian information. I see you are puzzled by the analogy...

Mr. Fortier: Yes, I am.

Mr. McGregor: By the analogy, but if you realize why this is I think perhaps a basic question-why do people buy a magazine or why do they buy a newspaper? If the assumption is that they are buying it only for the news this is a false assumption. Mr. Spears

Financial Post as much almost for the information which is provided in the advertising that goes in the Financial Post as you do for the information that is provided in the news columns.

Mr. Fortier: Does that also apply to the electronic media?

Mr. McGregor: Well, I believe it does.

Mr. Fortier: To the same extent?

Mr. McGregor: I believe it does, indeed.

Mr. Fortier: Well, that is what you are here for, to give us your views.

Mr. McGregor: That's right.

The Chairman: Well, I am still...

Mr. McGregor: You are still puzzled?

The Chairman: Well, it is a very interesting comment and it is the kind of comment that we have not heard from anybody as yet before the hearings began. I would be curious to know if the CBC could join the CAB?

Mr. Crépault: Well, the CBC is not a member of CAB.

The Chairman: I know that but could it apply?

Mr. Crépault: Not at the moment. CAB has a membership of private broadcasters.

The Chairman: Well, I don't see that-well, okay, you have answered the question.

Mr. Fortier: The affiliate stations do?

Mr. Crépault: Yes, but they are not CBC stations. They are private stations.

Mr. Fortier: But they are?

Mr. Crépault: Yes.

The Chairman: But the Corporation as such is precluded?

Mr. Crépault: That's right.

The Chairman: Mr. Fenety?

Mr. J. Fenety, Vice-President, Canadian Association of Broadcasters: In reply, Mr. Chairman, to the charge that Canadian broadcasting has contributed to the Americanization of Canada, speaking for radio, I should point out to the Honourable Senators that better than 90 per cent of all

was with the Financial Post and you buy the radio listening in Canada is done through Canadian radio stations in spite of the fact that 85 per cent of all Canadians are within radio reach of a U.S. station. In Canadian programming the content of the Canadian private station—better than 85 per cent of all the material used, and I am excluding music here, is of Canadian origin or composition.

Mr. Fortier: But you are excluding music?

Mr. Fenety: If you wanted to get Canadian music, my submission here, Mr. Fortier, would be that music is universal and I am prepared to argue this until death do us part.

Mr. Fortier: We have another two hours!

Mr. Fenety: If the Singing Nun comes up with a hit song in Belgium then I see no reason why it shouldn't be a hit song in other countries of the world because it is a product that sells, and when we play "Dominique" in Canada on a Canadian radio station we do not say that this is a Belgian recording or anything like that. We say it is music; it is the Number 1 hit song and we could go on ad infinitum in that field. Basically Canadians listen to Canadian radio stations because they are largely receiving Canadian material whether it is in the form of information or entertainment and we are very proud of this fact in spite of the fact that there are so many American signals available to Canadians.

Mr. Fortier: Do you also think like Mr. McGregor that people listen to radio because there are commercials that they will hear?

Mr. Fenety: I would say in reply to that, Mr. Fortier, that the most successful broadcasting stations in the world are those that have the most commercials.

The Chairman: Which comes first. chicken or the egg?

Mr. Fenety: Well, one can't be supported without the other.

Mr. Crépault: Good programming comes in a package.

Mr. Fortier: Is that the reason why CBC radio does not have high audience rating?

Mr. Fenety: I would think that is certainly a large part of it. If CBC had the programs that people wanted to listen to they would also attract the large audiences.

The Chairman: But if the CBC radio became don't mistrust the Corporation to the extent terribly commercial people would listen to it, of not purchasing prime time in Toronto on by your argument.

Mr. Fenety: If the CBC-I might say this Mr. Chairman—CBC radio, particularly the O and O stations, the owned and operated stations of the CBC are as similar today to private broadcasting stations as it is possible to be and yet at the same time they are not able to attract the audience.

Mr. Fortier: Why is that?

Mr. Fenety: Now that is a good question and I think probably the CBC would like to have that answer.

The Chairman: Well, Mr. Fenety, we are interested in your answer.

Mr. Fortier: We asked them yesterday.

Mr. Fenety: Why they don't attract audiences?

The Chairman: Yes.

Mr. Fenety: I think one, they don't attract audiences because they are not-and I am talking now of the O and O stations in any individual community—for one thing they are not really part of the community. Secondly, they are not a viable entity in the commercial market in spite of their great efforts to sell because there may be if you like and it may be an unfortunate choice of words-there may be some mistrust on the part of commercial firms wanting to invest money in a corporation which is already extracting two hundred million dollars a year.

The Chairman: Why wouldn't this mistrust apply to television as well? Obviously it doesn't.

Mr. Fenety: Well, then, you are into a horse of a different colour here because the basic audience of the CBC television network is comprised of private television stations. They are indeed providing the audience for the CBC network.

The Chairman: Well, I live in Toronto and on CBLT there is a great deal of commercial advertising.

Mr. Fenety: Well, I think the obvious answer there is that if we had possibly another private television station in Toronto then you would find ...

The Chairman: But the point I am making, Mr. Fenety, is presumably the advertisers

the CBC.

Mr. Fenety: Oh, I would say that this would be a good buy for them in the marketplace, one, possibly because they could buy it for less and two, because they are the second station in the market.

The Chairman: I would just like to be sure of the one thing you said. I don't put this question critically but do you believe that advertisers stay away from CBC radio because they mistrust?

Mr. Fenety: Well, one, they don't have any significant ratings in relation to their competitors and two, I say the point of mistrust.

Mr. Fortier: Do Canadian radio broadcasting stations—do you consider that the CBC, either the O and O or the others, are competitors with which you, the private broadcasters must reckon?

Mr. Fenety: I would say this, Mr. Fortier, that if I were to have competition I would much prefer to have the CBC.

Mr. Fortier: Do you view it as competition?

Mr. Fenety: Do I view it as serious competition?

Mr. Fortier: Yes.

Mr. Fenety: Well, not serious, no, because obviously the ratings have shown since the beginning of time that they are not serious competitors for the audiences.

Mr. Fortier: What about television, Mr. McGregor? Do you view the CBC as an important competitor with which the private TV broadcaster must reckon?

Mr. McGregor: I would answer that by qualifying first very carefully the fact that 1 speak now as a vice-president of an Association rather than in my position in Kitchener.

Mr. Fortier: Yes.

Mr. McGregor: The reason that I do that is so that I can apply the difficulties that some private broadcasters are having in this country where they are competing with CBC stations and having problems with the rates that the CBC are putting forward for advertising in the community which they must compete with. This is presenting a problem. However, I have heard many private broadcasters say to me that they would far sooner compete, as Mr. Fenety says—television broadcasters would far sooner compete with the CBC than with another private station.

One other point I would like to make at this time in regard to Mr. Fenety's point is that the CBC in Toronto, CBLT, runs number I and number 2 in nearly all time periods and it does this because it carries again—I make my point, or at least I try to make my point—I present a supporting argument, let's say, and the supporting argument is that CBLT in Toronto carries a great many commercials and with those commercials the chicken and the egg. Now, you tell me. I can't really tell you—the only thing I can give to you in addition to that argument is that when the station quite deliberately removes all commercials from a program, the audience goes down

Mr. Fortier: Do you have figures to support that?

The Chairman: Is that television or radio?

Mr. McGregor: That is television.

Mr. Fortier: Do you have figures to support that?

Mr. McGregor: It's been done. What we have done, and a number of stations have done this and among them my own, is quite deliberately to put additional commercials into a program—that is a program that wasn't carrying or didn't have the popularity to attract advertisers, we have put commercials into those programs in an effort to see what would happen and the audience went up.

The Chairman: Does this concern you?

Mr. McGregor: Frankly no. I must say—I am a private broadcaster and my business is supported by commercial advertising. I am no more concerned about the fact that the public likes to know, likes to have the information that is provided in commercials. I feel no compunction about that at all any more than a newspaper man does about the fact the he has or he can devote four, five, six,—as a matter of fact on the week-ends he can devote two sections of his newspaper to want ads. which are nothing but commercials. Two full sections and those sections are well read.

Senator Smith: And well paid for.

Mr. McGregor: Indeed they are. That is why they are read.

Senator Smith: But you don't get anywhere on this.

Mr. McGregor: Right, it is a chicken and egg situation.

Mr. Fortier: If you wish to be consistent then and if Parliament wishes for Canadians to have a national broadcasting system which will be looked at, viewed by Canadians, then the CBC must go out and sell advertising?

Mr. McGregor: Quite right.

Mr. Fortier: Isn't that the logical conclusion?

Mr. McGregor: Yes indeed.

Mr. Fortier: But your point is you don't want them to have an audience?

Mr. McGregor: No, I am sorry-I don't think that is quite fair. I think that our point is that under the restraints and restrictions the Corporation finds itself in confusion as to what you mean and what the Act means when it says "national"—so you see, the importance I think to Canadians is that "national" should mean coast to coast, east to west. I think that is what "national" means but there has never been a proper definition in any of the Broadcasting Acts whether "national" means public or whether "national" means coast to coast. It is the belief I think of our Association, and we have made this a point in a number of policy statements, that "national" means coast to coast.

Mr. Fortier: But the national broadcasting service should be extended to all parts of Canada?

Mr. McGregor: That national broadcasting service is at the moment either CTV or CBC.

Mr. Fortier: Well, I am sorry. The national broadcasting service is the CBC, not the CTV.

Mr. McGregor: That is your definition?

Mr. Fortier: That is the Act's definition.

Mr. McGregor: Well, the Act doesn't say the CBC.

Mr. Fortier: No, it does not but do you not agree that Section 2(f) is the section which in fact creates the CBC? "There should be established through a corporation established by Parliament for the purpose of a national broadcasting service that is predominantly Canadian in content and character." It goes on to say the national broadcasting service should—surely that is the CBC?

Mr. McGregor: That corporation could just as easily be the National Film Board or

another program corporation which has nothing to do with broadcasting—that is with the actual transmission.

Mr. Fortier: Well, the National Film Board is surely not a national broadcasting service?

Mr. Crépault: I think that 2(f) would suggest that a national service is to be provided by a corporation. It doesn't exclude—and I understand Mr. McGregor's point—it doesn't exclude the fact that a national service can also be provided by a private broadcasting undertaking.

Mr. Fortier: Yes, I agree.

Mr. Crépault: I agree with you in this case that a national service is to be provided by the Corporation.

Mr. Fortier: I take your point and I agree with it that there is nothing which prevents a network . . .

Mr. Crépault: Well, I think that Mr. McGregor was probably concerned with the fact that you were suggesting that the only corporation in a position to offer a national service was the CBC.

Mr. Fortier: No, I was not.

Mr. Crépault: It was a self-protective reaction.

Mr. Fortier: On that point I will cease being overly legalistic. Do private broadcasters in Canada for which you speak feel bound by the directive of 2(g) and 1, 2, 3, 4?

The Chairman: You might tell us what that is, Mr. Fortier?

Mr. Fortier: Those are the ...

Mr. Crépault: Those are the—to the extent that (g) refers to (f) then obviously it refers to the CBC.

Mr. Fortier: Yes, but do you feel that you yourselves should also do what the CBC is asked to do?

The Chairman: I think it might be useful to the rest of us Mr. Fortier if either you or Mr. Crépault would tell us what 2(g) is?

Mr. Fortier: Well, 2(g) says:

"The national broadcasting service should:

1. Be a balanced source of information, enlightenment and entertainment for

people of different ages, interests and tastes covering the whole range of programming in fair proportion."

Let us just take that one as an example. Do you think that a private television network—and I use private network purposely—do you think that a private television network should also be bound by this provision?

Mr. Crépault: You are asking me a double question there. If you are talking about 2(g), 2(g) refers to the national broadcasting service mentioned in 2(f). To that extent we are talking about a corporation. If you are asking what is the duty and the obligation of the private national network then I would like to refer you to 2(b) which says:

"The Canadian Broadcasting System should be effectively owned and controlled by Canadians so as to safeguard, enrich, and strengthen the cultural, political, social and economic fabric of Canada."

Mr. Fortier: That is your legal definition?

Mr. Crépault: That's right. Now, within that general context you could argue this includes a balanced service and so on. It doesn't really specifically refer to 2(b) which I think refers specifically to the Corporation.

Mr. Fortier: We had occasion to discuss with the CRTC last week that there is only the CBC which is shouldered with the responsibility of contributing to the development of national unity and providing for a continuing expression of points of view...

Mr. Crépault: I don't agree with that, Mr. Fortier. I don't agree with that statement because then in that case you are practically emasculating the meaning of 2(b).

Mr. Fortier: Well, in the words in which the legislature spoke...

Mr. Crépault: Well, if you use the words in my language whether it is in French or English—if you use the words "to safeguard, enrichen and strengthen the cultural, political, social and economic fabric of Canada", if you are not talking about unity I don't know what you are talking about.

The Chairman: Well, in fairness to the witness and so that we don't allow two legal minds from Montreal to allow our hearing to degenerate into a highly legal discussion, I would point out to Mr. Fortier that the point

point Monsieur Juneau made...

Mr. Fortier: Yes, it is. I am glad to have it made by Mr. Crépault.

Mr. Crépault: Well, Mr. Juneau and I agree on this point.

Mr. Fortier: Well, you have made it and it is clear in my mind. Coming back to briefly, Monsieur Crépault, I would like to see if I understood your earlier answers which were further gone into by Messrs. Fenety and McGregor. Should Canadians have a choice of looking at a certain percentage-minimum percentage of Canadian content, should they be forced to look at a minimum Canadian content?

Mr. Crépault: Not only should they not be forced but I don't think you could force them if you wanted to.

Mr. Fortier: I am sorry, I don't think I understood you.

Mr. Crépault: Not only should they not be forced but even if you wanted to force them I don't think you could.

Mr. Fortier: So that this 55 or 60 per cent minimum content will not work?

Mr. Crépault: Not on the basis of that particular type of approach.

Mr. Fortier: What should the approach be, Mr. Crépault, then?

Mr. Crépault: Well, I think then I would refer to the basic proposal on which we have been working in recent months. It comes back you know to the competitive aspect. As I said, Whether we are talking about broadcasting or any other field, if you want to recapture for Instance Canadian undertakings, Canadian enterprise, if you want to have a Canadian film industry and a Canadian recording industry, let's face it, we have to be competitive. We talk about broadcasting, we talk about Canadian programs, in order to be com-Detitive with U.S. but not only with the United States but in a few years we will have to be competitive with other programs. Sweden, the Scandinavian countries, France, Italy are in the process of producing programs for television. It is as easy for Lorne Green to speak Japanese as much as Hindu for that matter. It takes money and these governments are prepared to put that, to use a popular expression, to put their money

that Monsieur Crépault has just made is the where their mouth is. I think that we have reached that kind of crossroads and on the basis of the present structure I think we will never be able to make it.

> The Chairman: Does the American government put their money where their mouth is?

Mr. Crépault: Well...

The Chairman: In this context. Does the American broadcasting industry get help by the government?

Mr. Crépault: They have been helped tremendously in my view.

The Chairman: How?

Mr. Crépauli: Because the U.S. Government has allowed groups like CBS and NBC to become very powerful, very wealthy and thus very efficient and very productive. I think that alone is a capsule answer, to my point of view.

The Chairman: But they haven't subsidized them, have they?

Mr. Crépault: Not subsidized in terms of grants.

The Chairman: But in France and Sweden they are actually subsidized, aren't they?

Mr. Crépault: Yes. I think that in Sweden for instance both the film industry and even for instance in the manufacturing of the automobile the government has helped. I sincerely believe that this is the answer. I am very concerned as a Canadian that if we keep on going along the present road, we can forget about being competitive and we can forget about Canadian culture. This is why I think that early action is required on this. I am also convinced with the kind of moneywe are not even talking about additional money—just with the money which is now being credited to this kind of undertaking we have a fantastically good weapon in our hands provided it is properly used.

The Chairman: Let's talk radio for a moment. How does private radio contribute to Canadian culture?

Mr. Crépault: Well, if you will allow me for a moment to come back to maybe a more particular case. I look at my own experience and as you know I came into broadcasting through-if I may use this word-"the back door" I guess by accident. that.

Mr. Fortier: By the back door or by accident!

Mr. Crépault: Well, Mr. Fenety mentioned a figure of about 85 per cent of all Canadian radio programming of private stations as Canadian. I would think ...

Senator Smith: Outside of music.

Mr. Crépault: Yes, but music averages about 20 or 25 per cent over the whole day's programming.

The Chairman: May I just pursue that for a moment. I find that a startling statement. I would be delighted to be corrected but is it only 20 to 25 per cent?

Mr. Crépault: On the average.

The Chairman: What do you mean by average?

Mr. Crépault: Well, because there are stations which have a lot of talk shows.

The Chairman: Oh, I misunderstood you. Let us talk about Mr. Fenety's station which is in Fredericton. Would music only be 20 to 25 per cent of your station?

Mr. Fenety: Well ...

The Chairman: Well, it is perhaps unfair to single out individual stations because we are not dealing with individual stations...

Mr. Fenety: I don't mind.

The Chairman: No, but perhaps it is an unfair question but if Mr. Fenety doesn't object—is yours 25 per cent only in music?

Mr. Fenety: I would say that sometimes Mr. Chairman it would run as high as 40 per cent but this depends upon the day and the developments of the day-whether it is political or whatever. News certainly is a predominant feature in private broadcasting. We have news on the hour and half hour and so on, and stations as Mr. Crépault says who employ the open-line technique certainly log up hours a day so I think that we can only take an average when we talk about private broadcasting. I would think that 25 to 30 per cent would certainly be the average.

Mr. Crépault: Twenty or thirty per cent, you know, across 24 hours-a full day, 24 hours of operation, so it means that you get

Mr. Allard: Lawyers have a way of doing at least 70 per cent which consists of other programming besides music; that includes a very extensive news service. I think that private radio broadcasters in Canada have done a tremendous job in that field. For instance, many people ignore the fact that the private broadcasters have at the moment at least five voice services, which are privately financed and supported by them with correspondents on the Hill here and correspondents in the various provincial capitals. We have very extensive public affairs programs. I am sure it is known by all of you that practically every member of Parliament reaches his community through facilities offered to them by the private radio stations. There is also of course entertainment, because entertainment and information are obviously the two main purposes of private broadcasting, so in effect I think there has been a very extensive contribution to the Canadian entity or the Canadian identity concept. It must have been very successful because in fact private radio in Canada has resisted extremely well the impact or the intrusion of U.S. radio.

The Chairman: Why?

Mr. Crépault: Simply by the fact...

The Chairman: Why do the people in Toronto who have access to all kinds of American radio signals not listen to them?

Mr. Crépault: Mr. Chairman, it is because they like it. It is as simple as that. This again is where personal discretion is exercised.

Mr. Fortier: Could it not be because you give them the same sort of music as the American stations give them anyway?

Mr. Crépault: This isn't true. If it was the same why wouldn't they listen to U.S. stations then?

Mr. Fortier: Because they would rather get their Canadian information on the half hour.

Mr. Crépault: Well, when you deal with this kind of intangible merchandise as I call it you cannot just put it in water-tight compartments. The effectiveness of a radio program or a television program is really the package-I have used that word before-the sound, the music, the news, the public service and so on.

The Chairman: Senator McElman? Do you have a supplementary question?

Senator McElman: Yes, Mr. Chairman. This is apropos something which Mr. Crépault said a moment ago. You said that many or most of the M.P.'s reach their constituencies...

Mr. Crépault: I said many members of Parliament.

Senator McElman: Reach their constituents through radio. The question I ask is, do they really reach? Are they in time periods where they do reach?

Mr. Crépault: Yes, my understanding is that they do, Mr. Senator. At least just from our experience here—I know that these reports from Parliament, because this is the title of the series, are extremely popular, at least from the reports we get from members of Parliament, they must be very effective otherwise I don't think that this series of programs would have gone on for years and years as has been the case.

Senator McElman: Are they programmed at hours when you really do have reach? This is what I am asking you.

Mr. Crépault: Well, from my personal experience I would think that these programs are usually broadcast at the very best hours because usually they are part of a program on public affairs and of course these programs as you know are usually during a period like the drive-home time, you know, which is probably the best hour, or the driving time in the morning, so they get I think, probably the maximum exposure.

Senator McElman: From the standpoint of radio, Mr. Fenety, would you comment on that?

Mr. Fenety: I would say it would vary, Senator McElman, from one end of the country to the other but basically the prime time of broadcasting on radio would be from 6.00 o'clock in the morning till perhaps 1.00 or 2.00 o'clock in the afternoon.

The Chairman: 6.00 o'clock in the morning?

Mr. Fenety: 6.00 o'clock in the morning, and surveys show this, Mr. Chairman, at least in my end of the world.

Senator McElman: We get up earlier, Mr. Fenety!

Mr. Fenety: There may be some ground for justifiable complaint but we have analysed this within the CAB and Mr. Allard would be most familiar with this. In our particular case

we have moved the report from Parliament Hill, I think, not more than three or four times over a period of some 20 odd years. They are now in what I consider to be a favourable position on a Saturday immediately following the major news cast.

The Chairman: What time is that?

Mr. Fenety: It would be 6:45 in the evening. Certainly that is the highest rated evening period with the exception of the program which follows, so I would consider that politicians in New Brunswick who make use of my station have an advantageous time.

Now, there may be some—and I think this could be argued from one end of the country to the other—that say that we should put politics in at the highest rated time period of the day. However, I don't think the private broadcasters would look very favourably on this.

The Chairman: I am going to suggest-you made a reference to Mr. Allard. I am going to make a request of Mr. Allard, then I am going to adjourn for a few minutes. It is my intention, Senators and gentlemen, if you are available, to carry on until 1:00 o'clock and we will adjourn at 1:00 o'clock and I think that being so, in fairness we should perhaps take a ten minute break now. Before we do Mr. Allard, I would be grateful if you would supply us if you could-I hate to add to your heavy workload because I know you have one but I would like a little more detail on these statistics-20 per cent of the CBC, was it, going into Canadian talent-20 million dollars, I am sorry, going into Canadian talent, and the private broadcasters doubling that to about 40 million dollars. Not at the moment but at your convenience after the hearing.

Mr. Allard: We can arrange that.

The Chairman: Yes, I believe it would be terribly interesting to the Committee.

Mr. Fortier: Could I wrap it up with one question?

The Chairman: Well, it is not a wrap-up. I am going to adjourn, that's all.

Mr. Fortier: Mr. Crépault and his colleagues have been very eloquent and very forthright in their views but I still don't understand if you are advocating the abolition of the CBC as we know it today?

Mr. Crépault: We are advocating a reorganization of the CBC.

Mr. Fortier: But your Canadian program production suggestion would do away with to show that there are only two television the CBC, would it not?

Mr. Crépault: Well, you could use the CBC and re-adapt it, transform it into a production centre.

Mr. Fortier: But the CBC should not be in competition with private broadcasters?

Mr. Crépault: That is a fair statement.

The Chairman: I would like to adjourn now-it is twenty-five after eleven and if the Senators will take note I would like to re-convene right at twenty-five to twelve, in ten minutes. Thank you.

-Short adjournment.

The Chairman: Honourable Senators, I'd like to call this session back in order please. Mr. President, I'd like to ask you why private broadcasting in the various categories do not belong to the CAB?

Mr. Crépault: I think the present membership at the moment represents about 98 per cent of all private broadcasting undertakings in Canada.

The Chairman: It does?

Mr. Crépault: Approximately, yes.

The Chairman: Now, I note you have a membership of 243 AM stations and on page 4.1 you say there are 252 AM. stations. I imagine there are 19 AM. stations who don't belong, there are 8 FM stations who don't belong, and there are 5 television stations who don't belong. You say that roughly works out to 98 per cent?

Mr. Crépault: Yes.

The Chairman: Well, it doesn't much matter. The question I wanted to put is why don't they belong?

Mr. Crépault: I think that chiefly it is a matter of finances. First of all in terms of radio stations which do not belong, in most cases they are stations which are in pretty isolated areas which are also financially speaking marginal operations and the people operating their stations find it very inconvenient or difficult and too expensive to come to meetings and so on, so really they feel that even if the membership fee, is not exactly a substantial amount, in some cases it is just too much to make it possible.

Mr. Allard: Mr. Chairman, our figures seem stations that are not members of the CAB.

The Chairman: There are only two?

Mr. Allard: That is what our figures indicate.

The Chairman: Well, it is not what your brief seems to indicate, Mr. Allard. At page 1 you say that there are 52 television stations who belong—that is in 1.1 and at 4.1 in your brief you say there are 57 television stations in Canada.

Mr. Crépault: I think in my statement this morning, Mr. Chairman, I think I said there were 55 television stations which are members.

The Chairman: So this is wrong here?

Mr. Crépault: Yes.

The Chairman: Your organization is growing so quickly you can't keep up with it!

Mr. Crépault: Yes, it is growing from day to day.

Mr. Allard: As a matter of fact the Chairman is quite correct, Mr. President. The figures were accurate at the time when this brief was printed—it is 55 now.

The Chairman: So that there are two that don't belong?

Mr. Allard: That's right.

The Chairman: Just who are they, out of curiosity?

Mr. Allard: Dawson Creek, British Columbia and New Carlisle, I think.

Mr. Crépault: Which confirms I think what I was saying about the remote areas and more or less marginal operations.

The Chairman: Is it true, Mr. Allard, that your annual convention has been cancelled this year-postponed or delayed?

Mr. Allard: I am not sure, Mr. Chairman, that postponement is correct. They have certainly changed the date and the location. I think it is a little earlier than that originally planned.

The Chairman: Why?

Mr. Allard: Our membership felt, Mr. Chairman, that under the circumstances it might be more expedient to meet in Ottawa this year at a date immediately preceding the CRTC, public hearings.

Mr. Crépault: If I might perhaps enlarge on this . . .

The Chairman: Yes.

Mr. Crépauli: . . . in order to get the picture very clear. As you know, the CRTC came out with proposed regulations indicating their hearings on these regulations were to take place on April 14. Our annual convention was scheduled to take place in Halifax on April 19. In my view and in the view of the directors of the Association these proposed regulations were very far reaching proposals which could in fact affect broadcasting in Canada for many, many years to come and we felt therefore these were the kind of issues on which we should definitely seek the views of the membership. We suggested to the CRTC that perhaps they could find a way to postpone their hearings on this so that we would have the chance at the annual meeting in Halifax to consult the membership. However, the CRTC indicated that they were operating under such a tight timetable that they had to proceed with the hearings as planned on April 14.

The Chairman: So that hearing is on the 14th of April and your meeting is here on the . . .

Mr. Crépauli: On the 10th, 11th and 12th.

The Chairman: Is that a special meeting or is it your annual meeting?

Mr. Crépault: No, it is just our annual meeting but as you may well assume I think that the major topic at this annual convention will be the regulations.

The Chairman: Yes, it is likely to be raised!

Mr. Crépault: Yes, I believe so.

The Chairman: I would like to read you a quotation from Bob Blackburn's column in the *Telegram* on February 27 and ask you to comment. He begins by talking about this postponement, then he concludes his column in this way:

"Let's take this into account. The CBC is the public network, and might reasonably be assumed to know what's going on. Ch.9—CFTO-TV—(and for Pete's sake, will you forget for a moment that it has

roughly the same ownership as this newspaper which fact is irrelevant to this discussion) is in most ways THE private station in Canada.

Both the CBC and Ch. 9 are right now funnelling their considerable resources in the direction of complying with the proposed regulations. I'm not a gambling man, but I would say it pays to look at what the smart money's doing. The CAB, which probably is functioning as a trade association feels it must, and all others are tilting at windmills."

Would you comment on that?

Mr. Crépault: Well, the first comment, Mr. Chairman, is that we are a regulated industry and this is a fact of life. Really, whatever regulations might be promulgated by the CRTC we just haven't got any choice: you just have to comply. The alternative is to lose your licence and obviously as a matter of survival, whatever regulations are eventually promulgated by the CRTC must be complied with by any broadcaster in Canada. Now, at the same time the CRTC has called for public hearings to give a chance to anyone in Canada, and I would like to believe especially broadcasters, to comment on the regulations, which means obviously that they are anxious to get some reactions and some comments and of course we are planning to indicate to them in a general context that from our point of view we feel that the strict implementation of the proposed regulations as they have been submitted could create a very serious situation for private broadcasting in Canada.

The Chairman: Are you doing that, Monsieur Crépault, tilting at windmills?

Mr. Crépault: Well, you know, this is Mr. Blackburn's wording. Frankly I have more faith in the CRTC than Mr. Blackburn seems to have. I think the CRTC is composed of reasonable and intelligent people and I think they have asked for comments and I presume it is because they are prepared to listen to representations and if they come to the conclusion that some amendments must be made, obviously they will make them.

The Chairman: Mr. Fortier?

Mr. Fortier: If those proposals become regulations, you forecast some very hard times indeed for some members of your Association. Is that correct?

clear that nobody quarrels with the basic principle. I think that my earlier comments this morning have made it clear that nobody questions or quarrels with the objectives of trying to maintain the Canadian identity and one of the elements of this was the Canadian culture, Canadian heritage and so on. On this score I think the CRTC and the CAB and practically every other Canadian is agreement.

Mr. Fortier: Could they just talk about it and not enforce it by regulations?

Mr. Crépault: Well, I would hope that what I have said so far would indicate that we are prepared to act on it. What I am inclined to question is really the approach; if you want me to go into detail of our reactions so far I would be quite happy to do it. With regard to radio for instance...

Mr. Fortier: We would like it if you could.

The Chairman: In fairness now we don't want to put you in a prejudicial position as far as the meeting on the 14th of April is concerned, so don't feel that you must comment on this.

Mr. Crépault: No, but in the case of radio you know it has already been public knowledge, in fact, our basic reaction. We are talking about 30 per cent Canadian music in every four-hour bloc. Well, in effect these regulations are not made for broadcasting. What they are trying to do with these regulations on radio in to create a Canadian recording industry. Let's face it, this is the purpose. I am afraid that once again we are facing a tradition of several decades—once again we are calling upon the private broadcaster and telling him, "You are going to create a recording industry and you are going to subsidize it." As I said the approach is completely wrong. I don't think this is the way you create a recording industry. What you are really telling the broadcaster is that you are going to keep on trying to be competitive and meanwhile we are going to tie both hands behind your back. This is my personal reaction and I speak very spontaneously and very frankly on this. When we wanted to create a Canadian film industry we didn't go to the cinema operators and tell them that "30 per cent of all the films that you are going to show are going to be Canadian films", because we all know what would have happened. They would have closed down shop. They would have closed down shop chiefly

Mr. Crépault: Yes. I think I should make it because they are not licensed operators, you, know they are not a regulated industry, and this is really, as a Canadian broadcaster, what has bothered me in the past, to discover as I learn more and more about this business the contradiction which has always existed really between the basic principle that we have repeated in every direction about the fact that this is part of a national policy and that private broadcasting is an essential link, yet the actual deed doesn't seem to indicate that they really believe in that statement. Private broadcasting has been the target of very discriminatory action in Canada in the past 50 years.

> Mr. Fortier: Could you give us instances of those discriminations?

> Mr. Crépault: Well, you know, some of them have been heard before-as you know, we have been talking about a transmitter licence fee. When you are talking about a fee, usually it will be \$50 or \$100 as it was in broadcasting before, but now it is really a second income tax because it is based on the gross revenue of your station, so in effectand it is the only industry to my knowledge which is taxed on that basis. We pay a double income tax.

> Another indication I think of the kind of mentality which seems to have presided at the handling of private broadcasting, and I think I was personally involved in this. We were discussing the drafting of the Broadcasting Act—the one which is presently in force. There was a paragraph regarding the kind of fine which could be imposed in the case of default or error of omission on the part of a broadcasting station, and in the first draft that was brought to my attention I was astonished—in fact flabbergasted to find out that the maximum fine was \$100,000. Well, in the whole Criminal Code even for a case of fraud, the maximum fine is \$10,000. How do you explain this?

Mr. Fortier: What is this indicative of, Mr. Crépault?

Mr. Crépault: Well, I think it is indicative of a very disturbing state of mind somewhere which I find very difficult to reconcile. It took a very strong representation to obtain this concession that the maximum fine should be \$50,000.

Mr. Fortier: You say it is a sign of discrimination because the legislator said that the use of the public air waves by private broadcasters was so important that any infringement of regulations concerning them would make the broadcaster liable to a fine of \$100.000?

Mr. Crépault: Well, it certainly shows a pretty hostile state of mind because in effect we all know that the CRTC can lift your licence any time that they want to. Why kill a fly with a hammer?

Senator McElman: The maximum here was for repeat infractions wasn't it?

Mr. Crépault: No, it could be for a one time thing. In some cases this would put the station out of business anyway, so why not just lift the licence? As I said it is not so much the mechanics as it is the reasoning. Then of course there is—I have mentioned it earlier this morning in my comments—you know the rate of depreciation and so on. We have had trouble, you know, to receive the same kind of treatment as the newspapers and yet if anybody needs depreciation in order to survive it is the broadcasting industry because there is nothing more expensive than electronic equipment. I can go on...

The Chairman: Well, I think you have answered, Mr. Crépault.

Mr. Crépault: You know, this is the kind of thing, and as I have already mentioned there have been many inquiries and so on, two of which were presided over by a person who in fact represented our main competitor, in pulp and paper you know. I have never heard of a Commission, and perhaps this is the first one, which is chaired and presided over by someone who at one time or another was connected with broadcasting. On two occasions this kind of Commission was presided over by someone who represented our competitors.

The Chairman: For ten long years!

Senator McElman: Mr. Chairman, I would like to clear up something that was left in doubt earlier this morning. I believe, Mr. Crépault, that in referring to Laugh-In you used the figure of 50 per cent—I think it was that the CTV had had this for 50 per cent less than what the CBC did purchase it for?

Mr. Crépault: You mean the Laugh-In program?

Senator McElman: Yes.

Mr. Crépault: Well, I gather that the year before—Mr. McGregor is more familiar with this—I think the year before the CTV had the

program—for which they paid—I don't know but let's say for example \$40,000, and the following year in order to be sure that they would have it the CBC came along and said "We will pay you \$80,000.", which of course disposed of the deal.

Senator McElman: Well, to get this whole thing in its proper perspective, what did CTV bid for it on the second round?

Mr. McGregor: If I might speak, Senator McElman-first, to understand the way film purchases or program purchases of any kind are made. Any popular program, even if it is produced by a local production company, usually has what they would call first options. These are given to the person who has been supporting it and this is a courtesy to these people. CTV had the first opportunity to make a bid for the upcoming year of the Laugh-In show and they bid 20 per cent higher than they had for the previous year because they were told by the people who were arranging the program rental that the CBC were very interested in it. The CBC then instead of just bidding higher than that, just virtually doubled the offer and there was no context because CTV being a privately operated network does not have unlimited funds at its beck and call.

Senator Sparrow: I am sorry, did they know your bid? Did they know the CTV bid?

Mr. McGregor: Yes.

Senator Sparrow: It wasn't a closed tender?

Mr. McGregor: No.

The Chairman: Do you think the CBC has unlimited funds?

Mr. McGregor: When it comes to something they want the CBC after all are in a position vis-a-vis CTV of operating in something of excess of ten times the budget, the annual budget.

Senator McElman: Well, what you have said then is that the CTV on the second round offered approximately \$48,000. Is this right?

Mr. McGregor: I am sorry, the figures are incorrect. Mr. Crépault merely put the figures as an example, because in fact if I might steal a moment to make a point ...

The Chairman: By all means.

Mr. McGregor: Canadian production of a comparable hour of course would be vastly

greater than the cost of importing a program whether it be from the United States, Britain, France or wherever. I make that point only because I am sure you are liable to get into that kind of a discussion and I would like to correct it. I guess Mr. Crépault has the precise figures.

Senator McElman: Well, I understand that CTV originally got Laugh-In—it was a new program?

Mr. McGregor: That is correct.

Senator McElman: And from this trial period it shot up to No. 1 and they had it at approximately \$40,000?

Mr. McGregor: Well, that isn't quite the case.

Mr. Crépault: I used that as an example. Actually I gather that the CBC did pay \$3,500 more per week than the CTV had paid the previous year for a total of \$140,000 per year.

The Chairman: How much more per week were CTV prepared to pay?

Mr. McGregor: It was about 20 per cent higher than they had been paying. It was a substantial increase.

The Chairman: Senator Sparrow, do you have a supplementary question at this point?

Senator Sparrow: I am just wondering, when you say or accuse the CBC of paying that much more, could they have merely got it for a dollar more or a hundred dollars more or one thousand dollars more than the CTV had bid?

Mr. McGregor: Well, there of course you are in the in the film business—the film business is a very interesting business. The approach that any film salesman uses, whether he is selling Canadian programming or whatever, is always that he has a can of film and he wants to rent it and he simply wants to get the best possible price for that can of film. It is not like a pair of shoes where you know exactly what your manufacturing costs are and you know exactly what your profits should be and your sales expenses and so on. The purpose is you have so many films in your library that you wish to sell, so many programs, so many video tapes or whatever, and your job is to get the best possible return on the inventory that you have on hand and you may have to make more on the very popular shows so that you can afford to sell

greater than the cost of importing a program the less popular shows at a considerably whether it be from the United States, Britain, lower figure.

Senator Sparrow: Would the CBC sell that program at a loss then? The reason I ask this question is because they have been accused of buying programs and then selling them at a loss. I would assume though that probably CTV must have to do this in some cases—you can answer that as well—but by having paid such a high price in relation would they have sold that?

The Chairman: I am quite prepared to let Mr. McGregor answer the question if he wants to but I would point out to Senator Sparrow that many of these people are familiar with the CTV. Objectively speaking there is a subsequent CTV hearing and maybe that question should better be put to CTV rather than to CAB. You may answer that if you want to but if you would prefer to have us put it to the CTV people...

Senator Sparrow: Well, I am talking principle. You know, we are not getting accurate figures.

Mr. Crépault: Well, it is known of course that the CBC is sometimes in a better position to afford to get sponsors even at prices less than the cost, and there have been complaints on the part of private stations on this, that they are being underpriced by the CBC. This is another point on which this remaining 180 million is being spent.

The Chairman: I would like to ask you a question on Professor Tebbel's comment. You quote him on page 2. He starts off by saying: "Among the middle class especially..." I would like to know what Professor Tebbel or what you have in mind Mr. Crépault, when you use the phrase "the middle class". Just what exactly is the middle class? Giving you a starting point, would you say that the average employee working in private broadcasting—I am not talking now about the owners or proprietors—but is the average employee part of that middle class?

Mr. Crépault: I would think so, generally speaking, yes. These people are usually in a position to enjoy a relatively comfortable standard of living.

The Chairman: Because the average wage from the figures you have given us, as I read it, is \$8,000. The average employee working in private broadcasting makes \$8,000 a year and presumably that includes everybody from

and highly paid newscasters.

Mr. Crépault: Well, as an average, that is a pretty good figure.

The Chairman: So when Professor Tebbel refers to "among the middle class" and you quote him at page 2, you were referring to people whose income is in the \$8,000 bracket?

Mr. Crépault: I wouldn't like to pinpoint it to a specific target. There are people who are really in a position to enjoy a really stable and comfortable standard of living and who are therefore perhaps nervous about any kind of event which might disturb that stability.

The Chairman: In the quote you gave us he said in one sentence: "There is a hatred that goes beyond simple disbelief, as though people were blaming the Press for the ugliness of life today. When middle-class citizens read about riots, the plight of the ghettos and the rise of black militants..." Doesn't this seem to you just a little bit American in context?

Mr. Crépault: I think you are right, Mr. Chairman, that this phenomenon has probably been more noticeable in the United States than in Canada so far.

The Chairman: Well, I was going to ask you that.

Mr. Crépault: Yes.

The Chairman: You anticipated my question. Why? Why is it more noticeable in the United States?

Mr. Crépault: I think it is because the social problems in the United States have been definitely more acute especially in their manifestations than they have been in Canada so

The Chairman: Yet don't we have greater incidence of poverty in Canada than they have in the United States on a percentage or per capita basis?

Mr. Crépault: I didn't think this was the

The Chairman: I have only one other question on this, then we can get on to other matters. In your opening statement I think you were quoting Professor Tebbel some-Where in his speech where he talked about the people wanting to shoot the messenger or the person who brings the bad news. You said you hoped that our Committee might make

operators to stenographers to receptionists some recommendations in this area to do something about this. May I put the ball back in your court? What do you think is the solution to this problem?

> Mr. Crépault: I think it is really a matter of education, of making people aware of the fact that the messenger is not the newsmaker and it is the duty of the messenger to simply bring the news, and I think that the people have to be educated in such a way as to be aware that in fact if there is a violence around them it is in part an essence of their community or the society in which we are called upon to live.

> The Chairman: Shouldn't the private broadcasters explain that to the people?

Mr. Crépault: Well, we are doing it.

The Chairman: Are you?

Mr. Crépault: Yes.

The Chairman: You do in-depth material?

Mr. Crépault: Yes, and this is why we are now bringing it up in a forum like yours.

The Chairman: Do you do as much indepth public affairs programming as for example the CBC?

Mr. Crépault: Well, I am inclined of course to think in terms of radio and I am inclined to think of my own radio station. We do every day a number of programs on that very trend.

The Chairman: Well, I am familiar with your radio station and I was asking more generally?

Mr. Crépault: In general I think Mr. Chairman we can say that there is certainly an increasing effort on the part of private broadcasters to do that kind of in-depth study for programming. In terms of social trends, social problems, we do this very much indeed.

The Chairman: Mr. Fortier?

[Translation]

Mr. Fortier: Mr. Crépault, your Association, the Canadian Association of Broadcasters, groups stations, does it not?

Mr. Crépault: Right.

Mr. Fortier: There is one vote per station. Is there also an executive committee with special powers?

Mr. Crépault: There is a 19-member Board because of committees and so forth. Let us of Directors. There is also an appointed Executive Committee whose membres are chosen by the President. That Committee is appointed each year and usually consists of the two Vice presidents for television and radio. In addition there are also two other members, one of whom is usually the Past President.

Mr. Fortier: Do all decisions of that committee have to be ratified by the Board of Directors?

Mr. Crépault: Not necessarily. In fact the practice is that when there is a problem submitted to the Board of Directors, very often after setting the guidelines and general policy, they will refer the question to the Executive Committee with orders to follow its guidelines.

Mr. Fortier: As an association, do you meet often or is there only the annual meeting?

Mr. Crépault: No, meetings are frequent because of two favourable factors. First of all, you have the CAB. Naturally that is a national association and there are also regional associations. There is the AAB, the Atlantic Association of Broadcasters; the ACRTF which groups the French stations, the CCBA which represents Central Canada, the WAB which is the Western Association of Broadcasters and the BCAB which represents British Columbia.

Mr. Fortier: What is the affiliation between those groups and your Association?

Mr. Crépault: They are all affiliated with the national association and each regional association is asked to send a certain number of candidates as directors of the national association. It can be taken for granted that each broadcaster went through a regional association before attaining a position with the national association.

Mr. Fortier: I have read the goals of the national association of which you are President. As in most cases, I did not learn anything I wanted to know. What exactly do you do, other than hold meetings and present briefs to various committees, etc.?

Mr. Crépault: What we have done for the past few years is mainly tried to defend ourselves and survive. Indeed that is true. There has been a demand for the Association's services which has been growing, especially since the end of the last world war,

say that that is the survival aspect.

There is also very probing work being done by the Association in co-operation with government agencies. For that reason, the Association is practically represented on each of the government committees dealing with a question related to broadcasting either directly or indirectly. At the present time you know the Department of Communications has a great many studies underway in the field of communications and it asked us to have a representative on each of those committees. Naturally we agreed to that request. Immediately you have work in co-operation with government authorities. At the moment there are studies taking place on the question of copyright. There also, we provide representatives who draw the attention of the government officers who are studying the question on the applications of such and such a piece of legislation from the point of view of private broadcastings.

Mr. Fortier Do you undertake research work?

Mr. Crépault: We make studies. Furthermore that is necessary because of what I have just said and because our representatives on those committees and commissions would hardly be in a position to participate effectively if they did not have some material and research behind them. Indeed, I believe that the Association's budget is in the order of half a million dollars.

Mr. Fortier: What membership fees do you charge each station to join the Association?

Mr. Crépault: It goes according to categories which is based on a station's gross revenue. The most a radio station can be charged is \$300 per month. So, the other fees are less. In some cases, it has happened that stations in a rather unstable financial position have requested a special rate for a period of one or two years. Naturally, that has been granted.

Mr. Fortier: Is it not a fact that the licence fee which you have to pay, which each station has to pay, occasionally is less than the cost of Association membership?

Mr. Crépault: No. I do not think so. You are talking in terms of the transmitter licence fee. That transmitter licence represents a minimum revenue of \$3 million per year.

Mr. Fortier: The scale ...?

Mr. Crépault: The scale does not correspond at all.

[English]

The Chairman: Describing the function of your organization—I may have missed it but did you mention the Radio Sales Bureau?

Mr. Crépault: No.

The Chairman: You might describe those very briefly for the Senators.

Mr. Crépault: Well, there is a number of what I would call agencies which are directly or indirectly connected and sometimes even financed by the Association which play a specialized role. As the Chairman has mentioned there is the RSB which is the Radio Sales Bureau, and really if you would ask me to describe briefly the purpose of the Radio Sales Bureau it is to make advertisers, any kind of Canadian advertisers, conscious of the advantages of advertising on radio, and the People more conscious generally of the advantages of radio advertising. Of course it is the equivalent of TSB which is the Television Sales Bureau. There are also other-I am using the word agencies but I am using the word agencies in a very wide term. For instance, an organization called The Program Exchange which is really a clearing house located in Toronto and which really does the Work of a clearing house. If one of my stations for instance produces and interesting program we send it up to the Program Exchange in Toronto and they make copies of it available free of charge to any other station Which wants it, and it is the same for television.

Mr. Allard: This one is an internal division of the Canadian Association of Broadcasters.

Mr. Crépault: The status, the legal status might vary.

Mr. Fortier: Well, would it be fair to say, and this is not intended as a critical question, that the CAB is a lobbyist organization?

Mr. Crépault: I am prepared to answer yes if I was a little bit more certain of what you mean by a lobbyist?

Mr. Fortier: Well, what I mean by that...

Mr. Crépault: Obviously it is to—I accept the fact that the word lobbyist can be a very healthy name...

Mr. Fortier: It does not necessarily have a pejorative meaning.

Mr. Crepault: As President of the CAB I certainly have no qualms in admitting that one of my roles is to make sure that the Canadian governmental authorities are aware of the needs of the industry and to that extent I am a lobbyist and the Association is a lobbyist.

Mr. Fortier: Who acts as the lobbyist for the CBC then?

Mr. Crepault: I think their whole head office in Ottawa!

Mr. Fortier: Yes, I thought I would give you a chance to answer that. You have spoken both in your verbal presentation as well as in your written brief, Mr. Crépault, of the wide range of investigations and regulations applicable to broadcasting in Canada. You have not quite said it, so I ask you the question. Do you feel that the regulations are excessive?

Mr. Crepault: Well, there again may I split your question in two. You are referring to investigating committees and you want to know whether I feel...

Mr. Fortier: My question should only deal with the regulations.

Mr. Crepault: I think we could have done with less investigating bodies to begin with. I think so. At the same time, I realize that broadcasting and communications is a very important and essential field in Canada and I understand the periodical desire of the Government to look into the matter, although I would have preferred certain of these investigations to have taken place in a different context and a different atmosphere.

With regard to the regulations, I think that I probably reflect the view of the majority of broadcasters in Canada, private broadcasters, when I say that in effect regulations have been somewhat excessive.

Mr. Fortier: Would you give us some examples?

Mr. Crepault: Well, if you are talking about the actual proposed regulations at the moment, I have indicated to you—I think there is a tendency in this particular context to confuse quality and quantity and it brings me back to the distinction I made about approaches. There seems to be an underlying feeling that you can really exercise some sort of control on the personal discretion of the Canadian individual as to what he wants to hear and what he wants to see. I think that

because of this apparent assumption that you can really force Canadians to take one route rather than another in this particular intangible area that there has been an excess of regulations.

Mr. Fortier: Is this the area with which you are mainly concerned when you say that it has been excessive?

Mr. Crepault: Yes. I think it is because of the underlying approach which seems to be reflected by these regulations.

Mr. Fortier: Should there be regulations at all on broadcasters in Canada?

Mr. Crepault: Well, let me talk about radio. Frankly, I doubt whether there should be any regulations, at least with regard to this Canadian content approach, because I think it really has been one truly Canadian industry in Canada. I think it has been Canadian radio. Unless there is a definite evil or a definite disease to be cured I think you might as well leave the patient in all tranquility and peace. This would be my normal approach to it.

Mr. Fortier: You don't think it is necessary to have a quasi-judicial body such as the CRTC?

Mr. Crepault: No, I didn't say that.

Mr. Fortier: To oversee the broadcasters?

Mr. Crepault: Well, I accept the fact that it has to be a regulated industry, nobody is questioning this.

Mr. Fortier: You do?

Mr. Crepault: Yes. I also recognize the fact for instance that in some cases you need some guidelines obviously. I am not saying that all guidelines are wise and sound but at the same time I know for instance, as I have mentioned, that there are some kinds of products which we can't advertise but in some cases it is fully justified and in other cases I think it comes back from perhaps our old puritan background.

The Chairman: Can you give us an example of what kind of products you think you shouldn't be able to advertise?

Mr. Crépauli: At the moment for instance we cannot advertise securities.

The Chairman: Do you think that is desirable?

Mr. Crepault: Well, we are talking about buying back Canada you see, and if we want Canadians to be aware—I am thinking at the moment especially of the part of the country where I come from—there is a whole education to be made, as Mr. Fortier said, about making the people conscious of what it is to invest in our country—in Canada. And at least from our point of view I don't think there is a more effective medium than the electronic medium.

The Chairman: I was thinking of a product that you could not advertise?

Mr. Crepault: Well, we cannot advertise the securities.

The Chairman: Well, you said that there were some that you could not advertise and you agreed that that would be a good thing. What are some of those?

Mr. Crepault: That we cannot?

The Chairman: Yes.

Mr. Crepault: Well, there are some personal hygiene products but this is a matter of good taste.

The Chairman: Mr. Fortier?

Mr. Crépault: Hard liquor for example.

The Chairman: Do you think you should be able to advertise hard liquor?

Mr. Crepault: Well, we have left that particular issue in abeyance for the time being, but we have had trouble, for instance—it has taken years and years to be able to advertise wine, and this is an example I think where our legislators have been influenced by the old puritan background in Canada.

Mr. Fortier: Are there any divisions within the Association between the CBC affiliated stations for example, and the other operators and if so how are these reflected?

Mr. Crepault: Well, there are no differences with regard to basic policy decisions of the Association. I don't recall any specific situation where there has been, let's say, a real divergence of views. There could be different considerations—for instance the attitude of one station which may be a CBC affiliate station to one which is not. But I don't recall any particular instance where in fact that kind of approach has led to a basic divergence of attitudes or policies on the part of

and I think which indicates maybe the flexibility of minds of private broadcasters.

Mr. Fortier: The one-station, one-vote policy, does this not tend to favour the networks?

Mr. Crépault: No, because I think there are far more stations which don't belong to a network than those which belong to a network, and the number of stations which belong to the CTV network is a relatively small number. I believe there are just twelve.

Mr. Fortier: You have never encountered any problem at that level?

Mr. Crepauli: No.

Mr. Fortier: May I just turn to the concentration of ownership aspect of your submission, Monsieur Crépault. On page 8 of your brief you say more or less in conclusion:

"It is our submission that no field of endeavour is less subject to monopoly or the likelihood of it than communications."

My question is this. Do you feel that the diversity of media to which you referred is sufficient to provide for adequate access to meet public expression in all local areas in Canada, or are there areas where your Association as an Association would suggest some safeguards?

Mr. Crépault: Well, if you are talking about group ownership of electronic media or broadcasting undertakings, I can't think of any particular area where special safeguards Would be required as an Association. There may be areas where there could be cross Ownership between broadcasting undertakings and newspapers, but I don't think to my knowledge that the Association really feels that there is any particular case where special Safeguards would be required.

Mr. Fortier: Your Association does not feel that this is essentially bad or it just has not pronounced itself?

Mr. Crépault: Well, the Association has pronounced itself on the basic principle of group ownership in the following sense. We feel that group ownership—and the experience is there by the way to support it-of course it is a matter of degree, but the basic principle of group ownership has been and especially in Canada will even become more important for a number of reasons. I think and can you give us some examples?

the Association, which was very fortunate that in general experience has shown that it can hire better people, it can hire more people, it can bring to the community which they are called upon to serve better facilities, and in this case I think we have made available to your Committee copies of this special study made by Professor Litwin and Wroth, the essence of which was precisely these conclusions. To that extent we feel that group ownership could have some very definite advantages.

> Mr. Fortier: The CRTC has spoken, as you probably well know, of excessive ownership. What would be your definition of excessive?

> Mr. Crépault: I don't think I can reply to this because I think every case has to be judged on its merits.

> Mr. Fortier: You say they are all ad hoc cases?

Mr. Crépault: They are all ad hoc cases because you can have for instance a particular area where there is a group of stations but in each area where they have a station there is a competing station, so right away you have a built-in safeguard because there is an alternative. I think to that extent by the way that the CRTC and its predecessor the BBG has probably shown a better insight than its opposite number in Washington, the FCC which as you know has set some very specific limits. In other words you cannot own more than seven radio stations and five television stations, which I think implies a certain rigidity although it probably makes it easier for them to reach decisions, but at the same time I don't think it is as intellectually arrived at as it is in Canada.

The Chairman: Senator Kinnear?

Senator Kinnear: On page 2, paragraph 1 part 4, you say:

"In any event under the present legislation, no broadcasting transmitting or broadcasting receiving undertaking can operate without a licence from the CRTC. That tribunal can withhold or withdraw a licence at any point."

You have made this point many times this morning. It is a question whether multiple ownership or cross ownership has reached excessive portions. I wonder how many cases there are-how many stations there are like that across Canada under cross ownership Mr. Crépault: Well, there are as you know some corporate groups which own more than one station.

Senator Kinnear: Yes, but are there many?

Mr. Crépault: I think it is a fair statement to say that there is a tendency towards a grouping of broadcasting undertakings and the names that come to my mind at the moment would be groups like Standard Broadcasting, Selkirk Holdings, Western Broadcasting, CHUM and...

Senator Kinnear: Is the trend to that more and more?

Mr. Crepault: I think it is, chiefly for the reasons I have mentioned. First of all the costs of operation are really going up steadily. I remember when I first went into broadcasting for instance; in effect you could really think of starting a radio station with perhaps as little as \$25,000, perhaps really build it up from there. I haven't seen really any new radio stations in the last year or so and I think one of the reasons is probably because you just can't start a radio station with less than several hundreds of thousands of dollars. The electronic equipment is becoming more refined and as a consequence it is becoming more of an expense.

There is also another aspect which I think is worth mentioning and this is in the field of news. The isolated independent station cannot afford obviously to have correspondents in Ottawa and in the provincial capitals or in the States or abroad. A group of stations can do it however.

The Chairman: Couldn't that be done co-operatively?

Mr. Crepault: Yes, but you see . . .

The Chairman: Couldn't your organization do that on a co-operative basis?

Mr. Crepault: But then you set aside the competitive elements that might exist between a certain group of stations—in other words you don't want to create uniformity.

The Chairman: I am not sure that you answered Mr. Fortier's question. Perhaps you did to his satisfaction but not to mine. How much concentration is too much—I mean what is excessive concentration? You used the example of the United States...

Mr. Crepault: Where it is automatic.

The Chairman: Where it is automatic, but I am sure you will agree there are how many times more broadcast facilities there—five, six, seven times—I don't know. Would you be happy to see all the private broadcasting outlets in Canada owned by one person?

Mr. Crepault: Of course not.

The Chairman: Then, where do you draw the line?

Mr. Crepault: I don't think I can draw the line unless you give me a specific case.

The Chairman: Well, I have given you a specific case—if one owned them all.

Mr. Crepault: I would say no.

The Chairman: Well, all right, if two people owned them all?

Mr. Crepault: I would say no again.

The Chairman: Where do you say yes?

Mr. Crepault: Well, if you want me to give you examples where the CRTC has taken a stand on this, then I will. We know for instance that in a number of cases the CRTC has refused applications because they felt that in their minds it had reached the degree of excessiveness.

The Chairman: Have you agreed with all those CRTC judgments?

Mr. Crepault: As President of the CAB I find it very difficult to say yes or no, because I represent an Association.

The Chairman: Well, I don't want to put you in an unfair position, but you would agree presumably then that concentration in broadcasting can become excessive?

Mr. Crepault: Oh, by all means.

The Chairman: Okay.

Mr. Crepault: I mean, if I were to own all the radio stations in French Canada that would be excessive obviously.

The Chairman: Perhaps I missed this answer and I apologize because I perhaps was writing a note, but how did you answer the question on a local monopoly? I am referring specifically to 5-14 in your brief at page 8 where you say: "One sometimes hears expressions of concern about possible monopoly in communications." Then I do recall Mr. Fortier quoting the next sentence. Don't some broad-

casting stations have a local monopoly? Is that a healthy situation?

Mr. Crepault: It is my understanding, Mr. Chairman, that there are some small localities where in fact there is a tie-up between the newspaper and the ratio station.

The Chairman: Is that a healthy thing?

Mr. Crepault: It depends on the policies of the owner.

The Chairman: Well, that is a good answer.

Mr. Crépault: Well, I think it is really, and there is also the practical situation. You may have a choice between that kind of situation or having two competing media which could not be economically viable, so there are some practical considerations coming into play.

The Chairman: You submit the brief by Professor Litwin and the Committee is familiar with it. We were aware of it prior to our study-I won't say that all of us have read it but I studied it, but you say in discussing this there are certain factors not that much different in Canada. Aren't there really some different factors in Canada than in the United States in terms of this being a valuable study, a useful study but as we read it shouldn't we be minful of the fact that it is an American study and that this is Canada? I don't say that in any nationalistic sense but rather in the sense the problems are here. I think it is an American study and the problems here are different.

Mr. Crépault: It is an American study and I think that some of the factors which they have studied and examined might not be completely applicable in Canada but at the same time, as I have read this document a number of times, I became increasingly aware that the basic issues were pretty much the same. I feel also that the gap, the difference between U.S. and the Canadian situation is decreasing.

The Chairman: One of the conclusions which you quote here is that single owners are more concerned with short term profit while common owners are more concerned with establishing a reputation for service. I would remind you that by your brief almost half of your members are single owners; 47.2 per cent are single owners. Do you think that the group owners are better broadcasters than those single owners?

Mr. Crépault: No, I don't think it should be taken in that sense. My interpretation of that

sentence means that in a group ownership you are in a position to hire more professional people and to that extent you are really able to plan for maybe a longer haul than the individual broadcasting operator who has immediate problems of survival and so on and whose means of course are far more limited.

The Chairman: Again he says: "Diversity and validity of news information are related to market size. In larger markets much greater diversity and validity are perceived." Is it not a fact that we have relatively fewer larger markets in Canada?

Mr. Crépault: Yes.

The Chairman: So that diversity and validity in news is desirable—I am sure we are agreed on that...

Mr. Crépault: Yes.

The Chairman: And it seems to me that this is a problem here where a...

Mr. McGregor: Well, I might make a point here that was made earlier by our president in regard to the five national voice services, most of them with headquarters here in Ottawa or certainly their major base of operation is here in Ottawa.

The Chairman: You are talking about radio now?

Mr. McGregor: Yes I am. They are providing a complete diversity and many of their reporters in fact are here in this room and they are providing a considerable diversity of the information flowing out from the Capital. It is really the biggest news source in Canada.

The Chairman: I would like to read you a quotation from the Washington Post, december 3, which is a commentary by Nicholas Von Hoffman on the subject. He says:

"The radio news departments are the sorriest parts of professional journalism, and FM is the sorriest part of radio news."

I would like to ask you if you agree with those comments?

Mr. Crépault: Well, I think I can answer...

The Chairman: Incidentally may I say—I hear some of your colleagues laughing and saying "Oh no", but I might say this is an opinion which has been expressed before this Committee on more than one occasion by wit-

fairness I should say that to you.

Mr. Crépault: I think I can answer this Mr. Chairman, on the basis of my own personal experience, if I may?

The Chairman: Yes, of course.

Mr. Crépault: We are talking about group ownership and we are talking about news reporting and there is always an inclination to compare news radio with the reporting by newspapers. In French-speaking Canada, as you know Mr. Chairman, we have succeeded in forming in fact the first and only private French network in the world and that of course is only in Canada. Perhaps the main reason which has prompted us to try to do it really was because of our desire to bring to the French Canadian population a news service, second to none in terms of quality-not only in terms of quality but in terms of international features. First of all, the first point I want to make is that I don't think this would have been possible on the basis of one independent isolated station to begin with. It was only possible to do it on the basis of group ownership, simply because of money to begin with but also in terms of being able to attract professional newspapermen. This is a factor. There is a factor of prestige or of reputation. It is easier to attract a professional to a large, big, well-established organization than it is to one independent broadcasting undertaking. That is the first point. The second one I think-I think it is a fair statement-and I just don't want to relate that statement to my own organization but also to many other broadcasting organizations in Canada—I think in terms of news-and we have seen it also by the extent to which Canadian audiences listen to radio. I think the reporting has shown an increasing profession-

The Chairman: May I ask you just two questions on this question of radio and news. First of all to be fair, I would agree that many private stations do an excellent job. I say that in fairness. Would you agree with me however that some private stations do a terrible job on radio news? Terrible is perhaps not the word—the best word—perhaps ineffective would be a better word?

Mr. Crépault: Well, there are bad lawyers and good lawyers ...

The Chairman: Exactly.

nesses who have appeared here. I think in Mr. Crépault: The same as there are good notaries and bad notaries.

> The Chairman: Exactly. Now, what I would like to know is what does your Association do about the bad broadcasters?

> Mr. Crépault: Well, we really try to bring to them a facility, advice and even sometimes material.

> The Chairman: Do you come to them and say "Look, you are not doing a good enough job"?

Mr. Crépault: Well, we may not be doing it in exactly that fashion.

The Chairman: But shouldn't you?

Mr. Crépault: Well, we do it-we are not a controlling organization because we can only advise. At the last annual convention held in Edmonton the whole topic was information and for three days our membership was subjected to a constant briefing on how to bring better information to the public, so this is the kind of thing we do.

The Chairman: Would it be possible ...

Mr. Crépault: I am sorry for interrupting you but this Professor Tebbel was there as one of the guests.

The Chairman: Would it just be possible that the broadcasters who need this information least, who are already doing a good job, are the ones who are primarily in attendance? The people who need this information most don't come to these meetings?

Mr. Crépault: I don't think so because the attendance at our conventions is extremely high, but at the same time if somebody doesn't want to follow the black line we just can't insist upon him doing that because we are still in a free country and they are in a voluntary association and there is a point beyond which-you know, I can't do it with my station. We can decide on a policy for the station and it can be implemented if you do have a voluntary organization.

Mr. Allard: I think it should be noted Mr. Chairman, that the last broadcasting station that was legitimately accused of doing a poor news job had its licence lifted by the CRTC.

The Chairman: Do you think it deserved to have its licence lifted?

Mr. Allard: Well, that was the CRTC's decision.

The Chairman: Do you agree with that judgment?

Mr. Allard: I wasn't familiar with the circumstances as the CRTC was.

The Chairman: Mr. Fenety, would you like to comment on this?

Mr. Fenety: Yes, but on that particular question Mr. Chairman, I would say that in broadcasting today we are getting some of the best possible news services and I don't think we have to take a back seat to the private broadcasters in the United States of America. I contend that Canadian broadcasters by and large are doing a far better job in the news field, better than, well, let me put it this way. The largest single program expenditure in the private radio station today lies in the news field. There is a constant desire and indeed demand to upgrade the services in all pri-Vate broadcasting stations. The Radio-Television News Directors Association is a further upgrading if you like of the grass roots level and most stations are very proud of the news service they provide.

Now, I think what you were referring to and What possibly the Washington Post columnist was referring to is the rip-and-read technique Which I regret to say is still in effect in Canada and in the United States, but at the same time most of the smaller operations who are confronted with this are also confronted With a very small financial return for their effort and it is just not possible for them to provide a service other than the rip-and-read, but if indeed they do subscribe to a news service such as Broadcast News, which is the right arm of Canadian Press in the broadcasting field, then in that field alone they are making a significant contribution to their community. By and large Canadian broadcasting, private stations in the news field, cannot be tarred with the same Washington brush.

Mr. McGregor: If I might just add a further comment I think that the record might be enhanced with Patick Scott's column from last night's Toronto Star. I don't know whether you read it...

The Chairman: Yes, I do see that column. For the benefit of the Senators...

Mr. McGregor: He wasn't complimentary.

The Chairman: Well, he wasn't particularly complimentary to the news media in Ottawa. He was fairly critical of all news media in Ottawa. He also, as I recall, refer to this Committee and he said this Committee would be well advised instead of worrying about hockey scores in the morning paper-which of course is something that interested me as long time ago-it should be interested in the coverage of the federal Parliament by the Ottawa newspapers. Well, of course, had Mr. Scott read the transcript he would know that we have delt with this problem at some considerable length. However, it was quite an indictment of the Ottawa news media generally; but I think in fairness we should realize that it was by Mr. Scott.

I would just like to ask one more question on this question of concentration of ownership. At page 6 you say:

"Corporate arrangements and so-called 'multiple ownerships' have arisen in every industry because of the combination of rising costs (prominently including taxes); the increasing demand of paperwork requirements; the difficulties that sometimes beset smaller operations in obtaining additional financing; and succession duties and estate taxes."

Would you not agree in fairness Mr. Crépault, that we should add to that list—general economies of scale and increased profitability?

Mr. Crépault: Well, I would be inclined to say no.

The Chairman: Why?

Mr. Crépault: Well, I have lived through the experience and I find that group ownership doesn't really increase your profit margin and gain, on the basis of facts and figures I think it decreases it because...

The Chairman: That is true in broadcasting, is it?

Mr. Crépault: It is certainly true in broadcasting, not only from my own experience but from the impression I get from my colleagues who are involved in group ownership.

The Chairman: Well, your statement here says every industry. Can you not think of industries in which there are economies of scale and increased profitability because of group ownership? Even part of the communication industry?

Mr. Crépault: I can't think of any at the moment unless Mr. McGregor has some facts.

Mr. McGregor: I was simply going to comment that the increased profitability might well result from increased revenue more than from increased profits proportionately speaking. In other words the profits may well increase as a result of an increased efficiency in the operation in making the whole station or the whole group of stations...

The Chairman: I am sorry for interrupting you but there is an urgent phone call for Mr. Donald Newman.

Mr. McGregor: The difficulty that some of these single ownership stations have is their inability to assimilate a rapid change—a drop in ratings a sudden new regulation which represents a substantial increase in costs—they are not able to stay alive while the regulation is either changed or while the effects of the regulations can be changed or modified within the station. These things become a major crisis to a small operation whereas in a larger operation they are an important problem but they don't represent life or death.

Mr. Fortier: On that point, what about the argument which we have heard when the Committee was dealing with newspapers, that the newspapers should be community owned—it should be owned by a member of the community where it is published, ideally. Does that not also apply to radio and television stations and if not why?

Mr. Crépault: I think I would make a distinction between ownership and operation. To begin with as to group ownership, I am personally inclined to believe not only the principle, I think, must be accepted but I also feel to a great extent that it is almost essential now for the survival of broadcasting, and in some way the argument that we had earlier that if we want quality and if we want to be in a competitive position we have to have a certain element of bigness. With regard to the local participation—I would prefer to use the word participation rather than ownership. As soon as you talk about group ownership, actually first of all you get away from local ownership unless it is a public company with a wide distribution of shareholders with roots in various communities, so really the ownership in my view is not the determining factor.

Mr. Fortier: It is the operation?

Mr. Crépault: It is the operational aspect of the media which counts.

Mr. Fortier: But you have done so effectively, so well in Quebec monsieur Crépault with your company—do you think you are going to see that in English Canada also?

Mr. Crépault: You are beginning to see it now, it is already started. I visualize that even just as a matter of survival in the next five years—as I say it doesn't mean that all my colleagues here will necessarily agree with my conviction—but I visualize that in about five years or perhaps at the most ten years you will have the whole private broadcasting field in the hands between 10 and 15 groups.

Mr. Fortier: Made up of networks?

Mr. Crépault: Regional networks, joint administrations, and I think that it is not going to harm the information field in Canada. I think it is going to enhance its qualities, I think it is going to lend strength to the Canadian industry in order to become more competitive and I think it will also bring to the Canadian population far better services, more professional services.

Mr. Fortier: Could I ask Mr. Fenety to comment on that?

Mr. Fenety: I would agree wholeheartedly with Mr. Crépault's summation. I would think for example in the Atlantic Provinces where we are hard-nosed individuals, we like our own autonomy and we like to be as parochial as it is possible to be, that even there we are now facing a situation where we are going to be viable in the marketplace. There must indeed by a grouping together of broadcasting units if they are to survive. For example, we were talking about news a moment ago. In my particular market my news department chose to present Apollo 11 in a voice report series, which to me seemed a little strange, and the cost was about \$500. Their point of view was simply that there are people who are shut in in hospitals and people who are mobile or people who are travelling who wanted to follow this important event and therefore despite the fact that most of the people in my immediate city area would watch ABC, CBS, NBC, CBC and CTV, they went ahead with it. How much longer—this is the way I am putting it to you now-how much longer are we in a position to do this? I think perhaps the people in the smaller centres in New Brunswick should have had the opportunity and so on and if such opportunities are to be provided there must be cost sharing. This can only be done within the larger units. Therefore, the service that is provided in all these areas will be greatly increased and the quality of them even more so.

Senator McElman: Mr. Chairman, for the record I think I must say that Mr. Fenety's description of a Maritimer doesn't necessarily apply to all Maritimers!

Mr. Fenety: Well, we have a nationalistic outlook, our own Maritime outlook.

Senator McElman: We have had many comparisons between the Canadian and American situation, this morning and so on, but I think we should look back to what Parliament had in mind going back beyond the Broadcasting Act to the White Paper and the report of the House committee on broadcasting. I will just read two short paragraphs and then I will pose my question.

"Fundamental to any consideration of broadcasting policy is the fact that the airwaves are public property and the privilege of exclusive use of any channel or frequency must be subject to the clear responsibility of serving the public interest as expressed through national policies. The Committee"-and this is the House Committee and this report was adopted—"feels strongly that it is not a proper function of Parliament or Government to be involved in the programming or the day-to-day operation or supervision of broadcasting systems. It is however the responsibility of Parliament to define the public interest to be served by our braodcasting system and to enunciate the national policy. It is also Parliament's duty to create a viable structure within which the service we seek can be assured to the Canadian people."

Now, we have talked much about the regulations and we have talked a little about licensing. Do you not think therefore that in the sort of unique broadcasting situation—I think it is unique perhaps in the world with its mix—do you not think that in licensing you have a tremendous advantage because in licensing I think one of the requirements—if it isn't you can correct me—is that before another licence be granted consideration be given to the economic viability of licencees in that area. This is unique, is it not?

Mr. Crépault: Well, it is true, Senator, and in fact this is a consideration of course which is taken into account when you apply for a licence. They want to make sure if the licence is granted that you are going to be viable. As to whether this is unique in Canada...

Senator McElman: Excuse me sir. Not just the fact that the new licencee will be viable but the existing station will be viable?

Mr. Crépault: That's right. In other wordsyes, you are right on this. In other words if in their judgment they feel that by granting a new licence they would jeopardize the existing station they would be reluctant to do so. As to whether this is unique within our country I would be inclined to say that perhaps you might compare maybe the telephone operation which is perhaps identical to this. In other words, I don't think you could obtain from the Transportation Board-you know. I don't think I could, for instance, set up shop in competition with the Bell Telephone without a licence, and I have the feeling that I would find it pretty difficult to get a licence to operate my own telephone company in Quebec. I am not sure that this situation is unique. You have the same situation with regard to airlines.

Senator McElman: Well, let us just stick to broadcasting. The comparison today has been largely with the American system which is better than ours in this fashion, they can make more money and have their great networks which by making money can produce a better programming and so on. I am sure you wouldn't want to transfer into an American system but let's for a moment take radio broadcating. Their licensing provisions enable them to almost hand out radio braodcast licences like wheatcakes...

Mr. Crépault: Yes.

Senator McElman: Yes.

Mr. Crépault: And they are beginning, Senator, to regret that policy.

Senator McElman: Indeed.

Mr. Crépault: Yes, because I can tell you for instance that within the last month there are three television stations in the United States that have gone bankrupt and perhaps even a greater number of radio stations, and also there is duplication of the services, there has been a lowering of the quality of the service and I agree with you, I think they are beginning to deeply regret that policy.

Senator McElman: Well, this was what I was getting to. In line with the intent of Parliament, which I have read to you, we have had great stress this morning on the interference, the regulations and so on—there is another side of the coin in Canada, is there not—somewhat different—our licensing does have woven into it protective measures for existing licencees—Roy Thomson said a licence to print money...

Mr. Crépault: The most questionable statement that was ever made about broadcasting.

Senator McElman: Well, all right. The point I simply wanted to make was that in Canada there is the second side of the coin—heavy protection of licencees guarding against further licences which will wreck their viability. Is that not correct?

Mr. Crépault: Senator, I am fully in agreement with you. The securing of a broadcasting licence, and I think I can say that I speak for the great majority of broadcasters when I say that it is a great privilege and an honour because in some way it is a judgment in their ability to serve the public and to that extent I agree with you. The licence includes within itself also a built-in protection and I think that makes the obligation that much more serious and I fully agree with you. I have always accepted the fact that it has to be regulated.

The Chairman: Honourable Senators, ladies and gentlemen, I know that Mr. McGregor would like to speak and Mr. Fortier would like to speak. I said we would adjourn at 1:00 o'clock but perhaps before we actually do adjourn I would just say to you, Monsieur Crépault, and to your colleagues that as originally conceived the idea for the Committee was really to deal with print only. However we soon realized that a study of this type would only be meaningful if we did include broadcasting and so we decided to ask the broadcasters, notwithstanding as I observed in my original speech in the Senate that you are quite right—it has been analysed, self-analyzed, cross-examined, possibly the most examined medium in history. Yet I don't think we have to apologize for having you here this morning notwithstanding the many remarks about government inquiries in your brief. This has been a valuable morning for us, it has been useful testimony and we are grateful.

Perhaps the only other thing I should do is outline the schedule for next week. There are only two public sessions. Tuesday, March 17 in this room at 2:30 we will be hearing from Mr. Nicholas Johnson from the FCC in Washington. Then on Wednesday, March 18 in this room at 10:00 o'clock, Reader's Digest Magazine.

The meeting is adjourned. Thank you very much.

... Whereupon the meeting was adjourned.

Queen's Printer for Canada, Ottawa, 1970



Second Session-Twenty-eights Warkinment

THE SENATE OF CANADA

PROCEEDINGS

OFTHE

SPECIAL SENATE COMMITTE

ON

MASS MEDIA

The Honourable KEITH DAVES, The true

No. 37

TUESDAY, MARCH II. 197

WITNES

Mr. Nicholas Johnson, Commission J. Aderal Communications Commission Washington, D.C., U.S.A.

Secret McLiman; Well, this was what I was pricing to, in the wide the try desire of Parliament, which I have read to been up have laid press rates this recognized to the last and action of the pricing was in the secret the recognization. This is no extract to the try has either and action of the pricing the last to the try has either and the pricing the last to the try has either the try has a pricing the last try that the try the last try that the last try that the last try that try that the last try that try that try that try the last try that try the last try that try that try that try the last try that try the last try that try try that try the try that try

 Office State in part of their second over the annual tensor promodel in the State of States, and discuss their security desired.

Manufactured to not not state in Considerate to not not send in Considerate to not not not send in Considerate to the send of the send of

the Subject Schmin. I not fully in agreement with you. The returns of a broadcastme themse, said I think I ag say that I speak
the great managing of broadcastry when I
may that it is a great privilege that in boson
because in access way it is a justiment in these
ability to serie the public and to the extent I
best with you. The license assumes within
built also a billible protection and I take
each maker the objection that had a sore
according to I fall, agree with you. I have
above accepted the fact that It has to be
residied.

The Chetraman it there that her, is directly the problem of based and hir further would like to speak I said we would ediction at 1000 o'clock but perhaps before we actually do strong I would just say to you, Monsieur Grenath and to your collectment that as uniform the committee are really to find with grint only. However, we want contains that we did include her really in find any as study of this type which and to make a study of this type which and to make a study of this type which and to me analysed it make the woodenance a nativity and the formation of included in the treatment a particular to the first problem in the first p

Perhaps the only citus thing spould do by culture the according for past week. There are only two public supplies. Tuestay, March 12 in this room at \$150 as will be bearing from Mr. Nicholas Johnson troos the FCC in Washington, They on Perhaps & March 18 in the room at 10.00 welock, Render's Direct March 19.

"The meeting is adjourned. Thank you very much.

. Whenever the meeting was adjourned

Agency Printer for Carado, Cilgura, 1978



Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, Chairman

No. 32

TUESDAY, MARCH 17, 1970

WITNESS:

Mr. Nicholas Johnson, Commissioner, Federal Communications Commission. Washington, D.C., U.S.A.



Second Session—Twenty-eighth Parliament

THE SENATE OF CANADA

MEMBERS OF THE SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, Chairman
The Honourable L. P. Beaubien, Deputy Chairman

Beaubien Bourque Davey Everett Hays Kinnear Prowse

Macdonald (Cape Breton) Quart

McElman Smith

Petten Sparrow

Phillips (Prince) Welch

(15 members)
Quorum 5

TUESDAY, MARCH 17, 1970

WITNESS:

Mr. Nicholas Johnson, Commissioner, Federal Communications Commission, Washington, D.C., U.S.A.

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, December 18th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative, on division.

Extract from the Minutes of the Proceedings of the Senate, Friday, December 19th, 1969.

With leave of the Senate, 'vilupni and to exogua and rol

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That the names of the Honourable Senators Bélisle and Phillips (*Prince*) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 10th to 19th February, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, February 5, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Haig:

That the names of the Honourable Senators Quart and Welch be substituted for those of the Honourable Senators Bélisle and Willis on

the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 17, 1970.

With leave of the Senate,

Mass Med The Honourable Senator McDonald moved, seconded by the Honourable Senator Connolly (Halifax North):

That the name of the Honourable Senator Kinnear be added to the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That the name of the Honourable Senator Langlois be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 4th to 13th March, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

The question being put on the motion, it was—Resolved in the affirmative.

ROBERT FORTIER, Clerk of the Senate. the list of Senators serving on the Special Committee of the Senate on Mass Media, when it nother odd no true guisd nothers and in nowless.

Extract from the Micutes of the Svijaning of the bevious Thursday,

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 17, 1970.

The Honorest of the Senator McDondon by the Hon-

settimmon The Hanaurable Senator, McDonald, moved, seconded by the Hon-

and not stilled the barraciathe Homewishle Sendor Kinness added to the list of Senators serving on the Special Committee of the Senate on Mass Media.

After depute, and—
The question discontinue and more and notice of the affermative sevices with some the affermative sevices with some the level of the affermative sevices with the sevices of the affermative sevices with the sevices of the level of the sevices of the level of the sevices of the level of

-me Extract from the Mindess of the Brockedings of the Seaster Tuesday, March 3, 1970.

With leave of the Senate, with leave of the Senate, with leave of the Honor Monourable Senate, which would be the Honor of the Honor of

-nord and Thereitonourable Senatoral coloraid movers seconded by the Honourable Senator Denis, P.C.: Salgoral robust address

eqillid belibatatic namensidhe Menoumble Sepaton Langlois he memoved from boa delbelist of Sepators samely; on the Special Committee; of the Sepate on edt to Massafiledia labsed out no voives stolaned to this ed out to

> The question being put on the motion, it was— Resolved in the latternative it no luq garad noticeup edf

Extract from the Minutes of the Proceedings of the Senate, Tuesday, Marchus, 194958 and to saturify and mon regrissi

The Honourable Senator McDonald moved seconded by the Hon-

That Rule 76 (4) be suspended in relation to the Special Committee and the Special Committee of March 1970 March 1970 both in- in Archestyel and that the Committee have bower to use define strangs of one to the Senate 10 that period over assuming of the Senate 10 that period over assuming the senate 10 that period.

The question being put on the motion, it was a state of the affirmative of the paid nothing and the paid of the same are a paid to the sa

stance will war amones of the Proceedings of the Senate, Thursday

" With leaves of the Sancha

The Honourable Sension McDonald moved, seconded by the Honourable Senator River.

What the turnes of the Hoppurable Senators Quart and Weich be

MINUTES OF PROCEEDINGS

Tuesday, March 17, 1970. (32)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 2.30 p.m.

Present: The Honourable Senators: Davey (Chairman); Bourque, Kinnear, Macdonald (Cape Breton), McElman, Petten, Prowse, Quart, Smith, Sparrow and Welch. (11)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Yves Fortier, Counsel.

The following witness was heard:

Mr. Nicholas Johnson, Commissioner, Federal Communications Commission, Washington, D.C.

At 6.10 p.m. the Committee adjourned to Wednesday, March 18, 1970, at 10.00 a.m.

ATTEST.

Denis Bouffard, Clerk of the Committee.

MINUTES OF PROCEEDINGS

Tuespay, March 17, 1970.

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 2.30 p.m.

Present: The Honourable Senators: Davey (Chairman); Bourque, Kinnear, Macdonald (Cape Breton), McElman, Petten, Prowse, Quart, Smith, Sparrow and Welch. (11)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Yves Fortier, Counsel.

The following witness was heard:

Mr. Nicholas Johnson, Commissioner, Federal Communications Communications, Washington, D.C.

At 6.10 p.m. the Committee adjourned to Wednesday, March 18, 1970, at 10.00 a.m.

ATTEST

Denis Bouffard, Clerk of the Committee.

SPECIAL SENATE COMMITTEE ON MASS MEDIA

EVIDENCE

Ottawa, March 17, 1970

The Special Senate Committee on Mass Media met this day at 2.30 p.m.

Senator Keith Davey (Chairman) in the Chair.

The Chairman: Honourable senators, if I may call this session to order.

Our witness this afternoon is surely one of the busiest people in North America and certainly one of those who is most interested in the mass media. Commissioner Johnson is leaving from Ottawa to go to Rome, then of course ultimately back to Washington. Perhaps I could be allowed to sketch his career very briefly for you. He was born in Iowa-he is a graduate in law of the University of Texas and spent two years as a law clerk. The first with the Chief Justice United States Court of Appeal Fifth Circuit and then a year as a law clerk with Supreme Court Justice Black. He then joined the law faculty at the University of California at Berkeley, where he served three years. He then became associated with a law firm in Washington for one year until his appointment in 1964 by the then President Lyndon Johnson as the Maritime Administrator. He served in this position from 1964 to 1966 and then in 1966 was appointed by President Johnson to a seven year term as one of seven FCC Commission-

Commissioner Johnson, to give him his full and proper title, is 35 years of age, he is married with three children and he interestingly enough just now—just within the last few weeks—published a fascinating book which I hope I will have a chance to talk about this afternoom—it's title is "How To Talk Back To Your Television Set." Perhaps Mr. Johnson if I might be allowed to quote from the jacket of the book, it says something about you which I think would interest the senators. There are three quotations from the back of the book—the first is from John Kenneth Galbraith, and I am quoting:

"Nick Johnson is currently the citizen's least frightened friend in Washington and this book tells why."

The second quote by Fred W. Friendly, an Edward R. Murrow Professor of Broadcast Journalism, at the Graduate School of Journalism, Columbia. Mr. Friendly says:

"There is such a thing as public enterprise and Commissioner Johnson emerges as this devil's disciple. What this good book says is that 40 years of experimenting with private enterprise in the public sector has produced a national humiliation."

The quote I like most is from Tom Smothers and he says:

"It is a shame this book wasn't around in the 60's so my brother Dick could have read it to me. Things might have been different. For the millions of Americans who want television to live up to its responsibilities, this book tells you how to do something about it. If you don't read it, stop griping."

Inside the cover, or inside the jacket, just quoting one more paragraph, "Nicholas Johnson is a member of the Federal Communications Commission—the youngest man ever to serve on the FCC and the most controversial. (Five broadcasters' associations, for example, have asked President Nixon to fire him.) In this book he inquires into television's performance and he finds it dangerously inadequate. Unlike most critics of the medium, he also offers some tough-minded proposals for reform. Commissioner Johnson, we are delighted you have found the time to be here. I know you have a written brief which has just now been circulated to the senators. I propose that you read that brief, or perhaps highlight the brief, and then following that we would like to ask you some questions on it. I would certainly, and perhaps some of the others would like to ask you some questions on your book, and I am sure there will be other questions the Senators would like to ask you. Welcome, thank you, and why don't you proceed.

Mr. Nicholas Johnson, Commissioner, Federal Communications Commission, Washington, D.C.: Thank you very much, Mr. Chair-

man and honourable Senators, for that very gracious beginning. I must say a number of Americans who have found our society oppressive for one reason or another came to Canada, as you know, and apparently I am to be numbered among them, at least for today.

When I was last called before our Senate at Washington for my writings, it was on the basis of a complaint on the part of the committee with responsibility for the Federal Communications Commission. The complaint was that I had the audacity as a public official to bring such secret documents to public attention as the acts of Congress and the decisions of the United States Supreme Court, thereby letting the public know of its rights in this area, which of course is a dangerous thing to have done. I promised to try to do better in the future, but I really haven't as I have gone on in that way.

It is with some considerable hesitation that I agreed to come here at all. I have tremendous respect for the Chairman and for this committee and for what you are doing here in Canada. It is being watched and followed very closely in the United States as you may know, but I really think it is a Canadian matter and I am in trouble enough as it is in the United States without taking on Canada as well. I think these are very important issues in every nation of the world today. They are being confronted one way or another in every country, but in no country with the courage and thoroughness that is being applied here.

I think it would be inappropriate for me to come to Ottawa from Washington and suggest to you what you ought to do to solve your problems when we seem to have some great difficulty even addressing ours let alone resolving them. I don't know really how much I can say that would be of relevance to you, because you are much more familiar with the situation here than I am. I will limit my comments largely to our experience in the United States, what I think some of our problems are there and what we have tried to do about them. If you find anything of relevance in that, then you can draw such conclusions and proposals as you wish.

Let me begin by saying a word about media concentration and the various forms in which it can exist. I might note at the outset that I don't intend to read this statement to you from beginning to end, but rather point out some of the issues discussed in it. I have been very impressed with the fact that the

committee staff and your chairman actually read this book which is an extraordinary compliment and rather extraordinary behaviour on the part of public officials. And so I trust, if you are capable of reading an entire book, certainly you are capable of reading the statement without my reading it to you.

I have appended to it a bibliography, incidentally, of some of the opinions and other statements that I have issued in this area, and I have brought a single copy of each of those which I will submit to the Committee for its public files or for whatever use you may wish to make of this material.

There are a number of areas in which the problem of media concentration arises in the United States. One of these can be characterized as local monopoly or local domination; this is where a local newspaper, radio or television station might be owned by the same person.

A second is what we call regional concentration—this would very seldom be a monopoly, but a situation where a small group of men control most of the more significant mass media in that particular area: newspapers, radio, television, cable television, magazines, and so forth.

Then there is what we call the multiple owner who may have a national impact within a given medium. He may own a chain of newspapers or he may own a chain of broadcasting stations.

This can be further complicated in the case in which a single individual or corporation owns outlets in different kinds of media. They may own newspapers as well as television stations, as well as magazines, and so forth.

Finally, there is the problem we call the congomerate corporation. This I define as a corporation which is predominantly engaged in industrial enterprise of one kind or another and has, as one of its subsidiary corporations, a mass media enterprise of some kind.

Now, what I have just characterized are really classic case studies. In point of fact they never exist in quite that pure a form. You will have, for example, a Howard Hughes in Las Vegas acquiring a television station. This raises a number of problems. Hughes' industrial interests, generally throughout the United States, clearly qualify him as a conglomerate corporation. The ownership of a single television station in Las Vegas does not make him a national media power. But in addition to being a national conglomerate, he is also a local conglomerate

in that he owns most of Las Vegas. So that within that given community here is a man who has business interests throughout the city who also owns one of the major outlets of information in that city.

Another example would be RCA, which is an industrial conglomerate—it derives 20 per cent of its revenues from defence contracts. It is also a multiple media owner, in that it has interests in book publishing, in records, as well as the ownership of stations, the programming of stations by means of a network, the ownership of copyrights and of talent, and so forth. It is difficult to find cases that fall within precisely any one of these definitions, but I think they are useful in looking at the problem.

The facts of concentration in the United States are, in my judgment, quite disturbing and the condition is accelerating. There is a local concentration of control of the mass media in most of the American cities, a local concentration of one kind or another. There are 72 communities where the only broadcast station is owned by the only local newspaper. I believe now, in 96 per cent of the cities with a daily newspaper, there is no newspaper competition. There are 12 communities where the only newspaper owns or has an interest in the only television station. In 1967 there were 250 cities where the local daily newspaper had control over a local broadcasting station, and in approximately 213 of these, there was no other daily newspaper. Most of the major television stations in the United states are owned either by local newspapers or by multiple station owners. There are almost no examples of local ownership of the major VHF network affiliated television stations in the largest, say, 25 markets (other than joint newspaper ownership). This is, needless to say, contrary to what Congress had in mind in 1927 and in 1934 in passing the Radio Act and the Communications Act of those years. Many of these statistics are spelled out here in the Statement regarding radio and I won't read all that to you.

The conglomerate problem is more complicated and we have less information about it. The FCC is now undertaking an investigation into conglomerate ownership. It launched it with great fanfare on February 8, 1969 and has yet to take any meaningful action in that regard, with the exception of the decisions it rendered on that date when it approved the further acquisition of broadcast properties by three of the largest and most powerful conglomerates in the United States. The Commissions

sion apparently felt that as long as it announced an inquiry the same day, there was nothing wrong with its decisions.

We also have the phenomenon of network domination that goes into the economic sphere as well as the ideological, in the United States. The networks and their owned and operated stations—as distinguished from the stations affiliated with the networks—took in 52 per cent of all the revenues earned by the television industry. The remaining 48 per cent was shared by the other 628 stations. That gives you some sense of the total domination of the networks in case there is any question about that in your minds.

Recently the Vice President added his voice to the rising chorus of those who expressed some concern about media concentration—although his interests seem to be limited to those media owners whose policies tend not to coincide with those of the administration. At least one would have to conclude that on the basis of the examples he chooses to emphasize.

Now, why is this something that independent observers of the media in the United States are concerned about? There are a number of reasons.

First is our concept of what we call, and I quote, "a marketplace of ideas"-to borrow a phrase from a leading Supreme Court decision. We are committed to the idea that no one has a monopoly on truth, and that the only way that a democracy can function is if all people have an opportunity to express their views, put them out, get them heard and debated and challenged. The truth is, in effect, a process. It is the process by which all these ideas can be thrown out into the marketplace of ideas and tested, and the idea that wins in a democracy is the idea that prevails. We are concerned that the great diversity that is represented in our country is not really represented in the media.

The second reason for our concern is the political power that is held by those who control the media. This is a frightening thing and I can explore it in greater detail if you are interested, but for now just let me say that there is no single industry in the United States that comes close to having the political and economic power, that the media in general and broadcasting in particular now have.

Let me just say for now that one of the reasons for this is the role of television in the elective process. All that any other major industry can do is to contribute money, millions of dollars, to political campaigns. What is then done with that money is to purchase television time—time which can also be made available free, on news programs as well as being made available in commercial time for purchase.

A third reason for our concern is our interest in local ownership of the media. The reason why we have 7,500 radio and television stations in the United States is because we think that local communities deserve a local outlet. To the extent the stations are only putting out nationally distributed commercials, wire service news, records, motion pictures, television entertainment there is no need for the local station.

A fourth reason relates to the more conventional anti-trust concerns for the functioning of this industry in the marketplace, like any other industry.

A fifth reason, a fifth concern, is that we have some evidence that multiple ownership and conglomerate ownership of the mass media have tended to have an influence in distorting the content of the mass media to serve the economic interests of the owners. A large congolerate corporation is very likely to treat a mass media subsidiary as something in the nature of a public relations operation or advertising operation. It is very difficult for a large conglomerate to accept the idea that its mass media subsidiary is going to report the truth even when it does not serve the economic interests of the holding company. All the subsidiaries are expected to contribute to the economic well-being of the holding company, and the mass media subsidiary tends to be no exception.

Finally, I might note that with increased concentration of control goes a popular demand, and a legitimate need, for greater governmental regulation. So that to the extent you happen to favour the operation of a media, independent of government regulation, which I do, then one would want to encourage in the mass media greater diversity, greater competition, lowering of barriers to entry, et cetera, so that it would tend to regulate itself in the marketplace rather than requiring a need for greater and greater governmental regulation.

The Federal Communications Commission has very little at the present time in the way of rules to regulate this. The only firmly fixed standards we have involve two principles. The first is the so-called duopoly standard. It provides that no one can have broadcast

interests in the same service the signals of which overlap; that is to say, he cannot own an AM radio station in one community if its signal will overlap an AM radio station which he owns in another community. However, until now there has been no prohibition whatsover against owning an FM radio station, an AM radio station and a VHF television station all in the same community. We are now addressing that issue in a proceeding that goes by the name of the "one-to-a-market rule". The "one-to-a-market rule" provides that no one could own more than one full time property in a given market. The Justice Department has intervened in that proceeding and has urged upon us that we require divestiture and that we consider newspapers along with broadcast properties.

The other rule relates to the total number of stations which any single owner can own in the United States. This is now limited to seven FM radio stations, seven AM radio stations, five VHF television stations, and two UHF television stations. What this fails to take account of, of course, is the difference in markets, so that there are multiple station owners who own stations in New York and Los Angeles and Chicago and other large cities. That tends to give them an inordinate amount of influence in the largest states which in turn gives them inordinate national and political and economic power.

The FCC once proposed a so-called "top 50 rule" which would have limited the number of stations that any individual owner could own in the largest 50 markets to someting less than the "7-7-7" that applies generally throughout the country. That rule had no more than been announced than the FCC began waiving it in each individual instance that came before it. It soon became obvious that it didn't intend to enforce the rule at all and finally, at least, shed the hypocrisy and repealed the rule.

There has been some interest also in the matter of network domination of the programming product. We have two propoals before us regarding this: one is called the "50-50 proposal" and the other is called the "Westinghouse proposal". The "50-50 proposal" provides that no network should be permitted to own more than 50 per cent of the programming which it makes available to its affiliates. At the present time networks own virtually all of the programming. The "Westinghouse proposal," by contrast, would limit

the number of hours in the evening that a network can program for affiliates, thereby opening up time that the local station will either have to program with its own material or by purchasing from independent suppliers and programming material.

Now, one of the problems both in terms of the marketplace of ideas and an economic marketplace in the industry is that there are basically three buyers of television product in the United States. It is an incredibly stifling economic and creative environment in which to work. I went out to Los Angeles this past year and talked with a broad cross representation of the top producers and writers and talent in Hollywood, and I have never before addressed a more despondent and cynical lot of men in my life. So one of the things that the "Westinghouse proposal" is designed to strike at, is that problem of opening up more competition in the business.

It is rather tragic that Vice President Agnew and the administration have been talking about the problem of concentration of control, and applying its concern to those papers and stations which refuse to simply carry the White House releases without comment. While there has been this ostensible interest in media ownership patterns, the Administration has, in fact, behind the scenes been supporting the industry across the board in every instance in which its economic interests were at stake.

We see, for example, that when the trade press reported that the FCC was going to oppose the Pastore Bill by a six to one vote, President Nixon appointed two new commissioners to the Commission, one of whom was publicly on record in support of the Pastore Bill.

The Chairman: You might explain what the Pastore Bill is.

Commissioner Johnson: Thank you. I think that is a good suggestion which occurred to me in mid-sentence.

The Pastore Bill, S-2004, was in general, a curtailment of the right of the public to participate in the licence renewal process. More specifically, it did this by engaging the legislative presumption that all licensees are serving the public interest and that no citizens' group should be permitted to file a competing licence application at licence renewal time for any commercial station. It provided that the FCC would have to first find that the station

had not been serving the public interest before any outside group could file. In point of fact, the FCC has done this in probably less than one-one hundredth of one per cent of the cases coming before it since its inception on the grounds of programming, the likelihood of it happening in the future was rather remote as the industry well knew. This was particularly so in view of the fact that the FCC would have before it, in judging the public interest performance, nothing but the station's own self-service filing with the Commission.

The upshot of that odyssey, should you be curious, was that the FCC then went back and announced its own so-called policy statement which in effect adopted into FCC regulation most of what the proponents of the bill wanted from the Senate, thereby removing from Senator Pastore the embarrassment of further pursuing that rather incredible piece of legislation.

The point is that the administration's position on it was quite clear. Senator Hart, who has made a valiant effort to conduct the kind of inquiry that you are engaged in here, with the hearings that he held on the newspaper industry monopoly authorization bill (known to the newspapers as the Failing Newspaper Act), discovered that there was a considerable influence on the part of media with the Senate which was in no way aided, in this instance, by the role of the Administration.

The Assistant Attorney-General for antitrust matters in the Justice Department, as one would expect, came out in opposition to the Failing Newspaper Act: Whereupon for the first time in our nation's history, to my knowledge, the Justice Department was overruled by the White House and the Department of Commerce was set up to testify on this anti-trust matter and, under White House instructions, came out in favour of the newspaper industry's bill.

The Chairman: You might explain the bill.

Commissioner Johnson: Well, this is a bill that permits newspapers to merge, presumably out of a concern that to continue to have competition among newspapers in as large a proportion of our cities as 4 per cent, was somehow dangerous and ought to be diverted as much as possible. This would permit mergers in those few remaining communities around the United States where there still is newspaper competition.

The final interesting bit of evidence of the Administrations' role concerns the bill introduced by Senator McIntyre, which would have provided for splitting up media concentrations in local communities. The President's Director of Communications, (a title, incidentally, which does not exist outside of communist countries to my knowledge) Herb Klein, publicly stated that he was—by now to no one's surprise—opposed to Senator McIntyre's legislation.

While we have some frightening statistics we have very little in the way of action in the United States, and I am not optimistic that any massive action is near at hand. The media owners have a life and death grip on the political life of the country and they seem prepared to sacrifice their journalistic integrity in the cause of increasing profits. The existence of your Special Committee indicates that maybe the future for Canada is not as bleak as that which I see for the United States, but unless the concern generated over this problem continues, I am afraid that changes are impossible.

By "concern", obviously, I do not mean the kind of political utterances that have come from our Vice President, but rather the forceful and well explained and constructive investigation and study which is represented by the work of this Committee. Without such concern and inquiry, I am afraid, at least in the United States we are going to be doomed to increased domination and control by larger and larger media barons.

Well, Mr. Chairman and Honourable Senators, that brings me to the end of my informal comments about this statement. At this point with your permission I would like to insert the prepared statement in the record...

The Chairman: Thank you—And the various appendices as well?

Commissioner Johnson: If you would care to print them.

The Chairman: We would be interested in having all the information you can spare.

Prepared Statement of Nicholas Johnson, Commissioner, Federal Communications Commission, Washington, D.C.

Media Concentration: The United States
Experience and Lessons for Canada

It is with some hesitation that I have finally acceded to the urging of your Chairman,

Senator Keith Davey, that I testify before your Committee. The questions before you are strictly a matter for Canadians to address and resolve. I would never be so presumptuous as to urge a particular solution upon you. Indeed I do not even know if my observations will be of much relevance to you. But I am willing to come and be of whatever help I can.

I am vaguely familiar with the structure of the Canadian media—especially the broadcast media—and I have some ideas about the unique problems that your nation encounters. But I prefer to confine my remarks today primarily to the United States experience. If there are parallels to the Canadian situation I will leave it to you to draw the conclusions.

I do want to commend you for undertaking this inquiry. Those of us to the immediate south of Canada desperately need to engage in the kind of inquiry your Special Committee is conducting. Lacking our own study, I am hopeful we will be able to learn from yours. I will conclude my remarks with a brief description of what has been attempted or proposed in the United States. But first, it may be useful to describe precisely what I think is meant by "media concentration."

I. Media Concentration: A Definition.

I have dealt primarily in the past with the ownership of five units of media: television, radio, newspapers, cable television, and telephone. This is not to say that I consider this list to be exhaustive, or to say that I believe movies or books or magazines, for example, are unimportant. But due to historical chance these five media have been the principal concern of the Federal Communications Commission, and so I will address myself primarily to concentration of control of these media. When we speak of "media concentration," we are usually speaking of combinations of these five media.

Usually those concerned with the concentration of control of the media do not differentiate between different kinds of concentration. I believe that there are four different situations in which the concentration of media is important. First, there is the problem of cross-ownership: that is, the owner of one of the five media owning another media outlet in the same market. For example, a newspaper may own a local broadcast station, or a single owner may control a local television-AM-FM combination. A second media concentration problem is "multiple ownership." Technically, a multiple owner is any

owner with more than one of the five media anywhere in the country. But we only are concerned when the control of one owner over the media becomes so great as to create a "regional concentration" or "national concentration" problem. These definitions are necessarily imprecise, varying with the number, grographic distribution, power, and type of media held. A third concentration problem is the conglomerate ownership of media. A problem potentially exists whenever a media outlet is owned by a corporation with other business interests. The final concentration problem is pretty much unique to television: that is, the control over the media by national networks. A analogous problem exists with the power of the wire services in providing news to newspapers and broadcast-

II. The Reasons for Concern

A. The facts of concentration.

A quick glance at the statistics of media concentration in the United States indicates a part of the cause for concern. The problem of cross-ownership or "local concentration of control," exists in most of the larger cities in the United States and in many of the smaller ones. There are 72 communities where the only broadcast stations are owned by the only local newspaper, and there are 12 communities where the only newspaper owns or has an interest in the only television station. In 1967 there were 250 cities where the local daily newspaper had control over a local broadcast station-and in 20 more it had a minority interest. In approximately 213 of these communities, there was no other daily newspaper.

The statistics of multiple ownership of media—the regional or national concentration broblems—show similar concentration. In 1967, 81.3 per cent of the commercial VHF television stations were either owned by a group broadcaster or a daily newspaper. In 11 states and the District of Columbia, all the stations were so owned, and in another 13 states all but one was. In the larger, more lucrative markets the concentration is even more pronouned. In the largest 10 markets in the United States, with 40 per cent of the hation's television homes, 37 of the 40 VHF television stations are licensed to group Owners and the remaining three are owned by daily newspapers in the same community. In the top 50 markets in 1967, 127 of the 156 VHF stations were licensed to group broadcasters, and 17 of the remaining 29 were licensed to newspaper publishers.

The figures for radio are no less staggering. In the top 50 markets nationally, 526 of the 715 AM and FM stations are owned by multiple owners. Even the new technology, cable television, has not escaped this concentration syndrome. In 1968, 225 newspapers had cable television interests, and presently 32 per cent of the systems are owned by broadcasters. Telephone company ownership of cable television has also been significant.

The trend of these figures over the last few years shows no reason for optimism. In 1967, 50 per cent of the applications for cable systems were filed by broadcasters, and their ownership of cable television continues to grow. Multiple ownership of television shows a similar trend. In 1968 multiple owners controlled 73.6 per cent of all commercial television stations. Just 10 years earlier, the percentage of multiple-owned television stations had been only 45.8 per cent. The average size of a television "group" went from 2.7 stations in 1956, to 2.94 in 1964 and 3.87 in 1967. Daily newspapers have shown a similar decline in independence. In 1945 there were 117 cities with separately owned dailies, but in 1966 only 43 remained.

For the third problem of media concentration—conglomerate ownership—we do not have as precise statistics as for the other problems. This is in part due to the fact that the FCC is just now getting into a study of conglomerates, but it is also the result of the imprecise definition of a conglomerate. In one sense most owners of broadcast outlets are conglomerates, in that they have other business interests. But there are numerous licensees who rank among the most powerful conglomerates in the country by any definition. Certainly even without network and station holdings, RCA, CBS, ABC, Westinghouse, and RKO—to name just a few—would have to be considered large and diversified companies.

Bank ownership of broadcast stock gives one indication of the scope of the conglomerate problem. A staff report prepared for the Subcommittee on Domestic Finance of the House Committee on Banking and Currency entitled, "Commercial Banks and their Trust Activities: Emerging Influence on the American Economy" (90th Cong., 2nd Sess., July 1968) studied the holdings of the trust departments of 49 commercial banks in 10 major metropolitan areas, Large blocks of stock were held by these banks in 18 companies publishing 31 newspapers and 17 magazines, as well as operating 17 radio and TV stations.

The final aspect of media concentration is acquire ownership and dominate these the dominance over commercial television by the three networks. The networks and their 15 "owned and operated" television stations in 1968 took in revenues of \$1.3 billion, or 52 per cent of the industry total. The remaining 48 per cent was shared by the other 628 stations. Besides dominating the industry financially, the networks also dominate the subject matter by controlling the programming of their 542 affiliates. In November 1967, the three networks produced and owned, or controlled through licensing arrangements, 95.2 per cent of all prime-time programming. Ten years earlier the figure had been 67.2 per cent. Yet most television stations choose to affiliate if given the choice. The blunt fact is that they must in order to be profitable in a market controlled by the oligopolistic decision making of the three networks. Eighty-three per cent of the network affiliates in the United States are profitable, while only 33 per cent of the non-network stations make money.

B. Some reactions to concentration.

Although startling and intriguing, statistics can describe only a part of the reasons for concern over the concentration of control of the mass media. Another aspect of the concern is shown by the observations of many Americans on the growing concentration of the media. The issue gained by-partisan support in the United States when Vice President Spiro T. Agnew railed against media control in a few hands. He warned that network managers possess "a concentration of power" that "the American people would rightly not tolerate...in Government." (Address at Des Moines, Iowa, November 13, 1969.) The Vice President in a second speech on the subject said:

"The American people should be made aware of the trend toward the monopolization of the great public information vehicles and the concentration of more and more power over public opinion in fewer and fewer hands."

(Address at Montgomery, Alabama, November 21, 1969.)

The Vice President was not the first to express fear over the political power of a concentrated media. In the Congressional debates over the adoption of the Communications Act in 1934, Congressman Johnson of Texas said:

broadcasting stations throughout the country, then woe be to those who dare to differ with them."

Another often articulated concern over concentration is the frustration it causes to those who "nowhere... hear being articulated their burdens, and their aspirations," (Address by Secretary of Health, Education and Welfare, Robert H. Finch, at Peoria, Illinois, May 31, 1969.) In its report on group violence, the National Commission on the Causes and Prevention of Violence cited "increased concentration of control over existing media" as one factor frustrating dissident groups. "We need more effective and different voices, not fewer and fewer standardized or homogenized ones," the Commission said. In a speech to the incoming freshman class of Yale University last fall, Yale President Kingman Brewster spoke of the growing cynicism among college students toward the established institutions of the United States. He blamed the mass media for causing a part of this cynicism:

"With mass communications concentrated in a few hands, the ancient faith in the competition of ideas in the free marketplace seems like a hollow echo of a much simpler day."

The courts of this nation have for years been aware of the necessity of a competitive media. When dealing with the structure of the media industries, they have been especially vigilant in enforcing the antitrust laws. The Supreme Court in 1953 said:

"A vigorous and dauntless press is a chief source feeding the flow of democratic expression and controversy which maintains the institutions of a free society."

(Time-Picayune v. U.S., 594, 602 (1953), citing Associated Press v. U.S., 326 U.S. 1,20 (1945).) The Court of Appeals for the District of Columbia has placed an affirmative duty upon the FCC to encourage competition. In Joseph v. FCC, 404 F. 2d 207, 211 (D. C. Cir. 1968), the court said:

"The public welfare requires the Commission to provide the 'widest possible dissemination of information from diverse and antagonistic sources'..."

In an important recent decision, Judge "When... a single selfish group is per- Edward A. Tamm, after discussing the necesmitted to either tacitly or otherwise sity of free and competitive media, and the FCC's responsibility for its maintenance, went on to write:

"It is also becoming increasingly obvious that the application of antitrust doctrines in regulating the mass media is not solely a question of sound economic policy; it is also an important means of achieving the goals posited by the first amendment."

(Hale v. FCC, —F.2d—(D. C. Cir., Feb. 16, 1970) (concurring opinion).) He quoted Judge Learned Hand who wrote, in rejecting a claim that the First Amendment provided protection for anti-competitive practices of a news service:

"Neither exclusively, not even primarily, are the interests of the newspaper industry conclusive; for that industry serves one of the most vital of all general interests: the dissemination of news from as many different sources, and with as many different facets and colors as is possible. That interest is closely akin to, if indeed it is not the same as, the interest protected by the First Amendment; it presupposes that right conclusions are more likely to be gathered out of a multitude of tongues, than through any kind of authoritative selection. To many this is, and always will be, folly; but we have staked upon it our all. (U.S. v. Associated Press, 52 F. Supp. 362, 372 (S. D. N. Y. 1943), aff'd, 326 U.S. 1 (1945).)

The enforcement of the antitrust laws is never a trivial matter. In their application to the mass media, vigorous enforcement to promote competition is absolutely essential to our system of government. For a democracy can only survive when supported by an informed electorate. Without information the people cannot exercise their right of participation, and the government becomes remote and seemingly unresponsive. Democracy will have failed, if ever the people, as Judge Tamm wrote, "feel that they are being cheated out of the vigorous marketplace of ideas promised by the first amendment."—F.2d—

C. The effects of media concentration.

The statistics are alarming; the rhetoric demands immediate action to combat the increasing concentration of control over the mass media. But why have so many Americans, of such diverse political persuasions, reacted so strongly to what they consider to be the dangers of media concentration? Why is an inquiry such as yours applauded by people from many countries? What are the

specific abuses that it is feared will result from the concentration of the mass media in the hands of a few?

I believe that there are seven specific reasons why concentration of the media will result in a lower level of economic and journalistic performance by the media. I earlier described some of these reasons in an opinion I wrote opposing the notion that increased rights of access for citizens should lessen our concern over concentration issues. (KCMC, Inc. (KTAL), 19 F. C. C. 2d 109, 110, 111 (1969).

A first reason is derived from the notion of "a marketplace of ideas." If the media in a market-whether local, regional, or national-are controlled by only a few people, fewer views probably will be presented than if there were greater competition among the media. Any deviation from separate ownership for each individual media outlet will result in some loss of diversity to the public. The only question is how much less than the optimum diversity a free society feels it can afford. In a pluralistic society such as we have in the United States, I do not feel that we can exist forever with a large part of our population cut off from the media, unable to communicate with those of similar persuasion and interests. I am not just talking about political and social dissatisfaction with the media. I am not just complaining that those things I would like to see in the media are ignored. I am saying that the media of the United States is failing when, for example, one contrasts all the rich, wonderful diversity of a nation the size of ours with the very little diversity that appears on television.

A second reason is our concern about the political power that can be exerted by media concentrations. The raw, crass power of the media in the United States is shown by its ability to get essentially any single piece of legislation it wants passed by the Congress. This same power over the minds and thoughts of the public, through the faucet-like control of the information available to the people, is used to influence local and state politics.

Third, undue concentration subverts the concept of local ownership of the media—thought to be a worthwhile concept by the Congress and the FCC. Local ownership produces closer supervision over the everyday operations of the media by the owners. It brings the ownership closer to its audience. The FCC believes that this integration of management and ownership will produce

better performance by the media. But for every multiple owner with media located in separate markets, there is an absentee owner. The conflict between multiple ownership and local ownership appears every time the FCC attempts to ascertain responsibility for a violation of our rules. The owners always seek to escape responsibility by blaming some faceless manager who was simply enmeshed in the bureaucracy of the company.

A fourth possible abuse from excessive concentration of control is the increased possibility for anti-competitive practices. For example, a media owner with two separate media outlets in the same market might use the monopoly power of one outlet to destroy competition against the other outlet. This could take the effect of a "tying" arrangement in which the owner of a broadcast station would give preferential advertising rates to those people who also advertised in his local newspaper. (See Complaint of Daily Herald-Telephone and Sunday Herald-Times, Bloomington, Indiana,—F.C.C. 2d—(1970).)

Such abuses may also result from conglomerate involvement with the media. There are a variety of ways in which conglomerate ownership of media can affect the proper functioning of competing mass media-competition which is often so necessary to insuring the presentation of diverse views and information in our society. Suppose a bank owns broadcast stations or a newspaper in a community-and is the only bank in the community. An actual or potential competitornewspaper or broadcast station-may have great difficulty obtaining credit on reasonable terms. The bank's own media may get very favourable credit, giving them a substantial competitive advantage. Advertisers who must deal with the bank may be reluctant to place advertising on its competitor's stations. Business entities that depend on the bank for financial resources and services may be induced to advertise on the bank's mediaadvertising these businesses might not have otherwise undertaken. Finally, the bank itself is often an important local advertiser which may favour its own media.

Fifth, multiple ownership and conglomerate ownership of the media makes more likely the distortion of media content to achieve certain economic aims of the corporate owner. It would be no more than human for the non-media interests of media owners to, in some way, affect the content of their mass media. If a bank, for example, owns newspa-

pers or broadcast stations, the interests of the bank in urban renewal, community planning, government housing development, local taxation, and a host of other issues may very well substantially affect what the people of the community will know about those issues. The distortion of content may be direct. Management knows what the interests of the corporate parent are and insures that these interests are protected. But the distortion may be more subtle: No one is ever chosen as station manager or managing editor who would be "untrustworthy" when it came to the parent's interests, and reporters soon learn that continued employment and promotions come only to those who are willing to compromise their journalistic standards a little.

The FCC recently has been confronted in two cases with allegations that broadcast stations have been operated in a way to benefit other business interests of the licensee. Both cases were designated for hearing in an effort to ascertain the facts. (See Midwest Radio-Television, Inc. (WCCO) 16 F. C. C.2d 943 (1969); Chronicle Broadcasting Co. (KRON) 16 F. C. C.2d 882 (1969).)

If such anti-competitive practices, and unfair use of the news media, exist more often in a concentrated market than otherwise—as the evidence suggests—then we cannot afford to wait and try to catch that fraction of the abuses that come to light. Abuse is very hard to show. And there is no institution in our society that regularly examines the functioning of the mass media to determine whether these abuses occur. We must take action against the industry structure which is a stimulant to anti-competitive abuses by the mass media. The fundamental antitrust tenet of "incipiency" provides that monopolies must be stopped short of the point where the monopolist is in a position to exercise his power in anti-competitive or antisocial ways.

A sixth reason is what I will call "economic." Concentrated ownership of the media can produce an economic domination of a market with all the results of monopoly: higher costs, decreased efficiency, and so forth. For the same economic reasons we oppose concentration of ownership in any industry, we should oppose media concentration. (See *United States v. Gannett Co.*, 1968 CCH Trade Cases \$72,644 (N. D. 111. 1968); Frontier Broadcasting Co., — F. C. C.2d (1970); KSL, Inc., FCC 68-1005 (1968); 16 F. C. C.2d 340 (1969).) The stifling of innovation that is inherent in all concentrated

industries is an even bigger loss to society in the media industries than in other industries.

A seventh reason to oppose concentration of control in the mass media is that the existence of competition in an industry permits less, not more, governmental supervision over the day-to-day operations of that industry. A competitive system, to some extent, is one that polices itself, avoiding expensive—and potentially dangerous—continual governmental surveillance.

III. Solutions to Media Concentration Problems.

Reaction to the growing concentration of the media in the United States is great—but little has been done to improve the situation. The Federal Communications Commission and the United States Congress have usually approached the problem in a piecemeal fashion, fragmenting the recommended solutions to deal with only one problem at a time—and, as often as not, in ways urged by the industry that make matters worse rather than better.

The FCC rules contain a general prohibition against concentration. They prohibit the granting of a broadcast license if "the grant of such license would result in a concentration of control of ... broadcasting in a manner inconsistent with public interest, convenience, or necessity." (47 C. F. R. § 73.35 (AM), § 73.240 (FM), § 73.636 (TV) (1969).) Theoretically these rules should work to reduce the concentration of the media, because the renewal of a license after a three-year period is considered to be "grant". But in practice the Commission has been reluctant to give any meaning to these rules beyond some specific prohibitions. For example, the granting of a license in any one of the three broadcast services to any person who already has another license for the same service in the same market is prohibited. This so-called "duopoly" rule has been the FCC's sole means of preventing the increase of local concentration. These FCC rules also contain a prohibition against any person having an interest in more than 7 AM, 7 FM, or 7 TV Stations, and this "national concentration" rule has generally been followed.

Both Congress and the FCC have tentatively recognized that these rules do not provide nearly enough protection to the public, and so additional rules to deal with media concentration have been proposed. In a rulemaking proceeding begun in March 1968, and still bending, the FCC proposed an extension of its

"duopoly" rules to further limit local concentration. (Notice of Proposed Rulemaking, Standard, FM and Television Broadcast Stations—Multiple Ownership, 33 Fed. Reg. 5315 (1968).) Known as the "one-to-a-market" rules, the provisions would bar grants of new licenses which would produce common control within the same market of two full-time broadcast stations. The Department of Justice has urged the Commission to extend these local concentration rules to include newspaper ownership, and to provide for divestiture. But such action would require a further rulemaking proceeding, and so its implementation is, at best, several years off.

In December 1968, the FCC proposed similar one-to-a-market rules to include cable television within the prohibition against overlapping ownership in a single market. (Notice of Proposed Rulemaking and Notice of Inquiry, 15 F. C. C.2d 417 (1968).) But no action has been taken on this proceeding yet, and its future remains in doubt. The only major action that the FCC has taken against local concentration in recent times is the adoption of rules prohibiting telephone companies from owning cable television systems within their markets. (——F. C. C.2d——(1970).)

Although action against local concentration through rulemaking has been limited, there have been a number of recent adjudicative decisions which involve local concentration as an issue. Most of these cases have been initiated by the Department of Justice, rather than the FCC. But in WHDH, Inc., 16 F. C. C.2d 1 (1969), the FCC took away the licence of a television station owner who was also the owner of a local daily newspaper.

Outside of the rather liberal limit on the number of stations that may be owned in each broadcast service (the "7-7-7" rule), the FCC has scarcely been concerned with problems of national or regional media concentration. In 1964 the Commission had proposed rules limiting to two the number of VHF television stations that any one owner could have in the largest 50 markets. But this rule was completely ignored by the FCC, and a waiver was given to any party asking for it. In 1968 the rule was discarded by a divided Commission. (Television Multiple Ownership Rules, 12 Pike & Fischer Radio Reg. 1501 (1968).)

In the mid-1960's, the Senate Subcommittee on Antitrust and Monopoly considered the Failing Newspaper Act. This bill, reintroduced this year as the Newspaper Preservation Act, provided an antitrust exemption to joint operating agreements between competing newspapers. Senator Philip A. Hart, the Chairman of the Subcommittee, used the opportunity to conduct extensive hearings into the structure and conduct of the newspaper industry. The eight volumes produced by these hearings are among the most important documents ever produced on the subject of media concentration. But despite the fine efforts of this subcommittee, and its strong recommendation against this "monopolization" bill, the Senate recently overwhelmingly approved it.

A recent bill introduced by Senator Thomas McIntyre (S. 3305) is the first significant legislative response to media concentration. The bill would prohibit newspaper-television common ownership in the same market, and would limit the number of daily newspapers owned by one company to five. However, despite the Nixon administration's declared dissatisfaction with media concentration, the President's Director of Communications, Herb Klein, indicates that he opposes this bill. Most observers have few hopes for its passage.

To gain a greater understanding of the potential and actual problems involved in the conglomerate ownership of the media, the FCC initiated an inquiry into the ownership of broadcast stations by persons with other business interests. (34 Fed. Reg. 2151 (1969).) But this inquiry was begun over a year ago, and so far there have been few results.

The FCC currently has before it two important rulemaking proposals—each of which might alleviate the current network monopoly over programming. The "50-50" rule would prohibit networks from owning more than 50 per cent of all prime time programming and would bar networks from the syndication business entirely. (30 Fed. Reg. 4065 (1965).) This rule would permit corporations and advertising agencies to contract for and produce their own programming and submit the finished product to the networks. Westinghouse Broadcasting Co. has submitted a counter-proposal. Under its version, no station in the top 50 television markets could carry more than three hours of network programming during prime time. The remaining hour or half hour would have to be filled from other sources. The purpose would be to open up a new market for independent program producers—possibly injecting fresh streams of creativity into the daily flood of massappeal programming. These rules have been

before the FCC for years, and final action has yet to come.

Conclusion

The rhetoric for change exists in the United States, but thus far we have seen little concrete action toward breaking up the media monopolies which rule the country. I am not optimistic that change is near in the United States. The media owners have a life-anddeath grip on the political life of the country, and they seem prepared to sacrifice journalistic integrity in the cause of increasing profits. The mere existence of this Special Committee indicates that maybe the future for Canada is not as bleak as that I see for the United States. But unless the concern generated over the problem continues, I am afraid that changes are impossible. By "concern" I do not mean political concern such as that shown by our Vice President. I mean forceful, wellplanned, constructive concern, such as that which produced the initiation of this inquiry. Without such concern Canada and the United States are both doomed to increased domination and control by larger and larger media barons.

BIBLIOGRAPHY

I. Writings of Commissioner Johnson on the subject of media concentration.

A. Local Concentration

Niles Broadcasting Co., FCC Public Notice 13195, Feb. 23, 1968. Gale Broadcasting Co., 12 RR 2d 809 (1968).

Fort Bedford Enterprises, Inc., 11 F. C. C. 2d 981, 984 (1968).

Metromedia, Inc., 13 F. C. C. 2d 756 (1968) (BALH-1084, BALH-1083, June 18, 1968).

Southern Bell Telephone and Telegraph Co., 16 F. C. C. 2d 491, 497, 15 RR 2d 755, 761 (1969).

WHDH, Inc., 16 F. C. C. 2d 1, 27, 15 RR 2d 411, 438 (1969).

Ruston Broadcasting Co., 16 F. C. C. 2d 834, 835, 15 RR 2d 892, 894 (1969).

Coos County Broadcasting Co., Inc. 16 F. C. C. 2d 440, 441 (1969).

KCMC, Inc. 19 F. C. C. 2d 109, 110, 16 RR 2d 1067, 1069 (1969).

B. Regional Concentration

Minneapolis Star & Tribune Co. 20 F. C. C. 2d 951, 954 (1970).

Booth American Co., 14 F. C. C. 2d 136 (1968).

KSL, Inc., 16 F. C. C. 2d 340, 346, 15 RR 2d 458, 465 (1969).

Snyder and Associates, 16 F. C. C. 2d 837 (1969).

Beaumont Television Corp., 17 F. C. C.2d 577, 581, 16 RR 2d 93, 97 (1969).

WBOK, Inc., 17 F. C. C. 2d 844, 849, 16 RR 2d 366, 371 (1969).

Wichita-Hutchinson Company, Inc., 19 F. C. C.2d 433, 462 (1969).

C. National Concentration

Television Multiple Ownership Rules, (Top 50), 12 RR 2d 1501, 1508 (1968). S. H. Patterson, 12 F. C. C.2d 50, 59, 12 RR 2d, 561, 570 (1968). WIBF Broadcasting Co. 17 F. C. C.2d 876, 883, 16 RR 2d 263, 271 (1969).

D. Conglomerate Ownership of the Media

ABC-ITT Merger, 7 F. C. C.2d 245, 278, 9

RR 2d 12, 46 (1966); 9 F. C. C.2d 546, 581,

10 RR 2d 289, 329 (1967).

Hughes Tool Co., FCC 68-155 (1968).

John Poole Broadcasting Co., Inc., 16 F. C. C. 2d, 458, 460, 15 RR 2d 609, 612 (1969).

Martin Theatres of Georgia, Inc., 16 F. C. C.2d 478, 480, 15 RR 2d 626, 628 (1969).

Madison County Broadcasting Co., Inc., 16 F. C. C.2d, 471, 473, 15 RR 2d 618, 620 (1969).

E. Financial Institution Ownership of the Media

Colgreene Broadcasting Co., 20 F. C. C. 2d 1951 (1969).

Statement of Honourable Nicholas Johnson, Federal Communications Commission, Bank Holding Act Amendment H. R. 6778, Hearings Before the House Committee on Banking and Currency (1969) pp. 240-251.

F. Network Control

The Silent Screen, TV Guide (July 5, 1969) pp. 6-8, 10-13.

National Broadcasting Co., 16 F. C. C. 2d 698, 699, 15 RR 2d 807, 808 (1969).

G. Anti-Competitive Practices

Thoroughbred Broadcasters, Inc., 11 F. C. C.2d 939 (1968).

Renewal Applications of Newhouse Broadcasting Corporation, FCC Public Notice 42339, Dec. 19, 1969.

Sarkes Tarzian, Inc., — F. C. C. 2d — Feb. 18, 1970.

H. Concentration and Ownership in General The Media Barons and the Public Interest, The Atlantic Monthly (June 1968) pp. 43-51. Harnessing Revolution: The Role of Regulation and Competition for the Communications Industries of Tomorrow, The Antitrust Bulletin (Fall 1968) pp. 881-887. Renewal of Standard and Television Broadcast (Broadcasting in America and the FCC's License Renewal Process: An Oklahoma Case Study), 14 F. C. C. 2d 1 (1968). Freedom to Create: The Implications of Antitrust Policy for Television Programming Content, The Trade Regulation Roundtable, Association of American Law Schools' Annual Convention, San Francisco, Calif., December 29, 1969.

Renewal Standards: The District of Columbia, Maryland, Virginia, and West Virginia Licence Renewals (October 1, 1969), 21 F. C. C. 2d 35 (1970).

II. Writings of others on the subject of media concentration.

The American Media Baronies: A Modest "Atlantic" Atlas, The Atlantic Monthly, July 1969, pp. 82-94.

Barnett, Stephen R., Cable Television and Media Concentration,

Part I: Control of Cable Systems by Local Broadcasters, Stanford Law Review, Jan. 1970, pp. 221-329.

Borchardt, Kurt, Structure and Performance in the U.S. Communications Industry (1969) FCC, Second Interim Report by the Office of Network Study: Television Network Program Procurement, Part II (1965).

House Committee on Interstate and Foreign Commerce, Network Broadcasting 1958).

————, Television Network Program Procurement (1963).

Levin, Harvey J., Broadcast Regulation and the Joint Ownership of the Media (1962).

Ruckner, Bryce W., The First Freedom (1968).

Schiller, Herbert I., Mass Communications and American Empire (1969).

Subcommitte on Anti-trust and Monopoly of the Senate Committee on the Judiciary, Hearings on the Failing Newspaper Act (1967-1968, 8 vols.).

The Chairman: Honourable Senators and Commissioner, it seems to me that what you have dealt with in your paper today is essentially the second chapter of your book. The second chapter of the book is entitled "The Media Barons and the Public Interest" and I would like to ask you some questions about that chapter and as would some of the senators, but I am wondering just for a change of pace, if I should ask you a few questions about the first chapter, and may I say to the Senators that what I am about to begin is by no means a dialogue with the Commissioner. If any of you want to ask questions at any point by all means please do.

The first chapter of this book is called "The Crush of Television" and it deals with some of the things which has concerned this Committee and what I would like to do Mr. Johnson is quote two or three statements from the book and then ask you to explain what you mean.

Commissioner Johnson: I would be happy to, Mr. Chairman.

The Chairman: I really don't have to ask you what you mean, it is apparent, but I just think the Senators would be interested in the beginning of the book which outlines what you mean by "The Crush of Television." You say:

"There are 60 million homes in the United States and over 95 per cent of them are equipped with a television set. (More than 25 per cent of the homes in the United States have two or more sets.) In the average home, the television is turned on some five hours forty-five minutes a day. The average male viewer, between his second and sixty-fifth year, will watch television for over 3,000 entire days—roughly nine full years of his life."

Senator Prowse: Between what ages?

The Chairman: Between his second and sixty-fifth year. I don't know where that leaves you, Senator Prowse!

Senator Prowse: There is still hope.

The Chairman: And it goes on to say:

"During the average weekday winter evening, nearly half of the American people are to be found silently seated with fixed gaze upon a phosphorescent screen.

Americans receive decidedly more of their education from television than from elementary and high schools. By the time the average child enters kindergarten he has already spent more hours learning about his world from television than the hours he would spend in a college classroom earning a B.A. degree."

Now, I might say for your information there is nothing there which is startlingly different from the statistics here in Canada that some of the Committee members are familiar with. You go on then and you list four influences of television which I needn't repeat, and then you say that the "industry spokesmen are likely to respond with variants of three myths." We have heard a great deal about some of these things and the committee has to decide whether they are fact and it is your judgment, obviously, that they are.

It goes on to say—this is the industry saying this:

"We just give the people what they want.

'The public interest is what interests the public'."

I would be most interested, Commissioner Johnson, if you could comment on that. I won't read what you have said in here, but...

Senator Prowse: Well, how about letting us in on it.

The Chairman: Well, I will quote. The commissioner says:

"To say that current programming is what the audience 'wants' in any meaningful sense is either pure doubletalk or unbelievable naiveté. There are many analytical problems with the shibboleth that television 'gives the people what they want.' One of the most obvious is that the market is so structured that only a few can work at 'giving the people what they want'—and oligopoly is a notoriously poor substitute for competition when it comes to providing anything but what the vast majority will 'accept' without widespread revolution."

Isn't television a particularly well-analyzed, statistically-analyzed industry and aren't the networks and the private stations responding to what the public want? I am just wondering how you would answer that.

Commissioner Johnson: Well, that certainly is their contention. I think it is a demonstrably fallacious contention. Mason Williams has said, "The choice you will never know is a choice you will never make". This is a problem I think that most people confront. It is possible to overstate the influence of television in our society but it is very seldom done and it's far more often that we fail to see it fully. This gets back in part to the first passage that you read from the book about the crush of television.

The general semanticist and now president of San Francisco State College, Dr. S. I. Hayakawa, has said that man is no more conscious of language and communication than a fish would be conscious of the waters of the sea. I think that is true with the really revolutionary technological innovations that We accept in our society: the telephone, the automobile, the television set. They have had an impact upon us as a people well beyond What any of us tend to be reflective about. You breathe polluted air and you don't really think about it until somebody points out to you what it is doing to your body; you pour polluted ideas into your head and into the brains of most of the people in the United States for that number of hours everyday and you have had an influence on the national spirit and the national intelligence, the information people have, the opinions they hold, the moral values they believe in. You have determined the sense of national priorities. Whether the United States is going to use its resources to go to Mars or to feed the hungry here on earth, is largely going to be a function of how the alternatives are posed to the nation on television. Every time we set up a new national commission to study the latest national disaster-it used to be called juvenile delinquency but now we have an antiviolence commission and one on race relations and so forth—they all come back to television and the influence of television on any given phenomenon in our society. I think we tend to Overlook that. You know, television is just that box in the living room. Many of us don't watch it as much as many others do, and I think we probably tend to under-rate drastically the tremendous, awesome impact of this instrument upon us.

Now, then, when you come to your question about the choice of the people, I think that we are being grossly unfair when we wash over the people, 20 years of the kind of stuff that Hollywood manufactures like plastic Christmas trees on an assembly line and puts out in

television commercial products, and then expect the people to engage in intelligent choice with regard to this aspect of their culture, or any other.

Beyond that, however, I would point out that on those rare occasions when the networks do offer the people some alien and unfamiliar programming in prime time, it tends to do rather well in terms of the ratings. NBC didn't undergo commercial disaster as a result of the programming it put on last Sunday evening—"The Wizard of Oz" and then "David Copperfield" and then another drama. The National Geographic specials have done quite well after the National Geographic succeeded in beating down the resistance within the network to putting the programs on at all.

Finally, there is the point embodied in the paragraph you read which is that oligopoly tends not to produce competition. This is true in the automobile industry and it's true in the television business. The people really haven't been offered a choice. We have necessarily circumscribed the number of stations in a given community—they just don't have competition in television in the sense that you do in magazines where I think you can demonstrate that there is a far wider degree of choice.

In the United States, if you examine the subjects covered and the way in which they are covered in books, in magazines, phonograph records, the theatre, or virtually any other art form you will discover tremendous diversity and range of interest and modes of presentation, and ideas discussed, that simply do not appear on television.

Now when you give the people their choice in these other modes they often choose things other than the lowest manufactured plastic common denominator and I have no reason to believe that the same could not be true with television.

The Chairman: Is the largest-selling newspaper in New York—the New York Times?

Commissioner Johnson: It is a subsidiary of the Chicago Tribune Syndicate which controls the major newspaper in New York, which is the newspaper of largest circulation in the country—the New York Daily News. It also owns a major television station there as well as the Chicago Tribune and a major television station in Chicago.

What point are you suggesting?

The Chairman: I am suggesting that that paper outsells the *New York Times* about three to one every day.

Commissioner Johnson: Well, here are a great many intellectuals who think it's a much better paper than the New York Times. However, the fact remains that there is a New York Times. There is not, I would suggest, "a New York Times of television". There is one in the newspaper business. It can exist. And in the magazine business we can have a Saturday Review or a New Republic, New Yorker, Harper's or Atlantic. Where are their equivalents in television?

The Chairman: Mr. Fortier?

Mr. Fortier: How would the "New York Times of television" survive, though?

Commissioner Johnson: I presume the same way that the *New York Times* of newsprint survives, by advertising created by those merchandisers who want to reach the audience that can be reached through the medium involved, and through a subscription service of some kind. One of the most obvious failings of the commercial television industry, in terms of serving the people, is that the people have absolutely no control whatsoever, no participation whatsoever, in what it is they get. In a way, they still retain some role with regards to newspapers and magazines.

Now, it is true that magazines such as Life spend far more than they receive in subscriptions, in gathering subscriptions, so in point of fact the magazine is totally supported by advertising; but the subscriber nonetheless is paying something. In broadcasting he is paying nothing—and he is getting his money's worth.

One of the arguments for subscription television is that this would give the consumer the means of participating in the market choice that consumers have traditionally exercised, and that is putting his money where his desire may be.

Mr. Fortier: But ideally should not advertising be kept away all together from the "New York Times of television"?

Commissioner Johnson: It's not kept away from the New York Times of newsprint.

Mr. Fortier: Is the issue the same really? We have heard it said before this committee that advertisers, as indeed you indicate in your brief as well as in your talk last December in San Francisco—that advertisers buy

the audience. In other words, they will buy the program with the largest rating. So if there is no audience, no meaningful audience, how will those advertisers agree to spend money on subsidizing a program which may appeal to people like you and the Senators?

Commissioner Johnson: I think the answer in broadcast media can be the same as the answer to the print media. There are advertisers who want to reach specialized audiences. There are advertisers who want to advertise on classical music FM radio stations because the people they are trying to reach with their product are listening to those stations.

Mr. Fortier: It is very limited quantitatively and qualitatively I would suggest.

Commissioner Johnson: I think not.

Senator Prowse: How limited is it?

Commissioner Johnson: We have in the United States, a large number of corporations, trade associations and various institutions that would very much like to be identified with something other than the trash that is now offered to them by the three commercial networks. They include corporations like Xerox, Hallmark, U.S. Steel, Firestone, Union Carbide, and many other companies. They are seeking a positive institutionalized image because it sells some products, because it helps them in recruiting personnel, because it helps them with morale in their organizations, because it helps them with their governmental relations in Washington-for a variety of corporate purposes known best to them.

These corporations have a great deal of difficulty getting their programming onto the commercial networks, notwithstanding the fact they are fully prepared to pay the full commercial rate for that time. Xerox, with some of its very best programs, has had to go into the market itself, contact individual stations, line up enough stations to, in effect, make a one-shot Xerox network, and put on its program, because it can't get the network to accept it. The National Geographic has the same difficulty with its programming.

The Chairman: Why wouldn't the network accept them?

Commissioner Johnson: The reason the networks won't accept them is because they believe they could do better in terms of their average rating for the evening, as a result of audience, by trying to maximize the total audience out there for each hour without regard to how much income they derive from the advertiser.

Mr. Fortier: Would you agree then that the viewers of a point buy advertising as much as, if not more, than they buy program content?

Commissioner Johnson: I would say advertisers buy...

Mr. Fortier: During prime time?

Commissioner Johnson: I would say advertisers buy viewers more than they buy programs.

Mr. Fortier: We had a view expressed last week here that people will turn to a particular television program, for a particular radio program because of the advertising.

Commissioner Johnson: Yes, we heard about that. One of the reasons I came up, in addition to being invited, was that we are very interested in advertising, commercials, and so forth, in the States. We just held a hearing at the FCC, with the three networks present, about their increasing the number of commercials that they were running. And we heard tell that here in Canada, you have a unique form of commercial unknown to commercial television anywhere else in the world Which actually attracts viewers, and I thought that I really owed it to the citizens of America to come and check this out here and see if we couldn't adopt some of these marvellous advertising techniques of Canadian broadcasters.

The Chairman: Well, the private broadcasters were here on Friday and here is the headline in the Globe and Mail-"TV commercials add Canadian content"—I don't want you to discuss that as we are going to ask you about Canadian content; but it also says "TV commercials attract viewers, broadcasters claim." Is that true in the United States as well as Canada?

Commissioner Johnson: Well, we have never noticed that phenomenon in the United States.

Senator Prowse: Is that when the water pressure goes down?

Commissioner Johnson: Yes, Senator, and the observation has been made that McLuhan aside, there are some very practical conse-

the phenomenon known as flow-through of quences of television in our society. It has, according to sociologists, altered eating schedules in about 65 per cent of the homes and sleeping schedules in about the same percentage. There have been some rather exhaustive analyses of what it has done to the birth rate that I won't spread upon the record, but it has also had the impact apparently that you refer to, which is that water systems engineers have had to re-design city water systems to take the tremendous drop in water pressure that occurs at the commercial breaks. One would think that tends to refute the assertion here-probably because of the higher quality of commercials here.

> Mr. Fortier: That could drive advertisers away!

> The Chairman: Well, may I quote you at page 31 in the book on this question of advertisers?

Commissioner Johnson: Oh, of course.

The Chairman: You say:

"We learn that the great measure of happiness and personal satisfaction is consumption—conspicuous when possible. 'Success' is signified by the purchase of a product-a mouthwash or deodorant. How do you resolve conflicts? By force or by violence. Who are television's leaders, its heroes, its stars? They are physically attractive, the glib and the wealthy, and almost no one else. What do you do when life fails to throw roses in your hedonistic path? You get 'fast, fast, fast' relief from a pill-headache remedy, a stomach settler, a tranquilizer or 'the pill'. You smoke a cigarette, have a drink or get high on pot or more potent drugs. You get a divorce or run away from home. And if 'by the time you get to Phoenix' you're still troubled, you just 'chew your little troubles away'."

Do you think that television reflects a false image of America?

Commissioner Johnson: Oh, there is no question about that, but it does much worse than reflect a false image of America. It builds an image as well. We tend to reflect what we see on that mirror that is our television screen. The passage that you just quoted was an effort to describe some of the impact of the commercial content in ways that go far beyond the mere selling of goods. Much of what advertisers are trying to sell us are goods that positively contribute to death of human beings, or disease, or other degradations. Other products are simply products that we don't need, won't work, are over-priced, or otherwise unsatisfactory. A small proportion of the products are harmless.

The Chairman: Are you against advertising?

Commissioner Johnson: Some of them are actually good for you. No, the business of America is business after all, and the way you promote business is through advertising. It has been a marvellous stimulant to the growth of the gross national product.

The Chairman: You are against television advertising?

Commissioner Johnson: No.

The Chairman: You are against the quality of television advertising?

Commissioner Johnson: I will tell you really what bothers me about it. I think that advertising does perform a useful function when kept in balance and used for the distribution of products that contribute to the society. What disturbs me is when you take an entire nation's affairs and make all decisions based upon commercial considerations. That it seems to me, is a mistake.

As Mason Williams has said, "Cigarette smoking is not a pleasure, it is a business." I was deeply concerned by the position of the American broadcasters when the FCC said that under the fairness doctrine, they had an obligation to bring to the attention of their audience the health hazards of cigarette smoking. They went all the way to the Supreme Court of the United States with the rather preposterous argument—at least it was found to be so by the Supreme Court—that the First Amendment somehow guaranteed them the right to keep this health hazard information from the American people. It is the failure to temper commercial standards with anything else; it is the failure to provide the balance.

I think most civilized countries in the world have tried to accommodate commercial television but also to balance it with a strong public television system. We fail to do that in the United States.

The Chairman: Well, let me ask you this then. Who wants the Beverly Hillbillies? Is it the advertisers, is it the networks or is it the viewers?

Senator Prowse: The CBC.

Commissioner Johnson: Yes, the CBC.

The Chairman: Well, in the first instance—who wants the Beverly Hillbillies; the viewers, the advertisers or the networks?

Commissioner Johnson: Well, I think the advertisers principally and the networks. As one writer or producer in Hollywood told me, he said, "I am basically a shill for snake oil. I am supposed to keep the audience here for the commercial." The advertisers and the networks are looking for a formula that will result in the fewest number of people turning off their television sets. So that is really what it comes down to.

The Chairman: They want the Beverly Hillbillies?

Commissioner Johnson: That's right. And they will package the commercials in the context in which they will be shown in their best light. Just as raisins show up much better in breakfast cereals than they do in fruitcake, so commercials look much better in the Beverly Hillbillies than they do elsewhere.

The Chairman: The thing that troubles me in all of this, and I don't think we are really coming to grips with it. You said a moment or two ago that this chap said that he was "a shill for snake oil"—that his purpose was to hold the audience until the commercials came on.

Well, doesn't that mean really then that they are giving the people what they want?

Commissioner Johnson: I don't think so at all. I think we have, in the United States at least, a very broad and deep dissatisfaction with television. Judging by my mail at least, this is something that spreads across the land in every geographical section, every age group from grade school kids to folks in old folks' homes, from the poverty-ridden to the chairman of corporate boards of directors, and all shades of the political spectrum.

The Chairman: Why don't they turn their sets off? You say 3,000 entire days between the ages of two and sixty-five.

Commissioner Johnson: If you are living in an old folks' home, you have very little option but to keep your television set on. If you are a two-year-old child with very little else to entertain you around the home, you have very little option but to turn your television set on.

Senator Prowse: Or if you are a married man and broke between pay-days.

Commissioner Johnson: And as the Senator says, if you are a married man and broke between pay-days. The people watch the programming which they find the least offensive of that which is offered to them. There is all the difference in the world between that and watching something which is truly meaningful and relevant in their lives.

Television programming, I think, is very much like cotton candy. It is something that is very good in attracting your attention but then after you have consumed it, you are left with this hollow, empty feeling and nothing but a toothache and very little in the way of nourishment.

Newsweek magazine recently did a piece on the Middle American and quoted one fellow who had gone to the same factory every day for the last 30 years, I guess, and he described his role as that of one of standing in the same place, drilling the same holes for every day of these many, many years.

He gets up in the morning and he hasn't slept very well. He gets into a car after eating a breakfast that is designed to shorten his life—not aid his nutrition—and probably upset his stomach. He gets into a car and it has deliberately designed into it, dangers that will needlessly take 50,000 lives every year in the United States, with a bumper that cannot Withstand a crash of over six miles an hour Without contributing to the billion-dollar-a-Year theft of the American people necessitated by bumper repairs. He drives at speeds scarcely in excess of those used in horse-andbuggy days through congested traffic, breathing polluted air, to arrive at this factory Where he is certainly not treated as a human being-where he stands in the same place drilling the same holes. He drives home at hight reversing the process, and sits down to Watch television. It promises him a fuller and a richer life and happiness and satisfactions of all kinds if only he will use a different hair spray or cologne or deodorant or a mouth-Wash, or take the new and different pill or cigarette brand or whatever it might be this month.

He gets no more satisfaction from the new broducts than he gets from the old programs, and he goes to bed at night waterlogged, half dead in the water, and doesn't sleep very well, and starts the same process the next day. And you tell me that the American society in general and the American televi-

sion in particular is giving him what he wants.

Well, he may not be able to articulate what is wrong with his life but he knows there is a lot wrong with it, and depending upon his background and predilection he expresses that frustration in a variety of ways, which we have seen in our country.

The thing that I find so disturbing about television is the awesome, woeful, disgusting, criminal contrast between the fantastic potential that this industry has and the depressing use that is being made of it. To me that is the greatest sin. Television can contribute to the richness of people's lives; it can give them information they need; it can inspire them; it can instruct them; it can open up new visions for them. It fails to do so.

President Kennedy used to say that with great power goes great responsibility, and there is no one in our society who has greater power and therefore greater responsibility, no one who is falling more short of meeting that responsibility, than American commercial television networks, in my judgment. That is the great tragedy, and it washes like blackish water over the American people hour after hour, day after day, year after year, and produces the problems that we have in such abundance, or certainly contributes to it.

Mr. Fortier: But your average fellow citizen cannot articulate what he wants but you can. Are you going to impose it on him now although he has been unable to communicate it to you?

Commissioner Johnson: Impose what on him?

Mr. Fortier: A type of programming which will be commensurate with what he craves but which he has not been able to tell you that he wants.

Commissioner Johnson: I think the way to do that is simply to make more choice available, to make a greater richness in diversity available. One assumes, when we talk about the failures of television, that we are talking about the difference between the masses and the intellectual elite. That is not really the point at all. There is no such thing as a majority audience in the United States. That is really what is wrong with television.

It is programming for an audience which simply doesn't exist. We have 20 million people in the United States who are under five years of age. What is television doing especially for them, commercial network regulatory agencies have evolved, they very quickly come to be the hand-maidens and spokesmen for the very industries that they are supposed to be regulating.

There was an amazing story told about the creation of the ICC—The Interstate Commerce Commission, which is responsible for regulating railroads. It is sometimes referred to as the granddaddy of the regulatory commissions (a term referring more to its age than to the affection in which it is held by its grandchildren). A railroad company president is alleged to have written the Attorney-General asking what on earth the administration was thinking of in establishing this agency, and he received a reply back as follows:

"The Commission...can be made of great use to the railroads. It satisfies the popular clamour for a government supervision of the railroads, at the same time that the supervision is almost entirely nominal. Further, the larger such a commission gets to be the more it will be found to take the business and railroad view of things. It thus becomes a sort of barrier between the railroad corporations and the people and a sort of protection against crude legislation hostile to railroad interests...the part of wisdom is not to destroy the Commission, but to utilize it." (Letter of Attorney General of the United States Richard Olney to Charles E. Perkins, President of the Chicago-Burlington and Quincy Railroad, December 28, 1892, quoted in Josephson's, "The Politicos", page 526.)

Thus reassured, the president of the railway company is supposed to have given his support to the creation of this agency.

The Federal Communications Commission was likewise established in the 1920's as the Radio Commission. It was the result of a series of conferences called at the urging of the radio industry. They were presided over by that great spokesman for the New Left of the twenties, Herbert Hoover, who was then the Secretary of Commerce.

The FCC has been basically true to the pattern. What happens, of course, is that the agency, in its desire to bend over backwards and be of help to the industry, often gets itself into such a weakened position that it is likely to do more harm than good.

I could document that with a number of instances, but I won't take up your time with them now.

The Chairman: Well, then, as far as CATV is concerned, in the United States at least, people are on your side looking in—that is what you are saying?

Commissioner Johnson: Well, what has happened is that the FCC is held back the development of cable television until the broadcasters could buy up all the systems. They now have control of a sufficient number of systems and the FCC is now prepared to open up and let the industry grow a bit. Whether that was by design at the time or not I wouldn't allege, but that's been the net effect.

The Chairman: Mr. Fortier?

Mr. Fortier: We have an agency in Canada called...

The Chairman: Do you have a supplementary, Senator Prowse?

Senator Prowse: Yes, Mr. Chairman. We are down talking about cable television so let's deal with that one.

The Chairman: All right. We will get back to you, Mr. Fortier.

Mr. Fortier: Thank you, Mr. Chairman.

Senator Prowse: I understand from information we have had from our research and from one or two things that I have read here, that this cable television development is not something way off in the future, but we could have it right today, couldn't we?

Commissioner Johnson: Not only could, but do.

Senator Prowse: But in the United States you have 3.6 million viewers—we have 450, 000 which is about 30 per cent more per capita than you have.

The Chairman: You are talking cable viewers?

Senator Prowse: Yes; cable viewers.

The Chairman: Well, I just wanted to make sure that we understood that.

Senator Prowse: Why don't we set this thing up in the grid and get rid of these antennas and all of this nonsense and the interference? What is holding it up? Can you tell us what is holding it up in the United States? I know you can't tell us what is holding it up here, we are I think aware of that,

but we would like to know what your problem is.

Commissioner Johnson: Let me first of all address your premise then your question. Your premise is that if we had cable television we could close down the over-the-air stations?

Senator Prowse: Well, that really wasn't ...

Commissioner Johnson: I am not sure if that is so. At the very least there would be a very long transition period while the wiringup was done. Beyond that, however, the concern has been expressed that those living in sparsely-populated areas have very little alternative means of receiving any television service at all due to the economics of wiring for cable. This is a problem that the United States also was confronted with, telephone installation in rural areas, and we ultimately had to fund through subsidies from the federal government.

The initial problem is that at the present time at least, most of the programming is being originated by and for over-the-air broadcasters. Little or no programming, or meaningful programming, is being programmed by the cable companies. So that, at the present time, if you were to close down the over-the-air stations, you would have very little that you could put out over the cable system. This matter has come up in the United States with regard to the demand for greater frequencies for land mobile radio the frequencies used in taxi-cabs and police cars and operations of that kind.

The point has been made that unless you would virtually close down over-the-air broadcasts we have very little left in frequencies. I am not sure that your premise required that much analysis but I felt I should address

Senator Prowse: Well, I appreciate that.

Commissioner Johnson: Beyond that, you asked why cable is being held up. The cable television issue was originally conceived in the United States as a conflict between broadcasters on the one hand and cable television operators on the other.

It was viewed by the telephone companies as a potential competitor. It was viewed by the broadcasters as a potential competitor, and there was no one really to speak of the television—not alone as a source of the dis-

also as a way of providing access to computers. closed-circuit television, facsimile transmission of newspapers and other materials to the home and so forth.

Because cable television issues were seen by others in terms of a conflict between broadcasters and cable men, the FCC perceived it in this fashion, and intended its regulations as protection to the broadcaster, rather than really getting on with the job of analyzing the problems in cable as well as the potentialities to the consumer.

Senator Prowse: Well, why would you protect the broadcasters? You don't protect the coal miner and you don't protect the businessman that is going out of business on the corner, so why would you protect the broadcaster, because he has had a pretty good thing for quite a long while anyhow?

Commissioner Johnson: Because the broadcasters have considerable power.

Senator Prowse: In other words, it's the practical implications between the power structure and the political structure and the reliance on each other that has resulted in a reliance on the part of governmental institutions to use the same ruthlessness of the market-place that they would use on an antiquated industrial production system in any other part of the economy?

Commissioner Johnson: That is my judgment, yes.

I might refer back again to what I said earlier, however, about the belief that there are benefits to an over-the-air system for those living in remote areas.

Senator Prowse: All right. Let's take the over-the-air system and the cable television system and let's put the two of them together.

Would you agree with me that in one week in the best listening area in the United States, where you had access to three systems plus UHF, that if you got one good program a week you would be lucky? You can leave out newscasts for a moment.

Commissioner Johnson: Well, that may be a little harsh but I wouldn't differ with you greatly as to your conclusion. Charles Sopkin who wrote the book "Seven Glorious Days, Seven Fun-Filled Nights" after watching the ten channels in New York City through a botential benefit to the country from cable bleary-eyed week, concluded that when he began, he expected the ratio of trash to tributing by cable a television product but worthwhile programs to run something like three to one and when he had concluded he interest lies. It lies in producing those minutes discovered it was more like 100 to one. that relate to products rather than those

Senator Prowse: Yes.

Commissioner Johnson: So his empirical study supports your judgment.

Senator Prowse: My judgment is based on two weeks in New York and three weeks in Dayton, Ohio. I was able to look at TV whenever I wanted to and see it and judge it: and I can't remember a single program that I saw in either place-except in New York City where they had the civic election programs on and there were one or two of those which were a little astounding to me as a visiting politician . . .

Commissioner Johnson: Well, this is really what I meant when I referred to compelling programming.

Senator Prowse: Yes.

Commissioner Johnson: There are programs, a great number of programs, that are actually so offensive or so boring that you would far prefer to have the set turned off rather than to watch them at all. There are other programs which are really not very interesting, but if you had absolutely nothing whatsoever to do except to watch television you would prefer to have the set on rather than have it off. There are other programs that you actually rather enjoy and there are some that are really compelling. I think there are some which can be very compelling and I think they relate to something you are interested in, or they are showing you something and they are of value and contributing to your own personal life in some way. It's just that there are very, very, very few in the last category.

Senator Prowse: Well, leading on from that, I would like to get to the calibre of programs. The cost of programming—we have been told-is in the neighbourhood of \$1,000 a

Commissioner Johnson: Unless it happens to be a commercial minute, in which case the cost would be more likely sixty to seventyfive thousand dollars.

Senator Prowse: Well, let us leave those out for the moment here.

Commissioner Johnson: When you look at the allocation of programming production costs among all the minutes during the halfminutes that relate to programming.

Senator Prowse: Suppose we do as you suggest or as I understand some things you have said here. I think you and the Commission are agreed that you think it would be desirableyou wouldn't have networks; that everything would be individually owned, that every communication outlet would be individually owned and not associated with another.

Is this commercially possible?

Commissioner Johnson: Yes, I would think so. That is to say that each enterprise has to stand on its own anyway. It is undoubtedly true that there are some AM and FM radio stations that are run jointly in the very smallest communities in the United States where the economies of joint operation are such that they would not be economically viable as separate entities.

It is also true that there are probably some UHF television stations in the United States that are being run by multiple-station owners at a loss because it just would not be economically viable and they would not yet be on the air but for their willingness to sustain that loss.

However, by and large, this is an industry that is making truly gargantuan profits, and most station-owners are really doing quite well, and to suggest that they have to be multiply owned in order to make a profit 1 think would be very difficult to sustain.

Senator Prowse: Could you suggest-let's take a hypothetical case—suppose you were being asked by the State of Alaska to make recommendations as to how they might set up an ideal system of television for their people that would give them a maximum choice and minimize the control in the hands of a particular individual; have you any suggestions as to how they might with a small, marginally economical station, be able to provide what you have referred to as meaningful programming?

Commissioner Johnson: Well, I think part of what we need to do-it has really nothing to do with population density—is simply reorient our thinking about the role of the mass media in our society. The three commercial networks in the United States have demonstrated that you can produce what I have characterized as plastic Christmas trees and get people to look at them, and you can do hour, it's very clear where the industry's this on an assembly-line basis, but the media it seems to me has a higher responsibility and a more important role to play in our society.

The media truly belong to the people and they ought to be used by the people. The letters to the editor column in the newspaper is a rather feeble gesture in the direction of inclusion of people in making this a true method of communication and suggests a twoway process. Where is the letters to the editor column on television? There is so much going on in the real world, all kinds of talent that exists that never finds its way onto television. This is not just a matter of rights of access guaranteed through court suits, it's a matter of training in the schools, in the arts of the use of audio tape and video tape and film. It's making available production facilities that citizens can use. It's inviting them in, asking them to come, because very few people will assert themselves enough to come. It's going out into the streets with an audio tape recorder and talking to the people. Covering events and affairs as they happen, staging discussions of important community issues that otherwise would not have been held, and covering those that are already being held-quite literally turning the media back to the people, but to help build a sense of community, and to reduce the sense of alienation that is so prevalent in the United States, in the large cities especially.

That is the kind of job that television could do but is not doing.

Senator Prowse: Isn't this the problem—that the whole communications industry is set up to get the advertisers' dollars today?

Commissioner Johnson: That's right.

Senator Prowse: This is the whole basis of the problem, and if we are to solve it, then don't we have to educate the people so that they will demand the entertainment and education and information industries be separated in the electronic area from the advertising industry; otherwise we are caught in a mousetrap we can't get out of?

Commissioner Johnson: Well, if I may respond to that, Mr. Chairman.

The Chairman: Yes, by all means.

Commissioner Johnson: There is a new magazine in the United States called Scanlon's, that some of you may have seen. I have seen it on the stands up here. And the editor of that appeared with me on a panel in New York recently. He made the suggestion that we have something called print pollution,

which is in his judgment the publication of a great deal of material which people really have no need or desire to read, that is published to fill up magazines that need to carry advertising messages to people. He pointed out the tremendous amount of money that magazines spend in trying to get new suscribers and the very low rates they charge and so forth. A lot of people are really subscribing to magazines which they really don't want, because they are not really paying too much for them and they are not particularly interested in them.

So his proposal was that we should have a six-month moratorium in the United States during which there would be no advertising in any magazine. All magazines would be required to charge a newsstand price or subscription price sufficient to cover their sole cost of production and a profit.

At the end of the six months we would look about and see how many magazines still remained. Those magazines that still remained around have really meant enough to the reader that he was willing to pay for what he was getting—his proportionate share of what he was getting. Those magazines would then be permitted to return to advertising in modest amounts.

Well, I think the same kind of point can be made about television, which is in part what you are suggesting.

Senator Prowse: Well, it's an interesting story but I don't know whether it is a completely valid one.

Commissioner Johnson: Well, I am not suggesting that you are proposing that particular resource...

Senator Prowse: No.

Commissioner Johnson: Only that you are proposing a kind of an analysis of what the problem is.

Senator Prowse: Well, not just that type of analysis but we do have two problems today. One is the pervasiveness of advertising all through everything, and in order to meet its demand, we have had a complete debasing of the media which could be of tremendous value to people. Everybody is getting a little fed up with it, so it may be defeating itself in the end anyway.

The Chairman: Well, perhaps at this point I could interrupt long enough to say that I think we will adjourn now until 4:25. We will adjourn for ten minutes. Thank you.

[Short Recess]

The Chairman: Honourable Senators, if I may call the session back to order. I would like to begin by asking you a question—I would like to turn the discussion, Commissioner Johnson, to concentration of ownership and to your discussion on the media barons. I would like to read two quotes, and ask you to comment on them.

The first quote is from the statement you made today and the second quote is from the book. Perhaps I could read them both and then ask you to comment.

At page 12 in your statement you say:

"The raw, crass power of the media in the United States is shown by its ability to get essentially any single piece of legislation it wants passed by the Congress."

That hit my eye because one day here Senator McElman used almost those very words—certainly the raw, crass power—in fact I think those were the actual words he did use...

Senator McElman: I am glad so many remember my words!

The Chairman: Well, I raised the point because that particular day the witness, who was a publisher, tok Senator McElman on and said that this terminology was a gross exaggeration. I am not sure whether or not Senator McElman conceded the point but I am sure he is as interested as I am in seeing almost the same wording in your presentation.

The other quote is from the book and this is a quotation that I am frank to say, I think first appeared in the Atlantic Monthly, and I have used it many times. I think it is worth quoting here and putting on the record, then perhaps I will ask you to comment on it. You say:

"I do not believe that most owners and managers of the mass media lack a sense of responsibility or lack tolerance for a diversity of views. I do not believe that there is a small group of men who gather for breakfast every morning and decide what they will make the American people believe that day. Emotion often outruns the evidence of those who argue a conspiracy theory of propagandists' manipulation of the masses.

On the other hand, one reason evidence is so hard to come by is that the media tend to give less publicity to their own abuses than, say, to those of politicians. The media operates as a check upon other institutional powers in our country. There is, however, no check upon the media. Just as it is a mistake to overstate the existence and potential for abuse, so, in my judgment is it a mistake to ignore the evidence that does exist."

We would be I think interested in knowing if you could state some of the examples of the evidence that does exist.

Senator McElman: Before you move into that, could I put this into its real perspective?

The Chairman: Well, if I didn't, you may, yes.

Senator McElman: I used those words but I said in Canada "we had the potential for the use of raw, unadulterated power". In deference to Mr. Johnson I used the United States as the example of how such power can and has been used upon Congress itself to block or reduce the effect of legislation proposed by Congress. That is the total context.

The Chairman: Thank you.

Could you, Commissioner Johnson, give us some examples of this kind of power and this evidence of abuse?

Commissioner Johnson: Well, I would be happy to. I might also simply cite some general sources. One is the chapter in the book "How to Talk Back to Your Television Set" entitled "The Silent Screen" in which I document a number of instances of corporate involvement in the content of programming.

A second source would be an opinion, National Broadcasting Company, 16 FCC 2d 698, which dealt with a situation in which a major American television newsman, whose name would be known to all of you, was found by the FCC to have been editorializing against the Wholesome Meat Act at a time when he and his business associates had an interest in that legislation, and in the footnotes to that opinion I cite a great many other instances.

Finally, there was a speech I gave to the Radio and Television News Directors' Association in Detroit this past year, which has been reprinted in our Congressional Record 115 Cong. Rec. E10178-82 (daily ed. Dec. 1, 1969) which contains a great many more examples.

The case that first brought this to my attention, the problem generally, was the ABC-ITT

merger. This would have been the largest merger in broadcasting history. It did not ultimately go through. The decision of the FCC approving it, over the dissent of three commissioners, was appealed to the United States Court of Appeals by the United States Department of Justice, and while that appeal was pending ITT backed out of that merger.

One of the concerns in that case was that ITT might view ABC as simply a part of its public relations activities, and that it might use pressure from ITT on ABC to try to distort some way the coverage of news items.

Mr. Fortier: And indeed did while the case was pending.

Commissioner Johnson: Well, that was the point I was going to come to.

Mr. Fortier: I am sorry.

Commissioner Johnson: Yes, indeed. The companies responded there by saying, "Oh, goodness, no, we would never do anything of that sort"—assurances which the Commission majority was fully prepared to accept. But When the case finally did go to a hearing, While that very hearing was pending on the very issue of whether ITT would ever interfere with news judgment, the Wall Street Journal broke the story that an ITT senior executive vice-president and numerous other corporate officials were in fact bringing rather extraordinary pressures to bear on the Wire service reporter and a reporter for the New York Times, and so forth, calling them at their homes, calling them as soon as the Wire service copy began to move, trying to get the stories changed, et cetera.

They called the reporters in an effort to try to get them to get confidential information out of the Justice Department about its intentions in the case, in their role as reporters, which ITT wanted them to pass on to ITT for its use in that litigation. It was a rather extraordinary spectacle, actually, of disdain for the proper role of the media.

There have been instances of intra-corporate memoranda that have come down ordering certain stories not to be covered or other stories to be covered in a particular way, instances of broadcasters taking positions in opposition to pay television or cable television without providing opportunities for other points of view to be heard. A long list of these instances have come up over the years, and it's remarkable really that they exist.

As you read, Mr. Chairman, in that passage from the book, usually these matters are not

handled in the form of intra-corporate memoranda, they are handled in the form of sort of an unspoken understanding on the part of everyone involved.

The dangerous pattern, in my judgment, goes through these phases. The reporter or the producer comes up with an idea which he presents and the idea is turned down; he comes up with another idea and it is turned down; he comes up with a third idea and it is turned down. And by now he begins to see a pattern. Whenever he comes forward with an idea that somehow is disruptive of corporate interests a story gets killed, or the documentary never appears.

The second phase that he goes through is that he gets the ideas but he fails to propose them to his supervisors because he knows the ideas are going to be turned down.

The final stage he enters is when he no longer has the ideas. That really is the most dangerous phase. You then reach the stage when there is no need for censorship because the ideas are no longer even being thought of, let alone proposed.

However, this is a matter to which those of you who are in the political system here and those who are actually reporters and publishers can speak with greater authority than I have. All I have done is simply gather together the examples that I have come upon as a result of reporters talking candidly to me and as a result of my reading the articles and books that they have written about the problems they confront. Where else would I get the information except from the people within the industry themselves? But the three sources which I have cited, I think, along with the ABC-ITT opinion-especially the first dissent and the footnotes-are probably the best collection of horrible and damaging corporate involvement.

The Chairman: In the book you talk about possible solutions to the problems of concentration and you point out first of all that technological change is likely to increase the problem. You say: "Technological change"—and I am quoting you now—". is likely to be changed to even greater concentration..." But you then suggest five solutions. I would like to ask you for a couple of comments in talking about solutions. You say:

"...it is clear to me that we simply must not tolerate the concentration of media ownership—except where concentration creates actual countervailing social benefits. These benefits cannot be merely speculative. They must be identifiable, demonstrable and genuinely weighty enough to offset the dangers inherent in concentration."

Could you give us an example of the kind of media concentration which there would be or could be countervailing social benefits?

Commissioner Johnson: Well, it is hard for me to think of the benefits but...

The Chairman: What did you have in mind there?

Commissioner Johnson: Well, what I had in mind was that it seems to me that one should be open-minded on this. I would start with the presumption that there ought not to be any concentration; that each outlet of opinion ought to be independently owned. Now if you are going to move from that position to a position of some concentration, it seems to me that the burden is on the person who wants it to demonstrate that he should be permitted to own more than one. But that should not be an insurmountable burden. He may very well be able to come up with reasons why the benefit to the public interest is substantial and clearly demonstrable, and the public will suffer some irremedial harm if he is not permitted to own more than one. If he can so demonstrate we ought to be prepared to have that measure of concentration.

However, it seems to me that that is where the burden ought to lie. At the present time, before the Federal Communications Commission the burden is rather the other way about. The unspoken implied presumption is that anyone who wants to merge ought to be permitted to do so unless Commissioner Johnson can come up with compelling reasons as to why it should not be approved. It just seems to me that is rather backwards, that's all.

The Chairman: You tend to dismiss the anti-trust laws as being helpful. You say that they can block concentration only when the threat is economic. Could you discuss that?

Commissioner Johnson: Well, in general the anti-trust laws are directed to economic concentration and problems in the marketplace. You can have the same kind of economic consequences from concentration in motion pictures or magazines or books or television or newspapers that you have in economic concentration in steel or automobiles or any other industry.

Basically the anti-competitive practices higher prices, less technological innovation, tie-in agreements, and monopoly power of various kinds—can exist in these industries as well.

The point is that that is not really the problem, or at least it is not the first problem. We need to be concerned, it seems to me, about a great deal more than simply economic concentration. What we are concerned about is concentration in the marketplace of ideas. And there, it seems to me, at least for the United States, I want to see the greatest possible diversity and I am prepared to pay an economic price for that diversity. I mean, I am willing to forego the possible economic efficiencies that might come from only having one newspaper in the United States or only three national commercial networks.

The Chairman: You write off the anti-trust laws as being useful—I shouldn't say you write them off—you write them off in this context—you tend to dismiss the politician—you have a very colourful passage here. You describe—you say:

"Whenever the FCC stirs fitfully as if in wakefulness, the broadcasting industry scurries up the Hill for a congressional bludgeon. And the fact that roughly 60 per cent of all campaign expenses go to radio and television time gives but a glimmer of the power of broadcasting in the lives of senators and congressmen."

Well, if the government isn't going to give the lead where is it going to come from?

Commissioner Johnson: Well, the reason for the book, "How to Talk Back to Your Television Set," is to address that question, and I think, at least in the United States, ours is very much a do-it-yourself country and do-it-yourself government. We do have institutions that are responsive to pressures of all kinds, not just to evil pressures, not just to the pressures of economic self-interest and corporate greed. But it is up to the people to organize and express their views and to utilize this legal machinery that is available and lies about rusting waiting to find somebody to push the start button.

The Chairman: If the president said to you "Commissioner Johnson, I am going to make you the head man of all broadcasting and communications in this whole area"...

Commissioner Johnson: That is such a preposterous assumption I find it impossible to address it.

Senator Prowse: They would lock you up!

Commissioner Johnson: Yes; me AND the President!

The Chairman: The question I was going to ask, and I won't even give it a preamble, if you were dealing with concentration would you propose only prospective standards or is the situation such that you would require divestiture of existing concentrations? That is perhaps a tough question.

Senator Prowse: It is a very good question.

Commissioner Johnson: No, I think it is a very appropriate question. It seems to me as our Justice Department advised the Federal Communications Commission, one simply must deal with divestiture if for no other reason that it's quite unfair, putting the public interest aside, it's quite unfair to those in the industry to permit some to have an economic advantage and to be locked into that economic advantage and exclude others from competing with them. I would think that you would want to put all on an equal footing in the United States, but you may very well have other considerations here.

The Chairman: Mr. Fortier?

Mr. Fortier: Mr. Johnson, when Mr. Henry, Chairman of the Canadian Restrictive Trade Practices Commission, appeared before this Committee, he recognized a problem which has also been encountered in the United States in trying to apply the marketplace anti-trust statutes, the Sherman and Clayton Acts in the States to the communications industry. It was the fact that the "wares" Which were being offered for sale consisted of advertising and as long as there were no restrictions as to the number of advertising outlets, the Act could not be resorted to. Our Restrictive Trade Practices Commission in two of three instances where it looked at the concentration of ownership in newspapers, Said the Act was useless. I gather that you in the States have encountered the problem.

The question that we put to Mr. Henry was how are you going to evaluate whether or not a newspaper for example is doing a good job; whether a newspaper in its presentation, in its content, is serving the public interest. I ask you the question: how have you in the United States resolved that particular problem in seeking to prevent the concentration of ownership within either the newspaper field exclusively or within cross-communications

media? Do you look at the program content for example with respect to television and radio? Do you look at the newspaper content and do you say is this what the public wants? Does this fare serve the public interest?

Commissioner Johnson: Well, you have asked me a number of questions there. Let me say, first of all, that we do have the problems to which you and I have both alluded with attempts to analyze the problems of concentration and control of the mass media within the classic anti-trust economic standards that tend to leave you to examinations of the advertising market. In the case of motion pictures and television product, you can also look at the impact upon the market for potential producers of programs. In newspapers you could look a the market for syndicated columnists and things of that sort. So there are other business aspects which one could address. And there have been some cases in the United States in which we have looked at the advertising and taken some action as a result. In general I would agree with you that we have to look beyond this, and that presumably is what the FCC "public interest" standard is supposed to be all about. This is supposed to enable the FCC to apply the standards in the anti-trust division.

Mr. Fortier: As you were asked on the program "Face The Nation" back in December—if there were more Nicholas Johnsons on the FCC, would the FCC work?

Commissioner Johnson: Oh, I don't know. I don't know what I responded on that particular occasion.

Mr. Fortier: I can give you your answer if you wish.

Commissioner Johnson: Well, please. I will see if I still believe it now.

Mr. Fortier: Well, you give me today's answer then I will tell you your answer.

The Chairman: Well, in fairness to the witness, I think we will have the December answer.

Senator Prowse: On the advise of counsel, don't answer!

Mr. Fortier: Is it the men or the system? "If there were more Nicholas Johnsons, would the FCC work in your view? Your answer was—"Well—" Continuing the interview, Mr. Herman asked:

"If you had a majority?" And you replied: "I think that historically it has been the

case in most of the commissions that you have one or two, a minority, on the commission who speak out with some independence. That has historically been the case at the FCC. The difficulty at the FCC, with seven commissioners, a majority is four. And so on every issue the problem is, can you count up to four. And it's very difficult to do."

Commissioner Johnson: I think that tradition plays a heavy role in the quality of service and the character of service that you get from public officials. A nation could have a standard excellence in appointments where this is rewarded politically and is simply expected as a matter of course. But I think this depends in large measure on the public pressures that do exist on government-some organized unit within the society that is pressing for good government, representation of consumers, of taxpayers, of citizens, of viewers and whatnot, in order to bring balance into it. Sure it is possible and I am sure you have many examples here of agencies which you feel are functioning well, and in the public interest.

Mr. Fortier: We have our own supervisory and regulatory agency in the field of communications which is called the Canadian Radio and Television Commission which has only been in existence for two years now and it also had its predecessors. One of the problems which the CRTC has applied its mind to, and which is one I don't think the FCC has ever concerned its mind with, although if it has I would very much like you to correct me, and it has to do with the citizenship of the owner of communications media.

In Canada recently the CRTC acting on directions from above, meaning from the Canadian Cabinet, the Canadian Government, has said no one who is not a Canadian citizen may effectively own "more than 20 per cent of a broadcasting industry". This was particularly directed to CBS, RKO and Famous Players who controlled, particularly in the CATV field, an excessive amount of outlets of broadcasting media.

Do you as an American and one who is concerned with the communications media principally, although not exclusively in the United States of America, do you think that this is a valid approach for an agency such as the CRTC, or such as the FCC, to say insofar as ownership is concerned that we will only allow our nationals to effectively own our broadcasting industry?

Commissioner Johnson: That is a standard which is applied by the FCC as well. I would presume that this is a standard practice in most of the countries of the world.

Mr. Fortier: Has there ever been such a problem of that sort in the United States?

Commissioner Johnson: Yes.

Mr. Fortier: There has?

Commissioner Johnson: Yes.

Mr. Fortier: Could you give us instances?

Commissioner Johnson: Well, I am not sure I could, to tell you the truth.

Senator Prowse: The ITT and ABC was precisely that, wasn't it?

Commissioner Johnson: There was a problem back in the 1930's with regard to ITT's operation, and the suggestion was made that it was substantially controlled by foreign interests. We have a provision in our Act regarding ownership by U.S. citizens. Occasionally foreign corporations wish to hold licences for mobile radio equipment...

Mr. Fortier: Is there a provision made for minority equity interests by non-U.S. citizens?

Commissioner Johnson: Yes, I believe so.

The Chairman: A present example comes to my mind is Jack Kent Cook who had extersive radio holdings in Canada and now is a broadcaster in California, and I believe special legislation was passed through Congress...

Senator Prowse: Yes, to make him an American citizen.

The Chairman: Yes, Senator Prowse, I think that is right.

Mr. Fortier: That's right. Well, that is the ownership—that is the foreign ownership aspect. Now, as far as the content is concerned—in your paper prepared for The Trade Regulation Roundtable, Association of American Law Schools' Annual Convention in San Francisco, California, in December, '69, you refer to how contnt control was exercises, and you say that it was mainly exercised in five areas.

There was the direct content specification, the personnel policies, the financial policies, the anticipatory self-censorship, and the outside pressures onnmangement. I was very

curious to note that nowhere do you refer to the content control which could be exercised by the FCC. Why is that?

Commissioner Johnson: I suppose because it is so far from the experience of mortals. In other words, it would simply not have occurred to me.

Mr. Fortier: You one-hundredth of one percent content control that you referred to earlier...

Commissioner Johnson: Yes.

Mr. Fortier: This would be the infinitesimal area where there has been such athing as content control by the FCC in the United States?

Commissioner Johnson: I would have to defer to you for any examples of anything that you would recall that would involve content control by the FCC.

Mr. Fortier: In vies of what you refer to as bland television programs which is the common fare of television stations, why is it that you complain, you criticize and you do it very eloquently and very effectively, but I am forced to ask you the question: what has the FCC ever done tochange the fare which is offered to the American viewer?

Commissioner Johnson: I think very little.

Mr. Fortier: And why is that?

Commissioner Johnson: Again, it comes back to the matter of political power of the industry.

Senator Prowse: And you terms of reference?

Commissioner Johnson: I beg qour pardon?

Senator Prowse: And you terms of reference?

Commissioner Johnson: I gues I don't understand.

Senator Prowse: And the framework within Which you eexrcise your authority?

Commissioner Johnson: No. I think basically the FCC has ample authority under the Communications Act to do anything that is not immoral. We have been established essentially to work" in the public interest", which was the phrase of congress, and it seems to me that that authorizes us to do very nearly

anything that seems reasonable and is ntt arbitrary and is grounded in some fact.

The Chairman: Mr. Fortier?

Mr. Fortier: Commissioner Johnson, your bland programs which are not censored as to content by the FCC, which are shown on our Canadian television stations, not only become bland programs, but they become U.S. programs; and this is where the CRTC has said "Aha, we must regulate the program content". As I am sure you are well familiar they have issued a proposal recently which would increase to 60ffi, the average of Canadian content on television during any given day and this would even include the prime-time period.

Now, as our Prime Minister has said, living next to the United States is like being in bed with an elephant—the elephant is far-reaching, particularly...

Commissioner Johnson: He has had a wide range of experience, hasn't he!

Mr. Fortier: Well, some others have been eccluded, like Barbra Streisand!

The Chairman: May I suggest that Mr. Fortier and the witness get back to a discussion of mass media!

Mr. Fortier: Mr. Johnson, as a man so immersed in the field of communications, what are your views about a broadcasting regulatory and supervisory agency saying to its broadcasters "You must show national fare during a minimum 60% of the time"? Would you term this anti-Americanism or would you term this good policy?

Commissioner Johnson: I would term it neither. I would term it an area of public policy that lies well outside the jurisdiction of a United States Federal Communications Commissioner.

Mr. Fortier: Of that I am certain, but I am addressing the question to you as a man well-versed in the industry, not necessarily as a Commissioner.

Commissioner Johnson: Well, I am not sure that it is a matter that has anything to do whatsoever with the industry. I think it has all to do with the kind of Canada that you wish to build, and I think that is a matter about which only Canadians can know.

I, as a matter of law, would have no difficulty whatsoever justifying as within the jurisdiction of the FCC a comparable ruling by our agency. It is highly unlikely that we would ever be motivated to do so since well in excess of 100 per cent of our programming comes from American sources.

Senator Prowse: You would get into trouble if you tried it?

Commissioner Johnson: Yes.

Mr. Forfier: But you could be motivated into ruling: no more American westerns!

Senator Prowse: Oh, no!

Mr. Fortier: As an example.

Commissioner Johnson: Well, we have gone so far as to have the Surgeon-General enquire as to whether or not there should be no more programmes with violence, although that is not an honour that is limited to the western.

Senator Prowse: What would we do without Audie Murphy!

The Chairman: If I may—I am less interested in the regulatory powers of the CRTC vis-à-vis the FCC, then I am in the whole problem we have here. It is perhaps unfair to ask you to comment, but I am going to anyway. I know you well enough that you won't if you don't want to, but this whole are of Canadian content—were you going to pursue this part, Mr. Fortier?

Mr. Fortier: Well, I have received my noncommittal answer.

The Chairman: As Mr. Fortier has said so well, the programming of which you are so critical is probably even more critical here because it is coming to us with respect, which you will appreciate, from a foreign country.

Commissioner Johnson: Yes.

The Chairman: I recall Mr. Johnson, the first time we met; it was a hot summer evening in Toronto and I remember one of the first things you said was that you were surprised to find out that on the publicly owned broadcasting system, the CBC, at 8 o'clock Sunday night—I suppose, the prime of all prime times—carries Ed Sullivan on the national network. You found that rather surprising.

Would you comment on that? Why did you find that so surprising?

Commissioner Johnson: Well, I don't like commenting on it.

The Chairman: I don't want to put you in an impossible position.

Commissioner Johnson: Well, I can comment as an American on what I value about the diversity that is offered by Canadian culture in North America. I happen to think that everybody benefits from diversity. I think that America is stronger and better for the differences that do exist here in Canada, and among those I would include the Canadian Film Board and its product of films and the men who have been trained under that programme who have done some marvellous work.

The instance you referred to follows upon a meeting I had with some CBC television people about programming and midway through that meeting I suggested that it might be useful if we looked at the programme log to see what in fact was on the air, and I was indeed rather shocked to discover that this Canadian institution was televising a rather substantial quantity of American programming, particularly in view of the fact that roughly 80 per cent of the Canadian population can watch American programming if it chooses to do so by watching it over the air from American stations.

We discussed that subject a bit that afternoon and I won't repeat the position of the CBC since that is something they should state if they choose to do so. But it seems to me that television is such an all-pervasive influence in every society that as an American official, I certainly would not feel myself in a position to take offence should the CRTC and the CBC and this Committee come to the conclusion that in order to develop, preserve and extend Canadian culture that you feel it obviously essential that the CBC engage in nothing but a televising of Canadian television products, because I don't know how you can have a society without a communications system, a mass communications system.

At the same time it seems to me that you might very well want to make it possible for people who live in Canada to have access to information from as many sources as possible.

American magazines are sold in Canada, American films are shown in Canada and unless you would wish to exclude American films and magazines and books it would at least be inconsistent to exclude television and permit the others to come in here.

I enjoy, for example, listening to CBC radio in Washington, D.C., at night. I get a skywave signal from CBL Toronto quite regularly and occasionally one out of Montreal, and I find it quite enjoyable radio, quite frankly.

However, this is a matter that ultimately you will have to address. It is not your task, after all, to serve my desire for diversity and the opportunity to listen and to watch something different than I am able to get from my American stations.

The Chairman: Mr. Fortier?

Mr. Fortier: Much of the criticism, and you have been discussing a personal opinion, you validly direct to the programme content of American televisions stations. Would not much of it have been answered if your governement had seen fit to create what we call in Canada a national broadcasting system subsidized by the state?

Commissioner Johnson: Well, as you know We now have a Corporation of Public Broadcasting, so-called, which holds the potential for developing into that kind of a system.

Senator Prowse: Is that for ETV or is it general?

Commissioner Johnson: Well, let me say a Word about the system.

We have now about 190 educational television stations, but some of these are in fact owned by community groups and others are owned by school systems or universities.

There is a programming service known as National Educational Television, NET, which distributes programmes for a general audience which these stations broadcast in the evening. Many if not most of them during the day provide instructional programming to be received within school classrooms and used as part of the teaching materials.

Recently this year we have added the programme "Sesame Street", which some of you may be familiar with, which is designed to teach reading and arithmetic to pre-school children in the home. It has been a fantastic success and is without question, I think, the best undertaking whatever of public broadcasting in the United States and has had a marked impact already in a few months on the general educational level of those 20 million Americans who are under 5 years of age. It has had a very, very dramatic impact.

We now have a live network during the week in the evening to permit these stations to interconnect, at least many of them can to do this.

The Ford Foundation has provided most of the funding up until now for this system. We had an Educational Television Facilities Act in the early sixties which provided funds for the building of the stations but as yet we have had great difficulty with coming up with any significant quality of funding for the development of programming itself.

The Chairman: What about the idea of the government network?

Commissioner Johnson: That has never been held in much favour in the United States. There is concern about government control of the media as it is, although some have expressed the view that as long as you are getting government propaganda anyway how much better it would be to get it from a government station than to get it from NBC, and there is something to be said for that view.

The Chairman: Mr. Fortier?

Mr. Fortier: You have alluded to factors which have caused the disappearance of many newspapers as well as the merger of others in some of the larger cities.

Do you envisage that these same factors may come into play in the field of electronic media and consequently work against your utopian view of only one media to be owned by one person in one community?

Commissioner Johnson: Well, I think the concept of the common carrier cable television system really is a whole new ball game, because then, you see, it would be possible for essentially any individual who wanted to put on a programme on a one-shot basis or on a one-programme a week basis to in effect have his own television station.

The Supreme Court in the Red Lion decision this past year has urgeed what has been characterized as the public right of access to the mass media.

Senator Prowse: What were the facts in that case?

Commissioner Johnson: That particular case involved specifically the constitutionality of the fairness doctrine. The Supreme Court ruled that the fairness doctrine was constitutional. The broadcasters had contended that it was not.

But in the course of passing on the constitutionality...

The Chairman: Would you like more of the facts?

Senator Prowse: No. I am going to say that I would like to ask one more question on that.

The Chairman: Yes, certainly.

Senator Prowse: The fairness doctrine is the one that calls for the provision of equal time to dissenting views, is that correct?

Commissioner Johnson: Forgive me, I should have provided some explanation.

Senator Prowse: ... or am I wrong?

Commissioner Johnson: You gentlemen are much more familiar in general than most Americans would be with our practices in this regard, but it is a rather complicated area. There are really three doctrines; the fairness doctrine, the equal opportunity doctrine, and the personal attack doctrine.

The equal opportunity doctrine applies only in political contests, and it provides that if you put on a candidate for one party you then have undertaken the responsibility to provide an equal opportunity for his opponent. That may not involve equal time because it is a function of what time of the day he is put on as well as how many minutes he has and so forth.

The fairness doctrine is all encompassing. There are some instances in which it involves political contests because there are some exceptions to the equal opportunity doctrine such as newscasts. The fairness doctrine would also cover newscast coverage of political candidates. The fairness doctrine provides in general that whenever a station deals with what we call a "controversial issue of public importance" that the station has the obligation to treat that issue fairly, which means to provide an opportunity for all points of view with regard to that issue to be expressed at some time, not necessarily within the same programme.

The personal attack doctrine provides that when you go after an individual or a small group of individuals, some identifiable group, that you have an obligation to let them know, to give them personally an opportunity to reply, if they in some way have been attacked on your station.

This is distinguished from the fairness doctrine which does not impose upon the broadcaster the obligation to give any given individual a right to reply, but only an obligation that the point of view be expressed perhaps by a member of his own staff.

The Chairman: What were the facts in the Red Lion case, do you recall?

Commissioner Johnson: This rose out of MacIntyre's operation in Media, Pennsylvania, in an attack on Fred Cook. The station was contesting that it was unconstitutional to require them to treat this mater fairly or to give him an opportunity to reply to the personal attack or whatever was involved.

Senator Prowse: Who is MacIntyre and Fred Cook?

Commissioner Johnson: MacIntyre is a broadcaster who prespares programmes, and also owns this station, that are of such character as generally to fall within the fairness doctrine and require an opportunity for others to reply—or at least this is the contention that is often made. Fred Cook was an author whom MacIntyre presumably characterized in some way thought by Cook to be unfair.

The Chairman: Senator McElman, you had a question?

Senator McElman: It wasn't a supplementary, Mr. Chairman.

The Chairman: Well, go ahead.

Senator McElman: Mr. Johnson, in Canada the CRTC when it is considering an application for a new license takes into account—I believe it is required to take into account not just the prospective economic viability of the applicant but the economic viability of the existing broadcaster in that market area, and the decisions as they have been handed down bear this out.

Now, tied with that, if there were not some limit upon groups or chains, as they are called, as to the extent in which they could built up a strength and members in their chain, what would you see as the end run of such a dual situation?

The Chairman: Do you understand the question?

Commissioner Johnson: I am not sure that I

The Chairman: Well, Senator McElman will put it again, I think.

Senator McElman: Well, economic viability of licensees—there is a protection of a market area for existing licensees?

Commissioner Johnson: Yes, sir. I believe I understand the basis of your question, but I am not sure exactly what the question is.

this country greater strength in the chains or ing out prospective broadcasters... groups.

Commissioner Johnson: Yes.

Senator McElman: If that continues-if the private broadcasters and radio and television continues to be gobbled up by chains what Would you see as the end run of that in a nation of this size?

Commissioner Johnson: It seems to me again, forgive me, as it may be the lateness of the afternoon, but I am not sure that I understand the relationship between the first part of your question and the second.

Are you asking me what is the ultimate consequence of continued and increasing media concentration? If so, then I don't understand what relationship that has to your doctrine about the competition in the marketplace and the economic viability of an operation.

Did you mean to relate those two in your question?

Senator McElman: Indeed I did.

The Chairman: You don't think they do relate?

Senator Prowse: I don't quite understand either.

Senator McElman: Well, let me put it in the other context. In the United States as I understand it, this isn't a pre-requisite in your licensing?

Commissioner Johnson: That is correct. That is the short answer and the longer answer is much more complicated.

Senator McElman: And the end effect is that a new broadcaster can move into a market area, and if he has dollars, he can compete with the biggests of the chains, he can provide if he will a different type of programming that will cut into the market, he can rise from a non-viable situation through competition, effective hard-nosed competitive programming so that he does become viable.

He can in effect become viable and the other station, even though it has the strength of a chain, can become less viable?

Commissioner Johnson: Yes, that is correct.

Senator McElman: Do you see with the two, which I think I have now tied together, a danger of a system that demands prelicensing conditions that prevail here and I presume

Senator McElman: There is developing in consideration of viability? Do you see it hold-

The Chairman: Holding out-you mean shutting out.

Senator McElman: Shutting out, and the chains building to such a strength that they can literally close out competition?

Commissioner Johnson: I would think that a distinct possibility, yes. By contrast, as you have indicated, we tend to be somewhat less concerned about the economic competitive impact of a new station in a community if the frequencies are available.

By and large we have created a system with, as I indicated, 7,500 operating entities which is a rather significant number, a system in which virtually all of the frequencies have been assigned to someone.

One of the prices we pay for that however, it should be noted, to keep the matter in prospective, is that with all this added programming, if it can be called that, I am not confident that the public is getting all that much more in the way of diversity.

Many of these marginal operators do not even have a wire service of any kind in their stations, let alone a new programme.

The Chairman: And yet you still license them?

Commissioner Johnson: Yes, that is another problem. They are the ones that most often fall into problems: painting the antenna towers and keeping the engineers on duty. They are often engaged in over-commercialization practices and their programming is certainly not distinguished and yet on balance I support the Commission on this particular policy because basically I believe in competition and a competitive situation for the reasons you have stated.

It does permit, in addition to all the dreck, it does permit the possibility of someone coming in who will offer a superior service and being able to make his way to the top, and I much prefer competition to protectionism myself, even though I recognize the price that one pays for it.

Senator McElman: Then even with the experience that you have you would still hold to the practice of the FCC rather than that of the CRTC?

Commissioner Johnson: Well again I would qualify it by saying I don't really know the

that the CRTC has good reasons for what it is 1969, and anybody wishing to pursue the doing, but within the United States, yes, I matter really ought to read Mr. Salant's attack would certainly continue to support our policy there.

The Chairman: Mr. Fortier?

Mr. Fortier: You were quoted as saying Commissioner Johnson, again from this Face the Nation excerpt:

"Network officials are keeping off the television screens anything they find inconsistent with their corporate profits or personal philosophies."

In reading your paper presented last December I certainly see what you meant by it but I think it would be useful for the members of this Committee if you would expand on this all-inclusive statement.

Commissioner Johnson: Well, I would be happy to.

As you will know from reading the transcript, Mike Wallace on that occasion pursued this question at some length.

Mr. Fortier: Yes, he did.

Commissioner Johnson: In fact, the quote reads as follows-it is on page 82 now of "How to Talk Back to your Television Set": "For at the same time that network officials can"-and I emphasize "can"-"keep off your television screen anything they find inconsistent with their corporate profits or personal philosophies..."

That sentence continues to explain that while they are in a position to do this, the FCC has in fact been "defending their First amendment rights" which is the point that that paragraph goes on to develop.

What the assertion consisted of was not the all-inclusive assertion that network officials were keeping off the air every single thing that they opposed. It was rather the assertion that they had the power to do this should ever decide to exercise that power, which I then went on to document that they have on numerous occasions done.

This particular piece engendered quite an exchange, as you probably know. Dick Salant of CBS Television News responded with an article in TV Guide entitled "He has exercised his right-to be wrong" in the September 20th, 1969 issue, and I responded in turn with a letter to the editor in the September 27th issue of TV Guide and the Radio and Television News Directors Association piece which I referred to earlier on September 26th.

on me and my responses.

As I made clear there, my principal complaint is simply what is not appearing in prime time entertainment programming. It is not just that individual items have been proposed and then censored by management.

Mr. Fortier: It is a stifling of creativity in the TV programming?

Commissioner Johnson: Well, it's more than stifling of creativity, that's another problem. That is why the stuff that is on in prime time that is entertainment isn't any good entertainment...

Mr. Fortier: Well, that is all part of it.

Commissioner Johnson:because creativity has been stifled. But the corporate censorship point relates to the fact while you are putting on entertainment of whatever quality you are not giving the people information that they need about the affairs of their times that are important to them, and that that too constitutes a form of censorship.

I think it is important in this connection to keep this in its proper perspective. It is reported that Mr. Tweed in New York once offered the New York Times \$5 million to kill particular story. The Times refused the offer, it should be noted parenthetically.

The point is simply that if it was worth \$5 million to kill a single story, 50 or 100 years ago, it clearly is worth that much today to buy a television station. It is not necessary to control everything that appears in the newspapers. It is only necessary to have the potential to do that on those occasions that may arise, perhaps only maybe two or three times a year.

Senator Prowse: Like an insurance policy?

Commissioner Johnson: Yes, that is right. It is a very cheap insurance policy. The Dominican Republic offered the Mutual Broadcasting System, a radio network in the United States—oh, I don't recall the precise figure, but I think it was on the order of a million dollars—to give them a guaranteed number of minutes per month on news programming which they could fill with propaganda from the Dominican Republic.

The point is, you can't put a dollar value on the potential to keep items off or to put items on, and after Dick Salant's proud boast that CBS has never altered its content while he worked there, Variety reported in a long story

a series of documentaries which had been list, I think the answer would either be none very substantially altered by CBS in the or next to none. course of preparation.

Again, my principal point is that television is failing to do its job; that, for whatever reason, it is keeping material off the air that the American people need to have. Whether they are doing that out of a malicious awareness that they are deliberately depriving the people of the information they need is not really the point. The point is that whatever the motive, the result is the same as if that was what they were doing. There are instances of deliberate withholding.

The story was told to me by one of the leading black announcers in the United States of his first job with a station in the Carolinas. He was handed a stack of 40 records and told that he would play them.

He asked if it would be permissible for him to report five minutes of news on the hour and the owner of the station told him "You are not going to educate the negroes of this community at my expense."

Well, there is a deliberate effort. But when you fill the airways in prime time with nothing but pap, one of the consequences is that the people do not find out anything that they Want to know.

Mr. Fortier: You have what I find to be a very excellent quote in your paper on this point which may be reproduced in your book.

You say, and I quote, "To verify this, ask yourself how many controversial programmes ever reach the roughly 100 hours a week of network prime time programming."

Then you go on "How many programmes have you seen that seriously deal with abortion, brutal military weaponry, sympathetic attempts to understand the Black Panthers' World, police brutality toward minority groups, opression in draft boards in high schools, the Justice Department's attitude toward dissent, a slowdown of the administration's protection of civil rights, conflicts of interests by congressmen, anti-consumer lobbying by large corporations, racism, venereal disease, sexual problems of the unmarried and so on"—that is what you are saying?

Commissioner Johnson: Yes.

Mr. Fortier: Let me ask you the question: In the United States how many such controversial programmes have you seen?

Commissioner Johnson: Well, as one might guess from the selection of that particular

By and large the prime time programming, and you are familiar with it here, is made up in bulk of series programmes that come on regularly every week with the exception of NBC's "First Tuesday" and CBS's "CBS Reports" and "60 Minutes", entertainment specials, and sort of mindless, so-called documentaries.

The Chairman: I turn now to Senator Prowse, but I would like to mention to the Senators that I would like to adjourn in about ten minutes.

Senator Prowse?

Senator Prowse: I would like to come back to the area that we were in before if I may. I agreed, I think that everybody is agreed, that we are not getting from TV today what is we think we ought to get whether or not we expect too much.

And I think we are agreed also that the reasoning for this is because of the structure of the industry. It is necessary that a broadcaster produce listeners in order that he can sell his advertising time. This is one of the facts of life I believe, isn't it?

Commissioner Johnson: Of course.

Senator Prowse: That we are living with today?

Commissioner Johnson: Certainly.

Senator Prowse: And in the foreseeable future we will probably have to continue to live with?

Commissioner Johnson: Yes.

Senator Prowse: Now, in the face of that situation have you any suggestion at all as to how we may be able to persuade the industry to provide the people with a better type of programming than they are getting?

Commissioner Johnson: I have addressed this problem because it seems to me to need to harness reform to the profit system for your very largely tilting windmills.

One way you can restructure institutions is by establishing something like the public broadcasting corporation, and here the CBC, with whatever additional changes or funding or what-not you may wish to consider.

Because as I understand it the CBC is also receiving advertising revenue...

Senator Prowse: Approximately...

Commissioner Johnson: 40 million...

Senator Prowse: Of a budget of \$200 million. About 20 per cent.

The Chairman: Yes, roughly 20 per cent.

Commissioner Johnson: Sometimes that 20 per cent becomes the tail that wags the dog, however.

Senator Prowse: Yes.

Commissioner Johnson: But that of course is a problem, that is something you know more about than I.

The other thing that you can do and which I have been proposing in the States is to change the rules of the game slightly, but for all participants at the same time, so that no one is affected in a way different from his competitors.

I have proposed what I call the one-third time rule because we happen to have three commercial networks.

The one-third time rule would provide that each of the three commercial networks must provide during prime time one-third of its programming that would be something other than the lowest-common-denominator-commercially-laden entertainment fare that we now get.

You can't just ask Frank Stanton of CBS, "Won't you please put out some better programmes." We really can't under the institutional constraints within which he is compelled to function. He has a board of directors, he has shareholders, and he has an obligation to maximize profits. He can engage in tokenism, and he does, and they put out some good programmes, but he can't really do much beyond that unless someone will establish standards.

But if we were to establish the one-third time rule across the board, each of the networks would be equal and I think that there would be many benefits to the industry that would result from this. They would be able to recruit into the industry some of the young people who are now leaving in droves. They would take care of he morale problem they have within their institutions.

Many of the best documentary producers in America are sitting about idle now because they have no work to do,—and this would give them something to do and it would get the American public and government off the backs of the networks. It would make the network executives feed better about themselves—which is not an insignificant manner

for them personally I would think in terms of their knowledge of the evil that they are doing in our society.

You might provide for example—let us just take 7.30 to 10.30—because that works out to three hours which means one hour per network per evening, and we put a responsibility on the networks to come up with seven hours of programming a week which was either non-sponsored or institutionally-sponsored.

It could be entertainment, because it must be interesting if people are to watch it...

Senator Prowse: Yes.

Commissioner Johnson: ...but something other than the kind of programming that the commercial sponsorship generally produces: educational, cultural, live drama, public affairs, things of that kind.

This would mean that in any given hour during prime time, because it would be required that this programming be staggered—at any given hour of prime time everyone would have a choice. He would still have a choice of two networks providing him with lowest common denominator entertainment fare, so nobody is telling him what he has to watch. He not only has a choice, but he has a choice of two that are providing that kind of stuff. But he also has a choice of something else, and I think that something like that proposal is going to be absolutely essential for our country.

Now, what form it ultimately takes I couldn't say.

Mr. Fortier: Peter Seeger also has a proposal which comes close to your one-third ratio. I think it would be interesting if you expand upon it briefly.

Commissioner Johnson: Well, he has proposed a system that would almost involve voting on the part of individual viewers—the allocation of their time to various programmes—and which would compete for their time to a particular programme which would be another way of sort of simulating subscription television market-place audience response mechanism.

The Chairman: Senator Prowse?

Senator Prowse: The programmes that we watch and we get—they are what I would probably think are the best of your programmes from the network—they find their way on to ours...

The Chairman: "The Beverly Hillbillies" and "Ed Sullivan"...

Senator Prowse: Well, there is Dr. Welby—there is a number of programmes that come through, but are these produced by the network or are these produced by individual producers?

The point I am getting at is, who produces the programmes? Is it the network, the stations, or does somebody else come up with it then sells them?

Commissioner Johnson: The short answer is that they are produced by the networks. That, however, is so short as to be totally inaccurate except it is a fair response to what you're asking.

Many of the programmes are produced in Hollywood by production companies of one kind or another, but because the networks are virtually the sole purchasers of their product, they in fact exercise virtual dictatorial control over the product from the selection of the Writer to the final finished product, the financing of the enterprise and every other aspect of it.

So it is really a legal technicality as to whether the programme was in fact produced by the network or it was in fact produced by some so-called independent party.

Senator Prowse: There really isn't much competion—in a creative production there isn't really too much competition. What you do is that you get a contract with a producer and the stations enter into contracts with the producers...

Commissioner Johnson: Well, the networks do.

Senator Prowse: Yes, the networks.

The Chairman: I am going to give Senator McElman the last question.

Senator McElman: Mr. Johnson, let me pose a hypothetical question to you.

If a situation developed in order to find out what the teeth of the FCC are, how Justice would enter a situation, your Department of Justice. If you had a situation in one of the smaller states of your union where a conglomerate effectively controlled a large percentage of the economy of that state, outside of media and in every important area of that economy—transportation, manufacturing, business, financing and so on, and that conglomerate acquired all of the daily newspapers in that state, better than half or the

television broadcast reach-through stations and radio as well, would there be the teeth in the FCC to rectify that situation? Would it feel it should be rectified, first? Would it have the teeth to it? And if it did not, would the Department of Justice move in on such a situation?

Commissioner Johnson: I think the answer to all of your questions is yes.

We have had situations like that with Anaconda copper controlling publishing in Montana and with the Dupont Company's control of publishing in Delaware, and there is no question in my mind that that kind of a situation ought to be removed and that there is ample authority for the FFC or the Justice Department to take action in cases like that.

Senator McElman: Both have enough teeth to do it?

Commissioner Johnson: I think so, yes.

Senator Prowse: Without proving ...

The Chairman: I don't want to limit questioning, but Senator Bourque has a question, Senator Sparrow has a question—I will take those two questions and then we really must adjourn in fairness to the witness.

Senator Sparrow: In reference to prime time, the witness stated that TV has altered, referring I believe to American people, the eating habits and sleeping habits and sex habits...

The Chairman: I am not sure that he mentioned sex habits.

Senator Sparrow: Yes, I believe he did.

I was only going to comment that I think probably he has changed our eating habits and our sleeping habits but I am not so sure about the third!

Mr. Fortier: You are not concerned about the first two, are you!

Senator Sparrow: How do you determine prime time? When you refer to prime time—we say we want Canadian content in prime time, and so on—if it is being altered, which comes first, the prime time or the programme as such?

If Ed Sullivan now is prime time at 8 o'clock is it prime time because of the Ed Sullivan show? If he was on at 4 o'clock in the afternoon would that be prime time?

Commissioner Johnson: We define prime time in terms of those hours when most people are watching. Those hours when most tion, prime time is that time when most people are watching, it turns out, is deter- people are watching and by historical experimined more by the time people have availa- ence that time when most people are watchble to watch television than by whatever may happen to be on the set at the time.

Any programme shown between 7 and 11 p.m. is going to get a larger audience than any programme shown between 2 and 5 p.m. That may be an overstatement but not by

Certainly the Ed Sullivan show at 8 p.m. is going to get a larger audience than the Ed Sullivan show at 3 p.m. Mason Williams has said, "Television ought to leave you alone during the day when you have work to do." It doesn't, but most people continue to work and they are not watching television.

It is prime because this is the time the advertisers want; it is the time when people are watching and basically what we do is look at a curve showing the growth and dimunition of the total audience throughout the afternoon and evening hours and we find that there is a great increase in the audience around 7 to 8 p.m. which holds fairly firm until about 10, 10.30 or 11 o'clock, at which point there seems to be a dropping off.

Senator Sparrow: If you change the programming, will you drastically change those eating and sleeping habits and the time they would in fact watch that programme?

For instance, if you put on educational TV an educational programme at 8 o'clock or in prime time, where a small percentage of people would in fact view it because it is not the kind of entertainment they may be looking for, are you suggesting it could change the total habits of the people, that they in fact would watch entertainment in the afternoon?

Commissioner Johnson: I am not sure I understand your question.

The Chairman: I think what Senator Sparrow is suggesting-that supposing the Ed Sullivan Show was moved to 4 o'clock Sunday afternoon and ran a historical programme on Sunday evening at 8 o'clock I think he is asking: would the audience switch to 4 o'clock and Ed Sullivan?

Senator Prowse: Would that make it prime time in the afternoon?

The Chairman: Yes, I think that is the question.

Commissioner Johnson: Well,-I mean, we are defining it in terms of itself. In my defini-

ing is between 7 and 11 p.m.

If through some fluke some extraordinary programme, popular programme, were to be scheduled at 6 o'clock in the morning or 3 o'clock in the afternoon...

Senator Prowse: Like a moon shot!

Commissioner Johnson: ... and suddently more people were watching at that hour than at any other hour during the day, that presumarbly would be included as prime time, and the advertisers would want it and the rates would go up and so forth.

Senator Sparrow: If you wanted this particular educational programme you may have to switch it to 8 o'clock and when that became no longer prime time, switch it back to 3 o'clock.

Radio used to be the prime time in the evening now it is prime time in the morning-it was forced into that position, is that correct?

Commissioner Johnson: Yes. Radio's biggest audience now comes in what we call the drive time, since radio in large measure is listened to in the automobile.

Senator Sparrow: Because it was forced off probably by television.

Commissioner Johnson: Well, essentially more people watch television in the evening than listen to the radio.

The Chairman: Senator Bourque has a question.

Senator Bourque: I would like to ask Mr. Johnson. On page 12 of his brief, he says:

"I am not just talking about political and social dissatisfaction with the media. I am not just complaining that those things I would like to see in the media are ignored. I am saying that the media of the United States is failing when, for example, one contrasts all the rich, wonderful diversity of a nation the size of ours with the very little diversity that appears on television."

Does that mean that there is discrimination?

Now, you don't need to answer if it is going to hurt your situation...

Commissioner Johnson: Well, I would be happy to answer anything.

By discrimination do you mean racial discrimination?

Senator Bourque: Well, any kind—religious...

The Chairman: I think he means essentially racial discrimination.

Commissioner Johnson: I would certainly not mean to exclude racial discrimination and that is a subject which I have addressed at great length in a series of speeches that I gave during 1967 and 68.

It was my view and also, I should note, that of the Kerner Commission, that the mass media has simply not been doing the job of employment of blacks, the whole tale of the life of the black community in America, of bringing the information to the white community that it should have been doing, so it is not a subject that I have stayed away from in any manner.

However, in this particular passage I was not really addressing that so much as the totality of television's failure to deal with all of the special needs and interests of the American people.

The black community is one minority group that is not being adequately served by television, but it is no more and no less than all the other minority groups of roughly equivalent size.

I mentioned this afternoon the young people under five constitute almost as many Americans as black Americans. Senior citizens over 65 constitute a group of equivalent size, students in schools constitute a group of almost twice the size, blue collar workers of 27 million.

There is really very little on prime time television that directs itself in a meaningful and productive and constructive way to the day to day lives of people who are watching in ways that they would find compelling and useful and the ways that they would find personally related to their needs and interests.

That is really what I am complaining about, particularly when you compare the diversity on television or the absence of diversity on television with the existence of diversity in the other media. Magazines, theatre, recorded music and so on and so forth which seem to me to be doing a much better job of giving an accurate portrayal, a more representative portrayal of the United States than television does.

I might just say one word before we break about the impact on television upon the national agenda.

Mr. Fortier and I were talking about this earlier because one of the best examples I think of this relates to corporate censorship problems, the black lung disease issue.

Virtually all the coal miners in America have black lung in one stage of development or another. This comes from going into the mine and breathing coal dust. Your lungs disintegrate as a result of this and you are unable to get to the oxygen you need and you find yourself unemployable by the time you reach your middle years.

The miners really didn't know about black lung disease because nobody had ever told them about it and there was no great desire on the part of coal mining companies or the mass media in the coal mining district to make a big issue out of this.

Indeed, there were instances where programmes were prepared by doctors about black lung which the television stations positively refused to run. I pointed this fact out when talking to the Violence Commission, making the point that while censorship was going to be raised by the industry in opposition to what the Violence Commission was doing that in fact the industry itself had participated in censorship and shortly thereafter there was a sudden rush of interest on the part of television in covering the black lung problem in West Virginia.

About two weeks after they started covering it regularly some 35,000 coal miners in West Virginia came out of the mines for the first time really in the history of that state and organized on their own because this particular instance the union had been in basic agreement with the coal mine operators.

They marched on the state capital and got the first Workmen's Compensation legislation in the history of the stage for black lung disease.

Now, what is the point I am making? The point I am making is that when you keep this information out of prime time that produces a result in the society. The result it produces is apathy, lethargy, ignorance and the failure of the society to respond to its problems.

If you point out in prime time television that most American business executives eat and rather grandly by going into a restaurant, ordering all they want to eat, signing a little slip of paper where half of the cost will be paid for by the American people as taxpayers, the other half will be paid for by the

American people as consumers, and none of it whatsoever is paid for by the executive, and point out the incongruity in a nation arguing that a policy of this kind is only administratively feasible if it is applied to an elite group of rich but it would of course be impossible to permit the poor to feed themselves by signing a slip of paper requiring the cost to be paid for by others.

If you point that out on prime time television things happen in the United States. You start feeding the hungry.

You point out on prime time television that the American subsidized merchant marine is consuming some 700 million dollars a year in a programme that every independent economic who has ever examined it has concluded that it has absolutely no economic benefit whatsoever to the American people and there will be a response.

If you point out that General Motors is responsible not only for the lion's share of 50,000 unnecessary deaths every year on the highways of the United States but is also responsible for 50 per cent of all the air pollution by tonnage in the entire country and there will be cries for reform. If you keep that information off either because you sent an intra-corporate memorandum saying General Motors is a big advertiser therefore we don't want to mention this or because you don't send the memorandum—you just put on the Beverly Hillbillies—you keep that information off and that produces a result as well.

As I have commented, I think NBC can rightfully take some credit and pride in the fact that the West Virginia legislature enacted that legislation.

I think Rowan and Martin's "Laugh-In" can take some pride in what has happened as a result of the Flying Fickle Finger of Fate Award. They pointed out that the California legislature had authorized used car dealers to turn back speedometers and within a month thereafter that legislation was repealed. They pointed out the school system that had failed to appropriate any money for schools for the next year and shortly thereafter the community came up with the money to keep the school system going.

They can point with pride to these achievements but when they do they must realize that they must also then take responsibility for those things in our society that have not been changed because they have for whatever reason said nothing about it to the American people.

That is the position of this industry in our society in the United States and it is why I believe with President Kennedy—the late President Kennedy—that with great power goes great responsibility, and this is an industry that has failed to live up to that responsibility and it is going to have to pay the price of failing to do so.

The Chairman: Perhaps I could conclude most effectively, Mr. Johnson, by quoting very briefly from the book. In the introduction you say:

"Very few of the American people are performing at more than five per cent of their capacity—their capacity to perceive, to produce, to understand, to create, to relate to others, to experience joy."

Certainly you have demonstrated today that you are indeed one of the 5 per cent. Your reputation preceded you both to the Committee and to our personal meeting last summer.

I have always been and continue to be greatly impressed by your courage and by your progressive, optimistic and enthusiastic approach to some enormous problems.

I said at the beginning that you are one of the busiest people I know. We realize that it is a great imposition to bring you here, which makes us doubly grateful.

It occurs to me that at the end of your introduction you may very well be speaking to this committee when you write in part "What you hold here are the words. They have piled up. In articles, opinions, testimony and speeches. Whether or not men do things remains to be seen. The need is clear—some of the methods are at hand—it's up to you."

Thank you very much for helping us.

Mr. Johnson: Thank you very much, Mr. Chairman, for inviting me here.

Whereupon the meeting adjourned.



Second Session Twenty-sighth Parliament

THE SENATE OF CANADA

PROCEEDINGS
OF THE
SPECIAL SENATE COMMITTEE

MASS MEDIA

The Honourable EEITH DAVEY Comment

No. 32

WEDNESDAY, MARCH 18, 1970

WITHESSES

Rouder's Digest Association (Canada) Lat. [Selm Note an associate Digest (Canada) Life: Mr. B. Paul Zummarman, Freedom). Mr. A. Canadan, Director; Mr. Janua L. O'linien Dunders and Parigh Hancox, Editor, Die Render's Digest; Mr. Paries Ranges. Municipal Million, Streetten du Render's Digest; Mr. J. Kenneth United Vice-Sponjalant and Secretary.

American people as consumers, and none of it whatsoever is paid for by the executive, and point out the inconstruity in a natice arguing that a policy of this kind is only administratively feasible if it is applied to ma alter group of the last it provid of course he impossible to permit the grant to feed then when by signing a slip of paper requiring the cost to be paid for my others.

If you point that out on prime time television things happen in the Philips States. You start heeling the happen

Were point out on arines since relevision that the American subsidiary investions untrine is consuming some 100 million delign, a year. In a programme last every independent beautiful who has every spiritual it has expended their investigation of the American points and there will be a response.

In you point out that General Motors is approached bed pair for the both's chara at all, and unaccessary dealth every your on the highways of the Creted States but it also represented for the country and there will be create for return. If you keep that forestorate of utility and the pair for the country and introduction of utility, and they you sent on introduction is a big advertise you coult can be not be membered by the country and the because you coult cend the memoraphum—you has put on the Beyerly Hilbillias—you keep that information off and that produces a result as well.

As I have commented, I think NPC car right life, the same credit and pride in the fact that the West Virginia legislature exacted that legislation.

Publish Rower, and Martin's "Lough-In" can the same prife in what has happened as a result of the Fiving Fickle Finger of Fattered. They pointed out that the California Lineau and appealed and conference and within a month of the conference and within a month of the conference and conference and within a month of the conference and co

They can point with pride to these achievements but when they do they must realize that they must also then take reasonsibility to those things in our society that have been changed because they have for whatever reason raid nothing about it to the Americal people.

That is the position of this industry in me society in the United States and it is why believe with Prevalent Kennedy—the last present Remarks—that with great positions great responsibility and this is an industry that has taken to like up to like responsibility and it is making at last to pay the proof failing to do so.

The Chairman Powars I could conclusion of the introduction was briskly from the book in the introduction was say:

"Very few of the American people perference at more than five per centtheir tapacity - last consulty to percent to produce, in tangent and, to create, talate to others, to experience joy."

Containly you have demonstrated to that you are indeed one of the 5 per easy your separation preceded you both in the Committee and to our personal meeting by summer.

I have always been and continue to greatly impressed by your courage and your propessive, optimistic and enthusisperded to some enumeric problems.

I said at the beginning that you are ear the busiest people I know. We realize that is a great imposition to bring you here, a makes for doubly grateful.

It porcurs to me that at the end of introduction you may very well be specific this committee when you write in a "What you hold here are the words have piled up. In articles, onlinions, textises and appetities Whisther or not men do the remains to be seen. The need is clear-of the methods are at hand—it's up to was

Thank you very much for helping we

Mr. Jelizgen Thank you very mint. Chaleman, for invilling me here.

Whereupon the meeting adjourned

Summer's States for Personal Princers, 1860

All the second s



Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA

PROCEEDINGS
OF THE
SPECIAL SENATE COMMITTEE
ON

MASS MEDIA

The Honourable KEITH DAVEY, Chairman

No. 33

WEDNESDAY, MARCH 18, 1970

WITNESSES:

The Reader's Digest Association (Canada) Ltd./Sélection du Reader's Digest (Canada) Ltée.: Mr. E. Paul Zimmerman, President; Mr. A. J. Conduit, Vice-President and Advertising Director; Mr. John L. O'Brien Director; Mr. Ralph Hancox, Editor, The Reader's Digest; Mr. Pierre Ranger, Managing Editor, Sélection du Reader's Digest; Mr. J. Kenneth Davey, Vice-President and Secretary.

SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, Chairman

The Honourable L. P. Beaubien, Deputy Chairman

Beaubien McElman
Bourque Petten

Davey Phillips (Prince)

Everett Prowse
Hays Quart
Kinnear Smith
Macdonald (Cape Breton) Sparrow

MASS MEDIA

Welch

(15 members) YHVACI HTIHN SIGEMOROH SHT

WEDNESDAY, MARCH 18, 1976

Reader's Digest Association (Canada) Ltd./Selection du Reader's Digest (Canada) Ltée.: Mr. E. Paul Zimmerman, President: Mr. A. J. Conduit, Vice-President and Advertising Director; Mr. John L. O'Brien Director; Mr. Ralph Hancox, Editor, The Reader's Digest; Mr. Pierre Ranger, Managing Editor, Selection du Réader's Digest; Mr. Pierre Ranger, Managing Editor, Selection du Réader's Digest; Mr. Pierre Ranger, Managing Editor, Selection du Réader's Digest; Mr. Pierre Ranger, Managing Editor, Selection du Réader's Digest; Mr. Pierre Ranger, Managing Editor, Selection du Réader's Digest; Mr. Pierre Ranger, Managing Editor, Selection du Réader's Digest; Mr. Pierre Ranger, Managing Editor, Selection du Réader's Digest; Mr. Pierre Ranger, Managing Editor, Selection du Réader's Digest; Mr. Pierre Ranger, Managing Editor, Selection du Réader's Digest; Mr. Pierre Ranger, Managing Editor, Selection du Réader's Digest; Mr. Pierre Ranger, Managing Editor, Selection du Réader's Digest; Mr. Pierre Ranger, Managing Editor, Selection du Réader's Digest; Mr. Pierre Ranger, Managing Editor, Selection du Réader's Digest; Mr. Pierre Ranger, Managing Editor, Selection du Réader's Digest; Mr. Pierre Ranger, Managing Editor, Selection du Réader's Digest; Mr. Pierre Ranger, Managing Editor, Selection du Réader's Digest; Mr. Pierre Ranger, Mr. Pierre Ranger, Managing Editor, Selection du Réader's Digest; Mr. Pierre Ranger, M

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (Cape Breton), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the proceedings of the Senate, Friday, December 19th, 1969.

With leave of the Senate, was a sweet was a submission and said

The Honourable Senator McDonald moved, seconded by the Honourable Langlois:

That the names of the Honourable Senators Bélisle and Phillips (*Prince*) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Langlois:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 10th to 19th February, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, February 5, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Haig:

That the names of the Honourable Senators Quart and Welch be substituted for those of the Honourable Senators Bélisle and Willis on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 17,1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Connolly (Halifax North):

That the name of the Honourable Senator Kinnear be added to the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That the name of the Honourable Senator Langlois be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was-

Resolved in the affirmative.

ROBERT FORTIER Clerk of the Senate

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With the leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 4th to 13th March, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

The question being put on the motion, it was—

ROBERT FORTIER

Clerk of the Senate

MINUTES OF PROCEEDINGS

Wednesday, March 18, 1970 (33)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, (Chairman); Kinnear, McElman, Petten, Prowse, Quart, Smith and Sparrow. (8)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses, representing The Reader's Digest Association (Canada) Ltd.

- Sélection du Reader's Digest (Canada) Ltée, were heard:

Mr. E. Paul Zimmerman, President;

Mr. J. Kenneth Davey, Vice-President and Secretary;

Mr. A. J. Conduit, Vice-President and Advertising Director;

Mr. John L. O'Brien, Q.C., Director;

Mr. Ralph Hancox, Editor, The Reader's Digest, Canada;

Mr. Pierre Ranger, Managing Editor, Sélection du Reader's Digest, Canada.

The following witness was also present but was not heard:

Mr. Jean Martineau Q.C., Director.

At 1.00 p.m. the Committee adjourned to Thursday, March 19, 1970, at 10.00 a.m.

ATTEST:

DENIS BOUFFARD, Clerk of the Committee. Exercise from the Manufey of the Proceedings of the Senate, Tuesday, Murch 5, 1970.

With the leave of the Standard OF PROCEEDINGS by the Honourable Standard Indiana Recorded by the Honourable

Wednesday, March 18, 1970

This Dun 76 (d) be suspended in relation to the Special Committee of the Benere on Mass Modin from 4th to 13th March, 1970, both inclosive, and that the Committee here power to bit during sittings of the Scuste for that period.

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10,00 a.m. — saw it archest sat no ton grand motivate will in bedome?

Present: The Hopourable Senators: Davey, (Chairman); Kinnear, MoElman, Fetton, Pfowse, Unlarge Schills and Sparrow. (8)

status and present

in attendance: Miss Maciente Barrie, Director and Administrator, Mr. Borden Speurs, Executive Consultant; Mr. Yver Foltrier, Counsel.

The following witnesses, representing The Resider's Digest Association (Canada) Ltd. Selection the Resider's Digest (Canada) Ltée, were heard;

Mr. E. Paul Zimmerman, President;

Mr. J. Kenneth Davey, Vice-President and Secretary;

Mr. A. J. Conduit, Vice-President and Advertising Director:

Mr. John L. O'Brien, Q.C., Director;

Mr. Ralph Hancox_Editor, The Reader's Digest, Canada;

Mr. Pierra Ranger, Managing Editor, Selection du Reader's Digest, Canada.

The following witness was also present but was not heard:

Mr. Jean Martineau Q.C., Director.

At 1.00 p.m. the Committee adjourned to Thursday, March 19, 1970, at 10:00 a.m.

ATTECH

DENIS BOUFFARD, left of the Committee.

THE SPECIAL SENATE COMMITTEE ON MASS MEDIA

EVIDENCE

Ottawa, Wednesday, March 18, 1970

The Special Senate Committee on Mass Media met this day at 10 a.m.

Senator Keith Davey (Chairman) in the Chair.

The Chairman: Honourable Senators, if I may call this session to order. Perhaps before we turn to this morning's brief I could be allowed to read a short self-explanatory announcement.

The fact that Vancouver has been without its daily newspaper service since February 15 is of great interest and concern to the members of this committee.

"Clearly the labour dispute which, to begin with is within provincial jurisdiction, does not fall within the Committee's terms of reference which are ownership and control as well as the impact and influence of the Canadian mass media. Needless to say the Committee has no intention of injecting itself into the collective bargaining process.

"At the same time, however, the Committee is obviously interested in what impact this loss of newspaper service is having on Canada's third largest city. Accordingly we asked Mr. Walter Gray, a former Parliamentary Gallery Bureau Chief for both the Globe and Mail and the Toronto Daily Star, to go to Vancouver and prepare for the Committee, an 'onthe-spot' analysis of the socio-economic effects of the absence of two daily newspapers in greater Vancouver. Mr. Gray spent last week in Vancouver. He will present his report to a special session of this Committee which I have called for 10 o'clock tomorrow morning in room 260 north."

The witnesses this morning and the brief we are going to receive is from the Reader's Digest Association (Canada) Ltd. and also Sélection du Reader's Digest (Canada) Ltee. In welcoming you Mr. Zimmerman and the members of your team, which I will introduce in a moment, I should remind the Senators that this session was originally scheduled, as you may

recall, for February 20. At the time you, sir, were hospitalized. We are delighted that you are now able to come — we are sorry you weren't able to come earlier but I am sure nothing has been lost and we are delighted that you are here today.

Mr. Zimmerman, is seated on my immediate right, and I think what I might do Mr. Zimmerman is perhaps let you begin your remarks in a moment or two and introduce the other members of your group rather than me doing it now. The procedure we follow here, sir, is very simple and I am sure you are familiar with it. The brief which you prepared for us was received in advance, indeed in advance of the former date; it was circulated and read and studied by the Senators at that time and probably most of us have re-read it in the last several weeks.

We are going to ask you to make a brief opening oral statement in which you can explain your brief, expand upon it, add to it, say anything else which may or may not be on your mind and then we will turn to our questioning. We will question you on the contents of your written brief, on the contents of your oral statement, and indeed on other matters which you may not raise in either of your briefs. As I have said to many other witnesses, if you wish to refer any of the questions that we ask you to any of your colleagues, please feel free to do so. Welcome, and we are delighted that you are finally here.

Mr. E. P. Zimmerman, President, The Reader's Digest Association (Canada) Ltd.: Thank you, Mr. Chairman. Honourable Senators, I would like to say today, and identified by name tags, we have Mr. Andrew J. Conduit who is sitting on my immediate right against the wall next to the chart who is our Vice President and Advertising Director. Mr. J. Kenneth Davey who is sitting just two removed on my right is our Vice-President and Secretary. Mr. Ralph Hancox, the Managing Editor for the English edition of the Reader's Digest is sitting on Senator Davey's left. Mr. Pierre Ranger who is Managing Editor of Sélection du Reader's Digest is on the far end of the rostrum here.

and also two of our Canadian Directors-Mr. John L. O'Brien, Q.C., and Mr. Jean Martineau, Q.C.

May I say at the outset that I very much appreciate the thoughts expressed by Senator Davey and for your having postponed our appearance until today. I unfortunately was in hospital, as Senator Davey has referred to, on February 20, the date previously set, but I am glad to say that now I am well and on the way to recovery.

We would like to spend a few minutes reviewing with you some matters which may prove of particular interest to your deliberations, and which will supplement the information you have already received in our written brief.

The Reader's Digest in Canada has a determined Canadian policy which springs from its editorial and business responsibilities as a corporate citizen of Canada. As you will have noted from our brief, three of our directors and all of our employees are Canadian citizens or landed immigrants, and all our employees are pretty well represented by that statement in the sense of citizenship. Thirty per cent of the Digest's common stock in Canada is held by Canadians. The company acts as a Canadian corporation in every way. The company and its employees are active supporters of charity, and participate fully in community endeavours.

We contribute significantly to the Canadian economy since more than 90 cents of every dollar of revenue stays in Canada. Through our influence on other *Digest* affiliates, the *Digest* is an exporter for Canada, on balance, in such things as paper, and published material. As a matter of interest, annual paper purchases in Canada by our international editions amount to \$840,000 (or some 3,500 tons) and represent 43 per cent of the total Canadian export tonnage of this particular type of paper.

To support our operations, we employ 450 people in Canada and indirectly generate employment for twice that number. Among our skilled employees are 53 editorial, art and production experts, 70 programmers, and computer personnel, and 81 sales and marketing specialists. The company has a continuing editorial and management development policy to develop editorial and business techniques. We have kept our long-term employees abreast of technology so that they, in turn, can train junior staff.

As you are aware, magazine publishing in Canada is highly competitive. It is in vigorous competition for advertising revenue with television, newspaper supplements, and daily newspapers, in that order of importance. In their attempts to meet this competition, magazine publishers have taken two significant steps: the revitalization of the Magazine Advertising Bureau, and the publication of regional advertising editions.

The combined circulations of the members of MAB reach 52 per cent of all Canadians over the age of 15. Every member's circulation is important to this penetration by magazines in Canada. Generally speaking, the advantages of magazine advertising are—a selective audience with high incomes, an attractive environment for advertisers with the added advantages of a committed readership and an enduring message, plus the high persuasion values of the printed word.

Clearly if any substantial part of the magazine audience is lost, the value to an advertiser of magazine penetration declines and advertisers will tend to turn to other media. This is the primary reason that the Digest is valuable to other Canadian magazines. This point should be made particularly clear—it is easily misunderstood. Let me repeat, the total magazine audience is important to advertisers and publishers alike. Magazine publishing in Canada would be significantly weakened if it could not offer the penetration and coverage now available to magazine advertisers.

The Digest carries regional advertising, as do most magazines, and newspaper supplements. Regional advertising editions offer selected markets to national advertisers and markets to advertisers in the areas in which they wish to trade. Regional editions also enable advertisers to test public response to new products. The Digest has 14 advertising editions in addition to its national editions, giving an advertiser a choice of: the combined English and French market, the English or French market; combination of metropolitan and regional markets. We have no regional editorial editions since our editorial content is designed to be of universal interest.

The major competition for national advertising revenue in Canada is among media. According to the latest (Elliott Haynes) 1969 figures, national advertising revenue in Canada is shared as follows:

Television 42.7 per cent; newspapers 26.6 per cent; radio 14 per cent; magazines 8.9 per cent; supplements 7.8 per cent.

Over the last nine years: Television's share increased by 75 per cent; radio's share increased by 13.8 per cent; newspapers' share dropped by 21.3 per cent:—

And I should emphasize the word "dropped".

-supplements' share dropped by 46 per cent; magazines' share dropped by 40.7 per cent.

These figures emphasize that national advertising competition is primarily by media selection and that competition among the media is much greater than between individual magazines, newspapers, networks or stations. The Magazine Advertising Bureau is strongly supported by major consumer magazines for this reason and in a similar response, The Star Weekly, Weekend, and The Canadian combined together in MagnaMedia. Magazines, newspaper supplements and the Canadian Daily Newspaper Publishers Association are all aware that by actively supporting trade associations they have the best chance of meeting competition from rival media. If the major consumer magazines in Canada enjoyed a proportion of national advertising revenue similar to that of their counter-Parts in the United States, their advertising revenue would more than double its present figure.

For the remaining few minutes I would like to turn to our editorial content.

The principle followed by *Digest* editions is one of shared costs—a principle not new to publishing in Canada. By 'sharing costs' Canadian newspapers, in fact, obtain the majority of their syndicated columns, editorial features, comics and most international editorial material. News agency co-operatives, and much radio and television broadcasting in this country operate on a similar basis for sharing their editorial expenses.

In return for the fee which each international Digest edition pays to the parent, editions are free to use articles for which the parent holds a variety of rights. Much of the material used in the Digest is competitively available. Take, for example, "Oxbells and Fireflies" by Ernest Buckler, a Canadian writer, published by McClelland and Stewart. The Digest has used two selections from this book. The material was available to any magazine publisher in Canada or elsewhere at "Western Windows" by Bruce Hutchison, published by Longmans Canada, which also yielded an international Digest selection. Similarly with magazine articles from Canadian periodicals which yield selections for our Canadian and other international editions.

Over the years (As you will see from Appendix III to the main brief) we have paid increasing editorial attention to Canada in the belief that a magazine of our circulation must, in some measure, reflect the

interests and achievements, not only of its readers, but of the country in which it circulates.

In the last five years, we have published some 100 articles, either about Canada, written by Canadian authors, or reprinted from Canadian sources. Of these, almost half have appeared in a variety of Reader's Digest editions throughout the world. As an example, we have prepared a chart to show the circulation of "Snowmobiles: The Cats that Conquered Winter." Mr. Hancox has just unveiled it and it sits on my right. This is the story of a remarkable French-Canadian enterprise resulting from Joseph-Armand Bombardier's invention. On the same chart are the titles of several other articles about Canada, listing the number of languages in which they were published in the Digest and their approximate circulation world-wide.

This editorial activity in Canada represents part of a continuing program. We are at the moment working with some 15 freelance and other writers, preparing some 40 projects which will eventually yield Canadian articles for us and our other international editions.

Coupled with this, our editorial department reads or processes some 750 pieces of contributor mail each month containing manuscripts, anecdotes and material that readers suggest for our pages.

To maintain an editorial balance in the magazine, the *Digest* selects from a variety of sources. The February English language issue which accompanied our brief, will give you an idea of how this is done. It includes material from one or another, or about a combination of the following countries: West Germany; Sweden; East Germany; the United States; Canada; France; New Guinea; Great Britain; and Tibet. Interspersed with this material are articles on consumer protection, the art of living, medicine, nature, science, self-help, do-it-yourself, entertainment and humour. This is typical of all our issues and of our international editions.

Selections from books and periodicals around the world are augmented increasingly by material which is specially prepared for the *Digest*. Some of this is universally used in all editions, some of it relevant to only a few, some developed particularly for one edition—as with our March articles: "The Understanding" and "Canada's Wonderful Wishing Book" which were commissioned from Canadian authors by our Canadian editors. The *Digest* also maintains a staff of roving editors, one of whom is a Canadian, resident in Canada. He writes mainly, although not exclusively, on Canadian subjects and his articles are available from the central editorial selection to all of our editions.

Additionally, the Canadian editors interest the parent edition in a variety of Canadian subjects with the result that roving editors are encouraged to write about this country's achievements regularly. A list typical of their contributions can be found in Appendix III. The Canadian editions also maintain a research staff and engage freelance writers to prepare adaptations of articles which have been successful in other editions. Such articles fall mainly into the category of consumer reports such as "If You're Thinking of Moving" or general interest articles such as "Try Climbing Your Family Tree" or "Shoplifting: A National Menace."

The editorial policy implicit in this selection has enabled us to obtain a circulation for our two Canadian editions which is guaranteed to advertisers at 1,400,000 copies each month. The loyalty of readers enables us to maintain this circulation without difficulty. In 1969, the proceeds from subscriptions sold, exceeded the cost of obtaining those subscriptions by a multiple of approximately 2.5. The figures provided to the Audit Bureau of Circulation for the six months ending December, 1969, show that 88.7 per cent of our circulation is obtained by mail, 9.8 per cent on the news-stands, and 1.5 per cent through agencies.

This Digest readership provides us with our primary market for further publications. We have recently published three books which were edited, set, printed and bound in Canada. At present being offered to our mailing list are: "Canada, This Land, These People"-in both English and French-a handsomely illustrated anthology of Canadian articles which have appeared in our magazine; (this book has gone to its third printing and sales to date in both languages are in excess of 125,000 copies) and "The Canadians At War: 1939-1945"-the only complete record of Canada's war effort in print today. This three-volume set, three years in preparation, represents a substantial editorial investment to tell the story of Canada at war. Digest editors in Montreal found the story of Canadian achievement and loss in official records, books, broadcasts, magazines, newspapers, regimental and personal diaries, even personal letters. The record was written and compiled from these sources and the volumes were illustrated by 850 photographs and maps to tell a comprehensive story of Canada's commitment. The books were the result of a team made up of three Canadian Digest editors, all war veterans, and our Montreal art department-assisted by one researcher.

Now being distributed is our third major book publishing effort: "My Secrets for Better Cooking" by Madame Jehane Benoit. This three-volume set, again, was written, edited, set, printed and bound in Canada. All these books have had an excellent reception from Canadian reviewers and represent a further extension of our Canadian editorial policies. Honourable Senators may wish to examine some of the reviews dealing with these publications. Copies of the books themselves are also available for you to peruse. These books represent an editorial and art investment of approximately \$400,000.

Supplementing these major publications are our continuing series of condensed and special book publications which we offer to our mailing lists. These hard cover books are printed and bound in Canada with few exceptions. The prime source for purchasers of these books are Digest magazine readers. Our total costs (including the magazines) for setting, printing, binding and packaging in Canada during 1969 benefited the Canadian printing industry across the country by \$4,653,000. Thus when considering the editorial costs of the Digest in Canada, the committee should bear in mind that the result is a substantial investment in the economy to the direct benefit of the printing and publishing industry in this country. The economy as a whole benefited from Digest operations in Canada in the same year by more than \$17 million.

This, honourable Senators, is a short review of our business and publishing activities in Canada. Thank you for your patience and for the privilege of appearing before you. We will be pleased to answer to the best of our ability any questions you may wish to ask."

The Chairman: Thank you very much Mr. Zimmerman. That is a very full and comprehensive statement and certainly augments the written brief. I think we will begin the questioning this morning with Senator Prowse and as I said if you wish to have any of your colleagues answer questions, please feel free to do so. Senator Prowse?

Senator Prowse: The figure for your circulation 88.7 per cent obtained by mail. Is that direct mail?

Mr. Zimmerman: Yes it is.

Senator Prowse: That is the type of thing that Christopher Young was writing about?

Mr. Zimmerman: I don't know the specific reference to which you make.

The Chairman: Senator Prowse, please let the rest of us in on it, I don't know either.

Senator Smith: I thought the whole world knew about that one!

Senator Prowse: Christopher Young in the Ottawa Journal . . .

The Chairman: If Christopher Young was writing in the Ottawa Journal it was a most unusual article!

Senator Prowse: The Ottawa Citizen, I am sorry, and then it was sent out, I presume, to some others. It is called "One Man's War on the Digest." Here is the original copy. Here is the second one he got in response to it.

Mr. Zimmerman: Yes, I do know it. I was confused with your reference to the *Journal*. I personally handled that matter, Senator, in the sense . . .

Senator Prowse: Well, that is what I gather . . .

The Chairman: Well, just before you go on, Mr. Zimmerman, I would like to ask if all the Senators are familiar with this because if you are not we should perhaps explain this. Is everybody familiar with this? All right, please carry on.

Senator Prowse: I figure that anyone in Canada who has a mailing list is familiar with it, but go ahead.

Mr. Zimmerman: I think you are right.

Senator Prowse: Yes.

Mr. Zimmerman: No doubt anyone with a mailing list would be familiar with it.

Senator Prowse: Or anyone who is on a mailing list.

Mr. Zimmerman: Yes. May I also say that anyone who does business with broad consumers is familiar with it. I looked into this matter personally and the circumstances are these. We received an order at Reader's Digest from a previously addressed mail promotion to this individual's home in his name that said they wanted to order the condensed book that was involved in the matter. We did what any supplier would do, we shipped it. In the original promotion piece, which was returned to us, the copy said that this was a free book which he could read, hopefully enjoy, and decide whether to enjoy continuing volumes. If he did not wish to have continuing volumes would he inform us. We have no record of any discontinuing correspondence from the individual.

When we subsequently did what the office said we would do in supplying another volume some three months further along and send a bill with that volume, we received back the free book; not the billed book.

Unfortunately in our system—and we learned something from this complaint, we had put into the system the title of the free book.

Senator Prowse: This is into a computer, is it?

Mr. Zimmerman: Yes it is. Excuse me, may I correct that, please?

Senator Prowse: Yes.

Mr. Zimmerman: The title of the billed one. When we got the title of the free book back, which some others had received in the normal cycle on a purchase rather than a free basis, the computer did not accept the credit for that billed book. At that point we read the story in the Citizen. I immediately responded having been surprised that an editor of a capital paper would devote that much of the space on the editorial page to a personal matter, wrote in and explained the circumstances—and had an acknowledgement back that he is satisfied with the case.

Senator Prowse: I think in fairness it should be said you are not the only people in Canada that use this type of thing.

Mr. Zimmerman: Exactly.

Senator Prowse: The thing I am interested in—when you get 88 per cent from mail . . .

Mr. Zimmerman: On the magazine?

Senator Prowse: On the magazine.

Mr. Zimmerman: That is correct.

Senator Prowse: This would be the experience of other major magazines as well?

Mr. Zimmerman: Quite different.

Senator Prowse: How do they get theirs?

Mr. Zimmerman: From several sources. You will recall that we said 88 per cent-88.7 I believe to be correct-from direct mail, some approximate 10 per cent from what you and I would call news-stand-

freely purchased at will copies—and the balance from agencies. The agency is an insignificant factor.

I might deal with the insignificant factor first. The agency sales are most generally retired people who sell to their own friends, mainly their own relatives, and it is a very small percentage of our circulation. We will not sell door-to-door and there is a reason for it. We don't want our reputation beyond our control.

Other publishers, without selecting any one because it is very general in the publishing business, use another additional method which accounts for a range of anywhere from 35 to 50 per cent of their total circulation that we do not use—what we would normally call direct door-to-door selling. The reason we don't use it, as I have said, is because we cannot protect our reputation. We have never used it and we never intend to.

The second point is that it is the most costly method of obtaining circulation. May I give you an example?

Senator Prowse: Yes.

Mr. Zimmerman: This is hypothetical but the figures are not too off in the sense of reasoning. If we mail a new subscriber an offer and they respond, we will renew that subscriber the second time around; maybe a year or two years later at a very high rate of renewal—somewhere in the order of 60 per cent at the low end. Whereas if you sold, from our experience, on a door-to-door basis your renewal factor could be as low as 25 per cent. It doesn't take much of a businessman to see that this is a costly circulation.

There is another point. In the original subscription that you get door-to-door your range of recovery would be from probably 2 per cent to maybe a 10 per cent debit; meaning that you in many cases get less for the subscription than in fact the so-called subscriber paid for it. The high commissions paid to those selling door-to-door accounts for that statement. Whereas in our particular case, on the average, our cost of getting subscriptions is so much lower than the revenue that we obtain for them and I used a multiplier of 2-½. You can see quickly that we don't think from our point of view that this is the most successful way to obtain subscriptions from a financial investment return standpoint.

Senator Prowse: One of the things I had in mind was that it was my recollection that a number of magazines and periodicals in Canada over a period of time...

The Chairman: Excuse me, Senator Prowse. I believe someone would like you to speak louder.

Senator Prowse: I am sorry. —who employed door-to-door salesmen, found that in order not to get themselves into trouble, they had to give the door-to-door salesmen 100 per cent of what it took. In other words, the door-to-door salesman goes out and takes subscriptions and all he has to do is then send in the list of names—he probably sends the list of names in because this keeps him out of trouble. On the other hand, if they have to send in some of the money from time to time, they don't get around to sending in the money. Are you aware of that situation as well?

Mr. Zimmerman: Well, I am probably aware of the technique of this type of thing and the high cost of obtaining that type of circulation, but I really could not comment on personal experience on the method between the salesman and the publisher. We have no experience.

Senator Prowse: What would be your percentage return on your sale on the circulation of your subscription requests?

Mr. Zimmerman: I am sorry Senator, I don't under stand.

Senator Prowse: What I mean is this. If you send out an offer to me to buy the Reader's Digest...

Mr. Zimmerman: Yes.

Senator Prowse: You send these out: approximately how many of these would you send out a year...

Mr. Zimmerman: You mean the percentage for sponse, Senator?

Senator Prowse: Yes.

Mr. Zimmerman: If I could ask for your forbeat ance. We consider that the most private and confidential factor in our total business.

Senator Prowse: All right.

Mr. Zimmerman: I wouldn't mind discussing it in private.

The Chairman: Perhaps the witness would agree to send us his answer to that question in a private note following the hearing?

Mr. Zimmerman: Yes, we can do that for you.

The Chairman: I think your position is perfectly valid but at the same time I think it is a perfectly valid and legitimate question and one which interests us. If you wouldn't mind sending us this information . . .

Mr. Zimmerman: In confidence, we will be pleased to do that.

The Chairman: Fine.

Senator Prowse: The whole purpose of this, Mr. Zimmerman, is not to embarrass anybody and not to be smart. It is because it is pretty obvious that from the information that we have before us—both from people who have appeared before us and from our own researchers it seems that the magazine industry can only stay alive by pursuing a most aggressive circulation policy. I think you will agree this is true.

Mr. Zimmerman: Well, I would have to qualify my agreement.

Senator Prowse: Well, don't let me tell you then, you tell me.

Mr. Zimmerman: The qualification relates to a balance between circulation in numbers, the cost of getting it . . .

Senator Prowse: Yes.

Mr. Zimmerman: And the value of that audience to the advertiser. It isn't a simple equation because it has at least three very fundamental factors in it.

Senator Prowse: But the fact does remain that without a very aggressive policy in seeking circulation, the magazine industry could just not stay alive, could it? If you just sat and waited for people to come to you...

Mr. Zimmerman: In a general answer again, the answer is yes, but with a significant qualification. Magazines are not sold on numbers in the sense of advertising values. They are sold on audience value that follow those numbers and those that have chosen—and there are several more in the U.S. than in Canada that going the numbers game way have gone bankrupt.

Senator Prowse: Well, that gets us into another area which I will come to in a moment. This involves

probably the type of magazine and its appeal. In other words, there are areas that you feel are valuable for you to have and you want to produce a magazine to reach, which I would presume you want to do because they will enable your advertising people to sell—persuade the people who buy advertising that this is a valuable thing you are offering them—this circulation.

Now, within these areas, do you agree that you could not survive if you did not have an aggressive policy of seeking circulation and the follow-up on it?

Mr. Zimmerman: The answer again hinges on your word "aggressive". We never look on the building of our circulation solely on the basis of numbers. Never. What we do look at with a great deal of management judgment—it comes right to my desk—the final equation—is what do we need in order to improve the cost of getting the circulation and the resultant values to the advertisers. Those two points are the keys. We will not invest substantial dollars for numbers without looking very seriously at the cost of getting them from the profit and loss standpoint including both circulation and advertising revenue.

Senator Prowse: Well, let us see if we can get it. You are trying to tell me something that I am not quite getting, so let's see if we can get it right.

Mr. Zimmerman: I am attempting to help you.

Senator Prowse: You are doing the best you can with the material in front of you.

Mr. Zimmerman: No, it is a very hard equation to answer.

Senator Prowse: Well, I am quite prepared to admit that I am having difficulty. I can follow this. Just to come along and say that I have a circulation of 1,400,000 to an advertiser—this could be giveaways to the unemployed.

Mr. Zimmerman: Exactly.

Senator Prowse: This is what you are saying?

Mr. Zimmerman: Exactly.

Senator Prowse: And that you are not going to waste money on getting circulation from people who are not going to be of any interest to your advertisers?

Mr. Zimmerman: Correct. For two reasons and you can't separate them. The first is the cost of renewing the person who might be of a low income or unemployed is much higher than getting somebody who has the ability to buy, and secondly the increased educational level with the interest to read. The advertiser is interested not only in that audience value and its penetration of that editorial material which takes them through the book in the sense of the ad exposure side but also his ability, having gone through the book, to buy what the advertiser is attempting to market.

Senator Prowse: Well, what we come to then is this: you are interested in a particular segment of the Canadian public as your market?

Mr. Zimmerman: Yes we are.

Senator Prowse: And then within that limitation you feel that any effort you make to get circulation should not only carry their costs but should bring you a profit?

Mr. Zimmerman: Exactly.

Senator Prowse: In other words you are not interested in the giveaway end of it?

Mr. Zimmerman: Exactly. This is the advantage inherent in paid circulation magazines—paid circulation in the sense of traceable payment, not in the sense of supplements that are, let us say, hypothetically paid, and certainly not controlled circulation periodicals in the consumer field, like Homemaker's Digest, if I might give you an example.

Senator Prowse: Yes

The Chairman: Excuse me, Senator. I believe there are a couple of supplementary questions that the others would like to ask.

Senator Sparrow: Just as a matter of interest in that circulation—you refer in your brief to five editions being printed in Braille. Is that a losing proposition or money-making proposition, or is that a service, and how do you get circulation?

Mr. Zimmerman: It is self-help to the blind. I don't like the word charity. It is a self-help to the blind contribution on the part of Reader's Digest. We give the printing publishing house for the blind the free rights to print our material in Braille and then on what we might call the charity, education and donation side

make contribution towards both the printing house for the blind and in Canada's case, the C.N.I.B. We are much interested in helping those who are handicapped by giving it at no cost to them and supplementing their costs by donations.

Senator Sparrow: What would the circulation be in that?

Mr. Zimmerman: I would be glad to give you that answer. Our company doesn't handle directly the circulation. The rights go directly to the printing house for the blind and in turn they produce the material. They are bound to us to not give it except to recognized blind distribution sources, and the CNIB in Canada has the exclusive rights for the Braille edition, for the big print edition and for the recorded edition. We have three parts.

The Chairman: Mr. Fortier?

Mr. Fortier: Yes, Mr. Chairman. Mine is a supplementary to Senator Prowse's line of questioning.

Mr. Zimmerman, in view of your answers who are your readers in Canada?

Mr. Zimmerman: I think they are best described by general wording as the best able to buy audience that we can discover in this country.

Mr. Fortier: Would you care to be a little more specific now?

Mr. Zimmerman: Well, we would have . . .

Mr. Fortier: Are they old, are they young, are they rich, are they of medium income . . .

Mr. Zimmerman: Well, the average age, which I should say we haven't studied for some years, would be somewhere around 25 to 26 years—it is below 30. Now, on incomes, we could give you some idea of that. We have a higher percentage of our circulation sold to \$8,000 and above incomes than we have below that. If you would like further details, we have them from studies.

Mr. Fortier: If you have a recent study, I think the members of the committee would find it very useful.

Mr. Zimmerman: We would be pleased to submit

The Chairman: Senator Smith, is yours a sup- Senator Kinnear: No, on the big print. plementary question?

Senator Smith: Yes, Mr. Chairman, supplementary to the advertising aspect of this thing. I just picked up the February edition of Reader's Digest and in relation to what you have told us about the kind of circulation that you go after, do you mean that you are not interested in low income people, or the old? What classification of people don't suit the kind of market you have for the advertising material that you have in your book?

Mr. Zimmerman: Well, it isn't really-if I could use the word-an absolute sifting device in the sense of preventing low incomes and the old from getting Reader's Digest. It is a surprising thing to us, really, that if you took the depression era through 1930 through 1940, it is interesting to note that our circulation grew at about the same rate it is growing today. The Digest with its positive points of view, in the sense of informing people as to how to overcome their difficulties and to face their problems, has been read as equally in the sense of depression eras as it has been in the more affluent eras. It is a surprising thing to us, really, but it is true. Maybe it is because that as people decrease in income availability and they, of course, are looking for two things: opportunity and some relief from an entertainment and informative point of view and they come back to Reader's Digest because of its very format. If anybody wants a subscription to Reader's Digest they can get it very easily. In fact, part of our format is to make it easier for them to buy it. Every subscription on the news-stand has an offer for them to subscribe, so there are no restrictions. What we were talking about previously was the direct mail side where we attempted to improve for economic reasons the recovery to us as businessmen from the subscriptions and the attraction to advertisers so we can afford to take on more people in the sense of a sound base for publishing.

The Chairman: Excuse me, Senator Smith. Senator Kinnear, was your supplementary exclusively to that?

Senator Kinnear: No, it was to Senator Sparrow's question.

The Chairman: The Braille issue?

Senator Kinnear: The answer Mr. Zimmerman gave to Senator Sparrow.

The Chairman: On the Braille issue?

Senator Smith: I will finish this just in a moment.

The Chairman: Yes. I was going to say we will finish with Senator Smith's question and then we will come to you, Senator Kinnear. You are still the questioner Senator Prowse.

Senator Prowse: Well, it is my question but let everyone have a whack at it.

The Chairman: Senator Smith?

Senator Smith: Mr. Zimmerman, what confused me, I think, was this aspect of it and I perhaps misunderstood to some extent what you were saying to us, but I thought that you were trying to convey to us that your procedure towards soliciting or selling the magazine on a subscription basis was to select groups within the country because they are the kind of groups that advertisers will come to Reader's Digest and pay big money to reach. When I just glance through this February edition without any attempt on my part to allocate them, I find Oxo, Murine, Kraft, Insurance, cold cures, margarine, cat food, dog food, an international correspondence school. On the other hand, the ones that I think would require a special kind of magazine would be related to those people who could afford to go to Japan for Expo '70, and the general tourist literature-advertising tours to Spain and Britain, and so on.

Mr. Zimmerman: Maybe I could say what the missing link is between us is this. We must look at reader interest in any periodical on the basis of its educational and literacy level. It does run-the graphs cross at some point relating to income and that educational level that really aids and abets the natural interest on the part of the reader relating to what we are attempting to do. I don't think that we have discriminated in the sense of promotional opportunities in any year at any time. As I said earlier, anyone can buy Reader's Digest who is interested in good reading. They can pick it up at the newsstand and subscribe and they will get it. It does, however, follow that as business people trying to run a healthy operation from a financial point of view-which was back of Senator Prowse's point-that we should as much as we can design to get a higher income, higher educated person in the sense of having a viable business operation.

Senator Smith: Yes, I believe that answers my question. Thank you.

The Chairman: Senator Kinnear, you have a supplementary question?

Senator Kinnear: Thank you, Mr. Chairman. Mr. Zimmerman replied to Senator Sparrow that he had a big print edition. I would like to know about the approximate circulation of that and where it goes. I have seen some of the big print, as you call it—books that are used in hospitals for the aged, and another type of book in big print for children. What is yours?

Mr. Zimmerman: Senator, I answered Senator Sparrow about the circulation of our Braille-I also was including—if you don't mind—the big print edition and the records that we also publish monthly.

Senator Kinnear: Yes.

Mr. Zimmerman: And we will give the figures on all three. I could not give them off hand and as you may recall I said these were distributed by CNIB and that my corporation does nothing but foster the arrangement direct to the printing house for the blind and CNIB. We do not keep day-to-day information within the corporation, but it is easily obtainable and we will be pleased to give you the whole three.

The Chamman: Thank you. Senator Prowse, back to you.

Senator Prowse: Your circulation at one million four is holding relatively stable is it?

Mr. Zimmerman: Well, that is true.

Senator Prowse: Or is it increasing slightly?

Mr. Zimmerman: It is increasing slightly. If you look at the makeup of population growth or family growth—families at the moment are growing a little faster, some less than one per cent faster than the population—we exceed this by a low of one per cent and probably a high of three in any one year. So we are growing faster than the family makeup and the population growth. We think it is a healthy way to grow.

Senator Prowse: Now, the magazine operation itself dealing out the books and the records and the, various other things that you have, is said to remain profitable? I think you did have two or three years there following the impact of television when it went down?

Mr. Zimmerman: You are quite right, Senator. We had years when our profits on the magazine were depressed abnormally. Those were the years immediately during and following the Royal Commission on Publications and there was a reason. It is our impression that the advertisers, faced by five years of controversy through the communications vehicles of Canada about whether they should be American of Canadian in their decision-making, very often decided that magazines weren't that significant as a whole and went away from magazines in total, and we suffered. The whole industry suffered. And in fact it was that cruel lesson that started the magazine industry of Canada to say "Why don't we have a co-operative industry association that properly presents the values of magazines to the advertisers who buy the advertising."

Senator Prowse: And that resulted then in the establishment of the Magazine Advertising Bureau?

Mr. Zimmerman: That was one of the reasons.

Senator Prowse: In any event as a result of thatnow that it has been functioning your position is now back into the black, or satisfactory, and moving along there?

Mr. Zimmerman: Yes, but I think I should have added one more reason.

Senator Prowse: I don't want to go into financial figures. If you think the answer I am asking ought to be given in private—then please say so.

Mr. Zimmerman: Well, you haven't asked me anything so far.

Senator Prowse: I am trying to get a picture of the general health of the industry.

Mr. Zimmerman: Your question is really relating the value of the Magazine Advertising Bureau?

Senator Prowse: Yes.

The Chairman: I think he is asking really about the success of the Magazine Advertising Bureau.

Senator Prowse: Yes.

Mr. Zimmerman: Well, its growth factor is recorded publicly.

Senator Prowse: Yes.

a whole. It has been substantially better since the advertising and I might as well . . . invention of the Magazine Advertising Bureau but you must pick your years. If you pick the years in the decade preceding, it has been substantially better.

Senator Prowse: The chief competitor for advertising is TV and radio as far as you are concerned is it not?

Mr. Zimmerman: Television much more than radio.

Senator Prowse: Yes, that is only increased slightly. And what was the figure you had on television? I tried to get it down as you said it but I missed it.

Mr. Zimmerman: Forty-two per cent as I recall-42.7 per cent, and radio has 14 per cent; those ratios give you an immediate picture.

Senator Prowse: And the increase of television over the last nine years-radio showed an increase of 13.8 per cent and I didn't get the television figure?

Mr. Zimmerman: 75 per cent.

Senator Prowse: So you are in a relatively healthy Position although everybody would like to be healthier-would that be a correct way to say it?

Mr. Zimmerman: Yes.

Senator Prowse: Now, let's move in from . . .

The Chairman: Well, before you move into another area, I would like to ask the witness a couple of questions on advertising. You say television is your chief competition. How about other magazines?

Mr. Zimmerman: Well, in the opening remarks I made, I laid emphasis that the decision-making in advertising is between media first and primarily, and secondly within the medium.

The Chairman: Once that decision is made?

Mr. Zimmerman: Well, once that decision is made, it also goes back to my other remarks that I made earlier When I said that if you took the age of 15 and above, that magazine has some 52 per cent of the so-called adult population. Other vehicles such as television and the broad potpourri of newspapers would have a higher percentage than that 52 per cent, but not at the selective audience value that most advertisers want to look at in the sense of real value assessment.

Mr. Zimmerman: The growth of magazine revenue as The Chairman: I have only two other questions on

Senator Prowse: You go ahead.

The Chairman: Yes, now is probably a good time to ask them. I think you said that of the national advertising revenue in Canada-magazines get 8.9 per cent?

Mr. Zimmerman: That is correct.

The Chairman: Yes, I think that is the figure I wrote down. If we take the 8.9 per cent as 100 per cent, how much of that would the Reader's Digest have? In other words, what is your percentage of that 8.9 per cent-would you have half of all the magazine advertising in Canada?

Mr. Zimmerman: No, nothing like that, I would say somewhere in the order of 20 per cent.

The Chairman: About 20 per cent?

Mr. Zimmerman: Yes. That is of the Magazine Advertising Bureau paid circulation magazines.

The Chairman: The Magazine Advertising Bureauyou have your own sales staff quite apart from them?

Mr. Zimmerman: Right.

The Chairman: They don't really sell advertising?

Mr. Zimmerman: Exactly.

The Chairman: You sell the advertising?

Mr. Zimmerman: Exactly. It's different than Magna-Media.

The Chairman: Yes, I understand that. You have approximately 20 per cent of the total?

Mr. Zimmerman: That is correct, senator.

The Chairman: Do you have any local advertising?

Mr. Zimmerman: Not as such. We have regional advertising.

The Chairman: Are there regional or local advertisers as such?

Mr. Zimmerman: Well, let me say . . .

perhaps a little differently. You have given us the daily newspaper. figures of national advertising newspapers 26.6 per cent, down I think you said 21.3 per cent in 9 years; The Chairman: Why haven't you? Television 42.7%, up 75%.

Mr. Zimmerman: That is correct.

The Chairman: At the same time I think it is fair to say that of the overall money spent in Canada on advertising, newspapers are still first. That would be correct?

Mr. Zimmerman: Yes.

The Chairman: At about 30 per cent?

Mr. Zimmerman: Yes.

The Chairman: Which means, of course, that the newspapers make up this gap with an enormous amount of local advertising?

Mr. Zimmerman: Yes, but there is a difference, Senator. I think you will recall this from your advertising experience. A newspaper has a local advertising rate . . .

The Chairman: Right.

Mr. Zimmerman: And a national advertising rate, but essentially both ads reach the same audience.

The Chairman: Yes, I quite agree. I am not questioning that even for a moment. The question I am directly coming to is with your regional edition-I think you said there were 14 in Canada . . .

Mr. Zimmerman: That is right.

The Chairman: Fourteen regional editions in Canada-is it your intention to become increasingly competitive with the daily newspaper for local advertising? For example, let us say car dealers in Vancouver, or Toronto, or Montreal?

Mr. Zimmerman: Not specifically, but because we have regional editions we are competitive with anything that has a light section of the regional market. We just don't duplicate the newspaper market. In the Digest case, you cannot buy the Toronto market. You cannot buy the Montreal market separate. You can buy Toronto and Montreal in combination, which we call our metropolitan edition, so we have not reached

The Chairman: Well, let me come at my question to a direct competition on regional advertising with a

Mr. Zimmerman: It is a matter of economics and an appeal in the sense of the national advertisers' interest. Most national advertisers are interested in the regional section but in bigger geographics from a national advertising point of view than just Toronto, just Peterborough, just Ottawa. We have not, because of the combination of economics and the general-we might call it-pressure or interest from the advertiser, gone that deep.

The Chairman: What is the smallest of these 14 regional issues?

Mr. Zimmerman: It would be-and I would like to ask Mr. Conduit to check me-it is in the Maritimeswouldn't it be the Atlantic edition, Mr. Conduit?

Mr. A. J. Conduit, Vice President and Advertising Director, The Reader's Digest Association (Canada) Ltd.: The Atlantic edition has 85,000 circulation.

Mr. Zimmerman: Yes, that would be about the lowest.

The Chairman: Thank you. Senator Prowse?

Senator Prowse: This circulation . . .

Senator McElman: A supplementary?

The Chairman: Oh, I am sorry. You are having a rough morning, Senator Prowse!

Senator Prowse: Oh, that is fine. It gives me a chance to figure out where I am going next.

The Chairman: I have two supplementary questions: one from Senator McElman and one from Mr. Fortier. Senator McElman?

Senator McElman: On the matter of advertising have just been looking through your two February issues, the French language and the English language editions, and noted your liquor advertising. You have Tia Maria in both editions.

Mr. Zimmerman: Yes.

Senator McElman: You have two or three pages of hard liquor advertising in the English language edition and none in the French language edition. And yet most of the other advertisements are duplicated. What is the basis for this?

Mr. Fortier: It is well known that French Canadians don't drink as much as English Canadians!

The Chairman: I believe the question was put to the witness, Mr. Fortier!

Mr. Zimmerman: That is a matter of advertising decision and I can only give you an opinion. I don't know what the penetration is for any one of those brands from a retail exposure standpoint, but we both know that the Liquor Control Commission of the provinces has an effect on what is listed and from my experience, it is generally dictated by the movement of the brand—not unlike what happens with any brands in the grocery store; so where there is not an exposure to this consumer or we might say an acceptance of significance, I would think the advertiser is looking at a regional edition, from the point of view maximizing his attraction of the market.

Senator McElman: There is not a policy that in Sélection there won't be hard liquor advertising?

Mr. Zimmerman: No, the policies for both editions are identical in the sense of good taste and our standards for taste. In addition to that we respect the provincial codes.

Senator McElman: Still on the advertising—what is your current policy with respect to tobacco advertising and do you envisage any change in that?

Mr. Zimmerman: Well, I will take the latter and the former—we envisage no change whatsoever. The reason is simple to comprehend. We could not respect ourselves by having for decades campaigned against the danger of smoking and taking revenue that propagates smoking. It was a straight moral responsibility decision and we have led the industry both editorially and in the advertising policy for decades.

Senator McElman: You are advertising tobacco.

Mr. Zimmerman: But not cigarettes. The reason there being that cigarettes have been the one where the evidence has been most conclusive and the one that we attacked from a responsible publisher's standpoint consistently through the years.

Senator McElman: But you would still accept pipe or chewing tobacco?

Mr. Zimmerman: Yes, we would.

The Chairman: The only ads I have ever seen for chewing tobacco were in the Sporting News and I didn't think you read that, Senator McElman!

Mr. Zimmerman: Without intent, I made the statement earlier that we do not take a single city in Canada for circulation. It has just been pointed out to me that I overlooked the Montreal French-English combination. We don't take it in a single language, but we do take it in a combined language area.

The Chairman: Senator Sparrow?

Senator Sparrow: You suggested that your percentage of the advertising revenue of the magazine advertising was 20 per cent. Was that the figure you used?

Mr. Zimmerman: Yes.

Senator Sparrow: What is the breakdown between the French and English language editions?

Mr. Zimmerman: I can give you a rough estimate of that one. It is about 20 per cent of the 20 per cent, so there we have it.

Senator Sparrow: On the direct relation to circulation?

Mr. Zimmerman; Yes. On a percentage point factor it is about four of the some 20 per cent and it wouldn't be more than five.

Senator Sparrow: Mr. Chairman, you can correct me but I will try this as a supplementary as well. On your net earnings shown on page 11 of your brief, what does that income represent as a percentage of investment as well as a percentage of your gross income including the figure of 1969?

Mr. Zimmerman: Well, we are talking about the financial admission we made?

Senator Sparrow: Yes.

Mr. Zimmerman: And it is page 11?

Senator Sparrow: Yes.

The Chairman: Yes, I believe he is talking about page 11 of your brief. I think that is a supplementary

21484-3

question that we can deal with at this point, but I would only say to the witness that if he feels that is the kind of a question he would prefer to answer privately, he may by all means do so. Would you like to have this question again?

recognized that we in the magazine talked about non-fiction material and we were not hitting—if we can use that word commercially—a market for fiction reading, and we thought that since our audience responded better for renewals than most other magazines—they

Mr. Zimmerman: I heard his question.

The Chairman: Fine.

Mr. Zimmerman: I would ask your indulgence here-I would not want to make a statement at this point but we would be pleased to answer that privately. I might remind you, however, that in the publishing business there is quite a difference. The invested funds, we might call them capital investment in the public business, as a ratio of the sales revenue is generally lower than the industry as a whole, but the risk is substantially higher. The risk coming in to having to create products on a printing press in substantial quantity and to promote these by direct mail, then hope the response is there. This gets back to an earlier question about what the response is-so the difference in the publishing industry is generally a higher return on the sales dollar and a higher return on the invested capital because of the substantial risk that is there, and you will find that where risk increases in any business that this follows. It is a different business than most other businesses in the sense of the question you have asked, and we will supply those figures to you privately.

The Chairman: Mr. Fortier?

Mr. Fortier: If I may try another one, Mr. Zimmerman. While attempting to remain within the confines of your written brief—it is also on this matter of net earnings since December 31, 1960 which appear to have, to say the least, fluctuated considerably and which, as you have underlined earlier, indicated a general decrease since the O'Leary period. Could you tell the members of the committee how much of that decrease is due to a lessening in the profitability of interests other than your two magazines?

Mr. Zimmerman: You would have to pick your year because we have been diversifying more actively from 1964 than in advance of 1960 into what you might call the other interests. If I could put it this way: our first major diversification was just in advance of 1950 when we found that magazine material had a substantial interest when specially selected in hard bound books of an anthology type. The next step in the evolution was our condensed book business where we

recognized that we in the magazine talked about nonfiction material and we were not hitting—if we can use that word commercially—a market for fiction reading, and we thought that since our audience responded better for renewals than most other magazines—they liked reading in other words and they liked our type of reading—that we should look for the best fiction, and since we found that condensing non-fiction material had quite an attraction why wouldn't we get the first rights to condensing the best fiction and running it on a cyclical basis as well.

In 1952 we started into that business and we are very successful at it.

Coming forward into the area that we are now talking about, 1960 forward—well, 1959 to be exact—we went into the record packages and we carried on, of course, the other business and then got into special books that were non-magazine—not unlike the books that I referred to earlier—"Canada, This Land, These People", "Canadians At War", Madame Benoit's book on cookery, and things of that nature.

Now, quite necessarily in the publishing business when you get into such things as I referred to on the more specialized book-non-magazine material and essentially non-fiction material, excluding the condensed book-you are into a high initial cost investment to produce these books. It took us some three years on "Canadians at War" to produce that book and I would doubt if there has ever been any book produced in this country that took as much capital. The end result of this is that we in fact expensed the internal cost throughout that period and it did affect our operation. There are other reasons. At the same time we were involved in the recognition that the technology of servicing Canadians required a computer and we spent some substantial sums in studying what system, what computer, and in turn invested in a dual system-manual and computer-I think it was the year '64 where we were carrying a double dose of expense while we converted.

These three things that I have mentioned, including advertising as a fourth, were those matters that you speak of that affected our operations.

Mr. Fortier: Would this account for the fact that in the first full fiscal year since you offered 30 per cent of your shares to the Canadian public, your net earnings are lower, but not by much, than your net earnings were in the first year after the O'Leary Report was published?

Mr. Zimmerman: There is a coincidence there.

Mr. Fortier: They have gone through a circle.

Mr. Zimmerman: This is a coincidence. I left one thing out that would be of interest to you. One of the most significant above and beyond the other four that I mentioned respecting our operations was the cost of Postage. Never did any nation in the world in the Publishing business ever have such little notice and such high increases as we encountered in 1968. Now, getting back to your other question—would you mind just rephrasing that for me?

Mr. Fortier: Well, by 1969 you had your diversification program completed, at least as finished in 1964?

Mr. Zimmerman: Yes.

Mr. Fortier: And I see that in the first complete fiscal year since you went public in Canada, your net earnings were \$209,159?

Mr. Zimmerman: Right.

Mr. Fortier: And I look up the scale and I see that in 1962 your net earnings were \$269,000 and some odd dollars...

Mr. Zimmerman: Right.

Mr. Fortier: And I wonder how this has come about. I bear in mind the answer that you have given, but I also bear in mind that you have diversified as you were planning to.

Mr. Zimmerman: Well, the year in which you speak which was the year following the issue of our stock, we had a postal strike which upset our ability in a key mailing period for most of a month and a half. It was a some 21 or 23 days strike, but we had to stop in advance of it and we had to wait for the mail services to pick up in order to enter the mail. On top of that we ran into the most severe return of product and the most severe return of bills on other matters which substantially affected our business. At the same time that year, we were doing what we call the second phase of our computer conversion. We had done the magazine some two years earlier and we were then in the midst of the other two-thirds of our business activities converting to a computer, running a double system, unscrambling the computer operations—those two things are the most significant.

Mr. Fortier: One last question.

Mr. Zimmerman: Incidentally, they were unforeseen as to their definiteness at the time we went public.

Mr. Fortier: Well, that is the risk of going public.

Mr. Zimmerman: Yes.

Mr. Fortier: Or of remaining private, for that matter.

Mr. Zimmerman: Yes.

Mr. Fortier: You have spoken very eloquently on your policy of diversification. I wonder if you have in any way been hamstrung by any Canadian Statute or regulation in your acts of diversification?

Mr. Zimmerman: The answer to that is yes.

Mr. Fortier: Could you be more specific?

Mr. Zimmerman: Elaborate?

Mr. Fortier: Yes. It has often been said that *Time* and *Reader's Digest* were discriminated in favour offorgive the Englishism—by being excluded from the application of section 12A of the Income Tax Act.

Mr. Zimmerman: There are two matters, both of them legislative in nature. There is the matter of the electronic communication and the ownership requirement. It would be quite natural for any publisher to want to extend the softwear side of his business into that communications industry...

Mr. Fortier: And 20 per cent or less is of no interest to you?

Mr. Zimmerman: I wouldn't say it is of no interest, it is of significantly less interest. Unless we have multiples of that 20 or 25 per cent it really wouldn't be of substantial interest. And as you know and I know, because of ruling there is a limit to the number as well as to the ownership. We are hamstrung on that matter.

The second one is what you would call section 12A of the Income Tax Act of 1965. There we are limited to the type and class of magazine that we published before. We have been concerned because at one time—and the example I might give you was Hostess produced by Maclean-Hunter. Initially, this was really an extension of Chatelaine's audience to people who didn't buy Chatelaine. With section 12A in front of us, it would have been literally impossible for us to meet that competition. We consider ourselves substantially restricted in both of those areas.

The Chairman: I am not sure I understand your last point.

Mr. Zimmerman: Perhaps I might ask John O'Brien to answer this.

Mr. John L. O'Brien, Q.C., Director, The Reader's Digest Association (Canada) Ltd.: We are limited to publishing . . .

The Chairman: Well, I understand that but I don't understand the Hostess reference.

Mr. Zimmerman: Oh, excuse me. Let me explain that part of it and then Mr. O'Brien might want to comment. Chatelaine had both a French and English edition. It brought out a controlled circulation periodical that I would describe as an adjunct—it did not go to the Chatelaine readership as such—it went to an additional selected audience which took them, as I recall, to a total exposure for an ad in both periodicals it was something of the order of \$1.8 million or \$2 million. We could not have enjoyed that experiment. Now, the magazine has since ceased to publish but that does not mean the idea is not viable.

The Chairman: Am I to understand that this would have been real competition for the Digest?

Mr. Zimmerman: Yes. We considered it competition.

The Chairman: Why did it fold?

Mr. Zimmerman: It probably hinges on your word 'readable' meaning size and significance. It never grew to a significance that disturbed us greatly, but we saw in our cracked, crystal ball, the sign of the potential attraction may be for extending audiences above and beyond the paid circulation and tied to a paid circulation vehicle.

Mr. Fortier: And then Mr. Kierans came along and helped you!

Mr. Zimmerman: That is a good point.

The Chairman: Well, if you were allowed to expand, would you have met this kind of competition with a new kind of publication assuming *Hostess* had survived?

Mr. Zimmerman: We would have at least experimented with it.

The Chairman: Does Reader's Digest have other publications in the United States?

Mr. Zimmerman: No it does not.

Mr. Fortier: Another question which flows from that one, Mr. Chairman. Does Reader's Digest have any electronic media interest in other countries?

Mr. Zimmerman: To my knowledge it owns no electronic medium.

Mr. Fortier: And prior to April, 1969, when this foreign ownership directive was handed down from the Cabinet to the CRTC, you had not done anything towards acquiring any interests?

Mr. Zimmerman: You are correct.

The Chairman: I am going to ask one supplementary question, then I am going to suggest we adjourn for a few minutes, then when we come back I will start with you, Senator Prowse. I am impressed to realize, as I just did a few minutes ago, that the witness is sitting here with his leg in a cast propped up on some kind of a rig here and that makes us doubly grateful. I hadn't realized that. Perhaps I should have. I just wanted to ask one supplementary question, and it is a question which relates to the discussion we had here on the magazine industry.

Canadian magazines with no international interests came to us and said—if I can interpret their position—I am sure you read it in the press—that it would be a terrible thing to remove the exemption as presently enjoyed by *Time* and the *Reader's Digest* because the Canadian magazine industry, we would disappear. I put the question to the *Time* magazine people and I now put the same question to you. Do you share that rather gloomy forecast of the Canadian homegrown magazines that should the exemption ever be removed which you enjoy and which *Time* enjoys, that it would spell the beginning of the end of the native Canadian magazine industry?

Mr. Zimmerman: I will answer for myself rather than any comments for *Time*. The Canadian magazine industry, in my opinion, would be substantially affected. I think within a decade they would cease to be of a significance to the advertiser in this country.

The Chairman: Well, that leads to probably other questions and supplementaries so I think perhaps I will, as I suggested, adjourn for five minutes. It is now about 11.25, so could we try and come back at about 11.35 and I will start with you, Senator Prowse.

- A short recess.

The Chairman: I would like to call the session back to order, please. I think we can perhaps resume the questioning with Senator Prowse.

Senator Prowse: I have one more question regarding the matter of advertising in regards to the regions. I am not clear in my mind, Mr. Zimmerman—do you go into the regions for the purpose of meeting competition from other media, for the purpose of meeting competition from other print groups like magazine and newspapers, or is it for some other reason?

Mr. Zimmerman: We go into the regions to attract advertisers—the markets they wish to advertise in. That is as simply as I could put it.

Senator Prowse: Does this create new markets then to pry extra advertising revenue out of advertisers?

Mr. Zimmerman: I would think that it extends our advertising opportunities for revenue. Probably this factor will give you a better focus on it. I will ask Mr. Conduit to check me on this, but we have as a percentage of our whole national revenue, as I recall it, some 9 per cent or 9½ per cent roughly...

Mr. Conduit: It is roughly 12.

Mr. Zimmerman: Closer to 12?

Mr. Conduit: Yes.

Mr. Zimmerman: Some 12 per cent of our total revenue today in those regions. Now, the question remains, if we didn't have that, would we have some of that 12 per cent back in the national advertising area? I would think some of it but not a large proportion; maybe you could say a third of it, but it is more a third than two-thirds. That probably gives you the best feel of it

Senator Prowse: So really it just extends your ability to sell advertising and it is not really competition with other magazines or newspapers, or is it?

Mr. Zimmerman: I wouldn't want to say it was not competition with other magazines, because essentially we all started doing it at the same time. We are competitors in some cases with other magazines, but we are not as directly competitive with newspapers for a good reason. Newspapers in every major city in Canada would have a higher circulation penetration than Reader's Digest. Now, the advertiser looks at this as numbers, yes, but he also looks at the meaning-fulness of those numbers in our section of the market

and it doesn't take him head-on in any city. We don't have the exact audience as he has. As I mentioned we have a metropolitan, edition and only in Montreal, where we have the twin language edition although there is no twin language combination that I know of in that market. So they would have bigger numbers, they would have less selected audience values in income, education, and things of this nature.

Now, the major attraction, it seems to me, is to provide the advertiser with two things that he could not get through other media. The first one I would put as test marketing opportunities—so he can find out in a limited market—let us say Ontario—what is going to happen without him expending on a new product in inventory and a promotional and advertising cost of the whole nation. He can get into a national advertising medium—magazines—and test whether he should go further, by simply marketing in the area and confining his advertising to national magazines' regional editions or we might say city newspapers, and radio. We have about the same balance in effect on consumer attraction in buying, whereas he could not have had it before.

You know, this leads to a question-when newspapers choose to say that we in fact are attempting to compete actively with newspapers. This-and I might say it with a smile-is a chicken and egg story. What came first? Newspapers went into the national advertising field through weekend supplements with really the start of Weekend in 1951-52. Of course, magazines did not start in any degree in regional editions until well on into the early sixties, so they were there essentially a decade before. When I read what you and I might describe as points of view from people who are in other competitive media, I smile when a newspaper tries to establish the fact that magazines in some strange way are attacking their revenue when, in effect, the significance of regional advertising revenue is literally peanuts compared to the total national advertising revenue generated by weekend that a decade before. It seems to be a nebulous type of thing.

Senator Prowse: In other words, the purpose of the regional edition is to enable you to provide advertisers with additional service?

Mr. Zimmerman: Competitive convenience.

Senator Prowse: Well, we will move into another area now. When you decided to go public, you made 30 per cent of the stock of Reader's Digest available to the public; is that correct?

Mr. Zimmerman: There were two steps, Senator. The year before, we made some roughly 8 per cent available over a period of five years to the senior executives of the company, simply to take those executives who contributed most relative to their positions and favour them with a stock option plan. At the time we went public they purchased maybe 25 per cent as a maximum of the available stock because of its date due combinations.

Senator Prowse: Yes.

Mr. Zimmerman: Then we issued some 25 per cent of our stock through the normal dealer financial investment house structure to Canadians and we did everything we could to restrict it in the sense of Canadian control. We were most concerned of falling into a trap because there is no legislative control of ownership of stock.

Senator Prowse: Yes.

Mr. Zimmerman: We decided we might well offer in the only country in the world in which we were going public Reader's Digest stock which is world-wide known and by putting it through the Canadian stock exchanges still have ownership in India, Africa, the U.S., and whatnot, because of its international connotations in the field. We worked every method we could conceive to the distributing network to restrict the number of shares that any person could buy and to insist that they be Canadian citizens.

Senator Prowse: Is this in your articles or the bylaws of your company?

Mr. Zimmerman: No, we couldn't do it. There was just no method of making that stick—I mean a legal stick. What we did do rather was spread it widely across Canada. That is simply to say that on the average our dealers were instructed to not give any one person or purchaser more than a hundred shares as a maximum, so that gave little parcels spread right across the country. The second thing we did do was to select a dealer structure so that they were spread across the country where we could get broad distribution, and the third thing that we did—and laid considerable emphasis on this, then checked it in the sense of the transfer and registration side to see that in fact they did not sell this to anyone but Canadian citizens.

The fourth thing we did which caused considerable concern to employees around the world of Reader's Digest was have our Executive Vice President write a policy letter that was literally on the bulletin board of

every Digest edition in the world that it was in management's interest not, through any mechanism, to purchase a share of the Canadian company's stock. I can assure you that they would have bought it all if they could have got their hands on it.

Mr. Fortier: How have you kept abreast of the ownership, though?

Mr. Zimmerman: Registration. We look at ourswell, there are methods and methods, I will quite agree with you. However, as far as we can tell, it has been a very good plan and very well executed. We could only trace—one grand-father that I know in Canada that gave some grand-children in the U.S. some shares, and they were so insignificant it would be less, as I recall it, than one per cent.

Mr. Fortier: I am wondering if Mr. O'Brien could expand and tell us how effective in the end this could really be in preventing American citizen "X" from purchasing shares on the Canadian stock exchange?

Mr. John L. O'Brien, Q.C., Director, The Reader's Digest Association (Canada) Ltd.: I don't think if there was a concerted drive by anyone to pick up the shares—I don't think it would be effective at all excepting to the extent that with a wide distribution in an area and among people who are not traders in the stock market, they probably don't dispose of their shares quite as readily. It would be very hard to judge by experience because, as you know, the first year was not a good financial year for the companies, so there wasn't the demand in financial circles for the shares.

Mr. Fortier: It has been a practical solution?

Mr. Zimmerman: That is right.

Senator Prowse: Is it in order to have people maintain their holdings, that you have followed a policy of fairly regular dividends regardless of what your earnings sheet showed?

Mr. Zimmerman: I think it was respect for their investment more than any other thing. We didn't anticipate at the time of the issue that we would drop maybe, well-to something less than \$300,000 after tax earnings.

Senator Prowse: Yes.

Mr. Zimmerman: When in the previous year we had been in the area of \$600,000 to \$700,000. We did not

Mass Media

anticipate this. I think we would have postponed the issue if we had anticipated it. Having seen this and done long-term projections on the potentials for the stock, our directors decided that in the interest of our shareholders it would be in our interest to carry on a consistent dividend at least in the first year.

Senator Prowse: Why did you pick the figure of 30 per cent?

Mr. Zimmerman: There was no magic in it. We were—in advance of Mr. Robert Winters' guidelines of corporate citizenship—attempting ourselves to determine what good corporate citizenship meant. We had been doing this long before by appointment in the Digest...

The Chairman: What year was that?

Mr. Zimmerman: May 1960. So I have had a decade. Now, in the terminate of what we assessed those guidelines should be, we carried out policies in Canada which we believed carried out, in full, the responsibility for good corporate citizenship. At the time of my employment, when I was talking to the owner of Reader's Digest, he asked me how I felt about the progress in this area. This was his first question. Let us recall that his wife was born in Canada...

Senator Prowse: Yes.

Mr. Zimmerman: And I replied that I thought they had done a very good job and he said "Is there anything else that you would advise us to do?" And I said "Yes, go public. We are in the communications business—or you are" and he said "That is an interesting suggestion and I will take it under favourable consideration." I said "Well, that answers one of my questions before I become involved with Reader's Digest—I would not look favourably on the employment unless you did." And he said "I have answered you."

When he appeared in Canada as one of the dignitaries at our building opening ceremony—I think it was in the year 1961—some year or year and a half following that conversation he, without any preknowledge on my part, announced it himself and he said, and I will paraphrase him. We have had the intention of being the finest corporate citizen of this country of any foreign affiliate, and he mentioned the many things we had done and then said that we have also been concerned that we have not been able to find the way to retain share control in Canadian hands in absolute terms and challenged our lawyers to

try and find that way. They couldn't. That has previously been explained and I pleaded with him but really didn't need to. He said to me "Well, Paul, do you think we can find another formula that will in effect do this?" He became satisfied that we could find something that was reasonably good and in addition just in advance of our issue of that stock we had read the Winters' guidelines, were favourably impressed with them, met them and acceded to them with the exception of one; the one was the public stock offering which we were then planning.

33:27

Senator Prowse: Did you have any difficulty in this stock offering of establishing a price for the stock?

Mr. Zimmerman: Yes.

Senator Prowse: Did that reflect back . . .

Mr. Zimmerman: Well, to answer it truthfully and fairly, we did have considerable difficulty, probably more than a normal corporation doing the like thing. The reasons-some of the reasons have been brought to light by the questioning of Mr. Fortier. We had an up and down operating profit picture from '60 forward. We had been in front of a Royal Commission which had heard testimony for most of the year and then rendered its opinion. The Government of Canada hadn't rendered an opinion for four and a half or five years. During that period, surely we would have been dishonest to ever mislead a Canadian that they had a right to any continuing asset value in the corporation. We would never have done it. So it was an evolution of the combination of what comes next from the Government based on the experience we had in the past and what our operating profits were, and what good value would be to a Canadian with the attempt to get less for that stock than we believed it was truly worth.

Senator Prowse: You have a building in Montreal?

Mr. Zimmerman: Yes we do.

Senator Prowse: What other assets, and could you put a value on what might be described as the fixed assets that you have in Canada?

Mr. Zimmerman: I think we have disclosed that information in the early financial figures that were available, but let me paraphrase it.

Senator Prowse: Well, could you give me a rough figure?

Mr. Zimmerman: Well, let me put it this way. In the physical assets-before we put a value on them-we have a printing press located at Ronalds-Federated Ltd. on Park Avenue in Montreal. The reason it is there is a simple one to understand. Originally, when we looked in both Toronto and Montreal for the printing technology required to print our publication. we found the printing technology pretty well equal between the cities, but we couldn't find printing equipment that would print the quality that we wanted in that book. We then decided that we would be prepared to put the capital up and literally put the physical, mechanical equipment in somebody else's brick and mortar and write a printing production contract that was favourable to them, and we believe favourable to us. At that time the Ronalds-Federated principle had more to attract us than anyone else in Canada, and had the technological ability, and so we made the decision to locate it in Montreal.

Now, the second thing is carry that same philosophy through to anyone who was a supplier to the Digestyou see, the basic difference between the Reader's Digest and other publishers is that we don't compete with the graphic arts industry. All of our dollars are spent with the small and medium size printers going across this country. Many publishers have a publishing plant for publishing a newspaper, and sometimes a magazine, and then a number of them also have a printing plant and it is a natural evolution. I am not critical of this at all. But, they in effect compete with printing as well as remaining publishers. Reader's Digest does not. We own no brick and mortar in this country relating to manufacturing and we only provide the printing equipment when the resource capital at the printer level is not available.

Additionally, we have some 35 to 40 highly skilled technicians in our production department that guide these people to the latest technology. That equipment is never serviced without our o.k. and to our standards, and with our people guiding them, and the production quality and the production cost is analysed in depth to aid and abet the printer's survival.

We extended that into our plate-making with Meco Ltd. in Montreal. We own some equipment in the Meco plant for making our own special plates and when that isn't in use 100 per cent for the *Digest*, they are allowed to use it at no cost to them for supplying anybody else with curved plates. Also we have extended this into the bindery and plate-making and also the base equipment.

The gross investment and fixed assets and machinery is \$3,500,000.

Senator Prowse: And that would include these presses that you have provided other printers with?

Mr. Zimmerman: Yes.

Senator Prowse: Do I understand you correctly? What you do—if a printer—if you think he has the ability—the fellow you want to do business with and he doesn't have presently the type of equipment necessary to provide what you require, you will . . .

Mr. Zimmerman: We will help him.

Senator Prowse: By what-loans, or by straight putting machinery in there, or what?

Mr. Zimmerman: No. Not certainly in my time we have not been involved—only in one case there was any loan or any loan concept and that was not for equipment—that was for services. We advanced one service supplier and I would rather not disclose who it was.

Senator Prowse: Yes, I understand that.

Mr. Zimmerman: We advanced some limited capital. If I recall it was \$200,000 on a pay-back basis, over a few years and it has since been paid back. He got into a business he couldn't have been in otherwise and we did that because of both our interest in him—in his ability and ourself relating to services we needed and we didn't want to provide ourselves.

We manufacture nothing in this country. Absolutely nothing. The load is totally on the small and medium sized printers of the country. We have gone further. I have personally travelled the country to try to get an interest in provinces-a spread more related to the income of the Digest. I can recall an interview on a travel trip I had with the Canadian Manufacturers Association to Nova Scotia, and I talked to the-as I recall it-the Minister of Industries for Nova Scotia who was pleading to a group of us and asking what we could do to help towards the better improvement of the economy and he particularly centered on me. He said he felt that the printing presses in Nova Scotia may be under-taxed if we could only get the Upper Canada loan concept, and I replied that we were desperately interested in this for selfish reasons but for very honourable ones, and we would like to benefit as evenly as we can the incomes we had spread across the country. And he said "Well, how will we go at it?" And I said "Well, the easiest way for us to go at it is for me to send to you, or one of your delegates, the type and class of promotion piece and/or product that

we produce that is most likely to assist your needs, The Chairman: On this printing aspect? and then you send the specifications out and encourage people to contact us." We did that some eight Senator Sparrow: Not on that particular aspect. Is conversation that we invited the printing company-I Canadian ownership of the Digest? forget the name-that was then managed by Michael Wardell. They were in the printing business as well as Atlantic province person and knew Mr. Wardell-"Why don't you drop him a note as an editor and tell him I have been literally interested in studying our loadcould he or his facilities be interested in it? " We had an exchange of correspondence on the matter ...

Senator Prowse: Well, these people don't print the magazine as well, do they?

Mr. Zimmerman: Well, they do in the case of Ronalds-Federated Ltd.

Senator Prowse: They do?

Mr. Zimmerman: That is on our part.

Senator Prowse: That is in Montreal?

Mr. Zimmerman: Yes, in Montreal. We give them the paper and they print it.

Senator Prowse: Are all of these Digests printed in Montreal?

Mr. Zimmerman: Yes they are.

Senator Prowse: And the work you are talking about going to the other printer is the different type of Work?

Mr. Zimmerman: Different products, material, Packaging, and things of this nature, and also the promotion material. We are very large mail promotion people in this country.

Senator Prowse: Is there any . . .

The Chairman: I was just going to suggest that we perhaps turn to editorial matters . . .

Senator Prowse: I was about to change.

The Chairman: Fine.

Senator Sparrow: I would like to ask a supplementary?

years ago and, incidentally, it was almost out of that there any effort being made or any plan for further

Mr. Zimmerman: There are no plans currently under the newspaper and magazine business, and I remember consideration that I am aware of, and I would be saying to an editor-Doug Howe, who was an aware of any. I think this is a question of how successful we are in satisfying shareholder return on existing shares and we have great faith in that. This would not be the time to attract an additional proportion of our stock into Canadian hands in view of the results of my company in the most recent years.

> However, in the longer term there is nothing of substance to prevent it, and I am sure, particularly with the members of our board who are Canadian, that we will continue to bring it up, so there is nothing binding one way or the other except the return to shareholders on the existing issue and the interest we have in extending as far as we can go the Canadian point of view through our operations from top to bottom.

The Chairman: Senator Prowse?

Senator Prowse: Now, on the editorial end of it, how much do you buy directly from Canadian writers? I know the magazine chiefly buys rights and reprints.

Mr. Zimmerman: Yes.

Senator Prowse: Is there a rough percentage of it that is new material that you use in the magazine and how much of it is acquired material?

Mr. Zimmerman: Well, we are presumably talking here about material we are not re-publishing but new material from Canadian writers literally contracted with or arranged with between our editor and the Canadian writer.

Senator Prowse: Yes.

Mr. Zimmerman: I would like to turn that question over to Ralph Hancox.

Mr. Ralph Hancox, Managing Editor, The Reader's Digest: Well, I think that Mr. Zimmerman said in his opening remarks that we are now working with some 50 Canadian writers on a variety of projects. To pull a figure out of a hat, I think, would be very misleading because our operation is a long term one and often may take up to a year to develop. I think also in that appendix that you have in front of you, there is a list of Canadian authors which is reasonably representative of the sort of contact we make and the material we publish from Canadian writers. I am sort of reluctant to put a percentage figure on it because it is an overlapping thing. We have now-say-10 pieces under immediate consideration, 30 under middle term, and some 40 to 45 under long term-continually paying authors, and we give a guarantee when the first manuscript is accepted and then we complete the fee when the manuscript is published. At the same time-for example, in the February issue if you look at the top first article-"The Day the Police Went on Strike" was an article by Gerald Clark who is the editor of the Montreal Star. He wrote it for the New York Times magazine but he benefited directly from the Canadian publication because he was paid for the reprint rights to it.

Senator Prowse: When you get reprint rights, do you buy it from the publication or from the writer?

Mr. Hancox: We have a formula, normally, which depends on the distribution of the rights we acquire and we say to the publisher "If you hold the rights to this article we would like to publish it, and our fee for doing so is "X" dollars." This depends on whether we want the Canadian rights or U.S. and world rights which is split 60 per cent to the author and 40 per cent to the publisher, and then the author and the publisher agree and the cheque is mailed out. Some publishers say "Well, that is fine, but our split is 75 per cent to the author and 25 per cent for the publication"—there again, depending on their arrangement with the author. So both, in fact, benefit.

Senator Prowse: Now, I notice when I look through . . .

Mr. Zimmerman: I think there is an interesting point here and I would like to give you a short summary. There is no limiting percentage. What he is looking for is material largely of universal interest—certainly with a Canadian interest above and beyond the universal interest—that meets our standards and we work very hard trying to find more, and more, and there are no limits.

The Chairman: Senator Sparrow?

Senator Sparrow: You make reference to drawing material from a pool—an international pool. Would you buy editorial content direct from the parent company?

Mr. Zimmerman: Yes.

Senator Sparrow: A high percentage?

Mr. Zimmerman: It is part of our fee.

Senator Sparrow: Pardon me?

Mr. Zimmerman: It is part of our fee. When we say "direct from the parent company" it hinges on the fact of what Mr. Hancox referred to as the pool. He submits to the pool—each international editor submits to the pool and the pool emanates from articles that they have spotted in other periodicals and good ideas which they have honed which they may delegate either to be a freelance writer that they think is especially qualified on the subject, or to one of our several roving editors who would be especially qualified.

Senator Sparrow: Would you receive a price preference by dealing with the parent company than you would by dealing with a publisher or an author in Canada as an example?

Mr. Zimmerman: I don't really think so. It is a case where the total editorial costs are in one way or another dispersed as equitably as one can over the whole of the Digest world. You might refer to it as more of an out-of-pocket cost where if that was marketable to an arm's length transaction, you would not take your out-of-pocket costs—you would mark it up, but the question is whether you could mark it up. The Digest carries editorial material that is not normally of interest to other magazines.

Senator Sparrow: Do you have any special arrangements with the Department of National Revenue as far as the purchasing of editorial content from your parent company is concerned?

Mr. Zimmerman: We would say that from our tax extensions—meaning the tax standards—we have never been questioned. Meaning that we know of no arrangement at all.

The Chairman: Mr. Fortier?

Mr. Fortier: On what basis, Mr. Zimmerman, is this fee to the motherhouse, the parent, calculated?

Mr. Zimmerman: It is basically a parent company assessment of the cost of what has been prepared dispersed across the corporate structure of the affiliates of the *Digest* including the parent company on the basis of revenue.

corporation?

Mr. Zimmerman: No.

Mr. Fortier: Or to the . . .

Mr. Zimmerman: On the basis of the proportion of revenue which the affiliates hold to the whole revenue, the consolidated revenue

Mr. Fortier: So that the Canadian edition would have a set percentage fixed at the beginning of a certain year?

Mr. Zimmerman: Yes, that is correct.

Mr. Fortier: For a one year period?

Mr. Zimmerman: It is a continuing thing. It could be opened at a point.

Mr. Fortier: Has it fluctuated so far as the Canadian edition is concerned?

Mr. Zimmerman: Not substantially, no.

Mr. Fortier: Would you care to tell us what this Portion of the Canadian cost to the international operation would be?

Mr. Zimmerman: Mr. Fortier, we really have answered that question privately to you in our financial statements. We have stated what that formula is and I believe it is even in our brief.

Mr. Fortier: It is not in the brief.

The Chairman: Well, Mr. Fortier, we have the information. The witness is correct.

Mr. Fortier: Well, we have the information, but if you don't care to answer . . .

Mr. Zimmerman: I wouldn't like to make it public.

Mr. O'Brien: It is in our annual report.

Mr. Zimmerman: Excuse me, our able legal counsel has informed me that it was in our original perspective that he was in the state of the am sorry for the oversight. It reads this way—as a table headed by gross revenues in U.S. dollar equivalents. That is up to \$2 million worth of Canadian company

Mr. Fortier: On the basis of revenue to the parent net revenue we would pay a 3 per cent royalty. On \$2 million and \$1 up to \$5 million, 2-1/2 per cent. On \$5 million and \$1 to \$10 million, 2 per cent. On \$10 million and \$1 up to \$20 million, 1-1/2 per cent, and in excess of \$20 million, 1 per cent. So it is a graded

> Our revenue now, as of 1969, was between \$17 million and \$20 million.

Mr. Fortier: So I can figure out what fee was paid?

Mr. Zimmerman: Yes.

Mr. Fortier: Has the scale changed since 1967?

Mr. Zimmerman: Well, it changed in advance of our going public for a very sound reason. We wanted to have a publishing agreement that was of substantial value to the investing shareholder in Canada and we requested from the Canadian point of view a reassessment. At that point they took a look at it. studied it for some months, and they came out with a different formula but its respect in costs on the Canadian companies was not dissimilar from the costs previously. There is no significance to the difference at all as far as Canada is concerned except on the basis of percentage of revenue.

Mr. Fortier: Is this formula of universal application or is it regional?

Mr. Zimmerman: It is of universal application.

Mr. Fortier: With all affiliates?

Mr. Zimmerman: Yes, with all affiliates.

Mr. Fortier: There is no edition which is treated differently than another?

Mr. Zimmerman: No.

The Chairman: Perhaps at this point I could ask-I am sorry, do you have further questions Mr. Fortier?

Mr. Fortier: I have a few more questions.

The Chairman: Well, please go ahead.

Mr. Fortier: Is there any compulsion from Pleasantville for the Canadian edition to use a particular article from the pool? In other words, when the world-wide rights are purchased, are the regional editions compelled to publish the article in question?

Mr. Zimmerman: The answer is no. They are not [Translation] compelled.

Mr. Fortier: Is it good policy to publish the article in question?

Mr. Zimmerman: No, I don't think so. It is an affiliate editor responsibility and two of them are here who are very capable of speaking for themselves. I have never found any compulsion or any pressure, and I am sure it would have come to my desk as well as to theirs. I might qualify that to be very fair on the subject. There is certainly a compulsion to avoid taking advertising on the cigarette subject which does not relate to editorial opinion.

Mr. Fortier: Yes. Well, what I am also curious about-let us take an article such as "The Day the Police Went on Strike" which you have already referred to. This was condensed from the New York Times magazine. The arrangements which you made with the New York Times magazine-did it precede the publication of the article in New York or did it follow it?

Mr. Zimmerman: I will ask my editors to confirm or deny my statement, but my statement is that we followed publication. Is that correct?

Mr. Hancox: Yes. We had no knowledge that it was going to be in the New York Times magazine. As a matter of fact, I saw it and said it was a very good piece and called Pleasantville and said "Why don't you take a look at this," and this is what happened.

Mr. Fortier: You didn't make a deal in advance?

Mr. Hancox: No.

Mr. Fortier: I think the members of the committee would like to know-were you looking for an article on the October 7 riot?

Mr. Hancox: No.

Mr. Fortier: I mean, did you favour to solicit one from any source?

Mr. Hancox: No. I mean, how does editorial selection go? I mean, you keep abreast of current events, you watch current magazines and publications for matters bearing on these things and consider it. If there is nothing available, then you consider the idea of developing it.

Me Fortier: Mr. Ranger, did that article appear in "Selection"?

Mr. Pierre Ranger, Editor in Chief, Selection, Reader's Digest (Canada) Limited: Yes, it appeared simultaneously.

Me Fortier: The same month?

Mr. Ranger: Yes, the same month.

Me Fortier: I noticed that most if not all the articles which were published in both the French and English editions can be summed up somewhat as follows: first it is published in the English edition and then in the French edition or in both simultaneously. I did not see a single one which had been published first in the French edition and then in the English edition.

Mr. Ranger: There are some but they are Canadian articles because I feel that we are an international magazine. We almost always simultaneously publish articles of more or less international interest which are Canadian. However, it often happens that, in the pool you mentioned, the American pool, those articles which appear in the parent edition, also appear in the various other editions. Often we publish an article in the French-Canadian edition before the English Canadian editions-at times even a few months before hand. I would like to give an example: we often publish articles of general interest, for example, an article on Versailles, or on Germany when, at certain times, we require additional material for the test. This means we may have to publish the article in the French edition at an earlier date than in the English edition. And this is done quite often.

Me Fortier: I admit that what I saw was in appendix 3. I did not see a one.

Mr. Ranger: If you check the dates, you will see that in some cases the appendix mentions things of purely Canadian interest. If there are things of international interest, there is no appendix to cover that. would see that there are several. At times there are even American articles but that rarely occurs. How ever, Ralph may not find those articles interesting while I do find them interesting and publish them before him. Even later he may not use them. I would say that the main reason why Sélection du Reader's Digest is somewhat late is that on occasion in translation problem arises. We prefer that it be in

excellent French rather than trying to publish it simultaneously. We are not a "news magazine".

Me Fortier: Will those same translation problems not occur for the English edition in the normal course of events?

Mr. Ranger: Yes, to a certain extent but in a less significant way.

Me Fortier: Is the pool more English than French?

Mr. Ranger: Yes, but it is not exclusively English. For about the past ten years we have had quite a few things not only in French but also in German. It must be admitted that the *Digest's* main emphasis is English but not to the exclusion of others, far from it.

[English]

Mr. Fortier: Maybe I should direct this question to Mr. Hancox. As I read or as I look at your February issue, I see on the masthead page the English magazine is Published simultaneously each month in Canada and the United States. There is no such reference to simultaneous publication in Sélection. What is the meaning of published simultaneously each month in Canada and the United States?

Mr. Hancox: Well, as you may be aware, the United States is a signatory to the one copyright convention and Canada is a signatory to another, and this simultaneous publication is a copyright protection to those articles of the countries of both agreements.

Mr. Fortier: I am curious . . .

Mr. Hancox: I am not an expert on copyright.

Mr. Fortier: Well, I don't find it in the French Sélection.

Mr. Hancox: Well, you see, once the copyright has been obtained for publication, then of course the article is protected.

Mr. Fortier: Unless the article appears first in Sélection?

Mr. Hancox: Yes, and in which case that copyright will have been perhaps copyrighted in another country first.

Mr. Fortier: That is the only meaning of it?

Mr. Hancox: Yes.

Mr. Fortier: It doesn't mean that the Canadian English edition is in all points identical to the American edition?

Mr. Zimmerman: It does not mean that, you are correct.

The Chairman: I wonder if I might ask Mr. Zimmerman whether *Reader's Digest* is a Canadian magazine?

Mr. Zimmerman: Well, I had the same question proposed at the Royal Commission on Publications and the answer certainly hasn't changed. We have never claimed to be a Canadian magazine. We have always maintained it is a magazine of universal interest—an international magazine.

The Chairman: You would not then say it is an American magazine?

Mr. Zimmerman: No, I would not say it is an American magazine. I would say that it is truly the only international magazine of substance in the world. That chart portrays it from the standpoint of the multilanguage side as well as the circulation.

The Chairman: I would like to ask you a couple of questions about the chart if I might. First of all, there are as I understand it 20 editions of *Reader's Digest*, one of which is the Canadian edition. Is that correct?

Mr. Zimmerman: Well, I think you are . . .

The Chairman: Am I low?

Mr. Hancox: It is in fact 29.

The Chairman: Well, I apologize. Twenty-nine editions.

Mr. Hancox: That includes five Braille issues.

The Chairman: Yes. Well, of the 24 non-Braille editions—what is the Canadian batting average in terms of getting Canadian articles into international editions? Some of these articles have 23 million readers. Do these other 24 publications similarly try to get their native articles into the international publication?

Mr. Zimmerman: Well, to answer your first question, more than 50 per cent of what we publish in Canada

from what you and I might call written by Canadian or about Canada will appear in the majority of the international editions.

The Chairman: Well, what are some of the other editions? Are there South American editions?

Mr. Zimmerman: Yes.

The Chairman: Well, how do the South American publishers and editors do comparatively in getting their material in the magazine?

Mr. Zimmerman: Well, I have never studied that in absolute terms, but I would think not as well as Canada for a couple of good reasons.

The Chairman: Well, that was my next question. What are those reasons?

Mr. Zimmerman: Well, the fact that North American pool of editorial material is substantially greater from the writer graphic arts standpoint than any continent in the free world, says itself that the ability is there. The literacy level of the population and the economy is there. So these are primarily the reasons why we would have an advantage. There is another one. The fact that we live next door to the biggest power in the world and have a history of influencing it and getting along with it is probably another reason. The founder's wife is a Canadian, but how much we can put on that one, I don't know. Certainly, that is another interest.

The Chairman: Would there be another reason? I put it to you not at all, please believe me Mr. Zimmerman, to be unpleasant, but I think at this kind of a session we have to ask these kind of questions—wouldn't it be partially enlightened self-interest?

Mr. Zimmerman: Yes.

The Chairman: You said at the beginning that you have a determined Canadian policy as I recall.

Mr. Zimmerman: Yes.

The Chairman: Well, to the extent that it would be enlightened self-interest and in putting that to you I am not questioning your own Canadianism at all, and I am sure you appreciate that, but shouldn't we then at the same time as we have been critical, or some people in the magazine industry have been critical of Senator O'Leary's report for the depressing effect it had on

magazine revenues—didn't it perhaps do something towards creating a greater sense of the need for Canadian policies on the part of companies like yours?

Mr. Zimmerman: Unquestionably. I think he contributed a number of things, that being one of them, or his committee did.

Mr. Hancox: Well, I think it also has to be said that the decision on the publication of an article is an editorial one. If it doesn't measure up then it doesn't go in the book, no matter where it comes from.

The Chairman: Well, I wanted to ask you just a couple of things on the chart which you unveiled. I would be curious to know—"A Canadian's Letter to the American People." Who was the Canadian who wrote that?

Mr. Hancox: Bruce Hutchinson.

The Chairman: Presumably, you know, there are all kinds of Canadians who could write a letter to the American people and I am sure Mr. Hutchinson wrote quite a different letter than the one Walter Gordon might have written.

Senator Prowse: And a better one possibly as well!

The cnairman: Well, that is a matter of judgment, Senator Prowse. You and I may disagree on that. You have this awful responsibility as editor or as editors of determining what the Canadian point of view is? I quite agree some one has to, but in terms of your publication, this is a pretty somber responsibility, isn't it?

Mr. Hancox: Well, no. We don't have the responsibility of determining what the Canadian viewpoint is. Our responsibility is to the Canadian magazine. We suggest material to our international pool and their decision on whether they want it in that pool, of course, is theirs, not ours.

The Chairman: Well, I take that point. I am not even going to speak to you on the fact that "Hockey's Marvellous Methuselah" is American! I won't even mention that fact.

Mr. Zimmerman: May I remind you that you are overlooking many other Canadians that we have written about including Bobby Hull!

The Chairman: Well, he is on the list. I was going to ask you a question but it would be unfair...

Senator Prowse: I don't know how you got off that one!

The Chairman: Well, let me put it to you. I believe it will be a tough question for you to answer. If we were interested in the amount of Canadian material that was published in the international edition of Time, would it be fair to say that the Reader's Digest comparative figures are rather more impressive?

Mr. Zimmerman: Well, I wouldn't want to speak in absolute terms on that matter because *Time* is a different magazine. *Time* is a news magazine. In my opinion Canada needs a news magazine.

The Chairman: Apart from Time?

Mr. Zimmerman: Apart and including Time. I think competition in the news magazine field is essential and it is my belief that Canada could use a good news magazine written for and managed by Canadians.

Mr. Fortier: They said Homemaker's Digest was a good magazine as well, Mr. Zimmerman.

Mr. Zimmerman: I am not speaking, Mr. Fortier, of Homemaker's Digest. I appreciate your humour.

The Chairman: That is more than most of us do!

Mr. Zimmerman: He seems to have it both in the English and French tongue. I would not want to comment on *Time* in the sense of its magazine contribution to Canada, other than to say that I think it is a good magazine and it fills a need. I have also said that I think there is a place for a good Canadianowned and managed news magazine.

The Chairman: Mr. Ranger says there is one in French-Sept-Jours.

Mr. Zimmerman: I was thinking from the English point of view.

The Chairman: I appreciate that.

Mr. Zimmerman: The second point I would like to make is that the difference between magazines like Reader's Digest and some other international magazines is this: we are a general magazine, we carry a lot of informative information written in depth

about a particular subject, much broader coverage and type than of course you carry in news magazines. Additionally, we publish in some 14 languages and have, as Senator Davey point out, excluding the Braille editions, some 24 editions around the world with a total audience exposure of over 100 million people. There just isn't anything that compares with it and its ability to propagate Canada, or any other subject of universal appeal.

The Chairman: I think you have dealt with that adequately and perhaps I can turn to your editor of the English magazine. I read in the brief at page 5. "All Digest articles... have the common thread of universal interest", and so on. And then you say:

"It is the task of the Canadian editors to contribute to and select from this pool for their monthly editions..."

And we have discussed this, I think, and to "develop articles with a Canadian focus." Well, let us not talk about developing articles—let us talk for a moment about adapting articles. My specific question to you is: How do you adapt articles with a Canadian focus?

Mr. Hancox: Well, that simply isn't the question. It depends on the article first of all. And, for example, one adaptation which was mentioned earlier in Mr. Zimmerman's remarks—"The National Menace of Shoplifting". There was an article in the United States on this subject in the parent edition and we looked at it and it was obviously one which we couldn't use in Canada because it had no relevance to us. The figures were different, the examples were different, and the locations were different, and so we opened a research file on it.

We started inquiring from various department stores, protection agencies, and so on, about this problem of shoplifting and it became evident after we gathered a file that it was a good story to be told and one which ought to be told, and so we went to a Canadian writer and said "Here is a file on shoplifting, here is the original article—is there a parallel in Canada, and if there is not, you tell us." At that point he submits an outline and the outline either confirms or denies, and he is paid for the outline. In other words, he doesn't colour the story to get the business—he puts together a final article on shoplifting in Canada and it is published in the books. There are other examples...

The Chairman: Use your current February edition . . .

Mr. Hancox: Well, I have a list of adaptations here, as a matter of fact. There are some things in which Canada and the United States are jointly interested in. For example, if you take the business of consumer credit-if you were dealing with credit cards. A large number of people carry around in their pocket American Express credit card or Diner's Club cards, Chargex cards, Nova Scotia cards, et cetera. Now, it would be pointless for us, dealing only with the Canadian experience, to tell people how to use or how to handle their credit card without saying something about the United States because a number of the credit card companies are in the United States. So in that case we research our own credit situation here and take the American article and adapt it so it is particularly relevant to Canadian readers.

Another example would be a story on genealogy-tracing your family tree.

The Chairman: What kind of articles would need no adaptation?

Mr. Hancox: Well, every article that we publish is read to see—well, for example, a story about Versailles wouldn't need any adaptation. A story about the Prado museum in Madrid wouldn't need adaptation.

The Chairman: Well, looking at your March issue— "Is There a Substitute for God"—that wouldn't need any adaptation?

Mr. Hancox: No.

Mr. P. Ranger: Those are our best articles.

The Chairman: Of mini skirts and panty-hose . . .

Mr. Hancox: It may need adaptation in India, but not in Canada.

The Chairman: No, but is there a formula in each issue for a percentage of Canadian articles or a percentage of adapted articles?

Mr. Hancox: No. The thing is done on editorial balance. That is to say there is an on-going program of available material. You select your table for the magazine to give the maximum possible readership interest in any given edition. You don't say we are going to have three from Germany, four from Sweden, five from somewhere else. The idea is to give a completely balanced table.

The Chairman: Mr. Hancox, in the final analysis are you responsible to an editor at Pleasantville or are you responsible to your publisher?

Mr. Hancox: Well, the Canadian company pays our salary, but our responsibility is to—since we are part of an international team and since the United States in any case holds the copyright—and it is easy enough to destroy a copyright—then they reserve the right to look over what we are going to do.

The Chairman: Who makes the final decision about what will go in the magazine, you or an editor in Pleasantville?

Mr. Hancox: We do. If we don't want something in the magazine, it doesn't go.

The Chairman: Mr. Fortier?

Mr. Fortier: If they don't want something in the magazine, does it go?

Mr. Hancox: Well, you see, everybody has contributed to the pool, so in a sense that . . .

Senator Prowse: If it is in the pool, you use it?

Mr. Hancox: Yes, if it is in the pool, you use it.

Mr. Ranger: Can I express my view on this?

The Chairman: By all means.

Mr. Ranger: There is a certain amount of give and take . . .

The Chairman: Would you prefer to speak in French?

Mr. Ranger: No. Since the question was put in English, I will answer it in English.

The Chairman: Fine.

Mr. Ranger: There is a certain amount of give and take but not on the question of whether such and such an article will be in, or isn't, but for reason of balance and for reasons of interest I will present a table and it is my subject. Naturally, an article on Canada—on French Canada, and on France—let us say that I have a tendency to include that in preference to all other things being equal than other things, but the main thing is to have a balanced issue in the number of

Pages that you have, and for that reason we do submit a table, but the discussion is on how interesting it will be.

Mr. Fortier: To whom do you submit that?

Mr. Ranger: There is an international editor-Mr. Adrian Berwick . . .

Mr. Fortier: He is the international editor?

Mr. Ranger: He is the head of the international editing branch; he is the one who is mainly responsible for editorial relations with the international editions.

Mr. Fortier: And you prepare the table?

Mr. Ranger: I prepare the table.

Mr. Fortier: And then you don't submit it to Mr. Zimmerman but rather to the international editor?

Mr. Ranger: I don't submit it to Mr. Zimmerman—I submit it to Adrian Berwick's office.

Mr. Fortier: Who works in Pleasantville?

Mr. Ranger: Yes.

Mr. Hancox: Well, Mr. Zimmerman would normally get a copy?

Mr. Ranger: He gets a copy, but it is submitted to Mr. Berwick.

Mr. Fortier: And that is a table which includes the articles which you would like to publish in any given month?

Mr. Ranger: That is right.

Mr. Fortier: And then what happens? Could you follow it through?

Mr. Ranger: It is generally approved as it is and after 23 years I am beginning to know my onions, but once in a while they will say "You have too much education there, or you have a conflict of titles and it is a little similar—we suggest that you replace it." I generally send a list of alternates and usually from my alternate they will say we suggest you use this one.

Mr. Fortier: Have they ever killed the publication of article which you have submitted for reasons other

than too much weight on education, or too much weight on . . .

Mr. Ranger: No. There may be the killing in the case, for example, of an article that is outdated. They will say—we found that—for example, there was one recently in the English Canadian edition called "Am I a Wife or a Widow?" and they found out that she was a widow...

Senator Prowse: They solved that one!

Mr. Fortier: And then your table is approved in Pleasantville?

Mr. Ranger: Yes.

Mr. Fortier: And that is the end of any censorship or approval or disapproval that you may be looking for?

Mr. Ranger: Yes.

Mr. Fortier: You are then on your own?

Mr. Ranger: I am on my own, but I am sure though that I send a copy after to Pleasantville and they read it.

Mr. Fortier: In this respect is the French edition treated the same way as the English edition?

Mr. Ranger: Yes.

Mr. Fortier: Are the two Canadian editions treated the same way as all other regional editions?

Mr. Hancox: All other international editions.

Mr. Fortier: So they must all be approved in Pleasantville?

Mr. Hancox: Yes. The tables are looked over for the reasons Mr. Ranger gave.

Mr. Fortier: Yes.

The Chairman: Who is the roving editor?

Mr. Hancox: David MacDonald.

The Chairman: Oh, I have seen articles by him.

I will say to the Senators—I have only two other questions but perhaps some of the senators will have questions. Senator Sparrow?

French edition of 280,000-do you have a provincial English? breakdown on that circulation?

Mr. Ranger: I don't have it with me. The best figures are from ABC and I know them pretty well.

Mr. Hancox: Well, I think Mr. Davey would have them.

Mr. Zimmerman: Well, this would break down, I think, from an interest point of view from your standpoint to what the spread is in Canada, what it is in the U.S., what it might be in what we might call the marketing area of the Digest-the Canadian edition of the Digest also covers the West Indies-so there are really three of significance there. I can call these to you from a Canadian point of view quickly.

Newfoundland, French, 107 copies; Nova Scotia, 237; Prince Edward Island, 13; New Brunswick, 2,800; Quebec, 247,644; Ontario 7,817; Manitoba, 765; Saskatchewan, 445; Alberta, 786; British Columbia, 596; Yukon and Northwest Territories, 41. Total, all other foreign, 15,859.

Mr. Ranger: That 15,000 is mostly in the United States.

Senator Sparrow: Do you do anything to encourage the readership of the French edition in the other parts of Canada? Anything specific?

Mr. Ranger: I can't answer that.

Senator Sparrow: The reason I ask that is that you refer in your original remarks under questioning that in no way do you restrict anyone applying for a subscription, and you said there was a form in every magazine, and in the two that are in front of me there in fact isn't. Now, unless they have been removed ...

Mr. Zimmerman: Excuse me, Senator, I was referring to the newsstand copy and you most probably have a subscriber's copy. We wouldn't ask a subscriber who is already subscribing to subscribe to another copy unless they did so voluntarily.

Senator Sparrow: So they go out separately than the newsstand copies?

Mr. Zimmerman: That is right.

Senator Sparrow: In that subscription form is there a preference given to the reader anywhere in Canada

Senator Sparrow: Under the circulation of the that he could receive that edition in French or

Mr. Zimmerman: No I wouldn't think so. What we do there-it is a matter of finding the market in the tongue in which it is preferred, which in itself is a difficult thing in Canada, because if you dealt with the Province of Ouebec, for example, there are a number of French-speaking people who would probably buy Reader's Digest because they want to improve their English and conversely there are English-speaking people in the province who would buy it because they want to improve their French, and some buy it both ways so they can compare, because over any two of three issues you have a number of articles that are the same, and so from a language standpoint this might interest them. We make no restrictions whatsoever; we rather look for those communities where there is a predominance of French or English tongue present and try to promote them for subscribers in the best economic way we can.

Senator Sparrow: Do you have a mail-out for subscriptions for the Province of Saskatchewan in French?

Mr. Zimmerman: We would pick that up in the sense of testing whether they are interested. We would make sample mailings to see if it was worth while, and we have done this rather frequently and it proved to be worth while, meaning that the cost of getting the subscriptions from that community in a special language sense was worth a minimum loss and hopefully at a breakeven or better.

Senator Sparrow: Of the 445 subscriptions in Saskatchewan, how would they be obtained?

Mr. Zimmerman: Most of those would have come because we publish in the masthead in the front of the magazine the multi-language combination for Reader's Digest, and so every reader of the English edition and every reader of the French edition would know we publish in other languages. The ethnic groups of Canada in some cases have preferred something above and beyond the English and French versions. We have subscribers that we have transferred to our German edition and we have subscribers that we have transferred to our Italian edition, and so on around the world, even in Asia, and if they request it in any language which they prefer it will be serviced.

Mr. Fortier: Could I subscribe as a Canadian to your American edition?

Mr. Zimmerman: Yes. I am smiling because it is a Canadian point of view and I didn't want to distort the answer. You would really have to ask twice, but if it was the other way you would only have to ask once! We might try to have you ask three times—it is a little difficult, but you would get it.

The Chairman: Are there other questions? Senator Prowse, I believe you have a couple.

Senator Prowse: The thing I am interested in—I read through your list of things here and I saw David MacDonald turn up. He is a roving reporter, is he not?

Mr. Zimmerman: Yes.

Senator Prowse: What about June Calwood?

Mr. Hancox: Well, June Calwood—that would be, I suspect, from another magazine—yes, Maclean's.

Senator Prowse: What I am interested in is chiefly this. Are you able to provide a market for aspiring Canadian writers?

Mr. Hancox: Yes. Our adaptation program, for example, is one in which we work with—if somebody suggests that they would like to write for the Digest, which is not the easiest thing in the world to do because it is a long editorial process, we assess what work they have done in the past and then if they look promising we suggest an adaptation of the kind that I was describing to Senator Davey earlier. We take them through this process and, for example, Janice Tyrwhitt is marked down there and Janice began with us doing adaptations and now she is writing special articles, and Jeannine Locke similarly, and Robert Collins, and we are now working with a variety of writers on this program.

Mr. Zimmerman: Well, Senator, we go deeper than that. That, of course, is what puts dollars and cents in the pay envelopes of the income of the professional writer today.

Senator Prowse: Yes.

Mr. Zimmerman: We go much deeper than that as responsible corporate citizens. We have carried for years the program of bursaries to the burgeoning writer—the fellow that has a smell and an interest, or the lady that has the smell and the interest—there is no discrimination between male and female in that sense because all we are looking for is their ability. And so

at Laval we cover a bursary of substance and we have maintained it for years. Carleton has a good school of journalism and we do the same thing. At the University of Western Ontario, we do it. We do it with the University of Montreal. We go deeper still. We go to Ryerson Institute that isn't a degree-giving journalism school, but it has turned out some cracker-jacks. Above and beyond that we carried for years the Canadian Nieman fellowship. Ralph Hancox represents one of the people who was, first, successful in getting the bursary-and he competed for the right to obtain it-and, then in graduating. To send a qualified graduate journalist for a year's study at Harvard University in a professional graduate journalism program might involve a cost of \$10,000 to \$18,000 to the Canadian company. I think this indicates the interest we have in writers.

Senator Prowse: Thank you very much.

The Chairman: I have only two questions, if I may, and you may ask the last question, Mr. Fortier, but I would like to adjourn in five minutes. I think this is a question you will expect because I am sure you have answered it many, many times. From time to time I have heard people criticize the whole philosophy of literary condensation because, for example, the style is lost. Would you comment on that?

Mr. Zimmerman: Gladly, and one of our editors might want to express his point of view. This has been a discourse of what I would call the sophisticate who we have found has not studied our product. If you take the writers for our magazines, or the writers for our books and ask them that cold, hard question-and we have repeated verbal testimony of this-I have asked them as a curious businessman "Is it better, is it worse, what's missing"-all of the loaded questions. I get consistently back one answer, "I didn't realize how little I said in my original. It is a clear, more lucid product and I am proud to have my name on it." Out of professional writers, probably numbering 100-that has consistently come back to me. I think it is unfortunate that the disparaging reference is made because it is a matter of using good language mechanics very carefully and very responsibly.

Senator Prowse: In other words, the writers are happy?

Mr. Zimmerman: Very much so. One other thing I might throw in at this stage in answering that question is that we are also very happy because in the case of our condensed books, which is a good example, this

gives them income far and above in many cases what they would get from the original rights. The fact that we have such a substantial audience in Canada and in other nations for books that are condensed is a whole new income level to them and they literally fight and work to get their fiction accepted because of the tremendous income that follows it through the multilanguage profit publication of our condensed books.

Mr. Ranger: Usually a condensation of a book, either in a magazine or in our condensed books increases the sale of the original.

Mr. Zimmerman: Yes.

The Chairman: Has any attempt been made to condense some of the great English literature?

Mr. Zimmerman: Yes.

The Chairman: By Reader's Digest?

Mr. Hancox: It is interesting that some of the world's best writers—if you consider Charles Dickens—I like him very much, I enjoy him...

The Chairman: Yes.

Mr. Hancox: Charles Dickens was paid by the word and also delivered weekly instalment through the newspapers.

Mr. Zimmerman: Well, I might add something here. From talking to our editors in a broad sense—meaning the editors in Pleasantville on books, magazines, my editors, our book editors—when I say "my" I don't mean that in a captive sense—our editors. When I talk to them I find in asking them questions about the condensing mechanism that they reply this way: there are articles and books we cannot condense. They are so concisely written that we wouldn't insult ourselves, let alone the author. We do condense on those articles, or on those books that our professional talent developed in over 40 years of publishing says can be more informative and less tiring, you might say, by some condensation, but it does not apply to every article or every book.

The Chairman: My last question, Mr. Zimmerman, is how is the philosophy—your editorial philosophy evolving? You say in the brief at page 7:

"... man responds more readily, and more creatively, to optimism than he does to despair." Is the *Digest* changing its philosophy in the light of the

permissive society? In the light of the enormous problems we have today?

Mr. Zimmerman: No, it is not. I can answer it in a more illuminating way by saying that we have even had advertisements which have indicated that the Digest is a "go go" magazine—the common reference—and these advertisements...

The Chairman: I have one of them in front of me. "There is nothing square about the Digest. Controversial and contemporary subjects are part of every issue. "The pill and the teenage girl"—"But mom, everybody smokes 'pot"—"This stranger my son" does this indicate a change in direction?

Mr. Zimmerman: No it does not. What it is indicating is exactly what was aimed by—I think it was Senator Prowse—what we do with material or what material we don't accept because of the old lady in tennis shoes concept, or something of this nature. Quite frankly, it is a case where we are updating ourselves with current information and we add a pill. It is responsible citizenship as clear as I can see it reminding the reader of the responsibility he has in any article that lends itself to that kind of concept and most of them do. Whether it is the pill, or whether it is short skirts, or whatever, the intention is to inform them in today's connotation with information that will lead them and challenge them rather than discourage them.

The Chairman: Senator Prowse?

Senator Prowse: If you had an article that comes out and then there is dissent about it—let's take the type of thing where you express a point of view—what arrangements do you have to provide for dissent in your magazine—dissent from the point of view that has been carried in, say, one of these issues? Suppose a reader takes exception to an article where they think you haven't covered it thoroughly or fully, or that you haven't given the other point of view.

Mr. Zimmerman: I would presume that you might be making the comparison between Letters to the Editor in the newspaper versus maybe the Digest-is that it?

Senator Prowse: Yes. This is about the best they do and it is a thing that we are concerned with, and that is getting a variety of opinions on the same subject in the same magazine so that they get in front of the same reader. This is a problem with which I am concerned, at least, and . . .

Mr. Hancox: Well, for example, we attempt in publishing a point of view, to assure ourselves from all standpoints—we are not normally a magazine of opinion...

Senator Prowse: No.

Mr. Hancox: ... to assure ourselves that this is a balanced viewpoint. Now, the question of readers' replies is not possible because, for example, we prepare our magazine so far in advance that by the time the reply appeared everybody would have forgotten what the article was about, so we attempt first off to get a balanced viewpoint.

Also, we consider that the *Digest* is one in a whole spectrum of public information which people receive from newspapers, from radio, from television, from other magazines, from technical journals, and so on, and that if, for example, a viewpoint is not being covered in that spectrum we may well take a look at it. But if it is generally in the spectrum, we look for things that are worth printing because our motto is that it is of enduring interest because you can pick up the *Digest* a year from today and read it and it will be more interesting as a magazine than any of our contemporaries.

Mr. Ranger: If I may add also, there are certain subjects on which we try to show opposing views but we wouldn't be able to give space, for example, to Dr. Tim Leary to promote smoking LSD.

Mr. Fortier: What if your readers wanted it?

Mr. Ranger: Well, I think this is one . . .

Senator Prowse: They would have to go to Dr. Leary!

Mr. Ranger: Well, this is something where I think the publisher needs to lead. I myself would not comply with their request.

Mr. Zimmerman: On that very question I think that if there was a common thread of broad interest on a controversial point of view—let us use drugs as the example—we would certainly in the information flow about a drug or drugs cite the popular point of view and attempt to inform the reader in balance as to how he can handle it. So it isn't a case of ducking, it is a case of informing and making sure that the responsibility for the reader to make a clean decision is inherently in the information flow.

Mr. Fortier: Well, there is no subject which is taboo as far as *Reader's Digest* is concerned?

Mr. Zimmerman: Exactly.

The Chairman: Thank you. Well, I am leery about allowing any more questions because it is one o'clock. So may I, Mr. Zimmerman, thank you for the very forthright way in which you answered our questions today. You have been very frank and we are terribly grateful, and I must say that since the committee's inception that the Reader's Digest has been one of the publication in the country which has been most anxious to assist us and help us in supplying the information we requested and we are grateful. Obviously that spirit still pertains and we are grateful. I won't thank the other members of your team individually, but I would say in expressing our collective appreciation you will realize it is to your collective team. We are again mindful of your incapacity and we hope for your speedy recovery.

May I say again to the Senators that we are having a special session on the socio-economic effects of the temporary disappearance of the newspapers from Vancouver tomorrow morning at ten O'clock and in answer to a question I had from one of the press people, it is an open hearing and is open to the public.

The meeting is adjourned.

Thank you very much.

The committee adjourned.

pate of exists and consultant and pate of the property of the state of the consultation of the consultatio

No. Response the small conference and applicable for the second s

Darmonco le tragità s'inbes A sa sa

May Apply the Mark 1 ft.

Mr. Zhranganana Exactly.

The Cheirman has an electric transcent of the perfective of the same of the perfect to a second of the same of the

phrairing with the Vallands till of Lage with tribing till a the State of the Tribing till a the State of the

case photosis ingeres filter and more mathere in greater than the first in great, in filter in these in them are better better that is

entriale over digarpes not a provinciamente and a production of contrast and a substitute of contrast and contras

New Zimmenenne No, it is not, it can an acceptibility more situations as a second by a sering that we have only and and a strengther and a sering that we have only and a sering state of the sering situations and a sering situation of the sering situation of the sering situation of the sering situation which is not the sering situation of th

continues and some in transity with radi rectances over only continues of the continues of

Contrology Separator Personal

Some of the trans is the next above to the participation of the second second above to the participation of these trans is the next above to the participation of the second seco

Mr. Zinnigerrant, L'Henti present test scalbe making the commedient is tween Letters to Semine Province Yo, This is shout the buff Semine Province Yo, This is shout the buff of any it is a thing that we are concerned within the is getting a valuety of opinious on the angle Will the facility as wearing to the line of the first of which resides This is a problem with William



Second Session—Twenty-eighth Parliament 1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, Chairman

No. 34

THURSDAY, MARCH 19, 1970

WITNESS:

Mr. Walter Gray, Vice-President, Hopkins, Hedlin Limited, Economics and Communications Consultants, Toronto.



SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, Chairman
The Honourable L. P. Beaubien, Deputy Chairman

Beaubien,
Bourque,
Davey,
Everett,
Hays,

Kinnear, Prowse,
Macdonald (CapeBreton), Quart,
McElman, Smith,
Petten, Sparrow,
Phillips (Prince), Welch.

(15 members)
Quorum 5

MASS MEDIA

The Honourable KEITH DAVEY, Chairman

No. 34

THURSDAY, MARCH 19, 1970

WITNESS:

Mr. Walter Gray, Vice-President, Hopkins, Hedlin Limited, Economics and Communications Consultants, Toronto.

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (Cape Breton), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was-Resolved in the affirmative

Extract from the Minutes of the Proceedings of the Senate, Friday, December 19th, 1969.

With leave of the Senate.

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That the names of the Honourable Senators Bélisle and Phillips (Prince) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

> The question being put on the motion, it was— Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 3, 1970.

With leave of the Senate.

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 10th to 19th February, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and— good red mood dist of dis most estim The question being put on the motion, it was— Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, February 5, 1970. (superolited) to become ad estimated and tad? With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Haig:

That the names of the Honourable Senators Quart and Welch be substituted for those of the Honourable Senators Bélisle and Willis on the list of Senators serving on the Special Committee of the Senate on Mass Media.

> The question being put on the motion, it was-Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 17, 1970.

With leave of the Senate.

The Honourable Senator McDonald moved, seconded by the Honourable Senator Connolly (Halifax North):

That the name of the Honourable Senator Kinnear be added to the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That the name of the Honourable Senator Langlois be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 4th to 13th March, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, March 19, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media on 24th and 25th March, 1970, and from 14th to 23rd April, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

ROBERT FORTIER, Clerk of the Senate. That the name of the Phonourable Senator Kinnear be added to the list of Senators serving on the Special Dominities of the Senate on Mass

Extract from the Minutes of the Percendings of the Senate, Friday, December 19th, 1969, —asw it incident add no luquided notice by all and add not be add.

ord street, from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

That the names of the Honouveland adillocated di Wod Phillips not the Handuckland and Honouveland adillocated according to Honouveland white on the list of Senators serving Lift throughout collands of the

That the name of the Honoutable Senator Langleis by removed from the list of Senators serving on the Special Committee of the Senate on Mass Media.

Extract from the affirmation that motion is a firmative.

Resolved in the affirmative.

Extract from the Minutes of the Proceedings; of the Senate, Tuesday, Marchaly 1970 behaviors to beyong bluncial natenal aldersonal and

With leave of the Senate, settlemed an area of the Senate,

restimant The Honourable Seisstor. McDenald moved, beconded by the Honel stoodfills Senutor Denix, 67C:101 mort albeid said, se, alente set to

id to sanish at while to (4) be suspended in telation to the Special Committee of the Senate on Mass Media from 4th to little literal, 1970, both inclusive, and that the Committee have power to sit during sittings of the

The question being put on the medion, it was an head

Extract from the Minutes of the Proceedings of the Sensies Thursday.

Extract from the Minutes of the Proceedings of the Sensies Thursday.

With leave of the Senate.

The Honourable Senator McDoning mounds sets that by the Hone

The Honourable Senator McDonald moved, seconded by the Hon-

ad delew the frame statemed siderwords side to semen ad the sommittee at no sillivation bat the Sales of (4), he suspended in relation to the Sales of Mass. Medic, on 24th and 25th March, 1978, and from 14th to 23rd April, 1870, both inclusive, and that the Committee have

power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was a second of the motion, it was a second of the motion, it was a second of the motion.

Tuesday.

ROBERT FORTIER.

dense of Clerk of the Senate.

Tok Honosrable Senetor McDonald moved, seconded by the Honor Senator Councilly (Helipita Popth):

MINUTES OF PROCEEDINGS

THURSDAY, March 19, 1970. (34)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, (Chairman); Kinnear, Macdonald (Cape Breton), McElman, Prowse, Smith, Sparrow and Welch. (8)

Senator Nichol, not a member of the Committee, also attended the meeting.

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Miss Nicola Kendall, Research Director.

The following witness was heard:

Mr. Walter Gray, Vice-President, Hopkins, Hedlin Limited, Economics and Communications Consultants, Toronto.

At 11.40 a.m. the Committee adjourned to Tuesday, March 24, 1970, at 2.30 p.m.

ATTEST:

Denis Bouffard, Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, March 19, 1970. (34)

Pursuant to adjournment and notice the Special Senate Committee on Mess Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, (Chairman); Kinneer, Macdonald (Cape Breton), Mckiman, Prowse, Smith, Sparrow and Welch. (8)

Senator Nichol, not a member of the Committee, also attended the meeting,

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Miss Nicola Kendall, Research Director.

The following witness was heurd:

Mr. Walter Gray, Vice-President, Hopkins, Hedlin Limited, Economics and Communications Consultants, Toronto.

At 11.40 a.m. the Committee adjourned to Tuesday, March 24, 1970, at 2.80 p.m.

ATTEST:

Denis Bouffard, lark of the Committee.

SPECIAL SENATE COMMITTEE ON MASS MEDIA EVIDENCE

Ottawa, Thursday, March 19th, 1970.

The Special Senate Committee on Mass Media met this day at 10 a.m.

Senator Keith Davey (Chairman) in the Chair.

The Chairman: Honourable Senators, if I may call this session to order.

By way of introduction perhaps I could read a self-explanatory letter which is dated March the 6th, Ottawa, addressed to Whom it May Concern.

"This will introduce Mr. Walter Gray, Vice-President of Hopkins-Hedlin Limited, economics and communications consultants, who has been retained to undertake a research project in Vancouver for the Special Senate Committee on Mass Media. Mr. Gray is a journalist of wide experience who has been bureau chief in the Parliamentary Press Gallery in Ottawa for both the Toronto Star and the Toronto Globe and Mail. Mr. Gray's assignment is to report to the Committee on the economic, social and other effects on the community of the cessation of daily newspaper publication in Vancouver. This subject comes within the terms of reference of the Committee, which include a directive to study 'the influence and impact of the mass media on the Canadian public.'

I should make it clear that Mr. Gray will not be inquiring into the relations between newspapers and their employees, nor into the reasons for the interruption in publication. The Committee has no brief to examine the issues in the dispute, but only the effects on the community. The Committee will be grateful for any assistance you are able to give Mr. Gray in the course of his study. Yours truly."

And it is signed by myself.

Mr. Gray spent last week in Vancouver and prepared his report for us on the weekend and the early part of this week. I think perhaps the simplest way would be if you were

to read the study, Mr. Gray, and then perhaps following that we can ask you some questions.

Mr. Walter A. Gray, Vice-President, Hopkins, Hedlin Limited: Thank you very much Senator Davey.

On February 15, 1970, Pacific Press Limited, producers of The Sun and The Province, suspended production of the two daily newspapers.

The Sun (circulation 255,410), an evening paper, and The Province (circulation 113,123), a morning paper, in combination had a daily readership that extended well beyond the boundaries of Greater Vancouver. The two papers circulated throughout the lower British Columbia mainland, Vancouver Island and the B.C. interior. In some communities where local daily papers are published, the Sun and the Province, either individually or combined, have had larger circulations.

Not all of Greater Vancouver has been deprived of a local daily newspaper in this dispute; the New Westminster Columbian, with a circulation of approximately 30,000, before the two Vancouver papers shut down, continues to be circulated in the municipalities of New Westminster, Burnaby, Surrey and Coquitlam. With this exception, then, Canada's third largest city, population 980,000 has been without its major local daily newspapers since February 15.

On March 8, 1970, at the request of the chairman of the Special Senate Committee on Mass Media, Hopkins, Hedlin Limited, represented by Walter A. Gray, vice-president, began an intensive study of the socio-economic effects of the newspaper dispute.

This report is the result of personal interviews, telephone surveys, and observations, also, a questionnaire was used in a casual, unstructured sampling of 125 residents of Greater Vancouver. Three main conclusions are reached:

1. Despite the increased efforts of other media the majority of residents of Greater Vancouver who normally use the newspaper as their major source of news and information appear dissatisfied with both the quality and quantity of news and information they are now receiving.

- 2. The absence of the daily local newspaper as the source of advertised news and information is directly affecting most sectors of the economic and social life of the community.
- 3. The absence of the two daily newspapers is producing a direct economic benefit to most, if not all, other forms of media within the community, and beyond.

II. Effect on the people

There can be no doubt that the absence of the daily local newspaper is both an annoyance and an inconvenience to thousands of residents of Greater Vancouver, beginning at the breakfast table and continuing throughout the day to one final look at the last segment of television news at night.

The daily examination of advertisements for bargains, the crossword puzzle, the horoscope, the weather report, the careful digest of news on world and local events, sports, films, theatre, community activities and television schedules, and the intellectual joust with editorial writers and columnists—all these familiar, comfortable reading habits have been eliminated from the daily ritual. Now, there is the frustration of adjusting the daily routine to radio and television news programming schedules, or unfamiliar out-oftown or weekly papers, of trying to retain news and information that is not written out in black and white.

It is safe to say, as a result of the research undertaken in this study, that the suspension of production of the daily newspapers is a most unpopular event in the Greater Vancouver community.

(a) Employment

An important indicator of the necessity of the newspaper in daily life came from the regional office of the Department of Manpower and Immigration. While statistical data had not yet been completed at the time of research the office said there were some definite indications that the employment picture in Greater Vancouver had been affected by the shutdown:

1. A greater number of employers, who normally advertised job opportunities in the newspapers, had registered with the Manpower offices in recent weeks.

2. An increased number of qualified and competent professional workers who normally would have sought employment through newspaper advertisements, have contacted Manpower Services for assistance in securing a job.

Most affected, according to the Department, have been the fractional, or day-to-day workers and structural workers who are finding it takes much longer now to find jobs.

(b) Legal

At the time of research the Legal Department of the City of Vancouver was studying the ramifications of the newspaper shutdown as they related to legal notices. Under the Vancouver Charter the city is required to run notices of public hearings on re-zoning applications in two consecutive issues of the daily newspaper within the municipality.

However, under the provincial Interpretation Act, if there is no daily newspaper in the municipality, the city may publish notices in a paper in the nearest municipality—in Vancouver's case, the New Westminster Columbian or the Victoria Colonist. The City does intend to advertise in the tri-weekly Express and other local weeklies should such notices be required.

City Council has already amended the bylaws under the Charter to allow the municipality to advertise local improvement notices in the Express and local weeklies, in the absence of the daily newspaper.

Tender calls are being published, as usual, in the Journal of Commerce, as well as being posted on a notice board in the City Hall and circulated on a vendors' list.

Officials of the Provincial Court anticipated some problems in relation to the publication of divorce petitions, land registry and estate notices, should the shutdown be further prolonged.

(c) Vital Statistics

The absence of birth, marriage and death notices has been revealed in this research as one of the great frustrations of the shutdown. One radio station (CKWX) nad one television station (CHAN) are as a public service accepting death and funeral notices from funeral directors free of charge for broadcast.

Only the barest details are broadcast: name, place and time of funeral service and interment.

he The absence of printed death notices has had varying effects on the Vancouver florist

industry. On the one hand, the absence of the "please omit flowers" line from the notice has meant that more wreaths, sprays and bouquets are being ordered. On the other, according to one florist, those persons who normally would have ordered a more expensive wreath or spray upon learning of the death and time of funeral, are now ordering less expensive bouquets sent to the home of the deceased's relatives some days later.

Funeral directors indicated that the time between the death and the funeral service has generally grown longer while relatives contact other members of the family and friends.

(d) Entertainment

Business at the Greater Vancouver movie houses, theatres and nightclubs which depend heavily on newspaper advertisements to attract customers, has suffered from the shutdown. The Playhouse Theatre Company estimates its seats sales have been reduced by 20-25 per cent since February 15. Vancouver's only professional theatre, Playhouse Theatre has 7,500 subscribers, but it relies on casual ticket buyers to make up the difference in overhead costs. The 20-25 per cent reduction in sales of seats in the 647-seat Queen Elizabeth Theatre which the company rents from the City of Vancouver, represents between \$3,000-\$4,000.

Film chains, such as the 18-theatre Odeon and the 20-theatre Famous Players, reported a general drop in business of from 5 per cent to 20 per cent, depending mainly on the particular film. Films requiring extensive promotion which have done well in other communities have failed at the box-office.

In the absence of daily newspaper advertising and listings, the film theatres have installed automatic telephone announcements giving the title of the film, the cast and the running times at the various heatres.

III. Effect on the Economy

(a) Retail

The absence of the two daily newspapers has undoubtedly had a direct effect on the business life of Greater Vancouver. However, in almost every instance, those members of the business community reached in this study were reluctant to blame any economic downturn totally on the absence of the newspapers. It was invariably linked to general economic conditions across Canada and the uncertainty of the British Columbia economy, particularly in the forest industry and tug operations.

Eaton's, which operates five retail outlets in Greater Vancouver, adds yet another fac.or: the firm celebrated its 100th anniversary in 1969 and it fully expected some decrease in sales relative to the high level reached last year as a result of special promotion and sales. In all instances—Eaton's, Simpson-Sears, Woodward's and the Bay—declined to reveal their sales figures.

According to the latest DBS weekly report on merchandising, department store sales in British Columbia in January had increased 13.4 per cent. Total retail sales in British Columbia in 1969 were \$3.04 billion, of which one-half were in the Greater Vancouver and lower mainland areas. An Eaton's spokesman admitted some sales difficulty in luxury items and suggested sales in February and early March generally might have dropped off by 5.0 per cen—which, according to the reaction of other retailers and knowledgeable Vancouver businessmen, was a very modest figure.

A spokesman for the Bay agreed that the firm's business was definitely affected by the strike, but in comparison with last year, total sales were up. He credited the unusually early Spring which has affected normal February and March buying habits.

The Bay has undergone some staff adjustments. Casual employees which normally would have been hired for late winter and spring sales have not been brought in. The salaried staff has not been affected.

All major department stores have transferred their newspaper advertising expenditures to other media, moving into radio, television and the weekly press. Woodward's was the first to take out a full page in the Vancouver Express.

All four major firms have gone into flyer advertising in a big way: Woodward's (circulation 300,000); Eaton's (250,000); the Bay (300,000); Simpson-Sears (290,000).

Normally, the department stores print flyers periodically, in connection with special promotions and sales. These would be distributed throughout Greater Vancouver primarily by the Sun and Province. Since the shutdown the stores have contracted out to private firms for printing and weekly distribution door-to-door.

With other retail firms getting into the flyer business as well, the result has been—depending on the reliability of door-to-door distribution—a veritable plague of flyers thumping against the doorsteps of Greater Vancouver.

The flyer revolution has had a direct bearing on retail sales patterns. Under normal circumstances, the department stores would advertise in the two papers through the week, carefully spacing its promotions. But in the flyer they are forced to compress a week's advertising into one publication, delivered Tuesday or Wednesday.

The result is that on the one hand, the householder, so inundated with advertising and promotion material, from a variety of firms at one time is overwhelmed by the volume and therefore frustrated in determining careful selection. On the other hand, the department stores have found that Mondays and Tuesdays are quieter shopping days than previously. One tactic now being used to stimulate buying is to drop the opening date of a sale and to publish only the closing date.

Unlike the department stores, food outlets have not resorted to such a heavier degree on advertising campaigns in other media, on the assumption that people always have to eat and must shop anyway.

Smaller retailers who have relied almost exclusively on the two newspapers for advertising, such as furniture stores, drug stores, appliances and jewellers, have apparently suffered. One operator of a four-store jewellery chain claimed a 10 per cent loss of business. The operator of a seven-store furniture and appliances chain who spent \$200,000 a year on newspaper advertising, claimed a 40 per cent loss of business.

This operator has asked his staff to take their summer holidays now. He has stopped hiring casual help.

The Retail Merchants Association reported that to date March has been a great bargain month, as evidenced by the number of sales and reduced prices in furniture, clothing, etc. Vancouver automobile pirces are down 20 per cent off the list price on 1970 models.

Vancouver new car dealers, who rely heavily on newspaper display advertising, as well as radio and television, tend not to blame the decrease in sales entirely on the shutdown, but rather more on general buyer resistance felt across Canada due to the tight money situation.

The state of the used car business depends upon who is doing the talking. One dealer, who spends \$2,000 a month on advertising, says the shutdown had directly affected his used car business. Another dealer, who

spends 60 per cent of his advertising budget in newspapers, spent \$2,000 more in the last month in other media than he would normally, and business was holding up. Saturday, March 7, for example, was the biggest Saturday he had experienced in the last two years—and he could offer no particular reason. His used car sales in February totalled \$530,000, an increase of 10 per cent over last year and for the first week in March totalled \$165,000.

(b) Real Estate

The absence of real estate advertisements in the daily papers, and the difficulty of readers locating alternate sources of information, has apparently created considerable confusion and hardship among house buyers and sellers and apartment owners and occupants.

Real estate sales in Greater Vancouver in February totalled \$14,791,981, an increase of more than \$2,000,000 in the same month last year.

But with the disappearance of newspaper advertisements the Vancouver Real Estate Board estimates telephone inquiries to agents have decreased by 50 per cent.

The Board does point out that its Multiple Listing Service is sent out daily to 2,700 persons and information on real estate transactions is being circulated widely. Since the shutdown the Board had started issuing an information sheet listing open houses available for inspection on weekends.

A particular hardship has been placed on persons forced to make a quick sale of their house. Under normal circumstances the agent would advertise the sale four or five times a week in the daily paper.

The Greater Vancouver Apartment Owners Association acknowledges a hardship on persons seeking apartment accommodation. Coupled with the absence of advertisments is the fact that Greater Vancouver has an apartment vacancy rate of only 0.8 per cent, down from 1.0 per cent a year ago. A vacancy rate of 3-4 per cent is considered healthy.

It will be weeks, if not months after the Sun and the Province re-appear before any accurate assessment of the effects of the shutdown can be made. The contradiction of opinions received, the reluctance to separate the effects of the shutdown from the general economic climate, make it extremely difficult, in not impossible to present a true picture of the economic ramifications of the suspension of publication.

It would appear safe to suggest, however, IV. The Response of Other Media that the current experience in Greater Vancouver, is quite similar to those which have occurred in other communities in recent years, such as Detroit and New York, judging from research reports that have subsequently been prepared following similar absences of the daily newspaper in the community.

The Bureau of Advertising of the American Newspaper Publishers Association, in a summary report of the effects of the New York City newspaper strike, which lasted from December 8, 1962 to March 30, 1963, presented these facts, which may be of some relevance in any post-shutdown research of the Vancouver situation:

"According to the National Retail Merchants' Association, retail store sales in Manhattan Barely held their own at the height of the Christmas buying season and by January 14, a 'creeping palalysis' set in and continued right through to the end of the strike ...

"Estimates of other business losses range from 15-20 per cent for florists, 40 per cent for used-car sales, and from 50-60 per cent in real estate. Attendance dropped sharply at theatres, motion pictures, sports events, art galleries, and museums. Free-lance photographers lost some 50 per cent of their income; employment agencies lost from \$1 million to \$2 million a month....

"Recovery progress was slow even though the city's papers employed a wide variety of promotion and hard-sell to recoup circulation and linage lost during the shutdown. ABC circulation statements for the six-month period April 1—September 30, 1963, showed circulation losses of from 3 to 22 per cent when compared to the same period in 1962. According to Editor and Publisher, 5-4-63, the three major factors in the circulation decline were:

- (1) A sharp drop in sales of early street editions of morning papers;
- (2) The doubling of price (from 5¢ to 10¢) by the standard-sized A.M. papers; (3) Thousands of commuters "discovered their hometown papers and lost the habit of buying New York papers going to and from work."

(a) Television

With the availability of nine television channels through cable television, Greater Vancouver is probably the most highly-competitive television market in Canada.

In this competitive situation, KVOS Bellingham, with 90 per cent of its advertising directed to its Canadian audience, and enjoying one of the most successful first quarters in its history, on February 15, found itself in the position of having to refuse potential Vancouver advertisers who sought alternate advertising space when the Sun and the Province ceased publication.

During the last Vancouver newspaper dispute two years ago KVOS offered both papers a half-hour slot to present their columnists on the air, but because of increased heavy CBS network commitments (82 per cent of air time) such accommodation was not available in the present situation.

KVOS does provide a five-minute broadcast of Canadian news at 7.25 p.m. nightly, but because of network commitments beginning at 7.30 p.m. the station has been unable to extend the newscast.

CHAN-TV, operating under the CRTC regulations which permit only 12 advertising minutes per hour, at February 15, had already sold all its advertising prime time. With the disappearance of the newspapers, the station quickly sold all other time—the less desirable daytime slots.

The major retail department stores and real estate firms which previously advertised primarily in the newspapers, quickly became CHAN clients.

Before the newspaper dispute, CHAN included in its hour-long news program at the dinner hour an in-depth feature. This feature has since been cut back to increase the number of news items, including segments of national news taken from a feed received from CFTO Toronto's World Beat program. Added to the program are nightly television listings and on-camera interviews with theatre patrons who are asked to comment on current films.

In addition, the usual 15-minute regional and local news summary following the 11 p.m. CTV network news has been extended 15 minutes to provide more news information.

CHAN with a 20-man news room, and a crew in Victoria, the provincial capital, has made an effort to build up its local weekend news coverage. It has hired one Sun reporter and is planning to hire a second.

The station took a strong editorial stand on the March 11 municipal referendum for a \$29.6 million five-year development plan for the City of Vancouver.

Before the shutdown, both the Sun and the Province gave strong editorial support to the project. With their disappearance Vancouver Mayor Tom Campbell publicly expressed his concern over the absence of newspaper support and its effect on the outcome of the referendum.

CHAN provided alternative support by despatching camera crews to photograph young Italian, Chinese and Japanese-speaking boys and girls knocking on doors in the eastend urging residents in their native tongue to get out and vote. Of the 32 per cent of the 121,771 eligible voters who turned out, 62.67 per cent, or just over the required 60 per cent voted in favour. The majority of support for the five-year plan came from the east end.

CHAN has also introduced a new program, Information Centre, to broadcast public service announcements, including obituaries.

The CBC station, CBUT, has sold all its advertising slots, recording a 20-25 per cent increase in sales, due mainly to the demands of the major retail department stores.

Both CBUT television and radio have extended their news coverage, with CBUT-TV expanding from 12-14 minutes to 25 minutes daily. It is now including stock market reports in its news coverage.

(b) Radio

Vancouver radio stations, like television, are increasingly being pressed by advertisers for time slots, but as in television, the radio medium, with one or two exceptions, was already enjoying a bouyant first quarter usually a quiet period for radio.

Station CKWX, for example, quickly filled in the few remaining gaps of its 1,500-minutes-per-week allowable advertising time. It extended its five-minute newscasts to 7-10 minutes and introduced newscasts every half hour in its 6.30-8 p.m. broadcast period. As a community service it began introducing death and funeral notices, at an average of two or three per hour. The station accepts such notices only from funeral directors, not from relatives or friends.

The station also offered to carry birth notices but at the time of writing there was no public response.

In the evening, station personality Don Porter reads the popular comic strips from the two daily Seattle papers.

Unlike CKWX, Vancouver's most-listened to station, CKNW, is not accepting obituaries for broadcast. Basically a news and talk station, with a news staff of 16-18, CKNW has made no additional effort to provide news, and all advertising time was booked before the two papers ceased publication.

CHQM, a "good-music" station, which normally restricts its advertising content to only two-thirds the allowable, lifted its self-imposed restrictions after February 15, and all available advertising time is sold.

The station hired four or five newspaper reporters affected by the shutdown and extended its five and ten-minute newscasts by five minutes.

CKLG, a youth-oriented station, found itself branching into such new news coverage as ski reports, theatre and entertainment and public service announcements. Major retail and food stores have become advertisers on CKLG.

Only CJOR reported less-than capacity advertising (90 per cent), but indicated that sales were up 25-30 per cent. As with the other stations, CJOR has lengthened its newscasts, by including, among other items, more business and market news.

A notable exception to the expansion in radio news broadcasting is CKVN, which, in the third week of the shutdown, abandoned its 12-hours-in-24 news programming introduced a year ago, after losing a reported \$500,000 on the experiment. As a result 13 members of the news staff were laid off work.

(c) Out-of-town Papers

Out-of-town newspapers are attempting to fill some of the void created by the absence of daily local newspapers in the Greater Vancouver area. The New Westminster Columbian, which has traditionally found the Sun and the Province major competitors in its own circulation area, has increased its daily run from 30,000 to 45,000. It has increased in size from an average of 22 to 40 pages to handle the increased volume of advertising, mainly classified advertising. It has increased its news presentation from an average of 1,300-1,400 column inches to 2,000 column inches.

The Columbian, which previously limited itself to coverage of local news, (about 80 per cent), now publishes more national and international news. It has taken on additional personnel in the editorial department and added 40 more men in the composing room to handle the advertising volume, which has doubled.

The Columbian has, since the shutdown began, picked up a printing bonanza in the form of flyers being distributed weekly by Simpsons-Sears (press run 290,000) and Woodward's (300,000).

The Times and Daily Colonist, published by Victoria Press Limited prior to the shutdown made no attempt to compete in Vancouver (about 80 Colonists and a few Times sold on news stands). Since the shutdown 1,000 issues combined are being sold daily in the city.

However, the most significant effect the shutdown has had on the Victoria papers has been in the increased circulation up-island, in such areas as Nanaimo. The Colonist estimates its circulation has increased by 2,000-3,000 in this region which was previously served, not only by a local paper, but by the Sun and the Province.

It is worth noting at this point that during the shutdown, the British Columbia Legislature has been in session, and the absence of the Sun and the Province has removed two of the most outspoken critics of the British Columbia government from the scene.

The Seattle Times and the Seattle Post-Intelligencer, both with limited circulation in Vancouver before the shutdown have made impressive efforts to serve the city.

The Evening Times, which previously shipped 100 copies for sale (15¢) at news stands, is now shipping 3,200-4,300 daily and 7,500 Sunday copies.

Vancouver readers receive the first edition, published at 10.20 a.m. and shipped the 145 miles by special truck for distribution to news stands by 3 p.m. A reporter and photographer have been stationed in Vancouver to gather news for publication in the "Canada" edition.

The March 11, edition, for example, featured a front page feature and accompanying photograph, entitled "Vancouver's Future is Looking Up."

Inside articles discussed the newspaper disbute, and a scheduled Vancouver-Seattle

The Post-Intelligencer, which previously had sales of about 500 in Vancouver is now distributing 6,500 copies, at 15¢ each. Its "Canada Special" is a replate of the first two pages of the first edition published at 11.30

The March 11, issue featured two front page articles, "White House Sets Quota on Canada Oil", and "Underground Papers Charge Harassment"-an account of a sitting of the special Senate Committee on Mass Media.

Page 2 featured five Canadian national and Pacific region items and brief reports on Vancouver, Montreal and Toronto stocks.

Before the shutdown The Globe and Mail, which maintains a permanent one-man bureau in Vancouver, had a daily circulation of 300 (sold on news stands at 25¢ and 30¢ on Saturday). Immediately after the disappearance of the Sun and the Province its circulation climbed to 1,900, but with the appearance of the Vancouver Express, the employees' triweekly paper (see below), its circulation dropped down to 1,200. The Globe and Mail, together with its five-day per week business section, the Report on Business arrives in Vancouver by air freight at 5.30 a.m., and is distributed to news stands and to the central post office and the bus depot for distribution in other areas of the province.

The Canadian Press and United Press International bureaux are located in the Pacific Press Limited building. As members of CP the Sun and the Province are obliged to provide the co-operative agency with news for circulation to other members. Since they ceased publication the CP news bureau has been relying on its own news-gathering resources and on radio and television for news. The bureau was already monitoring CKNW, but since the shutdown, it is monitoring other radio and television stations.

The CP bureau staff consists of 14 editors working three shifts, plus three editors on Broadcast News and two editors in Victoria. Since the shutdown the Bureau has hired one more man.

Since the shutdown the Bureau is sending out less relatively unimportant news items and increasing its coverage of the B.C. Legislature. Normally, CP covers major news events, such as the stopover of the Queen en route to the South Pacific, the dismissal of Joe Crozier as general manager and coach of hockey game. Reports on the Toronto and Vancouver Canucks hockey club, and the Montreal stock markets were also carried. March 1 mid-air collision of an Air Canada

Viscount and light aircraft. Where news photographs appear desirable, CP staffers are taking their own pictures.

CP assigned a staffer to cover Opposition Leader Robert Stanfield's visit to Kamloops. Under normal circumstances it would have relied on the local paper, plus back-up coverage by the Sun and Province.

(d) Weekly Press

In normal circumstances, Greater Vancouver is also served by 17 weekly newspapers and the bi-weekly Richmond Review, as well as the underground newspaper, the Georgia Straight and the university press. Since the shutdown, all these publications are apparently benefitting by the absence of the Sun and the Province. It was not possible, during the limited time for research for this report to obtain information from each of these publications, but available information at least suggests that they are making more money as a result of increased circulation and advertising.

For example, the (North Vancouver) Citizen, with a circulation of 23,000, normally publishes 36 pages every Wednesday, selling at 15 cents per copy.

Since the disappearance of the two Vancouver dailies, the Citizen has expanded to 48 pages and has increased its circulation to 30,000. Laterally, the Citizen, in order to meet the tremendous demand for advertising space, is now publishing a 24-page issue on Friday, which it is distributing free of charge.

With the disappearance of the two papers—and the attendant unemployment of 1,100 employees of Pacific Press Limited—the Citizen entered into an arrangement with a group of idle classified advertising salesmen to produce a weekly Classified News which is distributed free-of-charge on local Vancouver news stands. It has a weekly press run of 150,000. Classified News consisted initially of 16 pages of classified ads, but, as of March 11, was being increased to 22 pages.

Classified News advertising rates are \$6.25 per column inch. (The classified rate in the Citizen is \$2.00 per column inch.)

In addition, the Citizen is publishing weekly flyers for Eaton's (16 pages, 300,000 press run) and the Bay (20 pages, 500,000 press run next edition). The department store flyers are in addition to the regular flyers printed by the Citizen for other chains, such as supermarkets.

To handle this increase business, the Citizen has added two more members to the staff of 10 on advertising, as well as two editorial staff members. The payroll of the printing shop has been doubled in the last month.

Prior to the shutdown, the Citizen published only North Vancouver news; now it is adding news of Greater Vancouver interest.

Adjoining the Citizen circulation area is the Lions Gate Times, serving West Vancouver. Prior to the shutdown the Times' circulation averaged 9,000-10,000. As of March 10, it had increased to 17,500.

Normally a publication of 18-22 pages, the Times has subsequently increased to 30 pages, primarily due to the influx of real estate and automobile advertising.

The Times has added staff to handle advertising and composing room requirements. It has found itself hard-pressed to handle the requests for public service and community notices.

The Courier, covering the Kerrisdale district of the city proper, has not increased in circulation (5,000 paid) but is apparently giving subscribers more for their money. It has increased its usual 16-page size to 24, 32 and 36 tabloid pages. The increase has been due primarily to real estate and national advertising. Advertising revenues generally have doubled.

The bi-monthly Vancouver East News, which had intended on going weekly in April, has advanced this schedule to accommodate the demand for advertising space. The News distributed free of charge to 18,000 residences and businesses in Vancouver East and North Burnaby prior to the shutdown of the Vancouver dailies, has since increased its number of broadsheet pages from 6 to 10. The volume of classified advertisements has tripled and it is now publishing full-page advertisements from retail stores.

A similar "throw-away" publication, the Highland Echo (circulation 5,600) serving the eastern Grandview area, has increased its size from 8 to 12 pages. Advertising revenues have increased 60 per cent.

The Burnaby Examiner, a 16-page tabloid prior to the shutdown, is now publishing 24-32 pages, and circulation has increased from 10,000 to 15,000.

On the other hand, the Coquitlam Herald, whose circulation area is on the outer fringes of Vancouver, has experienced little demand for advertising. Circulation has increased by only 10 per cent.

The bi-weekly Richmond Review, with a pre-shutdown circulation of 14,000 has picked up comparatively few subscriptions (1,000), but it has increased in size from 18-20 pages to 24-32 pages, due primarily to the demand for classified advertising. In addition, the Review is carrying ads from retail department stores.

The Review has not altered its editorial content, publishing only community news.

The ethnic press is also experiencing a reaction from the dispute. The Jewish Western Bulletin, for example, with a circulation of 2,000, concentrates its editorial coverage primarily on local, national and international news of particular interest to the Jewish community. Yet, due to the demand from advertisers, particularly in real estate, the Bulletin has increased the number of tabloid pages from 12 to 16.

The underground press has also been affected by the absence of the Sun and Province. The Georgia Straight which, before the shutdown, had a press run of 11,000, increased its output to 22,000 for the first edition after the Sun and the Province ceased publication. This particular issue carried a lampoon of the Sun—a mock-up of the Sun front page, which bore the banner headline "Alcohol Crazed Oldster Leaps from Bridge". The circulation has since dropped to 16,000.

(e) The Vancouver Express

On February 16, the day following the decision by Pacific Press Limited to suspend publication of the Sun and the Province, employees met to consider the feasibility of broducing an employee newspaper. It was agreed to proceed, and the first issue, a 12-bage issue, with a press run of 103,000, was bublished the following Saturday, February 21.

The Express has subsequently appeared three times weekly, on Tuesday, Thursday and Saturday, being published by Pugstem Publications Limited. Pugstem (a name derived from initials of the unions involved the dispute—Printing Pressmen's Union, American Newspaper Guild, Stereotypers' and Electrotypers' Union, International Typographical Union, and the Mailers Union) was Originally incorporated two years ago during the last Vancouver newspaper dispute, and thus the employees had a readily accessible and legal vehicle through which to initiate the project. The newspaper, printed in two sections, and averaging 20 pages per issue, is printed by Broadway Printers.

It is distributed to news stands and to street news vendors, and sold for 15c per copy, with 5c being retained by the vendor, 4c by the news stand.

The Express is produced by employees of the Sun and the Province. They collect no salary. ANG members who form the editorial staff, on a rotating basis, receive from the union strike fund a basic \$35 a week for a single person and up to a maximum of \$65 per week for a married man with dependents.

Following publication of the March 10 issue the Express gave all Pacific Press employees a \$10.00 bonus.

Prior to the shutdown, employees of Pacific Press Limited were contributing an estimated \$200,000 a week through their payroll into the Vancouver economy.

The editorial offices of the Express are located in the West Broadway union strike headquarters, formerly the Vancouver Indian Centre.

The Express is charging advertisers \$5.00 a column inch for advertisements. It has no classified ad section, but advertisements which under normal circumstances in the usual daily newspaper would appear as classified, are appearing as small box ads. It demands cash for all advertisements.

Local and national advertisers which at first appeared reluctant to advertise in the Express for fear of being accused of taking sides in the industrial dispute (the Express stoutly maintains its neutrality in the issue), are now placing advertisements, including full-page ads, in the issue.

The Express attempts to give all-round news coverage through its own staffing, contributions from anonymous writers, and by re-writing regional, national and international news from other publications. The Express has approached The Canadian Press regarding interim service, and CP has indicated that such service would under Article 3, Section 7 of The CP By-laws require the permission of all CP members within a 50-mile radius of Vancouver as well as the Executive Committee. The Express would also be required to deposit with the co-operative agency \$6,000 as an expression of good faith.

Originally, it was intended that the Express would cease publication once the dispute was settled. However, since then there has been some discussion among those associated with the publication, and its supporters, on the possibility of the Express becoming a third

Vancouver daily newspaper. At the time of writing no decisions had apparently been reached.

(f) Television Guide

One interesting reaction to the newspaper shutdown has been felt by the Television Guide. The U.S.-controlled Guide is published regionally throughout Canada, and is circulated primarily in supermarkets and drugstores.

As is the case of all regional issues, the feature material is produced in the United States and shipped to the regions where it is combined with local television listings in one publication. TV Guide must compete with daily listings and weekly supplements published by local daily newspapers, such as the Sun and Province. Since the shutdown, while TV Guide has been relieved of its competition by the Vancouver daily newspapers, it has found new competition in local weeklies, department store flyers and television stations themselves.

formation during the shutdown?

Nevertheless, TV Guide which prior to the shutdown had a circulation in Greater Vancouver, the lower mainland and Vancouver Island of 153,000, has since increased its circulation to 256,000, an increase of 60%. On sales at 15c. per copy, this means that gross sales are up from \$22,950 per week to \$38,400 per week.

V. The People React

As part of this study the researcher undertook a casual, unstructured sampling of 125 citizens of Greater Vancouver in an effort to get some "feel" of the effect of the shutdown on the individual. Some 66 male and 59 female residents responded to the questionnaire and represented working professional men and women, housewives, retired persons and students. The survey is not presented as a definitive study of a carefully-selected and well-balanced cross-section of the community; rather, it is but a sampling of public opinion.

13

The results of the questionnaire:

Question 1 Prior to the newspaper shutdown did you subscribe to one or both of the Vancouver newspapers?	One	Both 26	None	Others	
Question 2		Yes	No		
Since the shutdown began have you been receiving any other newspapers on a regular basis?		54	72		
(a) If yes, which one?	Vancouver Express31Seattle Post-Intelligencer5Seattle Times3New Westminster Columbian13The Globe and Mail7Victoria Times2Richmond Review (bi-weekly)8Citizen (North Vancouver)7Others (weeklies)9				
In some cases more than one paper was listed	, Mr. C	hairman.			
Question 3 Have you felt deprived of news and in-	Yes	N	0	n.a.	

Question 4	
Which sections of the daily newspaper have you missed?	Front page general news 76 Editorial page 45 Sports 41 Comics 23 Theatre, entertainment 23 Advertising 23 Local news 22 Columnists 20 Women's 20 TV schedule 10 Vital statistics 8 Letters to the editor 7 Bridge 2 Horoscope 1
	Crossword 1 None 11
Question 5	Yes No n.a.
Have you felt deprived of advertising information during the shutdown?	55 63 7
(a) If so, what particular advertising information do you miss?	Display
(b) If no, how best are you being served by advertising?	Flyers
Question 6 Since the shutdown began on which sources do you rely for news and information?	Radio
(a) Do you feel you are being adequately served by these alternate news and in-	Yes No n.a.
formation sources?	35 75 15
I should perhaps point out that of those the news reports broadcast by radio and	who added comment, the majority agreed T.V. were too short in detail.
Question 7 Has the absence of the daily newspaper had any impact on your daily routine?	Household 44 Business 20 Leisure 57 No impact 32
Question 8 Would you be prepared to do without a local newspaper on a continuing basis? 21486—21	Yes No Possibly n.a. 37 72 10 6

It might be useful, here to again look at the summary report of the Bureau of Advertising, A.N.P.A. on the effects of the New York City newspaper strike for a summation of public reaction to the absence of the newspapers:

"At the start of the strike, the broadcast media appeared deceptively successful as substitutes for newspapers. More than nine out of ten thought the information they were getting from radio and TV was excellent or satisfactory. But as time went on, readers discovered that despite the expanded news coverage, the quality of news was not up to the newspaper standard, the information they were getting barely skimmed the surface, and that the newspaper's personal factors could never be transferred. At the end of the blackout more than two-thirds of those surveyed had become disenchanted with the broadcast media's coverage of news.

Public Reaction to TV and Radio News

	Start	Mid- Point	End
Excellent	83%	41%	16%
Satisfactory	11%	37%	16%
Poor	6%	22%	68%

"People missed the newspapers with varying degrees of intensity and for many reasons. Those who missed the papers most in the very first week of the shutdown intensified those feelings in the third month; those who missed them least re-inforced that indifference with the passage of time.

"Among the Newspaper Loyal (people who originally said they would give up radio and TV before newspapers) 87.5 per cent said they missed the papers "extremely" or a "good deal" in the first week of the strike, and 92.7 per cent of this group said they missed the papers "extremely" or a "good deal" in the third month.

"Those who came to prize the papers more as they were forced to do without them focused their interest most strongly on personalities, excitement, explanation, service and on the newspaper as a rewarding experience in itself. Almost nine out of ten people who said they would give up newspapers second, when asked to choose between newspapers, radio, and TV, felt that the substitute sources were inadequate.

"The influence of newspaper advertising and its importance beyond actual buying and selling was also dramatically revealed.

"Immediately or after two weeks of the strike, 62 per cent of shoppers missed the clothing ads; 45 per cent missed food advertisements. In the ninth week, 39 per cent missed advertising most. This was followed by local news, sports, editorials, financial news, obituaries, and crosswords in that order.

"A substantial proportion of respondents (28 per cent) said they had actually put off buying something because there were no newspaper ads to guide them, and among those who missed the papers more than they originally anticipated, as many as 40 per cent said they had postponed purchases because of lack of newspaper advertising.

"In the Spring issue of Columbia Journalism Review, April 1, 1963, Clayton Knowles and Richard P. Hunt, reporters on the New York Times, examined the effect of the blackout on public policy and the functions of government, and concluded as follows:

"...The strike showed how and why the press is part of the lifestream of a democratic society, dependent as it is upon a free and continuous exchange between government and the governed. The strike cost the publishers and their employees dearly, and business throughout the city was hurt. The economic price could be reckoned and paid, but the cost to the public welfare and the public policy was truly incalculable."

It would clearly be imprudent to attempt to apply the findings of the New York study to the situation in Vancouver today, even in the most general way. The New York study was carefully structured and based on detailed data collected over a number of weeks. Our study of the Vancouver situation was of necessity much less thorough, and the community has been without its major daily newspapers for a relatively short time, compared to the nearly four months' absence in New York.

But even on the basis of our relatively subjective research, there is no doubt that the absence of the two major daily newspapers is having a profound impact on the social and economic life of Greater Vancouver—an

impact that is almost certain to become more onerous each day that the newspapers fail to appear.

The Chairman: Thank you very much, Mr. Gray. I think Senators I think we will perhaps turn to the questioning but before we do I think I should welcome to this session this morning, in particular, Senator Nichol who, of course, is from Vancouver. I hope that Senator Nichol will feel free to participate in the questioning. Indeed he may have other observations and comments and we may perhaps want to ask him some questions because I am sure he can throw some additional light on the situation.

Perhaps I could ask the first question, Mr. Gray. At page 14 and at page 37 you quote at length from the summary report of the Bureau of Advertising of the A.N.P.A. I am not a particularly cynical person but wouldn't you think that the Bureau of Advertising of the A.N.P.A. might possibly have a special interest in presenting that kind of a report which would reflect most favourably on the news?

Mr. Walter Gray: I would acknowledge the possibility of getting a more biased report from the Bureau of Advertising but I was, in the course of our research, looking for some comparative studies and this was the only one that was of recent vintage.

The Chairman: I recall an article, which I referred to in my original speech in the Senate proposing this committee, which I think was important; it was a wrap-up on the newspaper strike in Detroit and it contained many observations which ran counter to the ones in New York. However we are not here to talk about Detroit or New York—we want to talk about Vancouver.

Senator Smith: At this very point here, Mr. Chairman, I think it would be useful to point out that the quotation from the report made by the New York Advertising Bureau of the A.N.P.A. referred to information obtained from the National Retail Merchants' Association: Those who have copies before them will realize that this wasn't any information stretched with any prejudice but it was a report they got from another national association concerned with retail marketing and I think it perhaps is more relevant than it would otherwise be.

The Chairman: Yes, I take your point, Senator Smith. I wonder if the National

Association of Broadcasters would have written the same report? I am not quarrelling with either you or Mr. Gray because I think those are valid observations but I think we should be at least aware of the possibility of bias and I take your point and I am grateful to you for raising it.

Senator Nichol: Senator Davey, thank you for your kind words.

I would like to compliment Mr. Walter Gray because it is a very good report. I have been in Vancouver a great deal in the last month. I can't prove that it is accurate because I haven't done any research but it has very, very accurate feel to it and very accurate ring to it.

If I could refer to one thing in it on page 38, the figures you have given us to public reaction initially in Vancouver. I think that these figures which were taken in New York could be used for Vancouver. Initially people felt that they were going to get the news from radio and television and that they were going to read the out-of-town papers just when they felt like it. There was almost a feeling of relief that they weren't going to have to struggle through all this stuff but it very quickly changed.

Recently, I have heard a lot of comments from people saying we thought they are in the process of replacing the print media but the electronic media simply are not doing it. They don't put it in those terms but that is what they are saying. They didn't realize just how deep a part of their lives the daily newspapers were until they were withdrawn and it took them a while to realize it. So I wouldn't be surprised if this type of figure which is shown on page 38 were repeated in Vancouver.

I think it should be very encouraging to those people who are the print media who have been told over and over again that they are a dying race because I think what happened here proves that radio and television simply can't fill the gap.

Another thing, Mr. Gray said, I think, it certainly would be imprudent to attempt to apply the findings of New York to the situation in Vancouver even in the most general way. I would say that you are being overly prudent in making that reminder. I have been amazed myself having been there to find what a psychological and intellectual vacuum there is. I am not saying that just because Mr. Ian MacDonald is sitting over there.

The Chairman: I don't want to be the devil's advocate here. I am sure both you and Mr. Gray know a great deal more about this than I do but let me just make a point. On page 18-the referendum-32 per cent of the people turned out to vote. That is a higher percentage-well, it is approximately the same give or take a percentage point or twobut it is approximately the same percentage as the number of people who voted in the municipal elections in Toronto last December, (I think to people who read the Toronto papers will know) an election which received unprecedented pre-election day campaign build-up in all three Toronto papers. With that enormous build-up 32 per cent or 33 per cent of the people voted. Here is Vancouver without any newspapers with a municipal referendum with the same number of people voting. Now, doesn't that say something in the opposite direction?

Mr. Gray: Well, I would say from my own casual observations that I think a great deal of the success of the passage of the referendum was due to the organization that was out on the streets. For instance, on the Sunday in Stanley Park there was a band and a troupe of young workers armed with placards handing out leaflets on the referendum and to me this was an example of what a direct campaign could do and probably had some bearing on the outcome. If these people had not been organized and gone out on the streets and knocked on the doors what would have happened to the referendum? One could speculate that it may not have passed.

Senator McElman: A point that should be made there is that the 32 per cent has no relevance unless we know what the average turnout would be?

The Chairman: Well, perhaps Senator Nichol would know?

Senator Nichol: I don't know, Senator, and that is the point that I am making. I don't think we can compare the turnout in Toronto with the turnout in Vancouver. I don't know—maybe somebody else does—what the average turnout on a thing like this would be, I dont' know. It seems low to me.

The Chairman: It seems low?

Senator Nichol: Yes.

Senator Prowse: I would say that on municipal votes that this is a fairly high turnout and if it was a special vote called for a

special purpose without having a mayorality contest or anything, I think it would be a particularly high vote.

Senator Nichol: Well, I really don't know.

The Chairman: I would like to ask a supplementary political question. It may be unfair to put this one to Mr. Gray and if it is, you may answer it, Senator Nichol.

This Committee, to date at least, has not had a partisan view and I don't intend to introduce any partisan observations but I have received reports that the provincial government has during the absence of the daily papers in Vancouver put through some highly controversial legislation in this period.

Is that a fair observation?

Senator Nichol: I don't think so. I think that Government has put through quite a bit of highly controversial legislation.

The Chairman: Nothing special during this period though?

Senator Nichol: I don't think so particularly. That there are people who have opposed the Prime Minister of British Columbia over a period of time has been a fact, but although most of the dailies, year in and year out, have been against him, it hasn't made the slightest bit of difference as far as the voters are concerned.

The Chairman: I was thinking specifically of the Landlord and Tenant Act? Would that have gone through at this time anyway?

Senator Nichol: Yes, I think so. I don't think there is anything sinister to be drawn from this. Perhaps that wasn't your suggestion but I don't think there is anything sinister about this.

The Chairman: Well, I wasn't thinking of anything sinister.

Senator Nichol: The session was running and he put up what he had to put up and I think a large majority of it went through. I think it would have gone through whether the papers were publishing or not.

The Chairman: Senator McElman?

Senator McElman: I think this item on page 18 is one of the significant parts of the report. Can we arrange to get some base figure of similar votes taken in different years?

The Chairman: I am sure we can.

Senator McElman: I think we should have that.

Senator Prowse: I am sure DBS would have that.

The Chairman: I am sure we can get that information.

Senator McElman: Another question I would like to put to Mr. Gray—he refers on page 32 to the application for CP services and the reasons that it hasn't become available. You referred to Article 3, Section 7 of the CP By-laws. Are these applicable by-laws only in the case of a shutdown?

Mr. Gray: No.

Senator McElman: They are not?

Mr. Gray: No. Any person or organization can apply for interim service.

Senator McElman: I see.

Mr. Gray: This is my understanding. I do not know the exact legal definition but the explanation I received from Canadian Press was that interim service was available to any legitimate organization that wished to apply for it.

Senator Prowse: Did you get any indication as to whether the members which I take it would be the two daily newspapers in particular were prepared to grant their approval or disapproval?

Mr. Gray: No.

Senator Prowse: So we don't know whether the CP service is going to be available or not yet?

Mr. Gray: No.

The Chairman: Has the Express considered going daily?

Mr. Gray: They were talking of it when I was there but they had made no decision.

The Chairman: I guess the closest daily hewspaper to the scene is the Columbian?

Mr. Gray: Right.

The Chairman: And the Columbian, you said at page 21, has increased its press run from 30,000 to 45,000 and its pages from 22 to 40. I have two questions. One, is it circulating its paper in a different way—is it circulating its paper more broadly in the Vancouver city area. Secondly, could the Columbian sell

even more papers and more advertising and if so, why doesn't it?

Mr. Gray: The answer to the first question as I recall it from the publisher is no. They have confined their circulation to their circulation area. I am not clear on whether there is some legal requirement but you cannot buy the *Columbian* in downtown Vancouver.

The Chairman: Not even during the strike?
Mr. Gray: No.

Senator Nichol: I was going to ask Mr. Gray a question—it was my impression that the *Columbian* has been sold in the east end of Burnaby and Vancouver but I don't recall seeing a copy of the *Columbian* anywhere in the main part of Vancouver during the strike.

Mr. Gray: No.

Senator Nichol: On the news-stands where you would perhaps see the Globe and Mail and the Seattle Post-Intelligencer and these other papers.

Senator Smith: Could I ask why that situation exists?

Mr. Gray: I can't answer that specifically, Senator, but I would presume that it is either a policy decision on the part of the publisher or some requirement regarding circulation area. I can't answer that. It is probably, I would suggest, the decision of the publisher to confine his circulation.

Senator Prowse: You stay out of my backyard and I will stay out of yours?

Mr. Gray: Exactly. As I indicated, of course, The Sun and the Province are circulated in the Columbian circulation area and in some cases I assume they had a larger circulation along certain areas of New Westminster than the Columbian.

Senator Smith: The point I had in mind I might say was I was wondering whether there was any control over the news-stand sales of a paper like that because of the policy of the operators of the news-stand. We had some evidence that we don't get Maclean's on the top of a pile of magazines on our Canadian news-stands because that decision is made down in the United States.

Mr. Gray: Well, I just couldn't answer that.

Senator Prowse: The limitations—going from 30 to 45,000—my feeling would be that these papers would be printed on a press of limited size.

The Chairman: I was just going to suggest that, Senator—a physical capacity.

Senator Prowse: Yes, a physical capacity.

Mr. Gray: Well, that is the main reason or main factor in all these operations. They would love to be able to do more but they just have not got the physical capacity.

Senator Prowse: Their presses would be limited size presses?

Mr. Gray: Yess. The Express for instance, it is my understanding that it is printed at two different presses for two different printing houses simply because the one commercial printer hadn't the capacity to do the whole job.

Senator Nichol: May I ask Mr. Gray another question?

The Chairman: Certainly.

Senator Nichol: Putting aside the details in the report for the moment the question that is on my mind and maybe you can answer or comment on is this. A place like Vancouver and I suppose the same could be said of Toronto, or any large city, or growing megalopolis-I had a feeling that it is held together to a large extent by the daily press. And I have had the feeling in Vancouver in the last month because people are reading the Seattle papers and the Toronto papers and Victoria papers and weeklies that the sense of this megalopolos—the psychological sense —begins to deteriorate very quickly and people become very suburban in their thinking. The structure seems to break down.

Now, that is my impression and I wonder if you have thought about that?

Mr. Gray: Well, by this unstructured questionnaire and from my own conversation and observations I was struck by the fact that the other media, TV and radio, in their effort to provide news, seemed to be giving overwhelming amount of local news whereas the people I talked to and who answered the questionnaires indicated that they were really more interested in knowing what was going on in the outside world. There were some exceptions, of course, but there was a sense of frustration of not knowing what was going on-not only what was going on around you in your own community but what was going on outside the world despite the increased efforts of the two media to provide them with this information.

From my own experience it was so difficult to retain the information that you received.

The Chairman: Does that contribute to the point that Senator Nichol was making?

Senator Nichol: I feel that whatever structure there is is sort of disintegrating a little bit. Nobody quite knows what is going on.

The Chairman: The Georgia Straight doesn't do it for you?

Senator Nichol: It does it for me! The comment I heard all the time is "I used to like to take the paper home and read it when I felt like it but instead of that I have to remember to turn the radio on or I have to sit up till 1 o'clock to watch the news". I heard this all the time when I was there.

The Chairman: What kind of job do you think the electronic media has done?

Senator Nichol: No, this is the point. I think they have done a terrific job. I was putting on a series of small seminars on environment at a cathedral downtown at noon. We had a series of good speakers for five weeks and we just ran right out of gas because we had no newspapers to bring the people into the thing. But the radio stations were very helpful to us without any charge. They put announcements on five or six times a day trying to get the people in. I think the radio and television stations have done a tremendous job and not only in the sense of their own economic well-being either.

I think they really have moved in but that doesn't alter the fact that there is a big vacuum. There is a noticeable vacuum and I think the same would be true the other way. I think if you shut down the radio and television stations you would find that there was a pretty big vacuum as well. They are not doing the same job which is my suggestion.

The Chairman: One statistic in your survey—and I quite appreciate that it was a casual study and the inhibitions which you have expressed and so on—but I was interested in question 6 on this very point that people apparently think...

Senator Nichol: What page?

The Chairman: At page 36 just near the bottom. This would indicate that people think that radio is doing a better job than television on the news.

Mr. Gray: Well, I wouldn't stand by that statement.

The Chairman: Well, would you stand by the statement if I told you that every survey of this kind that I have ever seen says that they will go to radio before they would go to television. That is a question which has been asked hypothetically and it has been asked in all kinds of situations...

Senator Prowse: Print news.

The Chairman: Yes, print news, but people in most surveys, and I think you could find many say that they would go to radio ahead of television. Now, this tends to—and I agree that you wouldn't stand by it—but it tends to confirm that.

Senator Prowse: Well, I am a little reluctant to draw a conclusion as to what people actually feel comparatively to which medium they would rather get it from. I think the situation is this. You ask me where I get the news and I would tell you that I turn on the 8 o'clock radio in the morning and then when I am driving my car I get the news broadcasts from the car, and if I happen to be home between 6 and 7, which I seldom am, then I watch the TV news then but I usually try to catch the late TV news. The one supplies me with my running keep-up on the news and the other gives me wrap-ups to go to bed With at night and then in the day I grab a newspaper from time to time.

The Chairman: Gives you what?

Senator Prowse: Gives you a wrap-up on the news so you can go to bed knowing what is going on in the world, that's all.

The Chairman: I think Mr. Spears that you had a question?

Senator Prowse: I don't wrap-up the tube!

Mr. Borden Spears: Well, I had sort of a double-barrelled question but to some extent Senator Nichol has already dealt with it but I would like to hear what Mr. Gray has to say. As I say, this question is really in two parts about the quantity and the quality of the electronic media. You have dealt with it to some extent in your report, Mr. Gray, but overall is it your impression that the radio stations and TV stations have greatly expanded the amount of news coverage?

Mr. Gray: Undoubtedly.

Mr. Spears: Greatly extended it?

Mr. Gray: Undoubtedly.

Mr. Spears: So then the second part of my question arises from what Allan Fotheringham said in a CBC broadcast a week or so ago about the attempt to fill the gap by radio and television. He said that to him, it exposed the weakness, particularly of the radio stations covering the news because it became apparent that what they were doing was ripping and reading.

Mr. Gray: Was what?

Mr. Spears: That what the radio stations were doing, was giving the people a great deal more of the wire foreign news and international news because the radio stations were simply incapable of covering the local scene and exposed the fact that the radio stations had been leaning on the newspapers for their local coverage.

Now, you must have been listening and watching while you were there. Do you say that that is a fair assumption?

Mr. Gray: I would say that was true but I would also suggest that one way in which they have expanded, and it was admitted to me by one or two of the station operators, was that what they were doing is simply reading a second or third paragraph of a story that normally they may read only the first paragraph. This is how they have expanded. They are just providing a little more detail than normal, but again relying heavily on the wire services.

Mr. Spears: Just to re-inforce what you are saying, and I realize I am asking for a very subjective answer, but from your own viewing and listening would you say that the comprehensiveness of local news coverage on radio and television is considerably less or noticeably less than that provided by the newspapers?

Mr. Gray: I would say considerably less. I am sorry I am going to retract that, Mr. Spears, because not seeing the situation before I was out there it is hard for me to compare. I would say that from my experience as a journalist that you get a much broader picture of community news through the newspaper and that you get that greater detail and extra bit of information that is not normally provided by the radio and television stations.

The Chairman: Well, you have made the point of not being out there but Senator

Nichol being there all the time I think he could comment on that.

Senator Nichol: I think what you are really talking about here is a mathematical problem, and it is the amount of material that is in a newspaper. No matter how fast you speak, you simply can't put it all in on radio or T.V. So we are not really criticizing the techniques that are used in the print or electronic media because the fact is you simply cannot take a newspaper and read all night. You can cover it. People are selective and they like to have their newspaper at home so they can read what they want to read, read it again the next day and so it goes. They are just different things, and I think it is difficult really to answer it.

The Chairman: Does that answer your question, Mr. Spears?

Mr. Spears: Except that you have one station doing 12 hours a day reporting on news and so on...

Senator Nichol: Twelve hours a day?

Mr. Spears: You could cover a lot of news in 12 hours a day.

The Chairman: According to Mr. Gray's report...

Mr. Gray: CKVN-news and talk.

Senator Nichol: Oh, talk?

The Chairman: Yes.

Senator Nichol: Well, that is different. Who is that, Pat Burns?

Mr. Gray: No, no. That was CKVN. Pat Burns is CJOR. May I just interject, Mr. Spears, I did note on page 17 that CHAN had this regular in-depth feature as a nightly feature and they have cut back on its size to introduce more items of community news in their daily reports. This is an example of how the news coverage is being expanded.

The Chairman: Senator McElman?

Senator McElman: I would just like to go back to page 32 again, Mr. Chairman. We have had conflicting testimony before this Committee on several instances where applicants for CP wire service had run into obstacles that prevented them from getting it. We have had counter-testimony from CP that nobody has ever been turned down...

The Chairman: Excuse me, Senator McElman, but a couple of the people at the back have asked me to ask you to speak a little more loudly.

Senator McElman: We have had contra-evidence from CP that nobody has ever been turned down. Could we arrange to keep abreast of this situation both with CP and with the *Express* so that we know at the end of it—just exactly what took place?

The Chairman: A good suggestion.

Senator McElman: And going back to this discussion that we have just been having, I think Mr. Gray's paper, and a piece in this morning's Globe and Mail by Douglas Sagi, who is a reporter from Vancouver apparently, points out that the advertisers-mind you it would be selective advertisers, not the food chains and so on-but they went very quickly to radio and television and hit capacity-that is the time allowable by CRTC regulationsthat they hit capacity and saturated it. Then they spilled over into weeklies and printed flyers and all that sort of thing. Both Lovick and O'Brien, the two principal advertising agencies on the coast claim to have higher billings during February-since the slow down-and this perhaps would reflect the higher rate in radio and television. They also point out that when you are using a dozen weeklies to reach the same audience that you do with dailies, the rate gets up beyond what you have been paying.

I do think, and Mr. Gray you can correct me if I am wrong, that it does indicate that the flow of advertising went very quickly to radio and television?

Mr. Gray: That is so.

Senator McElman: To an immediate saturation, is that correct?

Mr. Gray: Yes, that apparently took place.

The Chairman: You mentioned Lovick and O'Brien and maybe we should remind ourselves that they would be placing national advertising primarily. Most of the local advertising is placed directly which doesn't do anything to your point, but it is just something that we should have on the record.

Mr. Gray: Yes, I did not go into that. I didn't go into any details on the question of advertising but did talk to one or two firms there and this has certainly affected their national advertising campaigns. They

had to re-direct advertising, as you indicated, the houses and I think it would last about 30 into other areas.

The weeklies, for instance, are getting a much greater percentage of national advertising than they would have previously and I believe one firm indicated that they had to hold back, or they are holding back, on national advertising programmes until the dispute is settled.

The Chairman: The point I am making is that the overwhelming majority of national advertising appearing in the media in Vancouver is placed out of Toronto. Conversely the majority of advertising which is being placed by these Vancouver advertising agencies is being placed in other parts of Canada because it is national advertising, and by and large what we have been talking about in the paper is the flow of local advertising.

Senator Prowse: I am interested—on page 26 you refer to the fact that the North Vancouver Citizen is now publishing what I take is a newly developed thing, Classified News With a circulation of 150,000.

Now, there is that, then you also refer to the fact-it doesn't matter where-but you refer to the fact that the big department stores are going to flyers. I am wondering if a thing like Classified News-a thing that just carries the classified ads, that if this goes on for any length of time I am wondering if there is a possibility this would become a permanent institution that might very severely cut into the classified section of the papers?

Is this thing being successful?

Mr. Gray: Well, it certainly is available.

The Chairman: It sounds it.

Mr. Gray: It certainly is available around the city and it is providing employment for the classified advertising salesmen who were thrown out of work, but as to the continuing success of it I wouldn't like to speculate.

I don't know—it would require a major decision on the part of the Citizen as to Whether they want to. They are really uptight now in terms of a physical plant. Do they want to go ahead and maintain this increased staff they have and all the attendant overheads as well—I would think that they wouldn't.

Senator Nichol: I would think that it would be very uneconomical. You have additional distribution costs and the regular papers would be doing it anyway and putting the papers in

minutes after the strike was settled.

Senator Prowse: Well, that is something I was wondering about. The other thing is about flyers. We had a strike in Edmonton, back in 1947 or '48, and during that time the department stores started to get flyers out because the papers were putting out a very limited paper during the period and it took quite a long time. I am not sure that they ever did completely get back the flyer business. They may have it now but it was a matter of years. Once it got off on its own they set up their own organization to handle it. Did you hear any discussion about that possibility?

Mr. Gray: No, I just heard the other side. The poor housewife was being seiged with these things.

Senator Prowse: They get annoyed because they are getting so many?

Mr. Gray: They get annoyed and it is not a very reliable form of distribution either because they have hired a great deal of casual labour or workers to distribute this. Some housewives I talked to weren't getting any in their districts. One assumes that they are publishing these things in the hundreds of thousands but how many of them are thrown into the ditch or into the wastepaper basket without ever being distributed.

Senator Prowse: Or just dumped in a corridor.

Mr. Gray: Yes. There is really no control of them. I don't think the department stores would like to rely on this form.

The Chairman: I wonder if you know perhaps. Senator Nichol knows, if I am not mistaken there is a regional edition—a regional Lower Mainland, perhaps even a Vancouver edition of *Time Magazine*. Has *Time* done anything in the area of increasing its coverage of Canadian news in the Vancouver

Mr. Gray: Well, they are just now starting to publish that regional edition of Time.

The Chairman: You mean "printed"?

Mr. Gray: Yes, it is being printed in Vancouver but I see no evidence of any extra Canadian news.

The Chairman: But as I understand it the local advertiser in Vancouver could buy the Vancouver market only. I am wondering if they have done anything in the news area?

Senator Nichol: I have no idea but my guess, and it would be just a guess, is that the answer would be "no" because it is a national news magazine and I don't think they are intending...

The Chairman: Well, the point of my question is not to whether or not they give more news on what is happening in Vancouver but do they give more news on what is happening in Canada?

Senator Nichol: I have no idea.

Mr. Gray: You just have to count the pages and they just have the usual four pages in this week's issue.

The Chairman: Are there other questions the Senators may have?

Senator McElman: I was wondering in particular with respect to radio advertising where the saturation was quickly reached within the confines of CRTC regulations. We have heard so much about the radio time other than advertising being filled so much with music and so on. Do you know if there have been any applications to the CRTC to relax its ratio of advertising to total time in this special situation to provide advertiser service. Do you know if there has been such an application?

Mr. Gray: To the best of my knowledge no, there was no reference made to any kind of application by the owners of the stations that I have talked to.

The Chairman: There will probably be one this afternoon when they hear of your suggestion.

Mr. Gray: Well, I was interested to note for instance that KVOS is restricted to only 10 minutes of advertising as opposed to 12 in Canada.

The Chairman: Are there other questions the Senators have? If not, I don't want to prolong the session. If there are no other questions then perhaps I may say on behalf of the Committee I could first of all thank Senator Nichol for coming and giving us the benefits of his comments and advice.

Mr. Gray, we are grateful to you and if I may say, at page 10 your phrase "a veritable plague of flyers thumping against the doorsteps of Greater Vancouver" is what I would describe as vintage Walter Gray.

Mr. Gray: Well, I am glad to know I haven't lost my touch.

The Chairman: It may be that the Committee will want to take a subsequent look at this situation and perhaps if the dispute is prolonged perhaps again later on or as you have suggested to me privately in writing, it might be useful to conduct some sort of a study immediately following the end of the dispute.

If I may, Senators, just very briefly and then we will adjourn, put before you the schedule for next week.

There will be an in-camera session at 10 a.m. on Tuesday at 140 Wellington Street. The first public session is at 2.30 on Tuesday afternoon with Selkirk Holdings Limited and at 4 o'clock on Tuesday afternoon, Moffat Broadcasting Limited. At 8 o'clock on Tuesday night, Mr. Ben Bagdikian who is presently a special writer with the Washington Post. He is generally regarded as the best known writer and critic of the press in the United States. He is a very frequent contributor on press subjects, as you may know, to Harper's, the Columbia Journalism Review. He has been active in establishing community press councils in a number of American cities. He has held several university teaching posts and has held editorial positions for example at the Saturday Evening Post. Mr. Bagdikian is the witness on Tuesday night at 8 o'clock.

And then on Wednesday, March the 25th, the final session of the Committee before the Easter break at 10 a.m. we have CFPL Broadcasting from London. At 11.15 CHSJ Broadcasting from Saint John, New Brunswick. And then the final session at 2.30 in the afternoon, March the 25th, the witness will be Mr. Pierre Berton.

This session is adjourned. Thank you.

The Committee adjourned to Tuesday, March 24, 1970, at 2.30 p.m.



Serond Session-Twenty-eighth Perliament

THE SENATE OF CANADA

PROCEEDINGS OF THE

SPECIAL SENATE COMMITTEE

OH

MASS MEDIA

The Honourable KEITH DAVEY, Character

Ma as

TUESDAY, MARCH 24, 1970

WITHERSES

Which Holdings Limited: Mr. J. Stuart MacKey, President: Mr. Frank Hash, Vice-President, Finance: Mr. Norm Botterill, Vice-President: Station Operations: Mr. W. A. Spores, Vice-President: Mr. Ross A. McCreath, Vice-President and General Manager, All-Carada Radin and Television Limited: Mr. William M. Hatton, Have Director, CKWX Radio Limited, Vancouver.

John Brundensting Limited: Mr. Randall L. Mossat, President; Mr. James M. Pryce, Chairman of the Board: Mr. J. R. Mitchell, Executive Mos-President; Mr. Dan Hundiron, Vice-President; Mr. Paul Ackehuret, Reporter, Consident Consemporary News Survice.

Ben Bagdikiun, National Editor. The Washington Page.

Vancturer market only. I am wordering it they have done englished in the news wree?

Sonator fitchel; I have no like for my guess, and it would be fort a guest, in that the unever would be more because it to a national news engastre and I doesn tolkin that are litterature.

The Chairmans Well this point of the question is not to whether or not they give much news on what is happening in Vancouser but on they give more news on what is happening in Casada?

Socretor Wichell I have no idea

No. Gray: You just have to count the pages and they pages to this work's book.

The Challengs And there other openious

Generally Fieldmann I west weardering in particular with empect to rains edvertising where the saturation was ignicity reasond without the confines of Chiffs engalstions. We have nearly at exact about the rails time ether to an edvertising power to be critically and as much be you know if knew which maked and so much be you know if knew there exists its rates of palestions to the Chiffs to below the rates of above the provide advertisor exercise. Do you know if there has been such as applications?

Mr. Gray: To the best of my knowledge no. there was no reference made to any kind of application by the owners of the similars that have talked so.

The Continuan There will probably to our NA alternation when they hear of your continuation.

West Court Well, I was interested to note for the second field EVEN is restricted to only to the West West Second to 12 in

The state of the s

Mir. Gray, we not granuful to you and if I now any, at page 10 your phress 'w welliable plugue of fivers the mounty against the doors steps of Greater Manapurer" is what I would describe as whatego Walter Gray.

ble. Grays Well, I am gled to know I

The Chaleman it may be that the Committee will went to take a subsequent look at this study as an perhaps if the dispute to produce on or as you like expected in me privately in writing the sales in a subsequent of a subsequent in the sales of the sales the sale

H I may benefited, but very bright and then we will believe, but before you the

There will be an breamorn resign at 12 and the Tuesday of Land the Tuesday of 140 Wellington Street. The first guidle session is at 2.30 on Tuesday of Landon with Belland Helidings Limited and 2 a criticip on Tuesday effection, House Standonship, Estated, At 3 o'clock on Tuesday night, fur then Begalkian who is presently a special writte with the Weshington Parties by a special writte with the Weshington Parties with the generally regarded as the best known writer and critic of the peaks in the United States. He is a view traquent contributor of press subjects as you may know, to Harper's the Commiss Justicialism Review. He has been notice in criticalism Review. He has been notice in criticalism a number of American criticalism best settlement university tracking possessed has held editorial positions for example at the Saturality Research for the Daplician is the witness on Tuesday night at 5 o'clock

And Goet on Wednesday, March the 20th the final session of the Committee Before Easter break at 10 a.m. we have CEPL Are ceating from Saint John, New Bronswick, A then the final certain at 2.20 in the affect March, the 25th, the witness will be final certain.

. This section is religarised. Thank the

The Committee adjectment to Pacific March 24, 1970, at 2.90 p.m.



Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, Chairman

No. 35

TUESDAY, MARCH 24, 1970

WITNESSES:

Selkirk Holdings Limited: Mr. J. Stuart MacKay, President; Mr. Frank Nash, Vice-President, Finance; Mr. Norm Botterill, Vice-President, Station Operations; Mr. W. A. Speers, Vice-President; Mr. Ross A. McCreath, Vice-President and General Manager, All-Canada Radio and Television Limited; Mr. William M. Hutton, News Director, CKWX Radio Limited, Vancouver.

Moffat Broadcasting Limited: Mr. Randall L. Moffat, President; Mr. James M. Pryor, Chairman of the Board; Mr. J. R. Mitchell, Executive Vice-President; Mr. Don Hamilton, Vice-President; Mr. Paul Ackehurst, Reporter, Canadian Contemporary News Service.

Mr. Ben Bagdikian, National Editor, The Washington Post.
21488—1



THE SENATE OF CANADA

MEMBERS OF THE

SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, Chairman

The Honourable L. P. Beaubien, Deputy Chairman

Beaubien
Bourque
Davey
Everett
Hays
Kinnear
Macdonald (Cape Breton)

McElman
Petten
Phillips (Prince)
Prowse
Quart
Smith
Sparrow

(15 Members)

Welch

Quorum 5

TUESDAY, MARCH 24, 1970

WITINESSES:

Selkirk Holdings Limited: Mr. J. Stuart MacKay, President; Mr. Frank Mash, Vice-President, Finance; Mr. Norm Botterill, Vice-President, Station Operations; Mr. W. A. Spears, Vice-President; Mr. Rors As McCreath, Vice-President and General Manager, All-Canalla Radio and Television Limited; Mr. William M. Hutton, News Director, CKWX Radio Limited, Vancouver.

James M. Pryor, Chairman of the Board; Mr. J. R. Mitchell, Executive Vice-President; Mr. Don Hamilton, Vice-President; Mr. Don Hamilton, Vice-President; Mr. Paul Ackeburst, Reporter, Canadian Centemporary News Service.

Wr. Ben Bagdikian, National Editor, The Washington Post.

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, December 18th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76(4) be suspended in relation of the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the Committee have power to sit during sittings of the Senate for that period.

The question being put on the motion, it was—
Resolved in the affirmative, on division.

Extract from the Minutes of the Procedeings of the Senate, Friday, December 19th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That the names of the Honourable Senators Bélisle and Phillips (*Prince*) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 3, 1970.

With leave of the Senate, and no magazined acidemy out

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 10th to 19th February, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, February 5, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Haig:

That the names of the Honourable Senators Quart and Welch be substituted for those of the Honourable Senators Bélisle and Willis on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 17, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Connolly (Halifax North):

That the names of the Honourable Senator Kinnear be added to the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That the name of the Honourable Senator Langlois be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With the leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That Rule 76 (4) be suspended in relation to the Special Comimttee of the Senate on Mass Media from 4th to 13th March, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, March 19, 1970.

With leave of the Senate, which was a senated and the senate which is a senated as the senated a

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media on 24th and 25th March, 1970, and from 14th to 23rd April, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

ROBERT FORTIER, Clerk of the Senate.

MINUTES OF PROCEEDINGS

TUESDAY, March 24, 1970. (35)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 2.30 p.m.

Present: The Honourable Senators: Davey, (Chairman); Beaubien, Kinnear, McElman, Petten, Quart and Sparrow. (7)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

Mr. J. Stuart MacKay, President, Selkirk Holdings Limited;

Mr. Frank Nash, Vice-President, Finance, Selkirk Holdings Limited;

Mr. Norm Botterill, Vice-President, Station Operations, Selkirk Holdings Limited:

Mr. Ross A. McCreath, Vice-President and General Manager, All-Canada Radio and Television Limited;

Mr. W. A. Speers, Vice-President, Selkirk Holdings Limited;

Mr. William M. Hutton, News Director, CKWX Radio Limited, Vancouver;

Mr. Randall L. Moffat, President, Moffat Broadcasting Limited;

Mr. James M. Pryor, Chairman of the Board, Moffat Broadcasting Limited;

Mr. J. R. Mitchell, Executive Vice-President, Moffat Broadcasting Limited:

Mr. Don Hamilton, Vice-President, Moffat Broadcasting Limited; Manager, CKLG and CKLG-FM, Vancouver;

Mr. Paul Ackehurst, Reporter, Canadian Contemporary News Service.

The following witnesses were present but not heard:

David F. Penn, Vice-President and General Manager, CHCT-TV, Calgary Television Limited:

Mr. Vic Reed, General Manager, Community Antenna Television, Selkirk Holdings Limited.

At 5.55 p.m. the Committee adjourned to 8.00 p.m.

At 8.10 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, (Chairman); Beaubien, McElman, Petten and Sparrow. (5)

In attendance: Miss Marianne Barrie, Director and Administrator: Mr. Borden Spears, Executive Consultant; Miss Nicola Kendall, Research Director; Mr. Yves Fortier, Counsel.

The following witness was heard:

Mr. Ben Bagdikian, National Editor, The Washington Post.

At 9.50 p.m. the Committee adjourned to Wednesday, March 25, 1970, at 10.00 a.m.

ATTEST:

Denis Bouffard,

Clerk of the Committee.

Present: The Honourable Sanstors: Tovey, (Chairman), Bengbien, Kinlear, McElman, Petten, Quart and Spanrow. (1)

In attendance: Misr Marianne Barrie, Director and Administrator; Mr. Borden Spears, Breenstee Consultant; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

Mr. J. Stuart MacKey, President, Schick Holdings Limited;

Mr. Frank Nasin, Vice-President, Pipance, Selkirk Holdings Lic

Mr. Norm Botterill, Vice-President, Station Operations, Seikirk Holding Limited:

Mr. Ross, A. McCreath, Vice-President and General Munager, All-Canada Radio and Television Limited;

Mr. W. A. Speers, Vice-President, Selkirk-Holdings Limited;

Mr. William M. Hutton, News Director, CKWK Radio Limited, Vancouver;

Mr. Randall L. Moffat. Premdent, Moffat Broadcasting Limited;

Mr. James M. Pryor, Chairman of the Board, Meffat Broadcasting Limited;

Mr. J. R. Mitchell, Executive Vice-President, Moffat Broadcasting Limited;

Mr. Don Hamilton, Vice-President, Moffat Broadcasting Limited; Manager. CKLG and CKLG-FM, Vancouver;

Mr. Paul Ackeliurst, Reporter, Canadian Contemporary News Service.

The following witnesses were present but not heard:

David F. Penn, Vice-President and General Manager, CHCT-TV, Calgary Television Limited;

Mr. Vic Reed, General Manager, Community Antenna Television, Selkitic Holdings Limited.

At 5.55 p.m. the Committee adjourned to 8.00 p.m.

becomes actimumo's art or a 01 2 1A

Present: The Honourable Sensions: Davey, (Chairman); Besubien, McEl-

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Miss Nicola Kendall, Research Director; Mr. Yves Fortier, Counsel.

The following witness was heard: .

SPECIAL SENATE COMMITTEE ON MASS MEDIA

EVIDENCE

Ottawa, Tuesday, March 24, 1970.

The Special Senate Committee on Mass Media met this day at 2.30 p.m.

Senator Keith Davey (Chairman) in the Chair.

The Chairman: Honourable senators, if I may call the session to order. Before we turn to the brief from Selkirk Holdings Limited, I have a short statement to read.

"The Senate Committee on Mass Media has no intention of entering into a controversy with the Canadian Association of Broadcasters. Honourable senators will recall the Canadian Association of Broadcasting presentation of Friday, March 13. The committee was, and remains, interested in any expression of views from this important organization.

It might therefore be well to have on our record the following press release which is self-explanatory and which was issued by the Canadian Association of Broadcasters last Friday. The Canadian Association of Broadcasters, March 20, 1970. Commissioner Nicholas Johnson appeared on Tuesday, March 17, before our Senate Committee on Mass Media. Although an invitation to do so was issued by that committee, we will take up with it the desirability of inviting non-Canadian witnesses. At the risk of creating international ill-feeling, we nonetheless find it incredible that Commissioner Johnson did not confine his remarks to matters lying wholly Within his jurisdiction, but became involved in Canadian conditions of a controversial nature thereby necessarily taking a stand on One side of issues current in this country.

We take no exception to Commissioner Johnson expressing on a Canadian platform his opinions about American broadcasting, however denigrating these might be. However, we think it is rude and offensive when he uses that platform to take a partisan stance on Canadian broadcasting concerning which he cannot have and does not have any wide knowledge. This caused unnecessary and unavoidable damage to Canadian-U.S. rela-

tions and it is offensive to a substantial body of opinions in this country. We wish to formally register a protest at the course of action taken and suggest when high officers of the U.S. government are invited to appear before public bodies in this country they refrain from becoming involved in purely Canadian issues. The Canadian Association of Broadcasters also finds it disturbing that a Canadian body of public inquiry finds it necessary to provide a forum for witnesses from the United States when dealing with totally Canadian matters. Moreover, the views of Commissioner Johnson were predictable because of his long record of hostility to the media generally and broadcasting particularly in the U.S.

We hope that the committee will give consideration to the matter of fairness and balance and therefore accept evidence from an American who is neutral."

That is the end of the press release and I simply would like to add these observations.

In fairness, it might be useful to point out that Commissioner Johnson in his testimony before our committee, clearly indicated that as an American, he was really in no position to pass judgment on broadcasting in Canada.

His views were of sufficient interest to the CAB's member network, the Canadian Television Network—CTV—that they devoted nearly ten minutes of Sunday night's prime time "W5" program to an interview which was filmed with Commissioner Johnson when he was in Ottawa.

While we respect the CAB's concern about Canadian problems, it should also be noted for the record that two of the three major speakers at the 1969 annual meeting were from the United States, the other was from Britain. The key note speaker at the 1970 CAB annual meeting (which was recently postponed) was to have been Julian Goodman, the President of NBC, New York.

Perhaps I might also refer to the CBC television program, "Weekend", which this past Sunday evening carried an interview between Doug Collins, and Vancouver free-

said that in spite of repeated efforts, he had as we say. On my immediate right is Mr. day morning-more than 72 hours prior to Sunday night interview time the appeared—but obviously after it was filmed.

The Committee's interest in the continuing loss of newspaper service in Vancouver is a matter of record.

Having said those things, Mr. President, we turn to the brief we are receiving this afternoon from Selkirk Holdings Limited. Seated with me and indeed beside me on my immediate right is Mr. J Stuart MacKay who is the President of Selkirk Holdings Limited. Mr. MacKay has brought with him a number of members of the Selkirk Holdings Limited organization and rather than attempt to introduce all of these people, I am going to ask you to do that.

Perhaps before I do, Mr. MacKay, I should say that the brief we requested was forwarded to the committee in compliance with our guidelines more than three weeks in advance. It has been circulated to the senators and presumably it has been read and studied by them.

We now turn to you for about 15 minutes of oral comment. You can expand upon the brief, explain it, amplify it, take away from it, or add other points. Following that the Senators would like to question you on the contents of your brief on the oral statement, and indeed on other matters which may not be touched upon in either your oral statement or your brief. When we come to that point in the hearings—and you have been here before so you will know this-if there are any questions you wish to refer to any of your colleagues, please do.

Welcome, and it might be a useful beginning if you would introduce your team.

Mr. J. Siuari MacKay, President, Selkirk Holdings Limited: Thank you very much, Mr. Chairman. This is an informal meeting, as some told me, and I would just like to say "hear, hear" to your comments about Mr. Johnson. I am not an advocate for Ed Sullivan, but anyone, who has any knowledge of the Ed Sullivan program, knows that perhaps he has done more than any other single American entrepreneur in exposing Canadian talent, not only to Canadians through the program which we carry, but also to citizens in the United States.

lance broadcaster, Jack Webster. Mr. Webster Perhaps I should first introduce my team, been unable to talk to me. For the record, I Norman Botterill, Vice-President of Selkirk was interviewed by Mr. Webster on CKNW Holdings Limited. On the chairman's left Vancouver for about ten minutes last Thursis Mr. Frank Nash, Vice-President, Finance, of Selkirk Holdings Limited. Mr. Bill Hutton, who is the News Director for radio station CKWX in Vancouver. On Mr. Botterill's right is Mr. Ross McCreath who is Vice-President of Selkirk Holdings Limited and the General Manager of All-Canada Radio and Television Limited, one of our companies-Mr. Victor Reed who is the director of our cablevision activities, Mr. David Penn, who is President of Channel 2, CHCT-TV, Calgary. Mr. Bill Spears a Vice-President of Selkirk Holdings Limited.

> They are here because in many respects Selkirk provides the blood and they provide the brains. If we get into some real questioning I am quite sure they will be able to come up with some real answers.

> Let me say at the outset that as owners and operators of a variety of radio and television stations and cable vision companies, we have a very real interest in being here today-to try to be of any help we can in assessing the roles of private and public broadcasting, and where it fits into the total communications structure of our country.

> I believe Selkirk Holdings Limited reflects as well as any company the story of the growth of broadcasting in Canada-starting from small beginnings that can be traced back to about 50 years when broadcasting first commenced in Canada, and indeed in the world.

> Our submission to you, I hope, captures some of the basic philosophy, and something of our role as entrepreneurs in the continuing expansion of our industry, keeping pace with general technological developments and growth of our nation.

> We think of ourselves as being something in the order of pioneers—and this is particular larly true today—for no sooner do we develop some skills in radio, and then in television, when cablevision arrives on the scene with its particular set of challenges, to be followed very shortly thereafter by educational television and then by satellite transmission—each concerned with questions of ownership financial capability, Canadian content, and the resources of manpower and all dealing in the final analysis, with the structure and the means of best serving the interests of not

only the public and private sector of broadcasting, but our country.

In examining the role of a broadcaster today: he has to live in the very real world of the present, but at the same time, in light of the "nature of the rapid technological growth" that is so much a part of electronic communications. An increasingly important part of his life is spent living in the future.

I realize that the Committee will undoubtedly have questions to put to me and my associates regarding Canadian content and ownership—and that is certainly the present. However, with the permission of the committee, I wonder if I might touch a little on the future—for it occurs to me that some of the points of interest might answer some of the questions that you have in mind.

By 1980, broadcasting in Canada will, to many of us, represent something more of a scene written by George Orwell, than perhaps broadcasting as we know it today. Prediction is still an imprecise science, however, the present state of our technology signals dramatic developments in the way we will live, in the way we work, and the way we spend our leisure time ten years from now.

Here are some possibilities:

- 1. Communication teamed with the computer could become the number one employer of the people in our country.
- 2. By 1980 we may have as many as six or seven, publicly subsidized radio and television systems serving Canada.
- 3. By 1980 every television household will have at least one colour set.
- 4. Viewers will have the opportunity to tape programs directly off the air.
- 5. We forecast that within the next ten years more capital could be expended in electronic communication than has been spent since the broadcasting industry came into being some 50 years ago.
- 6. As a result of satellite transmission, news presentations will be available of a completely global nature.

Before the opportunities of the seventies can be attained however, changes will undoubtedly have to be made in the Broadcasting Act, changes that may affect the rules under which the CRTC operates, and the roles of both the private and public sector.

In such a period we must avoid becoming enmeshed in the tyranny of the small decision the detriment of neglecting the broader

issues affecting Canada. Here, I refer not only to such matters as multi-ownership, the economics of modern communications and Canadian content, but to questions of pollution, education, politics, the family, our environment and Canada's relationship with the United States—these are some of the issues, I suggest, the answers to which could bring about changes in the present methods of conducting the business of broadcasting.

Of recent date and particularly over the past two or three years, there has been a fair amount of criticism levelled at not only the private but the public sector of our broadcasting system. The Canadian Radio-Television Commission's role is becoming increasingly complex with the expansion of both the public and private sector, the introduction of cable and soon to be revealed educational television and satellite communication. As Chairman Juneau has suggested, the Commission is empowered to operate within the framework or terms of the present Broadcasting Act.

The Senate committee, however, does not have to confine itself to such terms and, as a result, I feel it has an opportunity to make a major contribution—one which could benefit both the Canadian public and our broadcasting system.

Another area of importance, we believe, concerns the taking of a leadership role by the Government in the matter of maintaining public encouragement of our broadcasting media. As a member of the broadcasting industry and the employee of a public company, the subject of public confidence in Canada's electronic media continues as a matter of prime concern as it represents a key to the present and the future growth of Canada's communications contracts. I realize that the public and private sectors must earn such public confidence and this is particularly so in the case of public companies. With the substantial capital commitments to be made just ahead, the need to encourage the full use of the resources of the private sector in order to keep pace with the future development of our industry.

During the seventies, it will become increasingly important that private enterprise maintain its place beside that of the public sector in terms of investment, expansion and capability. Should this not be the case then the Canadian broadcasting division of public and private responsibility will change with private ownership and participation subsequently lagging behind. Recently a considera-

Canadian content of programs to our broadcasting system. The nature of the Canadian system and its ownership equally represent one of the significant values that has helped Canada to reach the possibility of world leadership in broadcast communications. It may well be that the approach to communications developed in Canada represents one of our country's most valuable natural resources.

As emphasized in our formal report to the Committee. Canada has created a broadcasting structure that stands today as a capable, vital communications complex that applies of the rare ingredient of private and public enterprise. We have developed an approach to communications that is considered to be one of the finest in the word. What is at stake during the seventies is not the sudden retreat of our system, but rather lack of money, lack of confidence, or lack of understanding of the dynamics of broadcasting. There is a possibility of the system slowing down in terms of its potential, bogged down by a combination of regulations, economics, technology and manpower shortage.

We need to encourage support of broadcasting institutions, and most important we need to encourage and recognize at the same time those who are in broadcasting for individual achievement and initiative. During the next ten years, we suggest that corporations will provide a measure of stability and resource in terms of people and money for the development of broadcasting and that this can clearly be in the public interest. Government and business in the next decade will recognize both the values and the responsibilities of a corporate approach to broadcasting all of which can result in improved service for Canadians

The next decade will see the consumer too coming into his own. The age of the consumer is certainly with us now and business, broadcasting and governments will be asked to assume increased responsibility. During the years immediately ahead, it will be important for companies such as ours to recognize the dangers of falling into an inflexible position of large companies losing some of their vitality and their drive. In communications we should all be encouraged to keep our options open and to remain flexible for the changes that will be coming at us quickly.

In terms of news it will continue to represent a responsibility for broadcasters to maintain a balance as between editorial and

ble amount has been said about the value of advertising. It will also be our task to make sure that resources and information remain free and open-that any agent which acts between the broadcast journalist and the actual source of news be watched most carefully.

> Mr. Chairman, I hope these comments have been of interest—the private and public participation we had in broadcasting in Canada, has established over the years, a working relationship which in the seventies, under our free enterprise system has the capability of producing the greatest gains for our country. In the next decade ahead, broadcasting will emerge as a skilful blend of ownership, technology and program information. It will help Canadians to meet the challenge of a new age. Thank you very much.

> The Chairman: Thank you very much, Mr. MacKay. As I said, if you wish to refer any of our questions to your colleagues, please feel free to do so. I believe the session this afternoon will start with Mr. Fortier.

> Mr. Fortier: Mr. MacKay, before we get into the meat of your brief, I think we should try and elucidate a couple of points which I would like to put to you. Your largest single shareholder is Southam, is that correct?

Mr. MacKay: Yes, sir.

Mr. Fortier: They own some 30 per cent of your class B voting shares?

Mr. MacKay: Right.

Mr. Fortier: And 30.7 per cent of your class A common, non-voting?

Mr. MacKay: I think right at the moment they own somewhere between 20 and 25 per cent of our non-voting shares.

Mr. Fortier: Of your non-voting shares?

Mr. MacKay: Yes.

Mr. Fortier: Could we have the exact figures?

Mr. MacKay: I think Mr. Nash would have

The Chairman: Mr. Nash?

Mr. Frank Nash, Vice-President, Finance, Selkirk Holdings Limited: Well, I think it is about ...

Mr. Fortier: Well, while Mr. Nash is looking for the figures, can you tell us how their holdings can fluctuate at different times? Is that done through sale and purchase on the exchange or is that done through other methods?

Mr. MacKay: To the best of my knowledge it only occurs through the other methods; not through the sales of their shares on the exchange.

Mr. Fortier: And those other methods?

Mr. MacKay: For example, when we had a public issue of shares for a private placement of shares and release shares from the treasury—recently we had a private underwriting and I think there were approximately 300,000 shares sold. None of the directors, such as Southam, participated in that sale.

Mr. Fortier: So their holdings were diluted correspondingly?

Mr. MacKay: That is right.

The Chairman: I think Mr. Nash may have the answer now.

Mr. Nash: 22.4%—that is Class A.

Mr. Fortier: That is class A non-voting?

Mr. Nash: That is right.

Mr. Fortier: Twenty-two...

Mr. Nash—point four.

Mr. Fortier: And class B voting remained at 30 per cent?

Mr. Nash: That is right.

Mr. Fortier: Does their share interest entitle them to have—is it three directors on your board?

Mr. MacKay: Yes. There are a total of ten directors on the board of Selkirk—three directors are employee directors, three are Southam directors and four are non-employees, non-Southam, outside...

Mr. Fortier: Commonly referred to as outside directors?

Mr. MacKay: Yes.

Mr. Fortier: You don't consider that three Southam nominees as outside directors?

Mr. MacKay: Well, I was putting Southam as a group. They are certainly outside directors.

The Chairman: Which are the three Southam directors?

Mr. MacKay: The three Southam directors at the present time are Gordon Fisher, Michael Harrison and George Crawford.

The Chairman: Thank you.

Mr. Fortier: George...

Mr. MacKay: Crawford.

Mr. Fortier: He is the attorney?

Mr. MacKay: Yes. He is a lawyer from Calgary.

Mr. Fortier: Mr. Harrison, whose name you just mentioned, appeared before the CRTC last month on Tuesday, February 10, and stated that Southam did not participate in the day-to-day operation of the Selkirk stations but that, and I quote:

"... they participated in major, financial and policy decisions."

Would you care to explain to the committee what this involvement by Southam "in major, financial and policy decisions" of Selkirk amounts to?

Mr. MacKay: Yes, I will attempt to. First of all, I think I should say that their participation is no different than any other director.

Mr. Fortier: You don't mean any other director, you mean any other group of shareholders?

Mr. MacKay: Any other director. They are members of our Board of Directors.

Mr. Fortier: The three of them?

Mr. MacKay: Yes. They believe that they assume the same duties that each of the other directors assume, and they are, in broad terms, to assist in the determination of the corporate policy of Selkirk Holdings Limited and to assure that the business of Selkirk is conducted properly. They review management performance, review management compensation—my compensation for example—and management development. They make information available and look after the interest of the common shareholders. They encourage management in attempting to prove the company and certainly encourage us to look ahead, to innovate where possible.

Mr. Fortier: How do they, in practice, differentiate between their direct interest in the company as opposed to their indirect interest through their shareholdings in Selkirk? You know, there are those companies, such as the

Calgary Broadcasting, Edmonton Broadcasting where Southam both has a direct participation in the equity of the company as well as participation through Selkirk. How do the Southam directors who sit on the Selkirk board differentiate in practice between the interest on the one hand of Selkirk and the interest of Southam?

Mr. MacKay: Well, Mr. Fortier, I really can't tell you how they differentiate...

Mr. Fortier: Well, how do you feel they differentiate?

Mr. MacKay: Yes, perhaps I should tell you that we are talking about something, I hope, that is rather ancient history.

Mr. Fortier: Well, CHCH is not ancient history?

Mr. MacKay: Two years ago Selkirk and Southam sat down and entered into a series of discussions and we discussed this question of these interests in which we both hold—joint interests—and we decided that it would be desirable if we did not continue to hold joint interests in the station you referred to. We entered into an agreement and the agreement has been filed with the CRTC which will see Southam withdrawing—selling their interest to Selkirk in those stations and other investments such as cable in which we both hold a joint interest.

Mr. Fortier: I see. This is a written agreement which is filed—entered into and filed with the CRTC?

Mr. MacKay: This is a written agreement and submissions have been filed with the CRTC. We are hoping the matter will be coming up very soon.

Mr. Fortier: Could you file a copy of that agreement before the committee?

Mr. MacKay: We could file a copy of each agreement but each one is different.

Mr. Fortier: You mean with respect to each individual station?

Mr. MacKay: That is right.

The Chairman: May I just ask for clarification—are these all Southam braodcasting holdings?

Mr. MacKay: No. There is one interest which they hold—I believe this is the case—I have not—I can't speak for them but I believe they hold an interest in London.

The Chairman: I am sure they hold an interest in London.

Mr. MacKay: That is the one. That is the only one. The other interests which they have which is not a joint interest was CKOY Ottawa, and we have also agreed to purchase that. They have agreed to sell it to us.

Mr. Fortier: So in all these instances they have agreed to sell and you have agreed to buy?

Mr. MacKay: Right.

Mr. Fortier: Is it as firm as I have just put it?

Mr. MacKay: It is firmer.

Mr. Fortier: So it is now up before the CRTC for approval?

Mr. MacKay: It is before the CRTC for approval and we have asked for a hearing.

Mr. Fortier: Yes.

Mr. MacKay: It is in their hands.

Mr. Fortier: So in all those joint ownership situations...

Mr. MacKay: Yes. There were actually, I believe, four joint interests involved—CJCA in Edmonton, CFAC in Calgary, the Greater Winnipeg Cablevision Limited which is a cablevision company in Winnipeg and Hamilton.

Mr. Fortier: That is Niagara?

Mr. MacKay: Niagara Television Limited.

Senator Beaubien: Mr. MacKay, is that why you issued new stock?

Mr. MacKay: No, it really wasn't. What we have been doing over the past few years is buying a few other things from time to time and it was my view that before turning to financing of anything as substantial as channel 11 that it would be a matter of good housekeeping to clear all the decks and free ourselves of debts that we had incurred on prior acquisitions.

Mr. Fortier: How was the price arrived at? Was it arrived at by negotiations between Southam and Selkirk, or did the Southams fix it unilaterally?

Mr. MacKay: No. We had experienced this sort of thing before and we agreed to seek an independent authority for an independent

evaluation. Now we both had an opportunity, if after we received the evaluation, we could back away from it, so to speak, so we chose a company where we didn't have an interest and gave them the facts.

Mr. Fortier: Was that an easy thing to do?

Mr. MacKay: Well, that depends. It is a relative term—easy—but it was done and I would say that it was done in a very agreeable fashion. We are very satisfied and I have reason to believe that they are very satisfied.

Mr. Fortier: So that there was an outside firm that made an evaluation of the value of the shares?

Mr. MacKay: Of the investments.

Mr. Fortier: Of the investments, yes. And you were not bound to accept their valuation?

Mr. MacKay: Not at all.

Mr. Fortier: Any more than Southam were?

Mr. MacKay: That was the marvellous part about it all. We could just get up and walk away if we wanted to.

Mr. Fortier: But again in actual fact, am I correct in saying that the parties have agreed now to accept the valuation made by this independent appraiser?

Mr. MacKay: Yes sir.

The Chairman: Could I just ask about Mr. Harrison's role...

Mr. MacKay: I would just like to say one thing as well, that in connection with channel 11, there was a little different process we went through because I think Southam owned a minority interest there and we had to negotiate with other poeple. I think the Soble Estate—they were very much of a key factor, and also Mr. Nathanson who had an interest as well. We are talking about the point interest of Calgary, Edmonton and Greater Winnipeg Cable. There they were just three where just the two of us were involved and nobody else, and so we had to find a formula that we felt would be in the interest of our shareholders—in the interest of the public and also settle our own blood pressures.

Mr. Fortier: To the extent of at least 30 per cent, Southams were selling to themselves?

Mr. MacKay: Well, I don't know whether Southam's would say that was so.

Mr. Fortier: Well, to the extent of their interest in Selkirk.

Mr. MacKay: Well, to the extent of their interest or investment in Selkirk I suppose they felt this was useful.

Mr. Fortier: They were selling to

Mr. MacKay: I don't know whether it was selling to themselves because, you see, they don't own Selkirk.

Mr. Fortier: No, but I was careful to say, to the extent of their equity participation in Selkirk, they were in fact selling their direct interest in these companies...

Mr. MacKay: To Selkirk.

Mr. Fortier: To Selkirk, right.

Mr. MacKay: Right. I might just say that the Soble Estate and Mr. Nathanson are going to be substantial shareholders of Selkirk as well so that I wouldn't want you to think that just Southams were interested in Selkirk.

Mr. Fortier: That is in the case of the Hamilton station?

Mr. MacKay: Yes.

The Chairman: I think when Southam retained Mr. Harrison originally—I see you have here Vice-President, Tele-Information Southam Press Limited. I believe that is a new title for Mr. Harrison, isn't it?

Mr. MacKay: Yes.

The Chairman: Wasn't he Vice-President Broadcasting?

Mr. MacKay: That is a new title but—I can't really say for sure but I think his first title was Vice-President of Broadcasting.

The Chairman: And he is now Vice-President of Tele-information?

Mr. MacKay: Tele-information, yes.

The Chairman: Does that involve anything more than the Southam relationship with Selkirk?

Mr. MacKay: I think it is a kind of a new field that he is interested in. I think he is now becoming very concerned about many other areas of the electronic communications such as information retrieval, and I think they are examining programming and they are examining many, many other areas than the areas

with which we have been associated with them for so long.

Mr. Fortier: This policy of expansion—I think we could call it such—on the part of Selkirk in acquiring from Southam their interest in broadcasting media—is it being pursued? Is Selkirk still in the market for other broadcasting interests in Canada?

Mr. MacKay: I think to say categorically yes or no is too categorical. I think we would say that we are interested in growing under the terms of the sort of standards we feel are acceptable for such growth. We just don't take everything that comes down the pipe, if you know what I mean. I would say that where we feel it is in the interest of the company, and of the public, I think we would be interested in growing.

Mr. Fortier: Would you be interested, for example, in acquiring Southam's 20 per cent interest in CFPL in London?

Mr. MacKay: We have never discussed it.

Mr. Fortier: Would you tell us why Southam's interest in CFPL is excluded from this blanket agreement?

Mr. MacKay: I think it has to do with the fact that there is a tremendous amount of ancient history and a relationship with Southam in terms of the newspapers originally. I am not just exactly sure what the shares are—if the shares are shares of the London Free Press and from the Free Press into the television stations, I really don't know. I really can't comment on it, but I know there is a long relationship there.

Mr. Fortier: It wasn't a case of Selkirk saying "We don't want those"?

Mr. MacKay: As a matter of fact we didn't even discuss it. That is a fact. We just sort of know that there is that kind of relationship. I think that Mr. Blackburn, in my opinon, is a person that certainly if the Southams were interested in selling, should be considered.

The Chairman: But Selkirk would like to acquire that interest?

Mr. MacKay: I would want to look at it very carefully. I haven't examined their statement and I just couldn't say that I would want to buy anything these days without taking a good hard look at it.

Mr. Fortier: So you are in the market if, as you put it, they...

Mr. MacKay: The criteria...

Mr. Fortier: ... are met.

Mr. MacKay: ... are met, yes.

Mr. Fortier: Are all your broadcasting holdings, Mr. MacKay, referred to in your brief? This is a loaded question so maybe I should go on immediately to another one. For example, I did not notice any reference to Canastel in your brief. Don't you have an interest in Canastel?

Mr. MacKay: Perhaps Mr. Nash can tell you what Canastel is about.

Mr. Nash: Yes, we have an interest in Canastel which we acquired last summer. Canastel is a holding company which owns approximately 12 per cent of British Columbia Television and 25 per cent of CJCH Limited in Halifax. We own 44.9 per cent of Canastel and Western Broadcasting own 55.1 per cent.

Mr. Fortier: So that is another company through which you have an interest in broadcasting in British Columbia?

Mr. Nash: That is right. I think that is reflected indirectly in our total interest in British Columbia.

Mr. Fortier: Yes, I guess I could have read it into that, but I did not see the name Canastel in your brief.

Mr. Nash: No. 1 bland assembled odl

Mr. Fortier: What about Castleton Investments?

Mr. Nash: Castleton Investments is a holding company which owns interests in British Columbia Television and interests in Ottawa Cablevision Limited.

Mr. Fortier: I think we forgot to mention that through Canastel you also have an interest in CJCH in Halifax, do you not?

Mr. Nash: Yes.

The Chairman: I believe he mentioned that.

Mr. Nash: Yes, I did mention that.

Mr. Fortier: So these are two other companies in which you again have an interest in broadcasting in British Columbia as well as in Nova Scotia?

Mr. Nash: Yes. dadi yaa bluom alaasaa

Mr. Fortier: Greater Winnipeg Cablevision—is it mentioned in the brief?

Mr. Nash: I think it is 25 per cent.

The Chairman: It is mentioned at page 119.

Mr. Fortier: Well, that is a minority interest?

Mr. Nash: Yes.

Mr. MacKay: It is a minority interest.

Mr. Fortier: Yes.

Mr. MacKay: Those companies that you referred to are companies that do hold the additional interest in B.C. Television and that is how we acquired that additional interest which was added to the total interest you see.

The Chairman: Why would you not list those holdings on page 120 where you list minority interests?

Mr. MacKay: I don't know.

The Chairman: Well, that is not a loaded question, but I am just curious as to why...

Mr. N. A. Botterill, Vice President, Selkirk Holdings Limited: My oversight. The ultimate holdings are shown under B.C. Television.

The Chairman: I don't put it to you critically except as it relates to the original speech in the Senate when I made some statements about Selkirk Holdings Limited and you wrote me a letter, I think justifiably, saying that I had perhaps overstated the case. On the other hand, isn't it true that not too many people, certainly very few listeners, understand who owns what in Selkirk Holdings Limited?

Mr. MacKay: I don't know the degree of interest of listeners to the ownership, but I do know that shareholders—we report it in our quarterly statements in detail whenever we acquire anything and we try to keep every shareholder completely up to date on our activities.

The Chairman: Well, if I may pursue this just for the moment. Although it is not in the brief, indirectly through Canastel you control 25 per cent of CJCH in Halifax, is that correct?

Mr. Nash: We have an indirect interest.

The Chairman: Do you think the listeners to that station are aware of your indirect interest?

Mr. MacKay: I would say that I don't think they are aware, but I don't think many listeners are aware of really who owns that particular station.

The Chairman: Well, that is exactly my next question. Should they?

Mr. MacKay: Well, I would say this. If it is in the public interest, I don't see any reason why they shouldn't.

The Chairman: Do you think it is in the public interest?

Mr. MacKay: Well, to the extent of anyone feeling that is sort of a hiding situation, certainly they should know.

The Chairman: Mr. MacKay, when you yourself are listening to a radio station or watching a television station, or indeed reading a newspaper, don't you like to know who owns it? Do you care?

Mr. MacKay: Well, Mr. Chairman, do you really know who owns anything these days?

The Chairman: Well, I am beginning to wonder. I would sure like to, wouldn't you?

Mr. MacKay: I think I would like to know who is the key owner. I never get too disturbed at the long list of shareholders of all the companies in this country, or owners of various enterprises, but it seems to me that the key must be that if there is an interest, I see no reason why they shouldn't be advised at all. I know, for example,—I look at various publications and I often say "Who owns this?"

Mr. Fortier: Well, shouldn't the question be phrased this way? Should not the owners consider it to be in the public interest that their listeners, or viewers, or readers know who owns the stations, or who owns the newspaper?

Mr. Nash: May I just interrupt here?

The Chairman: Certainly.

Mr. Nash: The CRTC has not approved the sale of CJCH Canastel's portion in that regard so we really don't own it officially as yet. There would be no point in advising anybody...

Mr. Fortier: We will exclude that one from our discussions.

Mr. MacKay: I think the principle of saying "Is the public interested in who owns whatever it is they want to know about"—I

see no reason why they should be kept in the dark.

Mr. Fortier: Well, I think you have made that point very clearly, but the question I ask is, do you as an owner, or a representative of an owner, do you not feel that it is incumbent upon you to tell your listeners or your viewers?

Mr. MacKay: To be absolutely honest, I have never felt that thing as sort of a problem and I have never felt any sensitivity to it.

Mr. Botterhill: It seems to me that the position which Mr. MacKay has taken, or tried to explain, has never occurred to us. It is just that over these years, all these things have evolved into what our ownership is today; but right from the very beginning, they were separate companies-CFAC in Calgary is the Calgary Broadcasting Company which is publicized and known and our interest has grown in those over a period of time. And this matter of ultimate ownership behind Calgary Broadcasting has just never occurred. We don't promote, we don't identify as a Selkirk station—CFAC in Calgary is Calgary Broadcasting, or Edmonton Broadcasting, or whatever.

Mr. MacKay: Other than in all of our statements we print very clearly what we do own and send it to a wide source of news editors, financial page editors, every shareholder, and to all sorts of people, such as the Government. We send this out to a few thousand people so that there is a fair amount of information going out now, if you know what I mean.

Mr. Fortier: Yes.

Mr. MacKay: But as for public ads, if you are thinking of that sort of thing, we have just never thought of it.

The Chairman: I think specifically what we are thinking about is not the group you have mentioned, as important as all of these people are, we are thinking about the listener.

Mr. MacKay: I would like to find out just what our listeners think of that. Some of these interests boil down to pretty small potatoes, you know, with people.

The Chairman: You mean your listeners really don't care?

Mr. MacKay: Well, I think when you get down to 1.2 per cent or .5 per cent, .4 per cent, such as in B.C. Television you have a

long, long list of shareholders and of course they also sell their shares from time to time, so it is a fluctuating thing.

The Chairman: Well, let's take-you own, according to the information I have here-you have a one-third interest in CHBC Television in Kelowna. Do the viewers to that Kelowna television station-are they aware of that one-third interest?

Mr. MacKay: Yes I would say that they are aware of it this way. They are aware that in Okanagan-for example, I am glad that you brought that up because I think each one of these cases has a little...

The Chairman: Is a special situation?

Mr. MacKay: In Okanagan, for example, I would say that the public at large know that Okanagan Television is owned one-third by CKOV, one-third by CJIB in Vernon, and one-third by someone from out of town. think that is well known because the three stations there in the valley originally financed it and they had to hustle about and stir up a lot of enthusiasm for it. I would think that that is not a constant thing in their minds, however.

The Chairman: Do you think that viewers and listeners care who owns the stations in Canada?

Mr. MacKay: I think that they care on occasion.

The Chairman: Do you Mr. Botterill?

Mr. Botterill: Not generally speaking, no.

The Chairman: Do you think they should?

Mr. Botterill: I can't see any real reason.

The Chairman: You can't?

Mr. Botterill: The station—it is an entity in the community that is either good, bad or indifferent.

The Chairman: Well, let us take a hypothetical case—let us say it is bad?

Mr. Botterill: Yes.

The Chairman: Wouldn't it be in the public threat for the interest for them to know who is running this bad station?

Mr. Botterill: Well, they know who is run ning it locally and they can go to them.

The Chairman: They don't know who owns it though you said.

Mr. Botterill: Not the ultimate holding of Selkirk, but they know...

The Chairman: They know who to go to to complain to?

Mr. Botterill: Exactly.

The Chairman: Fine.

Senator Beaubien: Has anyone asked who owns it?

Mr. MacKay: I am sure on occasion that they have, and whenever they have asked we have simply told them. We have never, you know, said why do you want to know because this is a very normal question.

The Chairman: I should perhaps say to Senator Beaubien that I am not putting this line of questioning in any sense critically of Selkirk any more than I am being critical of the public that don't care, and I disagree with Mr. Botterill—I think the public should care.

Mr. Botterill: Well, I am not saying that they shouldn't care, but my point is that the ultimate ownership of Selkirk with all its involvements really has no bearing with the people in that community. If they want to disagree or do anything with their station, there is an identity there they can reach.

Mr. MacKay: Let me just say again Mr. Chairman something which will clarify this. We believe that there is a wide circle of the listeners and the viewers that is interested in knowing who owns what stations. We provide this information to media and to all shareholders. I can see your point however that if there was something happening—some abuse—if it was not in the public interest this is a risk, as you say—there may be some inherent risk there, but I would say this much; as far as we are concerned we are completely delighted to tell everybody what we own and where we own it and we have done so for years, but we just haven't used, for example, our own radio station time to advance the fact that this is another Selkirk station—we just haven't done that.

The Chairman: Senator McElman?

Senaior McElman: This may not apply directly to Selkirk, but would you think the public would show a lively interest in the directors and principal shareholders, if those same names were appearing with some frequency also on the boards of let us say banking and financial institutions, steel mills, mines, and many other principal areas of the

economy. Would you think then that there would be, or should be, a lively public interest that the same names are also appearing on the boards and principal shareholders' lists of media?

Mr. MacKay: Well, it is a matter of judgment. I would say this—yes—I think that is quite in order. As a matter of fact, I believe you have to publish all of your holdings when you are on these various boards.

Senator McElman: Oh, agreed. I am not saying that they are hidden in any sense.

Mr. MacKay: I think it is useful then.

Senator McElman: Would you not think that the public interest would be enlivened?

Mr. MacKay: Yes, I think that is an interesting bit of information, I must say. In the business field, I am always interested to see the names of people or their various activities.

Mr. Fortier: Let us talk about All-Canada Radio and Television Limited, if we might, for a few minutes. It represents some 72 radio and television companies in Canada as I read your brief and on page 112 you say:

"All-Canada is more than a 'rep' to it's stations."

And then you go on to say or to explain what it seeks to do. Could you tell the committee whether it ever purports to advise its member stations on, let us say, management and operation matters?

Mr. Ross A. McCreath, Vice-President and General Manager, All-Canada Radio and Television Limited: Yes, we do help the stations in many different ways in consultation with them. They like to know what is going on in the rest of Canada if they are selecting a television station, if they are selecting programming for next year's schedule, et cetera. They may say "How are programmings varying in other parts of the country according to your assessment?"-so they will consult us in that way. There are many areas; we have a broad outlook across the country and when you are operating a radio and television station in one particular community it is difficult, perhaps, to see beyond that community so you use all of your connections that you can. We have a daily connection with them because we are their salesmen, so they will perhaps ask us questions more often than anybody else because it is easier to contact Mr. Fortier: They expect you to play this role, do they?

Mr. McCreath: Oh, very definitely.

Mr. MacKay: May I just say one thing about this. Thank you very much, Ross. Ross is here for any questions you may have to put to him.

The emphasis, of course, of All-Canada is on sales and anything we can do to help improve its sales is part of our responsibility. I think one interesting point about All-Canada is from an east-west sort of basis it has its own kind of communications with those areas I just referred to, and there is regionalism in many aspects of our country. It is interesting, and I think valuable, for broadcasters to learn something of the differences and to learn how to help one another. For example, if a station is short of a good salesman and we know that one of the other stations has an over-supply of good salesmen, we only have to be sure of one thing and that is when you recommend a salesman you have recommended a good one.

Mr. Fortier: Would you recommend a salesman who is working for a Selkirk station?

Mr. MacKay: Well, ask any of our Selkirk people—they dislike us intensely for that but it happens all the time.

Mr. Fortier: Yes.

Mr. Botterill: I think you could sum up the relationship between the representative and the owned and non-owned stations as being the guide, philosopher and friend to them all.

Mr. MacKay: I would like to put that down on paper.

Mr. Fortier: It is now. Of course, All-Canada is a wholly-owned subsidiary of Selkirk?

Mr. MacKay: Yes, sir.

Mr. Fortier: Would All-Canada agree to act as a "rep" for a station which is competing with a Selkirk station?

Mr. MacKay: Well, yes. Let me tell you this. One of the things is—we talk about the Southams and their interests and it is interesting that many stations where they have had interests, we still represent the stations. In the case where Selkirk owns and operates a station, we don't generally represent the station in that community against the station that Selkirk owns. It isn't because All-Canada wouldn't like to and hasn't tried to, but it just doesn't seem to work out too satisfactorily.

Basically we represent our own stations and they represent a small part of our representation business—but by far, the largest portion of our representation business comes from a variety of owners in a variety of stations.

Mr. Fortier: Do these stations which All-Canada represent have any say in the management of All-Canada?

Mr. MacKay: No station that we represent has anything more to say about the job that All-Canada is doing than the station that we don't own. In other words, all stations have the same opportunity to complain, or to suggest, or to communicate, but there is no special role for a Selkirk station in All-Canada—they stand on their own feet.

Mr. McCreath: They can cancel a contract with us at any time because we are in a highly competitive business. There are 13 firms in the representations business in Canada, and if we don't keep our shirts clean and do the job that we are supposed to do, we will lose the station. Indeed we do lose stations, and hopefully get new ones from time to time.

Mr. MacKay: We have lost station representations from stations we have had an interest in.

Mr. Fortier: Have you?

Mr. MacKay: Yes.

Mr. Fortier: Who is on the board of All-Canada?

Mr. MacKay: The board directors ⁰¹ All-Canada?

Mr. Fortier: Yes.

Mr. MacKay: Well, I have that listed here.

The Chairman: Well, it is not in the brief.

Mr. MacKay: Oh, I beg your pardon, I do not have it listed here.

Mr. McCreath: Well, Mr. MacKay is President, I am the General Manager and Vice-President, and we have a Vice-President Radio, a Vice-President Television, and Vice-President Secretary Treasurer.

Mr. Fortier: These are all...

Mr. McCreath: Employees.

Mr. Fortier: Are you the only director also holding a position on the Selkirk board?

Mr. MacKay: No, Mr. McCreath is a director on the Selkirk board as well.

Mr. Fortier: Yes.

Mr. MacKay: The other three are All-Canada executive vice presidents.

Mr. Fortier: Is there any identifiable way that the Selkirk influence can be traced through All-Canada on any one of these either owned or operated stations?

Mr. MacKay: No. You will have an opportunity because I notice that there are other stations are coming here that we have no interest in and you will be able to find out very clearly that that is not only not the case, but we take very definite steps to assure that it doesn't happen by being aware of his particular kind of question.

Mr. Fortier: Very interestingly, Mr. MacKay, your company has interests in TV stations which are affiliated both with the CBC and CTV. Let me ask you a loaded question. Which affiliation have you found to be most satisfactory? The one at CTV or CBC?

Mr. MacKay: Well, what is the word that describes the situation when you have two wives?

Mr. Fortier: Lucky!

Mr. MacKay: I am not going to go into that, Mr. Fortier!

However, to that extent we do not suffer from a poverty of riches. We live with both. I think each particular market has its own particular quality and own particular set of problems, and in some markets there is just nothing like a CBC affiliate compared to CTV, and in other markets CTV—all the way compared to CBC.

The Chairman: Could you tell us about those markets, please?

Mr. MacKay: Well, we have a CTV network affiliation in Vancouver.

The Chairman: Do you think that is better than having a CBC affiliation?

Mr. MacKay: In Vancouver it just seems to me to be the ideal situation.

Mr. Fortier: What about Calgary where you have the only privately-owned CBC affiliation CHCT?

Mr. MacKay: Well, Mr. Penn is here, the President of channel 2 in Calgary. I don't know whether he could tell you in mixed company what he thinks of it at times, but I can tell you it has been a pretty long, hard battle in Calgary. I don't know if you know that Calgary is the only city in Canada that is served by two private enterprise stations.

Mr. Fortier: Yes.

Mr. MacKay: And the only other place in Canada where there were two private stations competing, was the Regina-Moose Jaw area. The CBC station, once the CTV station, was established and launched proceeded to lose money and never, never again broke into the black. So you have some idea of the enormity of the task when you are a CBC affiliate competing with the CTV private station affiliate. That is the history at the moment.

Now, I think furtunately we are very lucky to have a man with David Penn's—I think genius and experience and ability—it is going to help you! He is a very well qualified man and perhaps could touch upon this if you would like to hear more.

The Chairman: Well, I think, with respect, that perhaps it won't be necessary. I don't want to be rude to Mr. Penn, but time is running on and there are other questions. Believe me, Mr. Penn, I don't wish to be rude. I would just like to pause here to follow on with Mr. Fortier's question. Which market do you prefer having a CBC affiliate?

Mr. MacKay: Well, Lethbridge is a perfect example of a station that has developed an excellent record working into the community, and its CBC affiliation has proven to be a benefit. It is an interesting thing that in Lethbridge where there is now a CTV station as well, our station in Lethbridge does extremely well with the audience in general programming.

The Chairman: That isn't a CTV station in terms of audience?

Mr. MacKay: Well, in terms of audience, yes it is.

The Chairman: What about revenue?

Mr. MacKay: Well, I don't know their figures, but we are coming out of the blue and that is progress, I will tell you.

Mr. Fortier: From the point of your programming...

Mr. MacKay: Well, it is not so much a question of programming because programs, as you know, change. Really, the basic question here is the flexibility that one network might have as opposed to the other in terms of reserve time and things of that nature.

Mr. Fortier: That is really what I would like to get at.

Mr. MacKay: I think the CTV network you could say in quick terms is perhaps a little more flexible.

Mr. David F. Penn, Vice-President and General Manager, Calgary Television Limited: CTV affiliation, I think, would be a better way of putting it.

Mr. MacKay: Yes, a little more flexible. Their reserve times are just a little better and they seem to suit the situation a little better.

The Chairman: Whatever the affiliation, whether it is with the CTV or CBC, and I perhaps relate this question to radio as well, is there a Selkirk sound or trade mark, or something which makes a Selkirk station uniquely different from the other stations in Canada?

Mr. MacKay: No, there really isn't. We don't advocate what you might call a formula station.

The Chairman: There is no Selkirk formula?

Mr. MacKay: There is no Selkirk formula.

Mr. Botterill: That is perhaps one very good reason why there isn't Selkirk identification in those markets because it doesn't mean anything. It is not a Selkirk station as far as the public is concerned.

Mr. MacKay: We believe a formula might bring on the surface sort of quick results, but we think that the kind of broadcasting stations that we attempt to turn ou really by and large become the voice of the community and the best reflection of the community and in the long term will do the best job.

The Chairman: You say at page 5, paragraph 11:

"In each case—radio, television and cable—the management has autonomy and independence in all programming areas."

Is that literally true? Do you stand by that statement and if we were to ask your station people they would all verify that?

Mr. MacKay: Yes, they would.

The Chairman: Well, what is it you do?

Mr. MacKay: Well, we provide services that they feel might be useful—there is a whole list of them—in terms of providing engineering help to them, we provide all sorts of financial and fiscal assistance to them, we raise money for them when it comes to investing in new studios or new equipment, that sort of thing you know.

The Chairman: Why do you not inject yourself into programming? What if a particular station is being badly programmed presumably you stand back and do nothing?

Mr. MacKay: Well, let me put it this way. You have to know exactly how Selkirk works.

The Chairman: That is what I would like to find out.

Mr. MacKay: I think I can take you from the private Selkirk Holdings, the company, and pass the ball to Norman Botterill and Bill Speers who are supervisors of our stations and let them, perhaps, tell you a little of the way in which we operate our stations in terms of the various meetings and sessions, the program meetings and sales meetings that we conduct.

The Chairman: Well, then perhaps I can put my question to Mr. Botterill. You say "the management has autonomy and independence in all programming areas." What do you do with a station that is badly programmed?

Mr. Botterill: We go to work on it immediately. We had a situation in one of our western stations which isn't resolved as yet. A great deal of thought and consideration has been given to the problem and possible solutions and there was occasion for the manager of that station to discuss his troubles with other of our managers periodically and program people as well. Out of all these discussions, and so on, came the manager's recommendation for what he would like to do tackle this problem. After full discussion even at the local board level of the station, it was decided upon and he has embarked upon it now.

The Chairman: Well, what if he didn't? What if he said "No sir, I don't agree with you fellows?"

Mr. Botterill: Well, that would come right up to me.

The Chairman: Would he be fired?

Mr. Botterill: That would come right up to me. At that point I would say "Well, you go ahead but it is on your head."

The Chairman: Is there not a point at which you would dismiss him?

Mr. Botterill: Not for that sort of thing, no.

The Chairman: If his ratings were consistently bad and his station was doing poorly you would just go along with him?

Mr. Botterill: Well, we would go along and try to help him and bring to bear on him all the resources of our organization and all the other stations. We might bring in a program man from another place.

The Chairman: Mr. Botterill, at what point would you dismiss a manager?

Mr. Botterill: Well, without specifics, that would be a matter of "Well, we have tried everything your way, let's try it our way."

The Chairman: Well, there is a point at which you would say you would dismiss him?

Mr. MacKay: Well, I think you could say that we are perhaps the originators of group therapy because we are the ones that have been working in this field since broadcasting began.

The Chairman: Well, would you like to explain that?

Mr. MacKay: Well, as a group philosophy.

The Chairman: That is what Mr. Botterill was talking about, was it?

Mr. MacKay: Yes.

The Chairman: One of the questions that we put to various people who are involved in common ownership situation both in print and in the electronic media is, how much concentration is too much? Do you want Selkirk to own all of the private radio and television stations in Canada? Would that be in the interest of your shareholders?

 M_r . MacKay: Mr. Chairman, I am glad that you asked that question.

The Chairman: Well, that sounds like a very political statement!

Mr. MacKay: Yes, I know.

The Chairman: You have your music I can see!

Mr. MacKay: Well, I sort of had a feeling that this might come up because I read some of your reports before and this question has arisen and I thought you might be interested in our view of a sort of yardstick, that we think perhaps is useful for the consideration of your Committee. I think that whenever you start to talk about concentration, the worst thing you can do is inject the word "if". I think you have to look very much at the actual issue.

On page 13 of our brief we make a point of stating that it is not the fact of multi-ownership which is the key question here, but rather the relationship between specific owners and the management of a station and what effect this relationship has on the station's performance that counts.

Now, it is interesting to note that the largest concentrator and owner and operator of radio and television stations in this country is the CBC. At the same time, the balance of television stations—about 90 to 95 per cent—are owned by radio stations or radio station owners who have an investment in the television station. Multi-ownership, we think, often results from an application being the only one submitted. Now, in this question of limitation we do have some yardsticks.

First, I think you have to identify the markets by size and by geography. What is the situation regarding the particular market—is it a new application? Is it the purchase of new shares? If so, what is the history between the owner and the station—in other words, can we be of real help as opposed to just buying another station? The effectiveness of the group owner, we think, is perhaps paramount and should be reviewed. Is he responsible enough? Is the management competent? Is there a record of performance in the public interest? Does the company have national resources such as manpower, and does it have the economic resources?

Finally, we have to say to ourselves, what is the alternative? It is interesting to note that going back just a few years when the English television application came up in Montreal there were only two applicants, and both were from people who were in the broadcasting business. Now, in our case we have kind of a philosophy here. You will know by examining the stations that we own that we have quite a mix of ownership in our company—a mix of very small markets, medium markets and some large markets.

They are spread pretty well throughout numbers alone—five, six, seven, doesn't really Alberta and British Columbia, and right now a small interest in Hamilton. Our cable investments are minority investments as well. We think that this spreading and this position of being able to help some of the smaller stations is really in the interest of broadcasting. That, in fact, a great deal could be said for multi-ownership under those terms.

Now, we don't think you could own all of the stations because simply you wouldn't have the resources in terms of manpower, you wouldn't have the resources in terms of finance and-the word "if" again-it is impossible anyway.

Finally, we have to go to the CRTC with every application and there they have their own setup of criteria perhaps quite different from the ones I have mentioned-I am not too sure.

The Chairman: I think Mr. Juneau said when he was before the committee that he would welcome guidelines in this area from Parliament.

Now, you have listed some criteria—honesty, confidence, record of performance, natural resources, economic resources, and so on, all qualities which I think you would agree your company possesses.

Mr. MacKay: Right.

The Chairman: And yet you have said even with your company there comes a cut-off point and what we are trying to establish is where is that cut-off point?

Mr. MacKay: Well, I would say that one of the cut-off points would purely be when there are other alternatives. I mean, that might be a cut-off point—the other alternative might be better.

The Chairman: Well, you surely wouldn't argue—I would be very surprised if you would argue that if there was a licence pending in market that Selkirk should be precluded because somebody else is applying? Surely it should go to the best operator?

Mr. MacKay: Well, I don't think we should be precluded, but I think certainly that should be one of the values that the application would be judged upon. I think you really can't say. I think the worst thing that has happened to the United States-and I am now not going to be a Mr. Johnson in Canada blasting, but one of the worst things they have done is to come up with a quick answer to this problem, and that is numbers. Here

mean a thing. Where are the stations? What is the story of that station? Does it need the kind of injection that a multiple owner can give it? What is going to happen to that station when the individual dies? I mean, we simply have to find a way for this corporate growth. So it seems to me that looking at the practicalities, I think that many of the answers to the questions, which are raised in our minds in a general sense, answer themselves in the light of the actual applications.

I am sure you agree too that there is no one company in our country including the corporations that have the finances to literally purchase all the radio and television stations in this country.

The Chairman: Well, just a moment.

Mr. MacKay: I can't think of any right offhand.

The Chairman: Well, publishers and broadcasters come before this committee and whenever we talk about the reasons for concentration very few publishers and very few broadcasters are frank to say that it is also a very profitable enterprise. We are not critical of that-but it is. This committee is not critical of profitability in private broadcasting...

Mr. MacKay: Hear, hear.

The Chairman: But it is a fact of life. And so to say that it could never happen stretches my imagination—maybe not yours...

Mr. MacKay: Well, Mr. Chairman, I think this. I guess there is a risk in everything we do in life and there may be the risk. I don't know—I can't see it—but literally and honest ly and literally for this committee I cannot see the possibility of one company owning all the radio and television stations in country.

Senator Smith: Well, the CRTC would not allow it anyway.

Mr. MacKay: Well, apart from the CRTC, it just really—and I agree with you—it is really just incomprehensible that in a society like we are living in today in Canada—it is almost as incomprehensible to me as to believe that in ten years this country will disappear because of broadcasting.

The Chairman: But is it not a fact that in broadcasting, there are fewer and fewer people owning more and more stations?

Mr. MacKay: Yes.

The Chairman: It is an ongoing trend and you explain some of the reasons why in your brief.

Mr. MacKay: Well, it is a very interesting thing with public companies, actually, more and more people own more and more stations. As a matter of fact, there are probably more actual owners of broadcasting stations in Canada today than at any time in its history.

The Chairman: More and more shareholders?

Mr. MacKay: Yes. they are owners.

The Chairman: Well, I guess you could argue then that there are even more owners in the CBC?

Mr. MacKay: Well, I don't know whether that is quite the same thing. They don't have shares and they don't pay dividends in the form of cash.

The Chairman: Well, are there any other questions that the senators may have? Mr. Fortier?

Mr. Fortier: I wonder if we could hear, Mr. Chairman, from one of the other of the radio or television managers and have them tell us what benefit proves from group ownership?

The Chairman: Specifically from Selkirk group ownership?

Mr. Fortier: Oh, definitely.

The Chairman: Yes, I assumed that was what you meant.

Mr. MacKay: Well, if I might just start off and I will touch upon the information we have here for you.

The Chairman: By all means.

Mr. MacKay: I thought that you would be interested in knowing what the managers think about Selkirk and its relationship...

Mr. Fortier: I was looking for that in your brief and I didn't find it except in the case of the Vernon presentation. The others all had a list of awards and community interests.

Mr. MacKay: Well, I think you would be interested in this letter. This comes from our manager way up in northern Alberta—a chap by the name of Wally Everitt who has a tremendous personality and he wrote a letter

and I will read part of it. I won't read all of it, because it is quite long.

Mr. Fortier: Could you summarize it and file it with the Committee?

Mr. MacKay: I will read just a little bit and stop and then file it.

The Chairman: Fine.

Mr. MacKay: He says:

"I have been pondering for some time the best way to present the advantages of belonging to the Selkirk Family. As everyone knows, a member of a large family functions more effectively when the individual is stressed. The individual can grow, mature and become a person in his own right while retaining the warmth of the family environment and reflecting the upbringing of that family. A radio station finds itself in the same position as a member of a chain of stations. The individual station is encouraged to project its own image while still benefitting from the advantages of belonging to a larger 'family'. As a member of a group of stations the individual station can train its personnel for higher positions within the chain; moves can be affected "without loss of pension or health benefits and key personnel positions can often be filled within the ranks of the company. Top Management personnel very often trained within a station chain and can bring a wealth of experience and broadcasting knowledge to stations within the chain. Selkirk stations have set any 'exchange' programs as to programming and sales ideas. In this way, smaller stations in minor markets can benefit from the experience of 'proven successes' in major markets, while keeping abreast of changes in programming within the broadcasting industry... As a member of a radio group, individual stations can offer their staff lower rates and better benefits on health plans, hospitalization and retirement plans. This does much to attract the top personnel in the broadcasting industry."

I won't go on, but I think it gives you a kind of a sense and again on page 56 of our brief you will note that another one of the station managers states—and I think this is sincere—"Our affiliation with Selkirk Holdings keeps us in the picture with regard to new

sales techniques. Production Managers, you would rather be owned by someone in Managers, Sales Managers, Engineers and..."

Mr. Fortier: Yes, that is the Vernon situation?

Mr. MacKav: Yes.

The Chairman: I am sure all of the communications you receive from member stations are not full of such unqualified joy. What are some of their grievances?

Mr. MacKay: Well, they would like to make more money, I suppose, and would like to grow faster.

The Chairman: But with Selkirk?

Mr. MacKay: They would like to grow faster.

The Chairman: Do they claim that you stunt their growth?

Mr. MacKay: Not at all. It is inherent in anybody we have in management to want to grow.

Mr. W. A. Speers, Vice-President, Selkirk Holdings Limited: I guess I am the nearest thing to a station manager that is left. I have managed radio stations for this group for about 35 years and I think probably it is the loneliest job in the world. It is a very comfortable feeling to know that you can pick up the phone and say "Before you guys come out here I want to talk to you because I have a problem." You don't feel alone then and you can get some backing for your point of view or perhaps you can have an adjustment made in it that makes it possible for you to do what you want to do.

The disadvantages-and there are disadvantages in everything—are that in this group we have a set of standards within which you must live, and I mean by that standards of public service, public acceptance, and service to the public. I must say that we are pretty critical of managers who go outside that framework for the sake of the quick buck. You know, we are in a business, and have been in it for one hundred years, and are going to be in it for another hundred we hope, and that is the attitude that prevails.

It is kind of in the nature of things that if a person has talent or ability he is going to seek a larger audience for his talent or larger markets for his ability, and in this kind of a group you have an opportunity to do that.

engineering, programming, accounting and Mr. Fortier: Do you sometimes feel that the community rather than by someone at head office in Toronto?

> Mr. Speers: I sometimes feel I would rather own it myself!

Mr. Fortier: Well, that is legitimate.

The Chairman: Thank you, Mr. Speers.

Mr. MacKay: I might just say that all of our personnel are encouraged to participate in the shares of the company.

The Chairman: When I read the CJIB presentation-that is Vernon as I recall ...

Mr. MacKay: Yes.

The Chairman: I thought it was one of the most interesting because it dealt with some of the things which interests us most; and it says "CJIB could be compared to a minor league baseball team." Now, I am sure that is a very honest statement, but it concerns me for a reason, and perhaps you could put my mind at ease. Presumably the best announcers-would it be true to say that the best announcers in the Selkirk organization are at your biggest and best stations where they can be paid more lucrative salaries?

Mr. MacKay: Well, fundamentally that would be correct.

The Chairman: Quite understandably.

Mr. MacKay: Yes, quite.

The Chairman: And yet perhaps what concerns me, and I would like you to comment on it, Mr. Botterill, is that if in broadcasting—I think this minor league baseball analogy is not just true of Selkirk; it is true of smaller stations all over Canada. But if the system filters through the most competent newscasters and the most competent announce ers generally into Toronto and Montreal and Vancouver and the big cities, doesn't is provide less than adequate service in sections of the country where more adequate service is probably more desperately needed than in the big cities where there are lots of media? Do you follow the point I am trying to make?

Mr. Botterill: I think perhaps I do and I think in theory you are perhaps correct. However, by virtue of the progression you are speaking of that leads them up to the top you can draw them in at the smaller level and attract better people even to start with bearing in mind—I think we should emphasize this, that the smaller stations of Canada—not just our stations—are the generators of a great many radio people.

The Chairman: Yes, that is a point made in your brief.

Mr. Botterill: We draw them out of the woods and they progress upwards, and indeed these people who have the talent don't stop at the top of our largest station, they go on from there.

The Chairman: Yes.

Mr. MacKay: One point I would like to mention is I don't want you to think that people kind of start just in a small marketyou know, how do you keep them down on the farm once they see the farm. I think what happens in our company, too, is that often chaps from major centres, who are at a certain level, move into perhaps a little bigger Job in a smaller station. We have a perfect example of that in the letter I just read to you from Wally Everitt who was sales manager of one of our larger stations and a chance for management came along, so that it was a perfect place for him to move and become a part of that broadcasting organization.

The Chairman: Yes, but your best broadcasters aren't in Vernon?

Mr. MacKay: No.

The Chairman: If I could just put my question perhaps another way—in baseball, it really doesn't matter because baseball is baseball, but we are dealing here with a terribly significant community product, i.e.—broadcasting, and it seems to me a listener in Vernon is just as important as a listener in Toronto and may very well be in need of better service.

Mr. MacKay: Well, let me tell you. There are some announcers in our small markets who are better than an awful lot of announcers in large markets, but there is a thing that happens with talent, and sometimes it is in lieu of pay, and that is the recognition from the largest possible audience. Many a man has gone from a small market to find later on, to his own dissatisfaction, that there was a lot to be said for what was going on back home. In other words, you cannot say categorically that the best broadcasters are in the largest markets. I think some of the very best broad-

casters in this country are in the smallest markets.

The Chairman: But a bad broadcaster doesn't last in a big market?

Mr. MacKay: Nor a small market, really.

The Chairman: Nor a small market?

Mr. MacKay: No.

The Chairman: You made a reference, Mr. Speers—your background I know is in news.

Mr. Speers: As a matter of fact, my background is in management. I just happened to get in the news.

The Chairman: Well, news is your specialty? You know a great deal about news, don't you?

Mr. Speers: Well, that is part of the piece. You may have gathered that impression when I appeared here as President of Broadcast News.

The Chairman: I was going to ask you a specific question about news. There is a reference in the brief somewhere which I can't find at the moment referring to "rip and read" radio stations and I am delighted that the brief honestly concedes that such things as "rip and read" radio stations did in fact exist. The brief puts them in the past tense. Do you think that there are no more "rip and read" stations anywhere in Canada?

Mr. Speers: Well, I think there is a technique even with rip and read so-called. A news story comes to you off a wire—a piece of paper, and with a pencil, by changing a few words, you can make it your own story. There is a great deal of that.

The Chairman: That is done now?

Mr. Speers: That is done now every day even in places where you have small newsstands.

The Chairman: Well, what do you do in Vancouver?

Mr. MacKay: Well, we have Mr. Hutton here.

Mr. Fortier: Well, perhaps Mr. Hutton can tell us how the absence of your two daily newspapers in Vancouver in recent weeks has affected your news broadcasts?

Mr. W. M. Hutton, News Director, CKWX Radio Limited: Well, to begin with, we

instituted additional news broadcasts the title of explaining one part of Canada to morning the paper stopped publishing. We another. This would also be available to all of put brief broadcasts in on the half hour. These were also intended to be vehicles for carrying public service announcements such as death notices, funeral announcements, birth announcements, and so on. We have been rather pleased with the way things have worked out so that when the disagreement is settled out there, we intend to keep them.

The Chairman: Do you?

Mr. Hutton: Yes.

The Chairman: Commercially—for sale?

Mr. Hutton: Hopefully commercially, yes.

The Chairman: Mr. Hutton, the special study, which this committee caused to be done on Vancouver, paid due homage to radio. It wasn't critical of radio but it said that the radio newcasts, the public were finding, were really not a substitute for the newspapers. In my opening statement this morning I referred to Mr. Jack Webster and if you saw the program on television Sunday night he said "Speaking as a radio man that they just couldn't do the job."

Mr. Hutton: I don't think we can. We pretend to do the job the newspapers do. I think people miss their newspapers and there is no doubt about that. They miss them for a multiplicity of very personal reasons; their interest in the stockmarket, their interest in a particular sports columnist who they like to read; maybe they want to keep up with Dick Tracy-you know, there are so many things; but I don't think-really I would disagree to the extent that the comments that I have heard was that it wasn't for a lack of hard news that people missed the papers.

The Chairman: It was for other things?

Mr. Hutton: It was for other things. It was for in-depth news, it was for signed commentary, this type of thing.

Mr. MacKay: Well, Mr. Hutton, while you are talking, it might be interesting for the committee to know about your development in trying to bring signed commentary to the station.

Mr. Hutton: Well, this was something I was going to say in talking about the small stations. I am now trying to put together, and have been for some time, a series of brief commentaries which, hopefully, will be from all parts of Canada under the sort of broad

the stations—as a matter of fact, available to the smaller stations without charge, and they could make use of it as they wish.

Mr. MacKay: I don't want to cut off the discussion about news because it is the life blood of our stations, but before we go any further I should mention that this kind of service represents some of the things that group ownership does provide.

The Chairman: Are there other questions that the senators have? Senator McElman?

Senator McElman: Just following up the Vancouver situation. In the current context and your special efforts to provide additional service in the vacuum of print news, have you found the CRTC regulations with respect to the amount of time you can have as paid time in providing service-have you found these regulations rather restrictive of what you want to do for the community?

Mr. Hutton: Not in this particular instance, no, I can't say that I have. I have long felt, however, that the lack of commercials in the body of newscasts in Canada has tended to reduce the length of broadcast. You can only go so far without putting in a commercial.

Senator Sparrow: Why?

Mr. Hutton: Well, eventually you have to pay for the radio station. It is not subsidized by all of us as the CBC is. It is strickly a commercial proposition.

The Chairman: Mr. Speers?

Mr. Speers: Well, I think the radio stations carry as much advertising as is reasonable for their audience to begin with. It would be possible for us perhaps to run longer newscasts if we were allowed to put commercials in the beginning of them, but to make an exception because there was a newspaper strike—we wouldn't even ask the CRTC if we could do it. We wouldn't dare to put them in a position—if you like the word—of authorizing strikebreakers taking advantage of the situation.

Mr. Fortier: Do you think people listen to radio programs or television programs because of the commercials which they will hear or which they will see?

Mr. Hutton: I think they do to some extent,

Mr. Fortier: Do you think this is an important factor for the viewer or listener?

Mr. Hutton: I think it is, yes.

The Chairman: I don't want to cause consternation in the home front, but as Mr. Hutton was saying yes, some of the people on the other side were saying no.

Mr. MacKay: Well, it is sort of an example of the independent thinking we now have. I think that is a generalization that we could talk about all afternoon. But I just go back for a moment...

The Chairman: Well, let us just deal with this one for a moment. You don't agree with Mr. Hutton?

Mr. MacKay: Well, I think I could say this. Some commercials are more attractive then others and to the extent that they are appealing and attractive, I think people find them hit songs that have come out of commerof talent has been born as a result of commercials, singing groups that have become identified through a commercial and become top entertaining stars. So I would say yes, there are many inherent benefits to what you call the good commercial. I would also have to say that all commercials don't have all of those qualities and perhaps are not produced for that purpose.

The Chairman: Don't the people go away from the television set when the commercial comes on?

Mr. MacKay: No, I don't think so. I know there was some measurement made in London and they found that the water closet level went up between breaks...

The Chairman: Yes.

Mr. MacKay: However, that is a British habit! It is a case of bad kidneys and not bad commercials.

The Chairman: You think a study in Canada would be different?

Mr. MacKay: Well, I don't know about that particular aspect of the study, but I would say that by and large our approach to commercial broadcasting in Canada is infinitely better than that in Britain.

Mr. MacKay: Well of course, I think we are so far ahead of the United States, and I think Mr. Johnson kind of confirmed that when he was here last week.

The Chairman: Are there other questions the Senators have because we do have another brief. If not, I am going to terminate-you are going to say something, I am sorry.

Mr. MacKay: I was just going to say one closing thing to Mr. Fortier's question about group ownership and keeping talent in the smaller market. One of the greatest single assets a multi-owner has, if he is fortunate enough to have an interest in a radio or television station in the small market, is a very exciting challenging means of keeping very good people in that marketplace. The chance to grow. Now, even somewhat larger markets-David Penn is a perfect examplean outstanding broadcaster and manager of a radio station who had reached the point pleasant. There have been, as you know, some where he wanted to try his wings elsewhere. We bought a television station, he is running cials—you know, million record sellers; a lot it and he is as happy as a clam. We couldn't be happier either and I think this is in the public interest. It is showing it in terms of audience that it is hard to keep them down on the farm.

> Mr. Fortier: I think I should thank you for your comment and I should point out that our Mr. Spears has just informed me that a similar study was done to the one that was done in London, England-was done by The Financial Post some months ago and it coincided with the conclusions of the British studies, so our kidneys are not any better!

Mr. MacKay: Well, ...

Mr. Fortier: I mean our programming is not any better.

Mr. MacKay: I would also think that you might want to look at The Financial Post.

Mr. Fortier: Mr. Chairman, I wonder if we might be able to hear from Mr. MacKay very briefly on his reaction to the recent CRTC proposals to increase Canadian content?

The Chairman: Yes we can, but I will make that the final question.

Mr. MacKay: Well, Mr. Chairman, I think that we have learned a great deal in broadcasting and those of us—and there are people here present before this Committee with me The Chairman: Would you compare it to today, who can take you back through a that of the United States? whole list of regulations that we used to have, broadcasting, which made it possible therefore for U.S. channels to grow and use those frequencies at maximum power. We have had regulations which said you will not broadcast the news or record after 7.30 at night. We have had regulations that said you will not broadcast a spot announcement after 7.30 at night and you will not quote a price. So through the years we have had a lot of regulations. We have learned one thing. Those that are not practical, simply will not work.

Now, in connection with the new proposed Canadian content regulations, I think that the very form which is proposed as a regulation is an old form and definitely calls for a reply in the old pattern. It seems to me that we haven't got a problem with U.S. content in Canada basically. What we really have is a problem of Canadian content; quality Canadian content, and I am a very firm believer that what we really need is not necessarily more Canadian programming, but better Canadian programs that more Canadians will watch. It seems to me that we have reached a point where all of us really have to understand not only the reasons for the more Canadian content and how to get from the goal of 40 per cent Canadian content to a 60 per cent Canadian content goal, but also how, in the doing, we end up with a stronger Canadian society and healthier broadcasting industry.

Now, when you face that kind of a situation it seems to me we have to approach that problem differently. I am a strong advocate that this regulation is to become a fact and of a brand new approach. Now, we are proposing an approach to the CRTC-we have not submitted it to them yet, but I will merely say to you that I think its underlying base is incentives. We have to try to create more pride in Canadian programs and less of a sense of compulsion. I think we have learned this lesson in so many, many other disciplines, that encouragement, reward incentives, I think, will go a long way to really get at the root of the problem which is better quality Canadian content.

Mr. Fortier: That is a very complete answer and I don't want to ask you what those incentives will be that you will put before the CRTC next month, but I am tempted to ask you this: why have you not made any comcrete proposal until the CRTC came forth with its proposed regulation?

Mr. MacKay: Because I think that we have been pretty busy in broadcasting. Number

regulations that froze the power of private one-we have been pretty busy in terms of getting used to our television responsibilities, learning the skill of TV. We have been busily enmeshed in the cablevision world recently; we have been devoting an awful lot of time to the implication of educational television, and that is a whole story in itself which I think will stagger this committee, but really it is a case of too much to do in too little time. Now, up until this moment we were going along fine. This represents in my view a dramatic change, a new goal, and this is why when the regulation came out it is important enough that I think we must pause and consider it very carefully.

> Mr. Fortier: The goal is a legitimate one, is it not?

Mr. MacKay: Yes.

Mr. Fortier: It is the means which you question?

Mr. MacKay: I think all goals of that nature—anything that will strengthen our country and if this will indeed strengthen our country it is the most valuable of goals.

The Chairman: Perhaps I could conclude the hearing by quoting your own phraseology of just a moment or two ago when you said you had too much to do and too little time to do it. I think you should realize that the members of this Committee realize just the extent to which private broadcasters involved with various Government agencies, organizations, bodies, committees, subcommittees hearings and I think it is important for you to know how this Committee sees itself. We realize, and we hope you do, that this is by no means a CRTC hearing in any shape, kind or description; it is not a Royal Commission on Broadcasting, but it is attempting to bring the entire Canadian media picture into some kind of perspective and I suggest to you that had we gone ahead, without any reference to the broadcasting industry, broadcasters would be understandably critical; and so we have been anxious to bring some representative broadcasters before the committee. Selkirk Holdings is a significant member of the broadcasting community, and we felt it would be a useful organization to have before the Committee. We appreciate your coming, we appreciate you bringing your full team, hich appreciate the brief you have prepared which will be guite valuable to us.

Mr. Mackay: Among other things it said prepare yourself for a meeting amongst friends.

Short recess.

Short recess.

The Chairman: Honourable Senators, if I may call this session to order. The second brief we are going to receive this afternoon is the submission from Moffat Broadcasting Limited.

Seated on my immediate right is Mr. Randall L. Moffat, the President of Moffat Broadcasting Limi ed. On his immediate right is Mr. James M. Pryor, the Chairman of the Board, and on the extreme right flank is Mr. Ron Mitchell, who is the Executive Vice-President.

Mr. Moffat, I know you were here for the earlier presentation and so I don't need to repeat all of the things I said at that time. The procedure we follow is simple; you make an opening oral statement and then we ask you some questions on your oral statement, on your written brief, or anything else which may be on our minds. If you wish to refer any of the questions to your colleagues, please feel free to do so.

Welcome.

Mr. Randall Moffat, President, Moffat Broadcasting Limited: "As the Chairman has mentioned, my name is Randall Moffat and I am the President of Moffat Broadcasting Limited. With me, as he has also indicated, is Mr. Jim Pryor and Mr. Ron Mitchell.

In our brief, we attempted to answer many of the original and supplementary questions of this committee. Some questions, for example, copyright and the effect of American controlled advertising agencies on the advertising industry are of such a technical nature or involve such intimate knowledge of subjects that we prefer to leave them to experts in those fields. We have filed, on a confidential basis, the financial information requested by the Committee.

You will have noted in our brief that we have outlined the organization of our company, its ownership and its beginning. Briefly, Moffat Broadcasting was founded by my late father, Lloyd E. Moffat, in 1931 and has gradually grown to the present position Where we operate radio stations in principal cities of western Canada as well as having interest in two companies, CJAY-TV in Winhipeg, and Metro Videon Limited, which is a TV company serving a portion of greater city to support additional outlets.

The Chairman: Thank you very much. Winnipeg, which are of concern to this committee.

> In our formal submission, we have touched on the philosophy of local programming held by our company and also have discussed what we view as the responsibilities of broadcasting to the community.

> While it is not our intention to take up the time of the Committee by covering in detail the material contained in our brief, I would like to take a few moments to re-state our views on the ownership of mass media, which is of primary interest to the Committee.

We do not view the broad holdings of one firm in itself as harmful. To the contrary any social desirable benefits result. In our case, Moffat Broadcasting Limited has been able to provide exposure and encouragement to Canadian talent. The Maple Leaf Music System and the Lloyd E. Moffat Awards are two such projects that we have described in our brief.

In co-operation with the stations of CHUM Limited, we have been instrumental in developing the Canadian Contemporary News system, an all-Canadian news service of which we are very proud. Another advantage that we have in group ownership is the integrity of our news reporting at the local level which is protected and the financial stability of our company has allowed us to undertake expansion and improvement of our broadcast facilities.

We have been able to provide professional management in administration, programming and engineering, which assists us improving the service to our communities. We firmly believe that group ownership will continue to play an important role in the development of Canadian broadcasting.

One aspect of media ownership that does concern us and that is the situation where all media in a given city are controlled by one owner or group of owners.

"We cannot suggest, however, rigid rules for the limitation of ownership that can be applied with equal force across Canada. We submit that each individual community presents a different set of circumstances. The degree of concentration must be assessed against—in the first place—the availability to the public of the effective competition for the dissemination of opinions and information and, two, against the economic ability of the

"We would also like to take this opportunity to address ourselves to the statement of Lord Thompson that 'a licence to broadcast is a licence to print money.' I believe Mr. Ray Crépault, President of the Canadian Association of Broadcasters, when he appeared before you, suggested that the remark of Lord Thomson was the 'most unfortunate comment ever made about broadcasting.'

"Making the statement is not what is unfortunate. The attitude that prompts such a statement is what we regard as unfortunate. To us, a licence carries with it as many responsibilities and obligations as it does rights and privileges. While it is true that broadcasting stations are granted the exclusive right to occupy a specific frequency, new stations are continually being licensed. To a degree, economic protection is afforded by the Canadian Radio and Television Commission in order that certain goals set by the Broadcasting Act can be attained. As many stations in Canada explain losses in their operations, it is evident that this economic review by the Commission is not a guarantee that broadcasting stations will make a profit.

"I presume even Lord Thomson would agree with us now as he has announced the sale of his broadcasting interests.

"I think it should be mentioned that broadcasters, in carrying out their responsibilities. have had to deal with two basic considerations that confront Canadians in every aspect of our lives: the first is our relatively small population that is dispersed in one of the largest countries in the world; the second is the presence in the United States of a large, wealthy, and aggressive neighbour. In the light of these two undeniable facts of life, we believe that Canadians are fortunate to have both the quality and quantity of broadcast service they enjoy. Both the private and public sectors of broadcasting provide a service, both in radio and television, which represents one of the prime forces that are at work in keeping Canada together, both in a political and social sense.

"It must be remembered, as well, that it is impossible for each individual broadcaster to cater to every expectation that Canadians have of their broadcasting service. I would hope that this Committee, in assessing the role of broadcasting as part of the mass media, will remember that the service provided by our industry is the sum total of all broadcasting within that particular community. When taken as a whole, the industry

"We would also like to take this opportunity provides a broad spectrum of service in order to address ourselves to the statement of Lord to satisfy individual tastes and needs.

"Moffat Broadcasting is proud of the contribution we make in providing broadcast service to Canadians in western Canada. We do not pretend to be all things to all people, but we do feel we give a full service to the audience we attempt to serve."

That concludes our formal statement, Mr. Chairman, and myself and my colleagues will be prepared to answer any questions that you may wish to put to us.

The Chairman: Thank you very much, Mr. Moffat. I believe the questioning this afternoon will begin with Senator Sparrow.

Senator Sparrow: Mr. Moffat, in the concentration of ownership which you referred to verbally, did I understand you to say that you thought it was a bad thing to have the ownership of all media in one area. Is that what you said?

Mr. Moffat: Yes.

Senator Sparrow: I mean newspaper, radio, television and perhaps cable; is that correct?

Mr. Moffat: Yes.

Senator Sparrow: As such the broadcasting without the printed word is not a bad thing. Is that what you are suggesting?

Mr. Moffat: Well, as we suggest, I think it has to be a question of looking at some specific market and determining what other radio stations, for instance, exist, what other television stations exist, whether newspapers exist and whether there is a cross-ownership between broadcasting and print.

Senator Sparrow: Are there any markets in Canada today that you would say concentration of ownership is detrimental to the listening public or reading public?

Mr. Moffat: Not that I am aware of, senator. Of course, I am speaking of western Canada.

The Chairman: How about eastern Canada or do you just want to confine your remarks to western Canada?

Mr. Moffat: Well, it is not that I wouldn't like to speak about eastern Canada, but I am just not familiar with it, Mr. Chairman.

The Chairman: You say at page 23 and you stated orally that you find undesirable:

"any situation where all media within a given market is controlled through one owner or group of owners."

And you can think of no such situation in Western Canada?

Mr. Moffat: No I can't. There may be some smaller situations perhaps in the interior of British Columbia where that might exist. I am not familiar with any specifics.

The Chairman: How would you classify Regina?

Mr. Moffat: Well, in Regina there exists for competitive purposes additional radio stations. There is one additional television station to the key owner which seems to be the Siftons in that part of the world. The unfortunate aspect, I think, of their ownership is the existence of one newspaper. However, I think that they were the pioneers in that part of the world and have certain built-in investments in the community.

The Chairman: Senator Sparrow?

Senator Sparrow: Specifically then, how much is too big or how much is too muchreferring to Regina again—should any special provision be made as an example in Regina at this time? Do you consider it a dangerous situation now or in the future, has it the potential of being a dangerous situation?

Mr. Moffat: Well, I think that the degree of concentration that exists in Regina is such that it should be watched and I wouldn't think that it would be in the public interest to expand or lead to more concentration in the Regina situation.

Senator Sparrow: How would you control that then?

Mr. Moffat: Well, unfortunately the only control the people of Canada through Parliament can exercise in the broadcasting industry is through licensing of the Canadian Radio and Television Commission.

Senator Sparrow: So from that example you can't set up a basic principle of ownership necessarily?

Mr. Moffat: No, I don't think you can. I think it becomes about as close to the line, so

speak, as one can get.

The Chairman: I would like to ask you-in Edmonton you have 45 percent of a radio station-CHED, is that correct?

Mr. Moffat: Yes.

The Chairman: Do you think it would be desirable in Edmonton to have an alternative daily newspaper to the Journal?

Mr. Moffat: Yes, I think it would be.

The Chairman: You think it would be?

Mr. Moffat: Yes.

The Chairman: Do you think it would be financially possible to start a daily newspaper in Edmonton?

Mr. Moffat: Not from-and I am not an expert and I don't purport to be in the print media, but what I have read and what I am told is that it would take a tremendous amount of money to even have a crack at starting a new daily newspaper in Edmonton without any guarantee at all that it would be successful. I think that the Edmonton Journal enjoys an economic monopoly in Edmonton which would be very hard to break.

The Chairman: Even although there are 800,000 people in the market area?

Mr. Moffat: Yes.

The Chairman: These questions may be unfair because you are not a publisher and believe me we appreciate that. However, we are interested in having your views.

Senator Sparrow?

Senator Sparrow: I will leave that group ownership for a moment unless there are other questions on it.

The Chairman: Are there any other supplementary questions on group ownership? Well, we may come back to it, please go ahead.

Senator Sparrow: Well, still dealing with page 23, you say:

"Each of our stations have experienced the threat and, indeed, the actual loss of advertising business from vested interests with the community. Small operations may not be able to retain their integrity as easily as stations that operate within a larger framework."

Could you give us examples of what you are referring to there?

Mr. Moffat: Well, I won't name names, I think, for obvious reasons. I can give you one example that came up as recently as two days Committee could have it in its proper perspecago where we had an unusual cancellation of tive. You say: business from a department store. While they gave other reasons, it came to our knowledge that the chief reason that they cancelled their advertising was because we were carrying some commercials from an employees' union. That is the kind of thing I mean and that particular case was as recently as two days ago.

The Chairman: Which station was this?

Mr. Moffat: Well, it happened in Winnipeg.

The Chairman: In Winnipeg?

Mr. Moffat: Yes. But this kind of thing happens and I think we can say this, that we have all had experiences in this type of situation.

Senator Sparrow: Would you find the same type of pressure from governments-provincial or federal?

Mr. Moffat: No. I haven't.

The Chairman: But the actual loss of advertising-are these always local advertisers or are they ever national advertisers?

Mr. Moffat: Basically local.

The Chairman: Basically local advertisers?

Mr. Moffat: Yes.

The Chairman: Do you ever bend to the pressure?

Mr. Moffat: No.

The Chairman: You just play it straight up the middle then?

Mr. Moffat: Yes. We listen to what their considerations are and if they have a valid point to make then we will adjust our policy.

Mr. James M. Pryor, Chairman of the Board, Moffat Broadcasting Limited: It is quite obvious that these advertisers have not found a sufficient amount of leverage against whatever the base is that they will operate from to cause us to deviate-I am not suggesting that at some time that couldn't happen because there may be some realities, but one of the great benefits of being able to have a number of local sponsors in different markets is so that you have that base and you are not at the mercy of any one advertiser.

useful to pull this matter out so that the hygiene products we refuse to advertise.

"Each of our stations have experienced the threat and, indeed, the actual loss of advertising business..."

I don't think we should view this out of proportion because this isn't a monumental problem is it, or is it?

Mr. Moffat: Well, it can be a monumental problem. I think we have an example in Nova Scotia, and my facts may not be correct, where there was an occasion where a station lost its licence for this kind of thing.

The Chairman: That was the station in Yarmouth?

Mr. Moffat: Yes.

The Chairman: But within your own particular organization this is not a major problem?

Mr. Moffat: No, I wouldn't class it as a major problem.

The Chairman: It is a serious problem but not a major problem?

Mr. Moffat: It occurs.

The Chairman: Senator Sparrow?

Senator Sparrow: The problem that may get greater if you give in on one of those respects, in other words?

Mr. Moffat: I would think that it would.

The Chairman: Mr. Fortier?

Mr. Fortier: If I may, Mr. Chairman.

The Chairman: Yes.

Mr. Fortier: The reverse side of the coin, Mr. Moffat; have you ever refused to carry advertising?

Mr. Moffat: Yes we have refused advertising.

Mr. Fortier: For what reasons?

Mr. Moffat: Well, because it didn't particularly fit our radio station—the sound of our radio station.

Mr. Fortier: Would you give us examples of at? that?

Mr. Moffat: To the type of audience to The Chairman: Well, I think it might be which we appeal. Well, certain personal seful to pull this matter out so that the which we appeal.

Mr. Fortier: Because the product did not fit the sound of the station?

Mr. Moffat: Or appeal to the audience that We were trying to serve-it wasn't in good taste in so far as our audience is concerned.

Mr. Fortier: Could you give us other examples?

Mr. Moffat: Well, we have refused advertising where we felt that some promotion or unusual financial thing was going to be inflicted upon our listeners, something we didn't feel was quite above board.

Mr. Fortier: Have you ever refused to carry advertising because it conflicted with, let us say, a competitive product which was already the subject of a commercial on a radio or television station?

Mr. Moffat: I am not sure I understand your question, Mr. Fortier.

Mr. Fortier: Supposing the T. Eaton Company in Winnipeg asked for some advertising time which it was ready to pay for and the Bay was one of your regular ...

The Chairman: Well, I think that is a pretty hypothetical question. I don't think we need to specify the names of the companies.

Mr. Fortier: Well, I was asked to explain my question, Mr. Chairman.

The Chairman: Well, all right, as long as it is very clear on the record that it is hypothetical.

Mr. Fortier: It is a purely hypothetical question.

The Chairman: Fine.

Mr. Fortier: Now, merchant X comes to you and asks for merchandise...

Mr. Moffat: We have never refused.

Mr. Fortier: Pardon?

Mr. Moffat: We have never refused advertising...

Mr. Fortier: Because merchant X was in competition with merchant Y?

Mr. Moffat: That is right.

Mr. Fortier: That has never been the basis for a refusal?

Mr. Moffat: No.

Senator Sparrow: Does the Moffat interest extend beyond broadcasting as such? Does your company have ownership in any other fields?

Mr. Moffat: Well, in the cable industry in Winnipeg-if you include that in broadcasting-we have no other substantial investments.

Senator Sparrow: In industry or otherwise?

Mr. Moffat: No.

Senator Sparrow: In reference then to your remarks about threats as far as advertising and so on, a position of a conglomerate in the broadcasting field might tend to exaggerate this problem, if there was ownership between broadcasting news media and perhaps other industrial aspects-that this problem may exist?

Mr. Moffat: Well, the potential that the problem exists is certainly there.

The Chairman: Mr. Pryor?

Mr. Pryor: I wonder if I might just add a comment to that. It would seem to me that the potential would exist if that conglomerate were sufficiently large that it became percentagewise relatively important against the whole spectrum of the advertising community that was at hand to a broadcasting station. And only at that time, if it did so become that big or that important—simply because advertisers know that they are not refused space on a radio station, or in a newspaper-I just assume it is the same way-unless their advertising is in bad taste, or illegal, or contravenes the laws; this type of thing. I really can think of no other reason why anyone would be turned away and neither can advertisers, so I really wonder that such an abuse would occur.

Senator Sparrow: Maybe I should ask you for a further explanation. This vested interest in the community-are you referring to perhaps the withdrawal of advertising or editorial comment?

Mr. Moffat: That would certainly be the most primary way that that conglomerate of broadcasting media could make itself evident.

Senator Sparrow: Leaving that for a moment. Could we have your comments on the new CRTC regulations?

Mr. Moffat: Well, as far as the television regulations are concerned, the station in which we have an investment—channel 7, is and would therefore circumvent the legislaabout halfway through the preparation of its presentation to the Commission. We can't really identify how the new content regulations will affect us at this point in time. However, we are very concerned with the position that channel 7 finds itself in with regard to American competition which we feel is rather a unique situation.

The Chairman: Would you describe that situation in a little more detail, please?

Mr. Moffat: Well, the primary competition that we are talking about is the existence of KCND in Pembina, North Dakota, which is a village, I think, of approximately 200 people. The antenna that KCND broadcast from is located about ten yards south of the 49th parallel . . .

The Chairman: How far is it?

Mr. Moffat: About ten yards.

The Chairman: Ten yards?

Mr. Moffat: Yes, from the 49th parallel and it is there for the express purpose of broadcasting to Winnipeg.

The Chairman: Senator Beaubien?

Senator Beaubien: That is your big competition in your market?

Mr. Moffat: Well, in addition to the Canadian Broadcasting Corporation.

Senator Beaubien: Yes.

The Chairman: Therefore you suggest or you recommend to the committee legislation similar to that in print and to quote your brief:

"... whereby advertising expenditures by Canadian companies on foreign broadcasting stations become non-deductible items for corporate tax purposes."

Mr. Moffat: Right.

The Chairman: And that is a recommendation which you make to the Committee?

Mr. Moffat: Yes.

The Chairman: May I ask you in making that recommendation have you considered the possibility that these advertisers would simply, with the extent to which the Canadian economy is controlled by American companies, that they would simply place this advertising through American head offices

tion.

Mr. Moffat: Well, certainly that applies in connection with national advertising and there may not be anything that the legislative change could do to effect that, but as far as local advertising is concerned, I think we would find it would terminate that.

The Chairman: Well, I think the Committee would be terribly interested in knowing if you could tell us the extent of local advertising on this channel?

Mr. Moffat: Any figure that I could give would be just a straight guess and I would think ...

The Chairman: Well, it would be an informed guess.

Mr. Moffat: Well, I would think it would be about \$400,000 a year in case of KCND.

The Chairman: And these would be local Winnipeg advertisers who buy advertising on this station?

Mr. Moffat: Right.

The Chairman: What would the national advertising figure be?

Mr. Moffat: I have really no idea.

The Chairman: It is perhaps unfair to ask you. I am not trying to put you on th spot.

Mr. Moffat: No; it is not really an unfair question, but I just don't know.

The Chairman: Senator McElman?

Senator McElman: Of that local advertising what percentage of the total TV dollar being spent in that area would that \$400,000 constitute?

The Chairman: Do you understand the question?

Mr. Moffat: Yes. I would think about 20 to 25 per cent.

Senator McElman: It is substantially enough.

The Chairman: And you think the legislation even if they could circumvent it nation ally in the way I have suggested, locally it could not be and it would in effect draw this advertising back into Winnipeg television?

Mr. Moffat: Right.

The Chairman: Or other Winnipeg media?

Mr. Moffat: Yes.

The Chairman: Can you back that theory up?

Mr. Ronald Mitchell, Executive Vice-President, Moffat Broadcasting Ltd: These people have to advertise to stay in business. They have to spend the money either in TV, radio or newspapers.

The Chairman: Have you ever, Mr. Mitchell, conducted any kind of a random survey or sample to find out what these people would do? Have you ever said to these local advertisers, "Look, what if you couldn't use this channel, what would you do?"

Mr. Mitchell: Yes, I have.

The Chairman: And what do they say?

Mr. Mitchell: Well, they said that they were getting a pretty good price on it and did we know that we are not hitting the entire market but we are hitting it enough to make a dent on it and we are going to continue doing it.

The Chairman: Yes, but if they couldn't have it—do they say they would go in to other Winnipeg media?

Mr. Mitchell: You have to look at the type of business, Mr. Chairman, and these people need to get customers into their business.

Mr. Jim Pryor: It seems to me the same customers, Senator Davey, that are advertising—they are advertising on the other media other than Winnipeg—they are advertising on this station in Pembina and as a result they would not terminate their advertising in Winnipeg if indeed Pembina were not available to them, but they are able to provide them with programs of great popular appeal during the prime periods when the CBC and CTV television stations are running Canadian content which may not have great public appeal.

The Chairman: What network is Pembina affiliated with?

Mr. Moffat: ABC.

Mr. Pryor: Yes, ABC, primarily.

The Chairman: This is perhaps a very unfair question to put to you because you wouldn't be expected to know but you might with your knowledge of the broadcasting.

Would that \$400,000 figure exceed the local advertising on other similar stations—like Bellingham and Buffalo and so on?

Mr. Moffat: The local advertising?

The Chairman: Yes.

Mr. Moffat: I don't know.

The Chairman: Yes, I realize that it is a pretty tough question to put to you.

Mr. Moffat: I know that KVOS takes a lot of money away from the Canadian stations in the Vancouver market but whether they do locally as much as they do nationally I am not sure.

The Chairman: Mr. Fortier?

Mr. Fortier: Do you think, Mr. Moffat, that this Pembina station was set up to fulfil a need of Winnipeg advertisers or was it set up to fulfil the need of Winnipeg viewers?

Mr. Moffat: Well, I think it was set up to fulfil a need of American shareholders primarily. People watch the station and it is obviously providing somewhat of a service to them.

Mr. Fortier: By and large why do the local advertisers use that medium rather than CJAY TV?

Mr. Moffat: Basically the question of cost.

Mr. Fortier: You cannot offer competitive prices, is that correct?

Mr. Moffat: That is correct.

Mr. Fortier: And neither does the CBC affiliate?

Mr. Moffat: That is correct.

The Chairman: Senator Sparrow?

Senator Sparrow: Has Canadian content at this time have anything to do with that? Is this what you are talking about—the Canadian audiences preferring that type of thing?

Mr. Moffat: No, not in that direct connection. Certainly the requirements that are made of us under the Broadcasting Act to do with Canadian programming, increase our cost of operation versus what it does cost the American stations to operate. They don't have to charge as much for their advertising minute as we have to. In that connection, the content regulations are a factor.

Senator Sparrow: I am just quoting from the Edmonton Journal and it says in reference—and editorial reference to the changes it says:

"All it will do among 55 per cent of Canada's television viewers—the ones within the antenna reach of American television or cablevision—is cause them to watch more U.S. TV. And the proof that they undoubtedly will comes from the CRTC itself: one of its studies shows that when viewers have a choice, right now 58 per cent of the time they will watch American programs." Would that be true now?

Mr. Moffat: Yes.

Senator Sparrow: And will that increase with this new Canadian content regulation?

Mr. Moffat: It is our hope that it wouldn't; it is our fear that it will.

Senator Sparrow: It is a fear?

Mr. Moffat: Yes.

Senator Sparrow: Is there any percentage figure you can give us?

Mr. Moffat: No. As I said we are just about halfway through our study as far as Channel 7's programming is concerned so we don't have any final figures to give you.

Senator Sparrow: Just as a matter—the editorial goes on and it is rather humorous because they make reference to new programs or Canadian programs to take the place of existing programs and some of them—I won't read them all but there appears a new program "Let's Make a Deal": Two dramatic hours with a used car salesman." The next program, "Great Expectations: A rerun of the Speech from the Throne." "Of Human Bondage: A small businessman examines Benson's tax proposals. The Flying None: (spelled N-o-n-e) An in-depth Six-hour review of historic Canadian air strikes.

The Chairman: Are you leaving the CRTC Regulations?

Senator Sparrow: Yes.

The Chairman: I am wondering—I am sure the Committee would be interested in Mr. Moffat's comments on those that affect radio.

Mr. Moffat: We don't anticipate meeting with much difficulty the content requirements of the Commission so far as AM radio is concerned.

The Chairman: Thank you. Senator Sparrow?

Senator Sparrow: In the next few years what do you foresee as changes in programming as far as radio is concerned? I think perhaps I ask this in the context of a switch from AM to FM as an example for competition and so on in total programming. Do you see a drastic change from as it exists today?

Mr. Moffat: Perhaps Mr. Pryor or Mr. Mitchell would like to answer that. It is a personal question—I don't anticipate any change in the kind of program that AM radio is doing now. If anything, I think it would continue to be closer to the community than perhaps it is now. I think the change that started with AM radio when television hit the broadcasting scene about 1950 or 1951 is probably not a complete change yet. I think radio will still move towards this localization.

Senator Sparrow: Will there be a switch from AM to FM in the foreseeable future?

Mr. Moffat: I don't think so in Canada.

Senator Sparrow: You don't think so?

Mr. Moffat: No.

The Chairman: Mr. Pryor?

Mr. Pryor: If I may just speak to that.

The Chairman: Yes?

Mr. Pryor: There are areas in the United States, where there is a drift so to speak from AM to FM but I think if those areas are examined, one will notice that the spectrum space for AM radio stations is completely non-existent and the desire for variety and additional service therefore had to be taken up in the FM frequencies because that was all that was available. There are not any areas in Canada—there are some but not many areas where the spectrum space is completely utilized in the AM field, so in answer to your question I don't anticipate FM, replacing AM radio in this country in the foreseeable future. I think it will provide an additional service but it will be a supplementary service to serve minority groups and minority type audiences more directly and merely give additional variety in the system, but not act as a replacement.

The Chairman: You say at page 4 of your Brief—

"We discovered that specialization in the sense of consistently serving the needs of an identifiable segment of the population would be the future role of radio."

Does this mean that for each of your stations you horn in on a specific segment of audience?

Mr. Moffat: Yes. We don't try to provide service to everybody within a given market.

The Chairman: Well, is the audience that you are after the same in every market or...

Mr. Moffat: We are after different audiences.

The Chairman: Different audiences in different markets?

Mr. Moffat: Depending on what...

The Chairman: Well, could you tell us what those audiences are?

Mr. Moffat: Well, in Winnipeg, the audience is primarily adults over 25 years of age. In Moose Jaw where it is a single station market...

The Chairman: Yes.

Mr. Moffat: We do try to provide block programming that will satisfy a whole range of desires. In Vancouver for instance we serve an audience that we identify as being up to the age of 35.

The Chairman: Under 35?

Mr. Moffat: Yes. In Calgary and in Edmonton we have a slightly different position that is somewhere between the Vancouver and the Winnipeg situation.

The Chairman: It is 25 to 35 you mean?

Mr. Moffat: It is basically 25 to 49 in Calgary and Edmonton.

The Chairman: Do you think that if radio stations attempted to reach identifiable segments, does it become important that some agency, presumably the CRTC, ensure that all segments are reached in multiple station markets. In other words, what would happen in, well, let us use a city that you are not in—Toronto. In Toronto if all the radio stations decided to horn in on the same market, the same segment to use your words, some segments presumably would be ignored. Can this decision be left to the marketplace or should the CRTC or some other agency determine what the regional balance will be?

Mr. Moffat: Well, I think the Commission has an opportunity to ensure diversity of service through the applications that they

receive to serve a given market like in Toronto. I think the economics of the marketplace would really mean that you wouldn't find that a majority of the stations were trying to serve one specific segment of the population.

The Chairman: You think it is a pretty academic sort of a problem?

Mr. Moffat: I believe it is. It has a tendency to work itself out.

The Chairman: Senator Sparrow?

Senator Sparrow: How do you determine these markets?

Mr. Moffat: Through audience surveys which are primarily done by the Bureau of Broadcast Measurement.

Senator Sparrow: Do you find that you are continually making changes because of this with regards to radio programs?

Mr. Moffat: No, not continually.

Senator Sparrow: In a particular radio station that you owned, say, for ten years, in that period would there have been many changes in programming in any particular market?

Mr. Moffat: Not many. There will have been some but not many. In Winnipeg for instance in the last ten years, we have had one basic change in programming policy.

Mr. Mitchell: I think the basic question is how do you determine which part of the people you want to serve.

The Chairman: Which segment?

Mr. Mitchell: Yes, rather than how do you measure it.

Mr. Moffat: Well, you have to sit down and you take a look at each individual market. If we feel that there is an avenue, that there is somebody that is perhaps providing service but not well maybe, that is an area that we would deem to be worth going after.

The Chairman: I think Senator Kinnear has a supplementary question and so does Mr. Fortier. I will take Senator Kinnear first.

Senator Kinnear: Mr. Chairman, my question is on programming. I was out of the room for a while but I am wondering if your Vancouver station—if you were flexible enough there to take advantage of more news during the newspaper strike?

Mr. Moffat: Mr. Mitchell, you were talking to Mr. Donald Hamilton the Manager of CKLG.

Mr. Mitchell: We didn't increase the news content that much for that reason. You have to understand that in Vancouver, while the official newspapers are not publishing, there are other newspapers being circulated with a wide distribution. The unions are publishing their own newspapers as you know and becoming a free enterprise.

Senator Kinnear: Yes, we did have a report on the other newspapers.

The Chairman: I note Senator Kinnear that Mr. Hamilton is in the room and I have asked Mr. Moffat if we could put a question to Mr. Hamilton—if you don't mind, Mr. Moffat?

Mr. Moffat: No.

The Chairman: I think Senator Kinnear's question is really basically how is your station responding to the absence of newspapers. What special steps have you taken and how have they been received in the community?

I should apologize. I realize that you weren't expected to be asked any questions but since you are here we might as well take advantage of your presence.

Mr. Donald Hamilton, Manager, CKLG: First of all, we took a good look at our news. I wouldn't say we expanded the amount of time that the news was taking but I would say that we were editing the news much more closely and trying to take a broader concept of the news in the time that we were normally devoting to it. We also undertook to retain some of the people who had been displaced in the walk-out or strike at Pacific Press, some of the feature writers of Pacific Press. We have also undertaken a rather massive service to the community that in some way perhaps might be tied to the strike or walk-out, in that we are conducting a rather intensive investigation into the use of drugs in the community and will be airing a 20 hour special starting next week.

The Chairman: Twenty straight hours?

Mr. Hamilton: Two hours a morning and two hours a night for five straight days.

The Chairman: What time in the morning and at night would that be?

Mr. Hamilton: 9:00 to 11:00 in the morning and 6:00 to 8:00 at night.

Senator Sparrow: Is that a repeat at night?

Mr. Hamilton: Yes, it is and in this particular regard we have retained a substantial amount of press people to develop this particular community need.

Senator Kinnear: Well, at the time I wonder if you would be able to keep them?

Mr. Hamilton: I would seriously doubt it because we had to retain them on a free-lance basis because they are union members with unions with which we are not affiliated and I would think that their first love would probably be to go back to work for Pacific Press.

The Chairman: Have you had any indication of any community response to these things?

Mr. Hamilton: No, I don't think in all fairness I have. I have no knowledge that it has been particularly well or particularly poorly received. People tend to take the news that they hear for granted and the fact that sometimes if you invest a significant amount of money for people in a particular effort the public aren't necessarily aware of that.

The Chairman: Have you picked up a great deal of commercial revenues—extra commercial revenues?

Mr. Hamilton: No, we have picked up very little as a matter of fact. In terms of percentage, we were operating at a fairly high percentage of efficiency when the newspapers went out and since that time we have filled up to the point of 100 per cent efficiency but that was not substantial.

The Chairman: Thank you. As I said we realize that you weren't expecting to be asked questions but we are grateful to have your comments.

Mr. Fortier, I think you had a supplementary question?

Mr. Fortier: Yes, Mr. Chairman. It goes back to Mr. Moffat's last answer to Senator Sparrow. This increased concentration of radio stations on particular segments of the community—what does it mean in terms of the future of CBC radio according to you?

Mr. Moffat: Well, I think the CBC radio at least in the markets that we are involved in or involved with in the last year, I would think have improved their presentation.

Mr. Fortier: In what way?

Mr. Moffat: If I can use the words and I know you will probably question me on it later—they have modernized their operation. I think that CBC radio got stale and I think that certainly they are garnering more audience than they ever had before.

Mr. Fortier: But in those areas where you have an interest in stations, which compete with the CBC, do you find that they are becoming increasingly a competitor to be reckoned with, although they cater to a broad spectrum of audience, whereas you try to hone in on a particular age group?

Mr. Moffat: I think that the CBC radio is doing a good job of public affairs broadcasting. It has kind of a universal appeal but I would think that they probably don't touch the high end of an age scale and they probably don't come close to the lower end of the scale.

Mr. Fortier: Is there a need for CBC radio in Canada today?

Mr. Moffat: Certainly in the outlying areas where no other stations exist and there aren't many of those.

Mr. Forier: What about those areas where private broadcasters exist. Should the CBC get out of the radio field or should it continue to perform?

Mr. Moffat: Well, I would think to discharge their mandate under their Act they would have to continue in the radio field.

Mr. Forier: Even if their audience dwindled to an infinitesimal number?

Mr. Moffat: Well, that is a difficult question. I suppose if nobody is listening, the station might as well be shut down. If it is not performing a service, if nobody is listening to it they just might as well shut down.

Mr. Forfier: Well, as you know their audience is very small, a very faithful audience but it is relatively small in areas such as Winnipeg.

Mr. Moffat: Well, that depends on what type—in those areas I think you will find the CBC radio is not that small—that they do have an average audience of 8 or 10 per cent and perhaps 12 per cent which isn't a small audience.

Mr. Fortier: Do you find that in those areas that they are competing on even terms with the private broadcasters, having access to the public purse?

Mr. Moffat: No. They have an advantage in competing with us. They have no limitation on the prices that they can pay for programs or people as we do.

The Chairman: Senator Sparrow?

Senator Sparrow: You would call them an effective opposition?

Mr. Moffat: Yes.

Mr. Pryor: They were effective in hiring people away at prices that we couldn't afford to pay and we needed to be competitive with in Winnipeg as an example.

Mr. Moffat: For people they certainly are effective competition. In a commercial sense we very rarely run into a CBC radio salesman that gives us any difficulty at all.

Mr. Fortier: What about CBC television in Winnipeg?

Mr. Moffat: Well, that is a different question.

Mr. Fortier: Would you rate the competition there from the point of view of manpower and from the point of view of programming?

Mr. Moffat: Would I rate the competition?

Mr. Fortier: Yes. How do you view that competition?

Mr. Moffat: In television?

Mr. Fortier: In television yes, in Winnipeg.

Mr. Moffat: The same situation applies.

Mr. Fortier: From your point of view, does the CBC television provide fair or unfair competition to Channel 7?

Mr. Moffat: I think they can do things because they have access to the public purse which we don't have. Some of their purchasing practices, that you have heard about before, are questionable in our view.

Mr. Fortier: Mr. Crépault, the President of the Canadian Association of Broadcasters told this Committee two weeks ago that the CBC should cease to perform as it presently performs. Are you aware of his presentation?

Mr. Moffat: Yes, I was here for the C.A.B. presentation.

Mr. Fortier: Well, as a member of the C.A.B. do you agree with that?

Mr. Moffat: Yes I do.

page 4 in your Brief you talk about your wondering if Mr. Murchison would have attitude towards local programming and so uttered those words on the program. on, you say:

"... Canadians can do little to influence the course of the war in Vietnam but they can and want to become involved in helping under-privileged people who may well live down the block."

And then on the next page you talk about a program in Vancouver by Myles Murchison who recently completed a six-hour special on World Peace. Was that six one-hours or what exactly was that program?

Mr. Moffat: I would again ask Mr. Hamilton to answer that, Mr. Chairman.

The Chairman: Fine.

Mr. Moffat: Whether it was a six-hour package or a series of programs...

Mr. Hamilton: It was a complete one sixhour show on Christmas Eve-6:00 p.m. to midnight, for which we won an award as the outstanding community involved station of the year.

The Chairman: What was the theme of the program?

Mr. Hamilton: The theme of the program was World Peace with an additive survey of a cross section of the community-what peace means to me and an expression from individuals on the show, the relative importance of peace and the different aspects of peace, internal peace, world peace, poetry, drama and everything relating to peace.

The Chairman: Is Mr. Murchison employee of the station?

Mr. Hamilton: Yes he is.

The Chairman: And a director?

Mr. Hamilton: He is our Director of Public Affairs.

The Chairman: Did Mr. Murchison anywhere on that program indicate that-and I quote the Brief "Canadians can do little to influence the course of the war in Vietnam..."?

Mr. Hamilton: Well, I can't recall that.

The Chairman: Do you think he conceivably...

Mr. Moffat: Those are my words.

The Chairman: I would like to ask you-at The Chairman: I realize that but I was

Mr. Hamilton: He may have but I don't recall.

The Chairman: Do you think there was that possibility?

Mr. Hamilton: Well, I can't really say ...

The Chairman: I am not trying to be difficult but I just found that to be a very startling statement which I underlined when I read it. It seems to me that many people who listen to your Vancouver station and are familiar with it I don't think would share that sentiment.

Mr. Moffat: That they cannot do anything?

The Chairman: I think they can.

Senator Sparrow: What award did you refer to?

Mr. Hamilton: It was the Golden Leaf Award from R.P.M. Magazine.

Senator Sparrow: Did you submit it to the C.A.B. Awards?

Mr. Hamilton: Yes.

The Chairman: Let's talk about again quoting your brief-"helping the individual relate to his community." How specifically do you do that?

Mr. Moffat: Well, by providing Public Affairs shows, by finding out what an individual or groups are concerned about in a community.

The Chairman: Could you give us an example of the success that you have had?

Mr. Moffat: Well, in one instance in Winnipeg we have been very successful in attracting audiences with nothing but straight community news.

The Chairman: I meant something that you have achieved for the community?

Mr. Pryor: If I might comment?

The Chairman: Please, of course.

Mr. Pryor: I would like to speak to this and I would like to say something a little later in terms of the development of some of the needs of the community and in order of priority.

We, after having done such a survey of attitude and of needs, found that in the Calgary community and the Edmonton community—and indeed it may be extended to other communities in this country—that ignorance of the drug situation, simple drug education, knowing what was going on in the field of drug culture, abuses and all the rest of it was certainly something that was not present. A lot of people talked about it and the word "drug" appeared in the newspapers and was viewed on television but very few people really knew anything about it, particularly parents.

We undertook in the City of Edmonton and in the City of Calgary to put on a special as a pattern that we had developed—it was some 24 hours of broadcasting that dealt with this drug problem.

The Chairman: Over a 24 hour period?

Mr. Pryor: Again, broken up—two hours in the morning, two hours at night and over a six day period. We set aside this period and in co-operation with the Provincial Health Authorities and all of the various governmental authorities in our area and our city, developed drug kits that were distributed to thousands of people as a result of our show. They were primarily educational in nature.

The Chairman: What was the community response to this?

Mr. Pryor: We had thousands more requests for drug kits containing the information than we had drug kits to give them. We completely under-estimated the response. There was some negative response—we had some letters from people that said "You shouldn't talk about this drug thing, it's terrible", and that was the point of the exercise.

The Chairman: You mentioned two cities, Calgary and Edmonton. Had the newspapers not done this sort of thing prior to your doing it?

Mr. Pryor: Well, it has been mentioned there but they made no big effort in our opinion to really focus on the problem in depth.

The Chairman: Mr. Moffat in dealing with drugs, the phrase you used which I wrote down was you analysed "what was going on" and presumably you explained where people set drugs, how they get them, how much they pay, what the cures are and so on. Did you in any of this programming attempt to answer

We, after having done such a survey of the question why the young people take the attitude and of needs, found that in the Caldrugs?

Mr. Pryor: You are adressing your question to Mr. Moffat?

The Chairman: Well, yes I did. I was probably looking at you...

Mr. Pryor: Yes we did. We shared the belief in what exposure we have had to this problem, that it is very similar to alcoholism and a lot of the other human ills that exist. I don't think we will be able to wipe it out but we may come to a point where we understand it as a symptom of other basic motivations other than as an ill in itself. People take drugs for reasons and the successful treatment centres, we are aware of, are dealing in trying to satisfy the basic need and the reason the people are driven to particularly hard drugs. We have done a considerable amount of work, since this program started, in trying to help civic and provincial officials in setting up a drug treatment centre. This has been completely abortive because frankly we are finding very, very great difficulty in finding people who are qualified in this field and as a result we have made a couple of trips to the United States and to other places to view treatment centres where in fact this specific issue is brought to bear-they are attempting to treat the basic motiviation with people who take drugs rather than the fact that—that they are addicted or are taking drugs.

The Chairman: I hope I can put this next question and I hope you won't misunderstand the question. Given your earlier statement about horning in on a specific audience, would it be fair to say that the segments you are horning in on, at least in those two cities, are the people who might have the greatest need or the greatest interest in this type of information?

Mr. Pryor: Well, in a very simple answer, no. We hope that because we departed from our format in Calgary and in Edmonton of being primarily a musical source (this kind of an approach with news—two-hour block programming of this type is not our normal type of format) and in our departure we try to promote or we hope to attract people who are not normally within our audience. We do think that young parents who have children in the very early teens, well really from grade eight on up through the school years, are most faced now with the necessity for the education in this field; and we do feel that we

do have those parents as our audience, so in that respect yes. But to re-phrase the question, we don't feel that our audience are simply drug users. I am not sure if that was your inference...

The Chairman: Well, I suppose it was the inference but in an offensive way. You are suggesting then that this programming is directed at the parents rather than the kids?

Mr. Pryor: The kids, no.

The Chairman: Why don't you, Mr. Mitchell, editorialize on your station?

Mr. Mitchell: Well, I think we try to follow the Broadcasting Act which asks us to present a balanced presentation of information.

The Chairman: But does that preclude editorializing—I don't think it does because lots of other stations editorialize.

Mr. Mitchell: It doesn't really but we feel it is more important that we get all the sides of the issue exposed.

The Chairman: So in doing the kind of program on drugs which you have done and which we have been discussing aren't you really editorializing?

Mr. Mitchell: No we didn't really because we did have the open line going on. We presented the information—presented it for a half hour and opened up the phones and let the people call in. Now, when they call in, it gives both sides. We offer to let the people come on and we sought out the user who felt it was a great thing that they were using these drugs. No, we thought it was more important that we exposed both sides and try and let the people form their own opinion on it.

I think that some of the things that came out were rather shocking to us. The fact that some of the drug pushers are now carrying around magnum pistols is concerning the police enforcement officers in Edmonton, the fact that there is an alcoholics anonymous home in Edmonton—and yet there is nothing for the drug addict, the example of the young girl who went to the hospital in a coma or under the influence of drugs with her wrists slashed was bandaged up and released still under the influence of drugs—this is the type of thing that has come out and concerns us all very greatly.

Mr. Pryor: Senator Davey, there is one thing—there is a semantic problem and we

deal with it in broadcasting all the time and if I could just take the time...

The Chairman: Please.

Mr. Pryor: Defined the way we see it, but this may not be the way your question was phrased, and editorial to us is a very specific statement of a position by the licencee company of a broadcasting station. It says, we at Moffat Broadcasting believe that-whatever the case may be-that drugs are bad, are good or something in that context. In that sense we do not editorialize. We do however encourage commentary, observation, development of attitudes of various kinds in a balanced basis through controversy of opponents and this type of thing, which is popularly called editorial opinion or editorial commentary. In other words, it is a departure from the simplicity of saying a lady was run over by a car—it might have been a very horrible type of accident and I think we have a tendency of trying to put it in a little more human terms than that, but we don't consider that an editorial commentary. An editorial commentary to us is a statement of position by a licencee and that's a thing that we do not do. We do encourage commentary and we try to do so with opposing viewpoints and balanced viewpoints at all times.

The Chairman: Mr. Fortier?

Mr. Fortier: This is a new philosophy applied to AM stations, at least your AM stations, is it not—this investigation and report in depth of a particular problem which may afflict your community or the general Canadian community?

Mr. Pryor: Is it a new development?

Mr. Fortier: Well, this is a new emphasis, is it not?

The Chairman: This programming format, you mean?

Mr. Fortier: Yes, that's right.

Mr. Moffat: Well, new within five years.

Mr. Fortier: Well, this sets the stage for my question. What has brought it about—because there has been—it is not only in the last five years—there has been manifestation of social ills in the Canadian community. What in the last five years has made it necessary for private broadcasters such as your team to present this sort of in depth study on your network?

responsibility to recognize what kind of problems exist in the community.

Mr. Fortier: Why was it not done before?

Mr. Moffat: Before five years ago?

Mr. Fortier: Yes.

Mr. Moffat: Well, I would say ...

Mr. Fortier: Well, what has happened? Is it that the newspapers are doing this very sort of thing, doing more in depth studies? Is it that television has arrived and that you have had to face up to increased competition from that medium, or what is it?

Mr. Mitchell: I would suggest that it is because we find in talking to our listeners that there is a growing awareness of the problems in our community and it is reflected in the newspapers, television and radio.

Mr. Fortier: Well, those problems were there six years ago, ten years ago-maybe not as we know them today ...

Mr. Mitchell: But they didn't concern the people. They didn't concern you.

Mr. Fortier: They did not? Are you sure that your listeners were not concerned about problems which perhaps warranted programs such as the ones you have now developed?

Mr. Pryor: Well, I think they were concerned but I think however in our society, it is more evident that people are more prepared to vocalize their concern.

Mr. Fortier: Well, I would like to know What it is that has made it possible or made it necessary now for radio stations such as those in your group to present this sort of study?

Mr. Pryor: Well, if I may venture an opinion which is strictly a personal one—there are no answers to that question obviously but I really wonder about anybody's capacity to test me on my answer in this regard. It seems to me that young people have caused changes in attitudes throughout our society in the last five years to a degree that I am not aware of having existed in our society before. They affect our dress, they affect our attitudes, they have changed I think public attitudes so much more to sensitivity to human beings rather than sensitivity to objects and economics and these things, but frankly I think that the pressures that are being exerted, many times extreme, but they are creating an awareness.

Mr. Moffat: Well. I think it is part of our I don't think our attitudes about war-my attitude certainly would not be the same if it had not been for a great deal of the outcry that has existed about war and a deep questioning of these factors.

> Now, whether the media starts that or thinking people start that, or no matter what the case may be, it is maybe simply a matter that the young people today are simply a generation that are not inhibited by the same factors that maybe inhibited some of us in our time. I think they have had a very enormous effect on the morals and on the outlook of all the media.

> The Chairman: Mr. Pryor, are these young people concerned about Mr. Benson's White Paper?

Mr. Pryor: I don't think so.

The Chairman: And yet surely that could be a legitimate topic for the approach you have taken.

Mr. Moffat: It has been.

Mr. Pryor: It has been, yes.

The Chairman: They are concerned about some things and those things—the things that they are concerned about, they have been able to transmit this concern to the real world?

Mr. Pryor: There seems to be an observation-it is the observation that I make that I wish we could get them interested in the White Paper.

The Chairman: Well, may I ask you this question. In reading your Brief the first six or seven pages of it-I found it interesting but there was really only one thing that concerned me. I am sure it must concern you and I am wondering how you handle it. I read "We see our role as broadcasters to concentrate on our own local areas", and the word "local" appears at least a dozen times in the first six or seven pages. How do you stress this local approach without becoming either provincial or parochial? How do you prevent your listeners from becoming sort of turned inward?

Mr. Moffat: Well, we do provide a balance of national and international news and information but it is localized to, for instance, Calgary. For instance part of the concern Calgarians have is how they fit in the Canadian fabric right now and I think that is a legitimate part.

The Chairman: Does your station in Calgary, for example, carry lots of national news?

Mr. Moffat: Yes.

The Chairman: And international news?

Mr. Moffat: And international news.

The Chairman: The Committee has in our files lots of rate card information and ratings on audiences and so on and so we don't have to ask you those kind of questions but as a rule of thumb, what has been the response to this kind of programming or this kind of approach? Without going into the specifics of rating has it been successful?

Mr. Mitchell: We didn't try to sell it.

The Chairman: Well I meant audience response.

Mr. Moffat: Generally favourable.

Mr. Fortier: You did not sell advertising on those?

Mr. Mitchell: We did not on the ones we described.

Senator Sparrow: Do you have generally the same news policy for each of your stations or would it vary?

Mr. Moffat: Well, I am not quite sure what you mean by that.

Senator Sparrow: Well, for instance some stations cover primarily local news and other stations primarily provincial news or Canadian news or international news.

Mr. Moffat: No. We require of our stations, that they do give in news a balance to international, national and local stories. They just don't give local stories to the exclusion of international and national.

Senator Sparrow: How do you figure out a balance?

Mr. Moffat: Well, that is left up to the individual news director.

Senator Sparrow: It could vary from station to station?

Mr. Moffat: Well, I suppose it could but in practice I don't think it does.

Mr. Pryor: It seems to me that it varies daily. There may be more news in Ottawa

relatively international news but tomorrow that mix may vary again so I think you have to rely on the judgment of your people. I would like to make one distinction and there is semantics involved here. When you talk about news of interest to local people that's not necessarily only local news. Our orientation is we have a responsibility to serve the people who can hear our signal—they are local people to us and we try and present to them what is of interest to them and that news may be something about the White Paper or the Senate on the Mass Media or whatever else may be of specific interest to them but we try to fit their needs other than only taking information that takes place within that area.

Therefore we are trapped I guess in our own semantics by saying it's local needs rather than just local stories in nature, if 1 can draw that distinction.

The Chairman: What is the Canadian Contemporary News System?

Mr. Moffat: It is an association of-Paul Akehurst is here and he can correct me-1 believe twelve or thirteen stations—across Canada that are inter-connected to feed stories of interest to them all.

The Chairman: Are these stations commonly owned?

Mr. Moffat: Not all of them, no.

The Chairman: Of the thirteen do you know how many different owners or ownership groups are represented?

Mr. Moffat: I would think four or five.

The Chairman: Mr. Akehurst?

Mr. Paul Akehurst: I was going to say six.

The Chairman: Why I asked the questionyou were here on the day the Canadian Association of Broadcasters were here and in their rationale for concentration of media ownership in broadcasting they held as an example the kind of thing which could be done by a merger and with the example specifically of news broadcasts, but it occurs to me in looking at a constant of the control of the con to me in looking at Canadian Contemporary News System, that this is a co-operative. It is not jointly owned. Am I right or wrong on that?

Mr. Moffat: Well, it is a co-operative. It isn't jointly owned but I think it would be a that is of local interest today than there is lot easier though to launch a project like Canadian Contemporary News where you do same in all of your stations or does it vary have group ownership rather than trying to from area to area? get together 13 or 14 individuals.

The Chairman: Well, you have got together six or seven or four or five or whatever the number is.

Mr. Pryor: In the beginning and in all deference to the reporters in the room, Canadian Contemporary News started around the nucleus of our stations in Moffat Broadcasting and the CHUM stations because that was enough to get it started and we could finance it and pick up its losses and get it going. Since that time the service has improved to the degree that it has been able to attract other people into the thing but I don't believe Without some reasonable economic base it could have developed in the beginning. I am perhaps putting words in Mr. Waters' mouth but it seems to me that it was necessary to have a certain...

The Chairman: Well, we will take the Words out of Mr. Waters' mouth when he comes before the Committee after Easter.

One other question on news that I have. At pages 19 and 20 and I am assuming that this applies to television as well, you say:

"In the face of the enormous amounts of news and information made available from all sources, people tend to be more independent in their interpretation of events."

I wonder if you could give us any evidence to back that statement up?

Mr. Waters: In terms of specific research, no we can't.

The Chairman: It is just a feeling that you have?

Mr. Moffat: Yes, it is just a feeling but in discussions with my friends—they share that View. They do listen and try to get as much information on a given subject as they can in order to make up their mind.

The Chairman: It is just a feeling?

Mr. Moffat: Yes, we have no research on it.

The Chairman: Are there other questions that the Senators have?

Senator Sparrow: I would like to ask a question on prime time. Would prime time, in the connotation in which we discuss it, be the countries. You are not familiar with it?

Mr. Moffat: It does vary. For instance in Winnipeg we consider prime time to be from 6:00 a.m. to 10:00 a.m. In Vancouver it is really hard to define prime time and restrict it to the morning. They have almost as much audience in the evening so it is rather hard to

Senator Sparrow: Do you know why? Have you tried to analyse why it is different?

Mr. Moffat: Well, it depends on the availability of the segment of population that you are trying to serve through radio. In the case of Winnipeg where we appeal to an adult segment of the community they just aren't available at night. They are doing other things, watching television or whatever people do in the evening. In the case of a station that is youth oriented, they are available to radio.

Senator Sparrow: In the evening?

Mr. Moffat: Yes. They make themselves available to radio.

The Chairman: Mr. Fortier?

Senator Sparrow: May I just ask one other question?

The Chairman: Please.

Senator Sparrow: Have you any twinning arrangements with any other radio stations?

Mr. Moffat: Twinning arrangements?

Senator Sparrow: With another radio station in another country. Have you any twinning arrangements with any other radio stations in other countries?

Mr. Moffat: No.

Senator Sparrow: Are you familiar with some stations that have twinning arrangements?

Moffai: Mr. Twinning in terms of ownership?

Senator Sparrow: No.

Mr. Pryor: We don't understand the guestion, Senator.

Senator Sparrow: The twinning of cities is an example, one to another. There are some radio stations in Canada that have this twinning arrangement with radio stations in other Mr. Moffat: I am generally now, yes.

Senator Sparrow: Do your stations have that twinning program?

Mr. Moffat: No.

The Chairman: Are any of your stations programmed out of the United States?

Mr. Moffat: No.

The Chairman: Is any of the music chosen out of the United States?

Mr. Pryor: Absolutely not.

The Chairman: Mr. Fortier?

Mr. Fortier: Mr. Moffat, with respect to your CTV affiliate in Winnipeg, to what extent do you participate in the management of that television station?

Mr. Moffat: We participate in the general policy of the station. We do not in day-to-day decisions.

Mr. Fortier: Who are the other shareholders of CJAY TV?

Mr. Moffat: Woodmout Investments Ltd. which is a beneficially owned to the benefit of Mr. Ralph Misener and I believe Senator Campbell Haig has a direct ownership.

Mr. Fortier: Senator who?

Mr. Moffat: Senator Campbell Haig.

Mr. Fortier: These are the three shareholders?

Mr. Moffat: And Moffat Broadcasting, yes.

Mr. Fortier: Yes, Moffat.

Mr. Moffat: Plus the general manager of the station has an interest as well.

Mr. Fortier: Can you tell us generally how your affiliation with the CTV network has worked up to now?

Mr. Moffat: It is expensive but in our view works well.

Mr. Fortier: To what extent is an affiliate station in a position to influence the network programming?

Mr. Moffai: No, really my knowledge in this specific area may be lacking. In terms of influencing the programming that is put on the CTV, as I understand it, there is a programming committee of the Board of Directors that advises the network on which wouldn't be interested in a station—a CTV

representation is held by the individual station. Presumably at that meeting they get a chance to express their views on the programming of the network and out of their discussions a consensus is arrived at for the programming of the network.

Mr. Fortier: Is this affiliation a very flexible one or do you find that there is too much rigidity in the time on any given day you must give to the network programming?

Mr. Moffat: I guess to be a network they have to imply a certain rigidity in the programming schedule, I think CTV however is very adaptable. We can provide almost instantly pre-emptions for events that we feel are significant.

Mr. Fortier: Of local interest?

Mr. Moffat: More of national interest.

Mr. Fortier: Would this be a pre-emption on your station as opposed to the network programming?

Mr. Moffat: Both. It would be in network time or non-network time.

Mr. Fortier: In 1969 when you were forced to sell your station in Regina did you have to make a choice as to whether or not you were going to have to give up Regina or Winnipeg?

Mr. Moffat: No we did not.

Mr. Fortier: You did not ...

Mr. Moffat: Make a choice.

Mr. Fortier: Could you have held on to Regina and sold Winnipeg?

Mr. Moffat: I suppose we could have attempted to.

Mr. Mitchell: I think we would have had one problem, sir, because I think when we would have asked permission to acquire the remainder of those shares, that would be in violation of our policy. We agreed at that time to sell the television stations in a year and we did so.

Mr. Fortier: Now that the CRTC are reconsidering that policy—that one broadcaster can only have an interest in one CTV affiliate—are you interested in acquiring an interest in another CTV affiliate in Canada?

Mr. Moffat: Specifically no, we are not at this point in time. I am not saying that we

station affiliated with the network. We are not examining any proposed purchase.

Mr. Fortier: What is your main beef about the CTV affiliation? You must have one.

Mr. Moffat: Its expense.

Mr. Fortier: Its expense?

Mr. Moffat: Yes. It is a very expensive membership to hold.

Mr. Mitchell: I think part of the reason for that is the high cost of delivery. You know, it costs a lot of money for CTV to have a microwave system serving both ends of this country and I think that is one of the factors that gets into the high cost.

Mr. Fortier: How is the overall cost of the microwave system proportioned to the affiliate stations?

Mr. Moffai: I don't know. Is it distributed on a program fund?

Mr. Pryor: A program formula.

Mr. Fortier: What?

Mr. Pryor: A program formula.

Mr. Fortier: I see.

Mr. Moffat: Which is a function in some cases of the rate card.

Mr. Mitchell: Plus a little negotiation.

Mr. Fortier: So you say that your main complaint is the cost?

Mr. Moffai: Yes.

Mr. Fortier: Is it your view after serious analysis, that the cost could be lowered?

Mr. Moffat: Of CTV?

Mr. Fortier: The cost to you of CTV affiliation?

Mr. Moffat: No, I don't think it could. Perhaps we would take issue with some nickel and dime expenditures of CTV but nothing of significance.

Mr. Fortier: What about programming which is provided by the network. By and large do you find that it is adequate from the boint of view of your audience in Winnipeg?

Mr. Moffat: Yes we do.

Mr. Fortier: You do?

21488-4

Mr. Moffat: There are certain things we perhaps would like to change about the programming in terms of additional techniques and specific programming but generally, I feel that the programming they do provide is attractive and of interest to our people.

Mr. Fortier: Well, I have one other question which has been touched upon—what is the future of radio station programming in the next decade in Canada? I mean, you have just explained how you have adjusted in the course of the last five years...

The Chairman: Well, I think that question has been discussed, Mr. Fortier.

Mr. Fortier: Well, I am looking ahead now.

The Chairman: Well, I think that was discussed, was it not, earlier?

Mr. Moffat: Well, we talked in terms of AM or FM as method of transmission...

The Chairman: You mean programming as such?

Mr. Moffat: Yes, we touched on the programming aspect of it. I thought at that time and I still feel the same as I did a half hour ago, there won't be many changes in the programming of AM radio stations. Now, there are other factors that may enter into that but if there are, they are unknown to me. I don't see that there will be a change in the direction of AM programming.

Mr. Fortier: What I am trying to get at here with this preamble is the effect which cable television will have on the future of radio and the future of television?

Mr. Moffat: Well, I don't think that cable television will have a direct effect on AM radio.

Mr. Fortier: That is one.

Mr. Moffat: As far as television is concerned, depends on so many circumstances—what stations are brought in, on cable, the amount of programming that is brought in, etcetera. When I say what stations are brought in—in the situation in Winnipeg the cable company in which we have an interest, carried KCND. Now, we are licensed by the Federal Government to do this and I think the effect on CJOY broadcasting stations would be different for instance if we were allowed to import an ABC affiliate from Minneapolis to Winnipeg. Cable is going to have a definite effect on television broadcasting; there is no doubt about that.

you provide your viewers with KCND which perhaps sensed, I hope a little more directly, is in competition with your CTV affiliate, is that correct? and administrating officers bas

Mr. Moffat: Right.

Mr. Fortier: In other words you are sort of hedging your bet?

Mr. Moffat: Yes.

Mr. Fortier: Are you doing similar hedging in Calgary and in Vancouver? In other words are you seeking to become involved with CATV...

Mr. Moffat: Not in Vancouver, but in Calgary, yes we are.

Mr. Fortier: You are?

Mr. Moffat: Yes.

Mr. Fortier: Is there an application pending for the CRTC?

Mr. Moffat: Yes there is an application before the Canadian Radio and Television Commission.

Mr. Fortier: But not in Vancouver?

Mr. Moffat: No.

Mr. Fortier: Have you applied for CATV licences in other cities in Canada?

Mr. Moffat: Yes, in Edmonton.

Mr. Fortier: In Edmonton?

Mr. Moffat: Yes.

Mr. Fortier: And that is also under advisement?

Mr. Moffai: Yes, it is before the Commission.

The Chairman: Well, may I then perhaps on behalf of the Committee thank the witnesses. I think, Mr. Moffat, it is perhaps not necessary to repeat all of the things I said in response to the Selkirk appearance but certainly the same things apply. You have been a very candid and straightforward witness as indeed many of our witnesses have been. We are particularly grateful for your presence and I may say the one thing I neglected to say to the Selkirk people is, given the understanding I hope they have and I hope you have of the analysis we are trying to do on the overall Canadian media spectrum, having been before the Committee, having listened to

Mr. Fortier: Through your CATV company, our questions, having looked at us and having where it is we are trying to go, if you have additional thoughts or ideas when you return home that you would like to send us, either privately or publicly we would be delighted to receive them.

> The Committee comes back after Easter and has two sitting weeks and then we turn to the rather formidable task of preparing our report. Yours has been a useful contribution and, thank you.

Mr. Moffat: We may take the opportunity to send you additional information.

The Chairman: Thank you.

The Committee adjourned at 5:55 p.m. until 8:00 p.m.

The Committee resumed at 8.00 p.m.

The Chairman: Honourable senators, if 1 may call the session to order.

The witness this evening as I have indicated several times during the day is a press critic of international renown. His reputation, I think it is fair to say, is worldwide. He has the most interesting background and I think that perhaps I could just highlight some of the more recent developments.

He was prior to its demise-I won't say immediately prior to its demise, but prior to its demise—a contributing editor to the Saturday Evening Post. You may be interested, Mr. Bagdikian, to know that in the speech I made to the Senate of Canada proposing the establishment of this Committee, a speech which I made about a year ago, I quoted extensively from several speeches or series of remarks you made about any number of subjects all involving the media in its various stages.

Mr. Bagdikian worked for many years as a correspondent and a columnist for the Province Rhode Island Journal and he was in 1961 a Guggenheim Foundation Fellow. He has received a number of honours for distinguished reporting including the George Foster Peabody award. He spent two years in a special media project with the Rand Corporation.

Before I tell you his most recent assign ment, perhaps I could just read from a magazine—this is an article which I believe originally areas nally appeared in the Columbia Journalism Review. However, in any event, Mr. Bagdikian says:

"The leading paper in the capital, the Washington Post, is the most irritating in the country, at least for this reader.

Now, our guest this evening is now the national editor of the Washington Post and thereby I am sure hangs the tale.

The procedure we have here, sir, is one of informality. I would propose that you make some opening remarks and then following that we would like to ask you some questions, not just about your return to the Washington Post and your career at the Washington Post, but there are many other subjects on which we consider you expert, and I think we would also like to ask your opinions.

I should perhaps also include in my introduction an admonition. When Commissioner Nicholas Johnson was here last week, he made an excellent presentation—a worth while presentation as far as our committee was concerned—but the Canadian Association of Broadcasters subsequently issued a press release questioning whether or not American national should be discussing problems which are of primary Canadian concern.

I know you well enough to know that you will not be in the least bit inhibited, so welcome.

Mr. Ben Bagdikian, National Editor, Washington Post: Thank you, Mr. Chairman. I am not inhibited but also while having the natural born arrogance of a journalist, I am not going to presume to talk about the Canadian mass media about which I know much too little.

Now I did wite that the *Post* was a very irritating paper to me because it was so close to being great, that it didn't quite make it. The *Post* then did the most unfair thing possible two years later. They called up and said "All right, you are a critic and you have been telling us how we ought to do it, why don't you come and do it," and that as you know is terribly unfair.

I am flattered to be here and I think that this committee is doing something which every democracy needs to do regularly and thoroughly. I have already confessed that I don't know much about the Canadian mass media, but Canada and the United States do share, I think, some of the same media problems. We are both peculiarly dependent on having a maximum flow of public information. We both have vigorous mixed economies and that means that we both experience the same combined advantages and disadvantages of a journalistic system, which is both a business enterprise and at the same time a social institution.

There is no simple or final answer for that of profit-making and news processing at the same time. I believe Government control of the news media is bad, but if that is so, then inevitably news will be produced by business corporations that have to make a profit. God and man will wrestle forever in our mass media; and therefore for no other reason that each party to the struggle says that the other is non-existent, I suspect that there will be hearings of this sort every journalistic generation, not because any one committee fails to find the answers, but because we are dealing with a living, growing, social organism that will always produce new problems and which will require new solutions.

I assume I am here partly because I have been a practitioner, and at student, and a critic of journalism. But I am, as your know, here also as a happy employee of a communications conglomerate. I believe you can be all of these things because in the case of the mass media we are dealing with a mixed blessing. Like most of life, the challenge is to keep that mixture as worth while as possible. There are some good reasons why we should have some large journalistic and mass communications corporations. For one thing it is unrealistic to think that journalistic corporations will remain small while other industrial corporations become giants, and furthermore there are things that large organizations do that small ones can't. There are not many Walter Lippmanns working for impoverished weeklies or, if there are, we don't hear about them. There are not many small organizations that can attempt to report the activities of the very large governments, or of China, or France, or the United Kingsdom. And to this question whether there are more sins committed by the established big organizations than by the desperately insecure ones—the secure giants are often indifferent or greedy or arrogant, but the impoverished ones are usually the quickest to succumb to corruption or to serve the most undemocratic purposes of bureaucracy. Nevertheless, concentrated power in the mass media does constitute a serious problem certainly in the United States.

In the United States local printed monopolies in newspapers is now normal. We have 1,589 cities in the United States that have daily newspapers. Of those, 97 per cent have only one newspaper management and of the remaining 3 per cent, most combine their production, advertising and business operations

which means that they are not going to fight each other very hard.

This has economic and editorial consequences A study in Journalism Quarterly in autumn of 1966, shows that when a monopoly daily comes under local competition, it increases its local news in the case studies by 24 per cent. If its competition dies, it goes back and reverts to its lower quotient of local news. In a study we did at Rand, we found that local news costs 90 per cent more to produce than national or global news. So that what happens is that under competition, the consumer gets a more expensive product.

In addition to local monopolies we have a phenomenal growth of chains in the United States. Not phenomenal as phenomenal in percentages as you had, but phenomenal in numbers and in the rate of growth. Now, our publishers don't like the word "chain". They preferred the word "group", perhaps in the manner of undertakers who prefer to be called morticians, but the pejorative aura around the word "chain" goes back to the days of William Randolph Hearst, when the tyranny of absentee publishing was more spectacular. However, compared to the present size of chains we are really much more dramatic than that.

In 1910 there were 13 chains in the United States and they owned 62 papers or 3 per cent of all the dailies. In 1968—now in 1970 the figures are even larger—in 1968 there were 159 chains in the United States and they owned 828 dailies or 47 per cent of all the daily newspapers. In circulation their control is even greater. The largest 35 of our 159 chains control 63 per cent of all papers sold daily in the United States. So that 35 organizations which give a newspaper hierarchy usually means 35 men—have ultimate control over papers bought by 40 million households every day. That is an awesome responsibility.

Now, chain formation follows the trend of all corporate activities. It isn't just the newspapers that are getting bigger and bigger and combining, but there are some important differences between corporate chains and newspapers, between let us say newspapers and gasoline stations. A newspaper's distinctive product is social and political intelligence, which is of course a major force in shaping our national-social values.

Now monopoly or near monopoly in this is dangerous and yet this happens; and curiously it happens apparently despite the fact that chain owners do not enjoy the conventional economies of size. It appears that running ten chain newspaper plants is not much cheaper than running ten independent ones. You apparently don't make more money per paper simply because you own ten of them. Then why do they do it? I suppose pride and ambition is one reason. A man who is successful in a business wants to go on and be successful even in a bigger business; but there are more practical reasons at least in the States.

In the United States most newspapers are closely-held corporations usually within families. There are not masses of impersonal stockholders demanding national dividends. If profits are all distributed as to demands, dividends are of course taxed; but if profits are not distributed—if they reach over \$100,000 then they are taxed at a special 38½ per cent tax on undistributed earnings unless these undistributed earnings are used to buy other newspaper properties.

In the United States our tax laws as such make it possible for profit earnings to be held as not taxable under a special undistributed earnings clause. So a proprietor, in effect, is penalized for ploughing his profits back into the paper and the community that produces them.

Capital formation is another advantage of chain owners. If you have ten papers then you can economize on nine of them while you collect money to buy an eleventh.

Another advantage is business experience. I don't know about Canada but in the United States, newspaper proprietors are very jealous of their financial and operating data, so that our standard economic literature is full of blanks when it comes to newspapers. Some chain owners have told me that they learn a great deal by buying other papers because there is no way they can find out accurately what the business experience is of other papers.

Now, newspapers are profitable in the United States, but the monopoly pattern and expanding chain don't produce the renewal and regeneration that profitable businesses frequently do.

Ordinarily when a corporation or a social activity becomes very profitable, or if it takes the reverse course—if it becomes morbid, new people are attracted in either to take advantage of the profits that are growing or to take over from some management that is becoming obsolete. That is one way new ideas, new products, new needs are produced and served.

chaser with a same general outlook. When two Florida papers were sold to the Chicago Tribune some years ago, the seller said he picked the Tribune because it shared his Political philosophy. When the DuPonts of Delaware briefly considered selling their newspapers, it was considered important according to an internal memorandum to find "an outside newspaper organization whose political and economic views closely parallel those of the present ownership."

Now, these are very human desires and I guess I would feel the same way myself if I owned a newspaper and had to give it up, but it means that control of this important social institution remains in a limited circle of political and economic views without the usual free enterprise mechanism for innovation and growth.

It seems to me that the greater degree of merger and chain formation there is, the more this keeps the traditional and sometimes the obsolete, social and political outlooks fixed and immune to change. This in the United States has produced an incredible number of stuffy front offices in what I think is the world's most exciting business. The newsrooms are full of ferment and ideas and excitement, and the business offices of newspapers are frequently more dull than the business offices of companies that produce frying pans and wheel covers and things of this sort.

Frank Munsey was a man who about 70 years ago made millions of dollars turning the neighbourhood grocery stores into chains and about the turn of the century he discovered that he could do the same thing with newspa-Ders. When Munsey died in 1925 one obituary said "Frank Munsey, the great publisher, dead. Frank Munsey contributed to the journalism of his day the great talent of a meat packer, the morals of a money changer, and the manners of an undertaker. He and his kind have about succeeded in transforming a once noble profession into an 8 per cent security. May he rest in trust."

A point I want to make is that that obituary was written by another publisher—William Allen White of Emporia, Kansas, and that would never happen today. The circle is too closed and too respectable and besides it is now a 13 per cent trust.

But this has not happened in newspapering Now, broadcasting in the United States is because typically when a proprietor decides even less creative. We have three television to sell his paper, he generally picks a purnetworks and the greatest talent seems to be spent imitating each other. In radio we have thousands of individual stations—as many as 34 in one city—but they exhibit a deadly uniformity in programming, most of it canned, with at most six types of stations within which all is the same. This by itself ought to warn us that large numbers of units in mass communications do not guarantee diversity.

> Now, broadcasting, because it is licensed and operates within a limited electromagnetic spectrum, is inherently fixed in numbers of stations. There aren't that many positions on the dial. So when a market becomes highly profitable the alleged laws of supply and demand do not operate. The profits don't attract new interests into the business-they simply increase the powers of the established companies.

> Now giantism in both newspapers and broadcasting also makes for a disproportionate political power. Now, this is not so much in a persuasiveness of editorial. Our more perceptive editorialists in the States have learned a refreshing humility since the American people have consistently refused to behave as editorials have told them to do. Much more powerful is the crucial function of deciding what will become a public issue and what will not; and this decision runs all the way from great public schemes, to which local candidates will be photographed in what pose, or whether the candidate will be photographed at all. Owners of large media organizations are treated with deference and that is unknown to small media operators.

> I have sometimes thought of conducting an experiment which I would call "One Hundred of the Most Powerful Government Leaders in Washington" and in each case leave the name of a different newspaper as the calling one and my guess is that if one plotted the time elapsed before the call was returned it would tend to follow the circulation figures of the newspaper column. But these problems are probably better known to you than to me.

> There is another problem which is less concrete but in some ways more troubling. Canada and United States are both affluent growing economies, developing a sense of nationality, thanks in part to the mass media. We both have our regional frictions but these were not so much created by the mass media as exposed by them. As communications

satellites develop, we are even enlarging our sense of belonging to the same planet, yet we live our private lives not as members of the planet but as members of a town or community or neighbourhood; and it is in this smaller orbit that we in the United States seem to be suffering our worst pathologies.

Our country is richer than it ever was before, these communications are more widely spread, its economy is more productive, but our neighbourhoods and our communities seem to wither and become dehumanized. This loss of a sense of community comes from a basic change in our civilization and can't be laid at the door of the mass media alone.

We no longer assume in childhood that we will attend the same school as our parents, or learn the same subjects in class, and then inherit our father's house and his occupation. In a hundred different ways, we have gone away from our native communities and then insulate ourselves from our new ones. But nevertheless we depend on our new communities in important ways. We depend on unseen companies, committees and boards to provide our food, our water, our highways, our housing codes and our jobs, and all of them in a complex of functions and jurisdictions.

In the States, we have 18,000 municipalities and 17,000 townships, and within these there are 500,000 local governmental units of one kind or another. Our prolonged years of education and then after that our cosmopolitan careers remove us from the direct contacts of sources of power in our own communities, and so we become dependent on the mass media to tell us about things that we used to hear in the general store or town meeting, or at the only church in the village. But at precisely this time we have lost the community medium of information, the local newspaper or the locally programmed broadcasting station.

In 1880 in the United States, there was a daily paper in 90 per cent of all urban places. In two-thirds of those places there were competing papers. Today less than 30 per cent of our urban places have their own daily newspaper and of those only 3 per cent have competing papers. Broadcasting is even less localized and has even less local information. We have 4,400 commercial AM and FM radio stahave 639 commercial television stations in lies in both of them. We have to invent mechalmost 300 metropolitan areas. But the almost 300 metropolitan areas. But these large anisms to bring together a mass medium and numbers have not produced the local numbers have not produced the local pro- its constituents.

gramming and the immediacy that was intended of them when the Government first handed out licences.

I looked recently, more or less at random, at this one television station in our mid-west. It is the only station in its city, its strongest signal reaches out 18,000 square miles covering 23 counties. These countires have more than 800 governmental bodies, 350 of them the power to tax including municipalities and 110 school boards. They are served by one station that is supposed to tell them all what they can't find out for themselves and which is important to them.

Now, taking the normal time these stations devoted to news-if each of these governmental bodies made only one decision a weekthe station, it it did nothing else in its news, could give maximum exposure of eight seconds a week to that decision.

Now, we are specially dependent on local news in the United Sates which is why we have essentially local and not national papers. We control important functions at the local level-schools, police, probably taxes and neighbourhood design-yet we have lost sight of these decisions partly because there is such a poor fit between our mass media jurisdiction and those jurisdictions by which we live our personal and political lives. This poor fit exists because the forces in the marketplaces insist on it.

The paper that does not saturate its circulation area, or a broadcasting station that does not maintain its ratings will soon be hurt, but this is because of the way we finance our media and the way we use our technology, and all of this is aggravated by mergers and chains. These things will not go away easily. We will have large monopoly newspapers in our communities, and it seems to me that in the existence of this we have to think of mechanisms that bring our mass media closer to the people.

All of our social institutions, at least in the United States, are now being challenged by people who say they want to be part of the action; people want to be heard. Universities, political groups, and companies are being challenged to open up their sources of their intake of popular feeling and to listen to their constituents. And papers and broadcasting stations, it seems to me, cannot escape this tions in 2,600 different communities, and we given the fact that we tend towards monopolary

In the last two or three years I have been part of an effort to establish and study local press councils which are, in effect, committees of cross-sections of communities' representatives who sit down regularly with the publisher of their newspaper or the proprietor of their broadcasting station in their own community. Now, this is different from, let us say, the British Press Council or other national press councils which cover a whole country or whole province.

The local press council is concerned with a single community and the idea is that both parties need to speak to themselves in some way other than the one-way communication of receiving the newspaper on your doorstep every morning and not having a very good method of talking back, or listening to your radio and television and not being able to talk back.

We had a bequest to form a fund for a free and responsible press and with this money, supported a number of university researchers who created press councils in communities near their campuses.

We had two major rules. One was that this council, which was the selection of members of the community-cross-sections of the community who sit down regularly with the newspaper publisher—that this council should not be the creature of the publisher. He Would not select the members of the community who would sit on it; he would not run the meeting—the university person would do that.

The second rule was that the council had no power over the newspaper whatever. It did not remove editorial discretion from the editor, it could not force things into the paper, the only power it had was the power of discussion with the publisher and the editor at these monthly meetings.

We did this in about six communities throughout the country. We hope to publish a book about it later this year with more detailed results, but roughly we found some interesting things. Some of them were obvious, but I think obvious things that need to be proved and need to be experienced.

First of all it turned out that publishers didn't know their community very well. After all, they are substantial businessmen in their communities. They tend to belong to the clubs with the president of the bank and the heads of insurance companies and the heads of factories in the towns, and in their normal social lives they meet people pretty much like them-

selves. This is perfectly human but it is not necessarily the best way to find out what is going on in your total community.

So when they sat down with the community representatives they got to know each other. We found it useful, incidentally, that there be a dinner meeting preceded by cocktails—it made sometimes for fireworks but it also made for candor and insight. We found out that many things were going on in the community which the publisher didn't know. Not because, in most cases, the publisher was stupid or evil, but because in the normal course of events, a busy businessman doesn't have time to go out into all the nooks and crannies of his community. Yet this is frequently precisely the parts of his community that he needs most to know about. He found things out, he found out that there were important news stories that he wasn't getting. and he would find out that the news stories that they ran were incorrect.

I attended one of these meetings on the west coast where one of the community representatives was a labour union official and he brought up at this monthly meeting the fact that the newspaper publisher had a story in his paper about a fight within the union. The publisher began being very defensive about it and the labour union representative said "No. I am complaining about the fact that it was much worse than you found out, and the reason is that you call the secretary-treasurer of the union every time and he doesn't tell you the truth." So the publishers found out a great deal that they hadn't known about before.

The other thing that came up is also obvious but I think necessary to experience. That is that community people didn't understand the newspapers very well. It turns out, as you Senators know perhaps better than anyone. that when you are involved in a conflicting situation, it is going to be very difficult to get all parties to the conflict to decide what is a fair report and most people who are in conflicting situations don't really want detached report—they want support. They want advocacy and they go to the newspaper and say "You reported this other fellow saying this, but that is a lie, you should have known that," and both sides say the same thing, but if you get them together in the same room they argue with each other. It becomes obvious to them—this is frequently the case—that the newspaper in fact cannot satisfy everybody. Some of our worst newspapers are the ones who try to satisfy everybody. There is such a thing as a detached observer. He is frequently wrong, he is frequently biased. The fact is this is not always the case and he is detached in ways that the people involved in a news situation are not. It is very therapeutic to bring them together regularly in order for them to see that this is a problem in which one should not expect complete dissatisfaction, but at the most fairness and remedy of errors.

These local councils, we felt, were extremely successful. We ran out of money after a year as we had planned to. We were a responsible foundation and that is to say we thought our obligation was to spend ourselves out of existence; but many of the publishers decided to carry it on at their own expense because they found it so useful.

Now, of course this is quite different from a national council such as the British Press Council which has to cover a very large number of papers. You can't possibly put in the same room, all of the papers and all of the publishers and cross-sections of the communities. It therefore ends up as a different kind of function which is partly to be a complaint bureau (which is very necessary) and partly to be a sampler of performance—picking out places maybe at random or maybe because some situation presents itself.

But, reporting to the whole country therefore, saying here are the complaints we have received, here is how much we thought they were justified, here is a sampling of the performance of our press and this is what we think they have done in this last year—that is quite a different thing. I think both are very necessary and very useful.

There are problems, of course, involved in doing this, but I think that the dangers of not doing it are much greater. The dangers are that the mass media will become detached from the mass, that they will cease to be responsive, that the burden of operating large corporations, and the natural social environment of a man who has to do that, will separate him from the people he is trying to serve.

Therefore, I think it is important that we do find mechanisms by which our mass media can retain their independence. I think editors have to be free to report, reporters have to be free to report as they think is most fair and wise, but I think they have to be open to criticism and open to remedy when there is

Some of our worst newspapers are the ones demonstrable error and we don't have enough who try to satisfy everybody. There is such a mechanisms for that now.

Since our mass media are getting larger and larger and covering larger and larger constituencies I think that we, in a long term way, have to consider whether we want them so large to begin with. Our present technology rewards and demands bigness. Newspaper plants are expensive to build and operate and once they are in operation, naturally they benefit by mass production. Broadcasting through the air with powerful transmitters places each station in direct competition with each other station and that results in competing for the same kind of programming, and that produces uniformity.

But we are just now entering a period of change in technology, and if we are wise, we may gain control through technical developments of some of the immediacy and community service that stopped when we no longer lived and worked in the villages.

Cable television will become common in this decade and new printing technologies will change the cost and patterns of newspapers. Now, in Canada you already have cities that are more advanced in cable than any place else in the world, but every developed country will have it shortly. Our present cables are being laid down in communities with 20 channels. In one community in the United States there is a cable system being laid down with 42 channels. This is quite easily multiplied by electronic means into an era of 180 channels, and the possibilities of programming are exciting and very broad. However, these won't happen automatically.

Printing, similarly, may make it possible to publish small papers in small places where it is not economical now. In general we need to scale our mass media down to a human size, but this requires public policies and corporate policies that do not exist now. This means tax laws, this means regulation of broadcasting, it means some examination of advertising policies which is what really forms our mass media. In the United States, for example, we need to do non-commercial broadcasting on a respectable scale, instead of on the pittance we now do it on; and we have to have provisions for both national and regional networks as well as low power local stations to serve their own communities.

We are all on the threshold of this new technology of cables, communications satellites, computers and new homes appliances, and this will transform the cultural and

we ought not make the mistake of letting the machines and the corporate imperatives that drive them, produce another commercialized culture such as we have inherited. We know enough about technology and we know enough about our social needs to design the machines for human and social purposes and not the other way around. Our present culture is an accident; an accident driven by the imperative to sell the maximum number of goods to the most people at the lowest cost and this has resulted in an evolution that is wildly out of control for short term gains.

Let me conclude with just one example. It appears that the first radio commercial was broadcast on August 28, 1922, when the American Telephone and Telegraph Company advertised itself on its own radio station in New York City. Apparently this offended everyone-even A. T. & T. which forbade any other station to broadcast commercials on pain of losing their telephone service. Even the National Association of Broadcasters thought that a commercial in the evening was especially crude because it contaminated the family hours. A few years later Herbert Hoover, who was later to become our President, but then was Secretary of Commerce, and then as later not one of our more strident radicals, said that blatant commercials were inconceivable. And he said about commercials on broadcasting "It is inconceivable that we should allow so great a possibility for service, for news, for entertainment, for education and for vital commercial purposes to be drowned in advertising chatter."

The moral I draw from that is that what seems inconceivable today may through corporate and public policy be incorrigible tomorrow.

Thank you very much, Mr. Chairman.

The Chairman: Thank you very much, Mr. Bagdikian. There are so many areas to dig in and ask you questions about, but I suppose the one which tempts us to begin is the Press Council. It is so tempting that I think I will begin with something else.

I thought I spotted, if not a contradiction in your remarks, one thing which I found that I couldn't quite understand. It was the reference you were making to the enormous political power of the media, and you indicated that the editorial advice offered by the media has been consistently rejected in the United States—the papers being overwhelmingly

informational lives in the next 20 years. But Republican, and the Democrats being mostly successful. But at the same time you attributed this success to the news coverage or news play, if I can use that description, which the media gave the politicians. By that standard could the media have achieved that editorial objective on the advice they were offering, if they had treated the thing differently on the news pages? Do you follow the question?

> Mr. Bagdikian: Yes I do, Senator. I think that is true and I think they did. They wrote editorials denouncing most administrations and denouncing social security, and things of this sort, and people didn't pay much attention to it and so I think in this they were not very persuasive. The thing I meant when I referred to the fact that they have the power of deciding which issues become public issues, is that we really get concerned with an issue as we hear about it and read about it in the news columns, on the newscasts on television, and on documentaries-and that decision is still within their power.

> The Chairman: The point I was making, sir, was would it not then have been possible for them to focus on other issues which might have elected the people whom they were proposing?

> Mr. Bagdikian: Yes, and I think there was a great deal of this. I also think this: that despite the very strong opinions of publishers and broadcasting proprietors, there is a very substantial degree of professionalism in journalism, so that we are not confronted with our own versions of stories which tell things which are only perpetuating official dogma. We do have professionalism, journalistic professionalism and in all justice many of the same proprietors, who are very rigid and dogmatic in their editorial opinions, accept the need for professionalism and the exposure of ideas that they differ with.

> Now, I think this acceptance has been growing. I think it is perfectly true that many urgent social issues have not been presented with the kind of care and space that they deserve because of the perceptions of the proprietors of the newspapers and the broadcasting stations. But, nevertheless, there has never been an iron curtain. That combination journalistic professionalism plus acceptance of some obligation to permit the publication of news with which you disagree, does occur. I think it doesn't happen enough but there is no question it does occur. So that if they wanted to be completely dogmatic, they could have kept silent about issues that

they didn't like, but they aren't completely dogmatic—they accept a degree of professionalism. I think this is an increasing degree.

The Chairman: Is the Establishment controlling the press in America?

Mr. Bagdikian: Well, there are many establishments and it depends to whom you speak. Our vice-president seems to think that the Establishment resides in New York and Washington and that there is a kind of national warfare that goes on between one side of the Appalachians and the other.

I wouldn't be completely honest if I didn't say that there are some newspapers and newspaper organizations which are profoundly influenced and influential on the rest of journalism. There is no question that the New York Times is read by more individual journalists around the country and taken as a cue than other papers. There is no question that the Washington Post is read by policymakers in Washington and therefore has a disproportionate influence on national policy. So in that sense there is an Establishment, but there isn't an Establishment in the sense that there is any kind of organized or explicit agreement among all publishers because there are too many of them. There are, after all, 1,750 daily newspapers in the United States and something like 8,000 weeklies.

The Chairman: You mentioned 35 people controlling something like 53 per cent of the circulation, and you talked about the influence they have on 40 million American homes. Are those 35 people all the same kind of people?

Mr. Bagdikian: No they are not. As a matter of fact, as I hope I hinted at at any rate, it isn't necessarily 35 people. There is not one man with his hand on a knob turning public opinion. There are hierarchies of professional journalists and of managers who make decisions but in the end it is typical in a newspaper that one man makes an ultimate decision on who these people will be and what the scope of their operations will be. So there are 35 organizations that control what 40 million households see as their printed news every day. Now, they are not all the same kind of person.

Some of the best journalism is done by people working in chains and there is a vast difference among them in devotion to fairness and broadness. I wouldn't want to give the impression that the operators of chains and

conglomerates are inherently evil, or that they must be. That is not so. Some of the most responsible journalism is done by people who have monopolies because they don't have to worry about the competition. If you worry about the competition, you have to put out a headline that catches the reader's eye before another headline, and if you are working on a story then you have to publish it right away—you may not get it right but you get it written.

The Chairman: Is that true of the Washington Post and the New York Times?

Mr. Bagdikian: That we watch each other?

The Chairman: No, that you have to look to the headline to sell papers?

Mr. Bagdikian: No, because what is happening in the United States is that there are fewer and fewer newspapers sold on newsstands where the headlines are important. More and more are delivered to the homes by subscriptions—I think there are 80 per cent of the American households that take a daily paper and something like 65 per cent that get delivery to their home.

The Chairman: Is that an on-going trend?

Mr. Bagdikian: Yes, and it is increasing. Fewer and fewer newspapers are sold by people who notice the headlines and most of them are delivered to the homes, so that the headline isn't terribly important. That is not why you buy the paper—it isn't competing with any other paper you see at the time. That is one reason that headlines are declining, and another is the fact that the audience is getting more sophisticated. They aren't fooled any more by the great big two inch headlines about a dog getting run over on the street, or something of that nature.

The Chairman: I want to turn to some of the Senators, but I wonder if I might ask you just one other question for now.

We have had evidence here from publishers, communicators, and others, that the working press tends to be liberal with a small "l", because Liberal with a big "L" is a political party here as I am sure you know; but the working press tends to be small "l" liberal. Would you agree with that generalization?

Mr. Bagdikian: I think that is true. At least in the United States it is true. There have been sociological studies of who is in the Democratic party, which tends to be a liberal party with a small "l", and the Republican

party which tends to be a conservative party, and the characteristics would show up people who tend to be liberal, Democrat. These are people who have gone to college, who have professional occupations, and so forth, and certain income levels, and this is the population group from which reporters come. So that it is a reflection, I think, of the part of the population from which they have been drawn and the role they have. There is an interesting tension with proprietors who are overwhelmingly the conservative and Republican. This is one reason why there has been, I think, a development of professionalism, a standard by which judgment can be made on something other than personal opinion. I think it is true that most working journalists In the United States tend to be liberal and most of their publishers tend to be conservative. But, as I say, the standards of profes-Sionalism do have some effect.

The Chairman: Senator McElman?

Senator McElman: Mr. Bagdikian, you suggested earlier that in a seller-buyer situation, often the media passes on to another of similar thoughts or philosophy. I have heard it suggested that this is one of the principal reasons for the terrific unrest in your country in certain areas of society, and that this was a factor in their not recognizing and reporting to the public soon enough the problems of the black American, the ghettos, and other problems. Do you subscribe to this opinion?

Mr. Bagdikian: I think this has had an effect, but I think that could be exaggerated because the causes of this unrest really go much deeper than that. I think newspapers are like all our institutions and have not become sensitive enough to changed conditions and changed attitudes. Part of this was because, of course, they were established and because owners of newspapers tended to be of the same social outlook and to perpetuate ownership in that same condition, but not entirely.

Reporters were at fault too—partly because they were restrained, perhaps, by their management, but also because they were overwhelmingly middle-class white. So the professional reporter, I think, shares some of the blame for this, for being insensitive to changed social conditions in this community. I think both share. I think it is an important factor that management of newspapers—like management of most large corporate activities—have not been very close to the constituents they deal with. But I think probably in

the case of newspapers no worse than managers of banks and insurance companies.

Now, the obligation on them to be closer is much greater, of course, because that is the business they are in and in that sense, yes, they are much more guilty than let us say the president of a bank who doesn't realize what is going on in the ghettos in the cities. But I think that the causes of this unrest—the other causes are much greater. I think this is an important one and one that certainly professional journalists and corporate journalists have to pay a great deal of attention to, but I don't think it was the main cause.

Senator McElman: It wasn't a lack of crusading spirit?

Mr. Bagdikian: Yes, I think so. But I must say that I can't blame it all on proprietors. That is a bias I have and I am perfectly willing to do admit that. But I have had the personal experience, during the late fifties and early sixties, of doing some reporting in our south where there are many racial problems, of going into a southern city and going to the newspaper and talking to the publisher or editor and then talking to the reporters who had immediate responsibilities for these areas, and typically none of them really understood what was going on in their communities.

Now, not because they weren't as smart as I was, but because they had lived there and they had become used to the landscape and hadn't noticed change, whereas I had gone in there looking for change. But I must say that there was a large area of ignorance and insensitivity among professional journalists as well as among their employers.

Sentor McElman: Well, now that the problems are well recognized, not only by your mass media but by the populace at large, in your view are the media—the leading elements of it—doing a responsible job in leading public opinion toward solutions of those problems, or do they tend towards sensationalism of events

Mr. Bagdikian: I think in the case of sensationalism, no, and in some ways they are swaying in the opposite direction. They went through a period of sensationalism because as a matter of fact these conflicts were a sensation, and it drew everybody's attention and they fixed their attention on that for a very long period of time, and frequently in a disproportionate way on those things which were most wild and written with conflict.

And then there came a consciousness that by being present, journalists could in fact themselves provoke conflict. You know, when a television camera comes in an exciting situation, people are energized by it and they do things which they might not do otherwise, when a camera man shows up or a reporter with his pencil and pad. We are also now in a period of shifting the other way, partly out of a consciousness that we can influence the events that we report by the mere fact of reporting them, but also the way in which we report them; and being frightened, some frightening things have resulted. And this is in conflict with our professional obligation to report what goes on no matter how unpleasant it is, and even though you might think, "If I report this it might provoke trouble".

Now, we are, I think, in a condition of backing away from that kind of reporting, partly because we are conscious of these things, and we are doubly careful not to unfairly or unrealistically provoke violence, but also because the press was in fact involved in reportage of severe social change.

So that the press in the United States, and broadcasting, are under increasing pressure because they report disturbing social conditions. And there is what is for me a disturbing body of opinion that says-and among them some of our officials—which says that if you said nothing about it it would all go away. And that is the opposite side of the other coin, which is that because you say something about it you create it, which is possible. So that in answer to your question, I think we are now entering an area in which we may bear to the other side of underreporting disturbances, under-reporting violence, under-reporting disturbing social situations because we don't want to create explosions, and because we are under fire for being a party to these things.

Senator McElman: Is this move in your media particularly your print media, your daily newspapers, away from the area of the immediate objective reporting towards the reporting of greater in-depth reporting? More of what we hear called the magazine type of reporting?

Mr. Bagdikian: Yes.

Senator McElman: Is this developing?

Mr. Bagdikian: Yes it is, and I think ...

Senator McElman: Is this a good trend?

Mr. Bagdikian: I think it is a good trend. I think we can never abandon the reporting of immediate events because none of us is wise enough to know at any given moment which events are really going to result in something important and which are not. We don't want to be too much philosopher kings in screening out things that we don't understand at the moment, partly because our audience is much more sophisticated than ever before, partly because they have other sources of information-textbooks, they travel-and partly because we, ourselves, are a little smarter than we used to be about these things. And I must confess, partly because we have more monopolies, and therefore are more secure. We can take the time and develop things in more depth and not be so fearful that our competitor will be out on the street with a great splashy story and overwhelm us. Yes, I think throughout all journalism in the United States there is a very definite trend toward more in-depth reporting and interpretation, partly because we need it more because there is too much information and we can't absorb all the facts that there are, and somebody has to help us to determine which things are important and which are not, and which things will have consequences to the future and which will not. But also because in the American press particularly we have been very rigidly devoted to what we call the doctrine of objectivity of reporting facts without any personal opinion interpretation. This is a very useful discipline, but it also can be misleading because not all facts have the same meaning.

In the early 1950s Senator Joseph McCarthy used to step out of a hearing room and say, "Inside the room this went on," and newspapers thought they were doing their readers a service by reporting what it was he said and nothing else, as if all information was equally valid. Well, we take more and more responsibility for that, and so that is happening. But it is a very difficult territory because you are then depending on the man who tells you to pass his judgment on what is important and what is not. I am not terribly concerned with that because I think we are all better educated and have other sources of information with which to test what we read about.

Senator McElman: This trend then towards greater in-depth reporting of the news and backgrounding it—is this calling for a different type of journalist? Is the role changing, is

there a higher calibre required and is that higher calibre developing?

Mr. Bagdikian: Yes, to both those questions. It requires a different kind of person and we are getting a different kind of person. Thirty years ago—if I may use a personal example...

The Chairman: By all means.

Mr. Bagdikian: I began my career as a newspaper reporter in 1941 for a paper in Massachusetts and it was quite evident at the very beginning that I should conceal the fact that I had a college degree because it would go very hard against me. Another fellow who Joined the paper at the same time also had a college degree and he made the mistake—and this is where I learned my lesson-of asking the city editor if he could cover a conference of bankers because he had a degree in economics, and the city editor blew up and said "I can't ever have you cover any business affairs" because he genuinely believed that if you had a degree in economics this would hopelessly damage the man's judgment. There Was a great deal of anti-intellectualism in the press before because a great deal of the material of the press was crime, the service of politics,—the most flamboyant part of politics—and it took a person who was quick, aggressive and had an eye for the flamboyant, and that is quite different now. So in answer to your question it does require a different kind of person and we are getting it. Our job is to keep them satisfied. The Washington Post has about 20 summer interns a year, Juniors in college who want to try out to be newspaper people and whom we want to look at. It had 750 applications—we interviewed about 150 people—the editors themselves Went out and talked to them-another editor and I talked to about 37 of them in Boston one weekend. They had astronomical intellectual ratings according to their College Board scores. Three of them had 800 which is the absolute impossible maximum, but they were not only just intellectually acute—they were involved politically, socially, and this creates problems because we asked each and every One of them "When was the last time you marched in a demonstration?" And out of the 37 only three had not marched. And then our Question was—and this is what comes when you have active, intelligent, highly motivated people—our question was "How can you separate your role as a journalistic observer from your role as an activist—how can you report something of which you yourself are a part—

what if on your day off you were part of a moratorium anti-war march and you went down to the police station demanding a parade permit from the police, who did not give it to you, and the next day as a reporter you go down and say, "What are you doing about that parade permit for the marchers?" How can you expect the sergeant to think that you are a detached observer?" It is a very difficult question because their reply generally was, "Well, in addition to being a reporter I am also a citizen and I have an obligation to my country that I think is very important." So we are getting the benefit of some of the brightest-thank God-for some of the brightest young people in the country. and this is for the first time, I think, in the last five or ten years, but we have to struggle with the fact that we are asking them, even though they are highly motivated and moved by events which, is why they want to be journalists-they have to adopt a discipline that will not only give them a detachment but have them be seen as being fair. We don't really ask them to be inhuman—we ask them to be fair and to be critical of their own reactions. Yes, we are getting a higher calibre person than has ever entered journalism before. It is making for some problems-they come in with their buttons and we make them take them off when they go out on a story, but that we struggle with. Yes, we are getting a new kind of journalist.

Senator McElman: Well, in addition to the new kind of journalist do the media find that they are turning more and more as well to the academic community, professional community for part time efforts, part time contributions?

Mr. Bagdikian: Yes. I think that the relations between the major newspapers and broadcasters and the academic community are much closer than they ever were before. They aren't as close as they ought to be because when you get to the smaller paper this is rare but in the larger organizations yes, this is true. Partly again because most journalists are now college graduates, so they don't have the same kind of hostility and fear for the academic community. As a matter of fact sometimes I think the academic community is falling behind, that some of the better journalists are much more inquiring and innovative, but that is only half true of course. Yes, the relationship is much closer and also in another way-the contribution of people in the academic community, direct personal contributions, articles, being consulted on areas in which they are expert, is happening more and more. In addition to that, more and more journalistic organizations have mid-carreer projects for their people who will maybe take six months off, or a year, and go to university. There are not enough, but still quite a number. We have the Nieman Fellowship at Harvard, a similar fellowship at Stanford University, and there are many specialized two, or three, or four year courses at universities. So that a reporter who is going to specialize, say, in urban affairs is detached by his paper for three or four months-he studies the course with urbanologists. He may go around the country talking to city planners and then he goes back to his paper with this kind of background. These ties are increasing and I think it is quite productive.

Senator McElman: Mr. Chairman, I have only one other question at the moment. You spoke of the cable systems and that one currently being installed in an American city will have 42 channels. Do you know how they propose to fill those channels—are they going to do it with the standard type of TV stations which now exist or do they have a specialized programming for some of these channels?

Mr. Bagdikian: I don't know. It is in San Jose, California. I hope it is not with all commercial programming, but I don't know the answer to the question. But I do know that in many of the systems that are being installed they are already having transmissions that are not just commercial television or even non-commercial television. In some cases it is a kind of monitoring service to which you have a clock, a wind gauge, a thermometer, and so forth, and others simply have a channel with a camera on a wire service teletype machine so that you can see the news coming up all the time. On others there is a monitoring of public meetings, and then on others there is some commercial but non-journalistic and non-entertainment programming being planned. In New York at least six months ago there was a plan to use part of a cable, for example, to go to doctors so that when a doctor, for example, diagnosed a patient as having diabetes and would ordinarily take an hour out to describe or explain to the patient what it meant to have diabetes and how to deal with it-instead he would talk to the patient and then bring him to a closed circuit television, dials a number to a cable company and they would play an hour-long program on what it is to have diabetes.

This will also be used by drug companies to produce drug advertising to doctors instead of having the salesmen go in person. So there are many ideas on filling these channels. But in the case of the one of San Jose, I don't know what their plans are, but I think it is a good question.

The Chairman: Mr. Fortier?

Mr. Fortier: These increasingly better educated journalists of which you speak Mr. Bagdikian, do they enjoy the same privileges as you did 25 or 30 years ago in being a reporter, or do they have obligations which are not commensurate with the ones that you had?

Mr. Bagdikian: No, I can see no disadvantage. Unlike me they did not take a vow of poverty! They have much freer access-I mean socially and personally with all levels of the community than I had. I don't think that they suffer any disability except that they have more difficult stories to deal with. We don't expect them just to come out with a police story on everything they go out on. We could get away when I started with having the names and addresses correct, and not always that, but we weren't supposed to understand anything, we weren't supposed to deal with complicated subjects. If we went to a conference we just found the most outspoken and loudest person and reported him. Now, this still happens, obviously. But the newer breed, I don't think, suffer great inhibitions except that they are much more socially active than we were. It was much easier for us to take this vow-the priesthood of discipline, of not getting involved in the things you were reporting. But it is not so easy for them. The issues of our time are not that easily set aside. I don't think they give up anything for this. I think it is vastly more exciting. I suppose it is self-criticism, but the better people dropped out of journalism after a while because it was not rewarding. After you have covered the hundredth police story it gets rather dull. I think that won't be the case now. I think the stories are more challenging so I don't think they give anything up. I think they gain a great deal from this.

Mr. Fortier: The notes which they gather today and the pictures they maintain, the photographs which they may take—how personal to themselves or to the newspapers for which they work, how privileged can they become? Is there not a recent history in the United States of reporters being called upon by law enforcement agencies to assist in criminal investigations?

Mr. Bagdikian: Yes. That is a very serious problem in the United States and getting worse.

Mr. Fortier: I wonder if you could expand on that somewhat for the benefit of the committee?

Mr. Bagdikian: Well, traditionally of course the newspaperman or a journalist and his source—it has been a matter of not legal privilege—I think there are 12 states in which there is some statutory protection, but in most cases there is not. But as a matter of tradition and practice, a journalist who gives his word that he will not disclose his sources of information, and does, suffers in the eyes of his colleagues and, of course, he suffers in the eyes of his sources. It is considered not only bad form, but unethical to disclose any source whom you have promised to keep confidential. And this has gone to the point Where newspapermen have been ordered in court to disclose them and have not, and some of them sometimes have gone to jail. This is accepted within the trade and it is even accepted as a gesture officially, although you may be punished for it, but something new has happened. Incidentally it was also accepted in this way: occasionally a reporter will come and say "I know such and such a thing Will happen and I know it from a very good source." And his editor will say "What is the source because we will not run the story unless we have reason to believe it is factual?" And if it is a senior man he will say "I can't tell you." And you then have to trust him. But if it is a junior man you might say "Well, I won't run the story unless you tell me." And then he may say "Well, I can't tell You" and it is agreed that you don't run the story. This is the kind of atmosphere that exists. Great care on the protection of confidentiality-not just because it makes for more comfortable journalism, but because a great deal of news is not possible otherwise. Policy in government always operates like photographic film—it develops best in the dark—and policy-makers don't like to have rays of light coming in, and yet if there is never any disclosure of policy formation, the citizen gets a fait accompli and it is too late for him to change. I think this is quite legitimately important to journalism because in the United States we are going through very turbulent times with a great deal of demon-Stration, agitations and revolutionary activities, and because many people are frightened and because law enforcement officials and

governmental officials are in the business of prosecuting illegal activities and conspiracies for illegal activities. Much of this information is concealed from them by radicals and by revolutionaries and yet this activity is some of the more important news of the day, which means that journalists hear the radicals, attend meetings of revolutionary groups, they do articles on what these groups are thinking and saying, they attend meetings and demonstrations in which destruction and illegal activities occur, and then the authorities will say "All right, we are thinking of indicting this group for an illegal act and you were present at a meeting in which they discussed this-give me all of your notes and tell us what they said"

Mr. Fortier: What has been the reaction?

Mr. Bagdikian: The overwhelming reaction of working as journalists is to decline. Most managements have supported them in a sense that most managements will not turn over upon demand the material which has not been published. For example, if there is a large demonstration in Washington our photographers may take many thousands of photographs of which maybe four or five are printed. Later on, let us say, there is a riot or an attack on an embassy, or something like that, and the law enforcement authorities will come with a subpoena and say, "We want all of your negatives." Well, on the surface to the law enforcement agency this looks like a legitimate request. We are citizens, we have been witness to what might be a crime, and we are being asked to co-operate with the authorities. They don't understand very often why we will say "No, we won't. We will give you the prints of what we publish, but we don't want to turn over our files." Of course we don't because to do so systematically is to become an instrument of the authorities and to do so makes you seem as an instrument of authority and already we are being told by people whose meetings we are attending, sometimes in jest and sometimes not in jest, "You are getting paid by the FBI today", and this sometimes extends to PTA meetings. So that already some of the public is seeing the press as an agent of the law enforcement authorities because later the authorities may subpoena their material and this of course is destructive of reporting. It does create a difficult problem for many reporters who don't want to fail to co-operate in the prosecution of a crime. It is a serious problem and I think in the end journalists must not become instruments of government and one of the minor reasons is that frequently the confidential source they don't want to disclose is the government itself.

I talked to one reporter who said, "I hope they don't subpoena all my records because some of them are from FBI agents."

Mr. Fortier: Was any such case carried to its legal conclusion?

Mr. Bagdikian: No. but I would be surprised if it were not within the next year or so. Well, it has been carried to the legal conclusion in a sense that some reporters have gone to jail in recent years. What happens is there is a confrontation and one side or the other backs down. Usually the law enforcement agency backs down but sometimes not. There have been reporters who have gone to jail for refusing to disclose their sources and this is now very much an issue in the United States with the newspapers and broadcasters and their working reporters trying to work out some arrangements which will protect their confidential files, protect their image in the public as not being law enforcement agents and somehow not go to jail in very large numbers.

Mr. Fortier: You have indicated that by and large your reporters have the vocal support of the publishers. Is that correct?

Mr. Bagdikian: It varies. My impression is that working reporters are much more firm about this than management, partly because management has the advice of lawyers and the lawyers almost universally say in the end there is no law that will protect you from going to jail. And since the lawyer's job is seen by him anyway to keep you out of jail, he says don't go to jail.

The reporter is not as well advised as this-he knows about this and he is told about this, but he is of course the man who is at the point of this and while it remains to be seen how strongly he feels about it, how many will go to jail, in a general my impression is that the reporters are much more doctrinaire about not submitting information to the authorities than are the management. The management generally have the better organization and take the view "Let's sit down with the authorities, explain to them why we won't and see how important it is to them that they have this material." It frequently turns out that it is not terribly important. The fact is that the authorities usually send out

their own cameramen masquerading as newspapermen, but they aren't very good cameramen. They put the settings wrong, they forget to take the lens cap off the camera, and then they come to the newspaper and want the pictures. But in general I think that this is a serious problem and one which we will hear a great deal about.

Mr. Fortier: Would you be in favour of legislation which would give a special protection for the reporter's sources?

Mr. Bagdikian: No, I have an irrational position on this. My irrational position is that wherever possible journalists should not ask for special privileges, and where in this case in effect they are asking for a special privilege which is to say to practise civil disobedience...

Mr. Fortier: Yes.

Mr. Bagdikian: They should be prepared to go to jail. That is a very brave thing to say in this room but I think in the end that is what it comes down to. I would not want to see entrenched privilege for journalists which are not available to other people.

The Chairman: Senator McElman?

Senator McElman: In these circumstances would there not be an additional concern by management as well, the journalist, and publisher, and so on, that if it became known that they were turning over information wholesale that when there were marches and demonstrations, violent and otherwise, that they would find themselves roughed up, and cameras broken, and so on? Isn't that one of the primary concerns?

Mr. Bagdikian: Yes it is.

Senator McElman: The concern?

Mr. Bagdikian: It is a concern and that has already happened. Newspapermen have been attacked because they either have been suspected of being law enforcement agents in disguise, or people who are going to get evidence which later will fall into the hands of law enforcement agencies.

The Chairman: Mr. Spears?

Mr. Spears: Well, a couple of questions arising out of a few things that Mr. Bagdikian has said. You said a little while ago, Mr. Bagdikian, that the American audience and large is much more sophisticated and

discriminating than it has ever been before. I would like to ask you how do you reconcile this for example with the lowest-commondenominator level of TV programming, which you deplore?

Mr. Bagdikian: I don't think that they are contradictory although I don't know why they are not contradictory. That is to say I think they are more sophisticated and better educated and I think they are generally addicted to things I deplore on television. There are surveys which show that college professors like Gunsmoke to the same degree as people Who have never finished high school. At the same time, the most careful survey I have seen shows that watching of television declines proportionately with education, so that I think that while college professors apparently like to see Bonanza or Gunsmoke, the fact is they don't look at television as much as other people, and this is probably for a number of reasons. Don't forget that really television is the first universal mass medium We have ever had. You don't have to know the written language, you don't have to know the spoken language. It is almost universal in the United States-97 per cent of the households—as a matter of fact, statistics show that there is slightly more television than electricity—so that it is almost universal. So it is a medium which encompasses parts of the population that we have never before thought of as being part of the communications picture. We have never thought, for example, of the less educated, the lowest educated 30 per cent of the population as being an audience for our newspapers and magazines. Radio somewhat, and television does.

So that both in the mass media and in our educational systems much of the low quality performance which we are inclined to attribute to personal performance and a degradation of personal performance I think is in fact not a degradation at all, but inclusion in the process of people who were totally out of it before. The person who did not read very Well in the fifth grade, never even went to the fith grade, who never even was taught reading, the person who watches the television six and a half hours a day which I see is the national average in the United States—I am sorry, I am falling into the semantic trap of the broadcasters. The statistics they have show that the average household has a television set turned on six and a half hours a day which is very different from watching one six and a half hours a day. But at any rate here is an exposure of an almost total population,

from infancy, which was never before included in communications.

Also there is this other thing—I think the fall-off of television viewing as you get higher education isn't altogether the fact that while we are so sophisticated we deplore the low level on television so we don't watch it—it is partly that undoubtedly. But it is also because as you get more educated, or if you get in a more responsible occupation, you find yourself busy during the prime viewing hours. You are attending meetings, you are attending hearings like this, you are having business dinners, so you aren't there for the six o'clock news, and then you go back at 11.30 p.m. and it is too late to catch the news and you are pretty tired so you don't watch.

Senator McElman: You sure are describing this committee!

Mr. Bagdikian: I trust that these hearings have some benefit. It keeps you from evil ways! I think that the low level of television is partly that. Then the other thing is that because advertising is placed on commercial television on the basis of sheer numbers and because our broadcasting stations are powerful and cover fairly large areas, the winner in this game tends to be the one with the biggest number.

If there should be cultivated people like you and me who watch not Bonanza but let's say Gunsmoke instead, and there are half a million people who, say, watch Gunsmoke, and let's say 20,000 people who watch some other programming-minority interest programming—the way they detect this in order to sell advertising is to do a sampling survey. sometimes by telephone and sometimes by having a meter on the television set or sometimes by asking a certain number of people to keep a diary, but they do this only by sampling. One sampling, for example, of the entire City of New York which has 8 million inhabitants is done by 36 phone calls. Now, this is perfectly defensible as a sample of the whole population, but you will never discover the audience of 20,000 or 50,000 this way. To discover that audience you have to do very intense sampling and that is more expensive than you can afford if you are broadcasting to a small audience. It seems to me that one of the advantages of cable is that it is a wire going to the home, it will be definite which home is listening to what program at what time, and at that moment minority programming becomes possible; then we will get a better picture...

Mr. Spears: It will become salable?

Mr. Bagdikian: It will become salable, because you can prove the audience in the same way that a specialized magazine can prove its audience, by the people who do the buying, and they can prove the delivery. So I think that the combination of including the whole population which is getting sophisticated with television, plus the fact that we have no mechanism for identifying the audiencesthat explains the fact that we have such a low average on television. But, nevertheless, great popularity.

The Chairman: You have a second question, Mr. Spears?

Mr. Spears: Well, I don't want to keep the Senators away from their television sets. There was one other thing Mr. Bagdikian was talking about ...

The Chairman: There are a lot of other things.

Mr. Spears: Yes, a lot of other things. But just one other question. You talk about the growing size and the growing remoteness of the newspapers, particularly, from their communities. The phrase you used was that we must scale the media down to human size, which struck me as a very desirable objective. With the new technology, for example, is there a possibility of more smaller, closer to the community newspapers being established? Do you see that happening?

Mr. Bagdikian: Yes, I think it is already happening. It is happening for example with weekly papers, the small offset papers. The young people who have \$10,000 or \$5,000 begin a paper in a small town because they don't have to buy a big plant and they can go to a job contractor and do it-it is happening with the underground press. The kids have learned that they can put together all kinds of wild things that they can't get published elsewhere and they put it out by going to a contractor without running a big plant. So I think the technology is supporting that.

I think the technology will continue to develop but I still think it is an open question whether it will be put to use in this way; that is, serving particular needs and particular communities, unless we make it easy for people to do this. I think that it is very easy for a large organization to blanket an area and to make it almost impossible for a newcomer to start, but the cost of small papers is going down,—and at that time this will not be so unequal a battle. And I am told that the fastest growing newspapers in the United States are the suburban newspapers. On the whole they aren't very good newspapers because they respond as much to local advertising as they do to the local and social political needs. I am hoping they will evolve into serving this also. I think that is already happening and I think it is very important that it should.

In addition to that, I think large papers will find it possible to publish highly localized editions which they cannot do now. The central printing plant now is a very cumbersome factor and there is no good substitute for it, but I think we are approaching the stage in time and technology where it might be possible for big papers to publish highly localized editions in small towns.

The Chairman: Senator Petten?

Senator Petten: Mr. Bagdikian, you mentioned that DuPont of Delaware were considering selling their papers. Did they in fact get rid of them?

Mr. Bagdikian: No, and the consideration was purely a tentative internal one, or speculative one. They were under some criticism because they were suspected by evil-minded persons, including myself, of using their papers to benefit the corporation, which they quite honestly admitted and they didn't see anything wrong with it. It bothered some people on the corporation that the criticism of their newspapers might hurt the corporation and therefore they ought to consider divesting themselves of the papers. It was just internal speculation without, I thinkr ever getting to the point of actively pursuing it. There were memorandums exchanged in which the most important point was if they did they should sell it to someone who had the same views as they did. And then also have it part of this agreement that if the buyer ever sold it again they would have to offer it back first so that a third buyer would not be of a different viewpoint. So, so far as I know it never reached the point of actively trying to sell it.

Senator Petten: It was because of their conglomerate interests that they got a little concerned about it?

Mr. Bagdikian: Yes, that is right.

The Chairman: Mr. Bagdikian, several of our colleagues have other commitments and

therefore time is becoming of the essence. I therefore propose to put to you only three other questions. I think some of us would like to keep you here until one o'clock in the morning, but unhappily that can't be the case.

First of all, if I may, on press councils—the whole press council concept is one which is of great interest to this committee. We have heard a great deal about it from publishers who have been before the committee about national press councils and local press councils. If, sir, you have any information which you could supply the committee, information certainly which we could return, we would be most interested. I would be delighted to know when the book is coming out?

Perhaps I could just put two questions to you about press councils, or about these local press councils. I am wondering what size these communities were and what some of the communities were in fact, and did these local press councils concern themselves with the newspapers only, or with all media? And was there more than one newspaper in some of the communities?

Mr. Bagdikian: First of all I will be happy to send some articles which are fragmentary...

The Chairman: We would be terribly grateful. It is perhaps an imposition, but it would be most helpful.

Mr. Bagdikian: No, not at all, senator. And We hope the book will be published later this year.

The Chairman: How much later this year?

Mr. Bagdikian: Probably in the latter part of the year. I will try to get whatever information I can to you. We did not have any general press councils in any very large cities and that is a problem. We had them in small one-paper towns for the most part. They were in Bend, Oregon; Redwood City, California; Carroll, Illinois; Sparta, Wisconsin, and these are relatively small communities...

The Chairman: What would be the biggest?

Mr. Bagdikian: Well I guess Redwood City would be the biggest one.

The Chairman: And how many people would be there?

Mr. Bagdikian: Well I guess Redwood City must be around 100,000. It has only one paper and the council included only the publisher.

Now, we had two other councils that were in larger cities-St. Louis and Seattle, but these were special ones in which all of the media representatives sat down with representatives from the black community. These were specific summer projects with the black communities and even there there was a problem of having a large number of people with differing goals and viewpoints, that when you got three or four television proprietors and two or three radio people and two newspaper publishers sitting down with ten or twelve community representatives, there was chaos. There was creative chaos, a great deal of hostile shouting back and forth, but very useful. It demonstrated the problem we knew we would have in large cities. I don't know if there has been a satisfactory solution. In the larger city there is a problem first of all of many media representatives, then also how do you pretend you can have a manageable group of representatives of let us say half a million people? There are a number of groups in the United States that are wrestling with this problem. I think it is a problem when you get into larger cities with many media representatives. I think it can be solved-one of our failures was in St. Louis where we had half a dozen media people and maybe a dozen representatives from the black community. It failed in the sense that nothing seemed to be organized to get done-there were half a dozen arguments going on at the same time, but it was very useful for everybody involved because what happened after was that they realized that they had to focus on one thing at a time and so at subsequent meetings they would pick one subject and that tended to bring less chaos and people were able to express themselves more coherently.

At the very least it told us that this problem is soluble-you just have to use a different technique when you get into larger cities. but I think it was very important. I think it is very important that you have a third party as a moderator. In our case it was always a university person, a professor of political science, or journalism. But someone who organizes the meeting, who is the honest broker, and who also can focus the meeting because it turns out that even some of the leading representatives of the communities don't know enough about newspapers or broadcasting to really focus on the problem constructively. So that the moderator is also useful in saying "O.K., next week look at this part of the paper and look for this sort of thing. Look at the social pages, for example, as representative of the community or not-

well, maybe they had never thought about it on television because not only are you that before because one of the things you broadcasting to my son, but you are also discover of course is that people are educated by their media. If you grow up with one kind of newspaper you accept that as the standard and sometimes it takes an outside voice to give you a new perspective. I think this is soluble, but with the larger communities it is more difficult.

The Chairman: The second of my three questcons is a pretty tough question to answer in a few minutes. Would you give us just a word or two with the benefit of your great knowledge about the future of the magazine industry in your country, which I am sure will be relevant—perhaps we will draw our own relevance-but what is the future of the magazine industry in the United States?

Mr. Bagdikian: Well, as one of the rats that swam off the sinking ship—the Saturday Evening Post—I have a little experience with it. I think that television marked the end of the general circulation magazine, mostly for advertising reasons. The general circulatcon magazine that went out to a broad national population covering most of the reading public was a very efficient advertising medium. You could reach more people at more different times at less cost with this one publication than any other way. Television can do it much more cheaply. It goes to everybody. The exposure per person is much less than any magazine, and I think that is why the Saturday Evening Post failed, Collier's failed, Liberty failed, and I think Look and Life are having troubles. I would be surprised if they are around five years from now. But the specialized magazines are doing very well. That is because broadcasting again can't prove that it reaches a special audience and if you sell carburetors to my son-which everybody does-then you advertise in an automobile magazine, the motor car fan magazine, because you know that it is going there, and the man publishing the magazine can prove that it is going there. You can't do

broadcasting to 50 million people who don't care about your product but for whom you are paying.

If I had to guess I would say that the specialized magazine will prosper and the generalized one would wither.

The Chairman: Thank you.

My third question, and unhappily the last question for this evening is this: Is the Washington Post still the most irritating paper in the country today?

Mr. Bagdikian: I find it a splendid publication.

The Chairman: In the publication I quoted from in the beginning you listed qualities of greatness in newspapers in the United States in the 1960s. I read them with great interest and it occurred to me this evening with your presentation that you have demonstrated these very qualities. For the benefit of the Senators, they are authority, comprehensiveness, art, professionalism and a reliable sense of priority. I think in your presentation this evening, for which we are so terribly grateful, you have demonstrated that you possess each one of these qualities. We are particularly pleased because we know it is an imposition to bring someone as busy as you to Ottawa, but I think you can have some idea of how helpful this discussion has been and I am sure I am speaking for the entire committee when I thank you most sincerely.

Mr. Bagdikian: Thank you very much.

The Chairman: May I remind the senators of the timetable for tomorrow. All meetings are in this room. At 10 a.m. we have CFPL Broadcasting Limited and at 11.15 a.m. we have CHSJ Television, Saint John. And at 2.30 tomorrow afternoon Mr. Pierre Berton, author and broadcaster.

Thank you.

The Committee adjourned at 9.50 p.m.



Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA

PROCEEDINGS OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, Chairman

No. 36

WEDNESDAY, MARCH 25, 1970

WITNESSES:

CFPL Broadcasting Limited, London, Ontario: Mr. Murray T. Brown, President and General Manager; Mr. C. N. Knight, Station Manager, CFPL-Radio; Mr. W. C. Wingrove, Station Manager, CFPL-Television; Mr. W. R. Laidlaw, News Director, CFPL-TV; Mr. T. H. Bremner, News Editor, CFPL-Radio; Mr. J. A. Plant, Production Manager, CFPL-TV; Mr. G. A. Bingle, Program Manager, CFPL-Radio; Mr. G. A. Whitehead, News Director, CFPL-Radio.

New Brunswick Broadcasting Company Limited, St. John, N.B.: Mr. Ralph Costello, President; Mr. George A. Cromwell, General Manager; Mr. W. A. Stewart, Manager, CHSJ-TV; Mr. W. K. Donovan, Managing Editor, News, CHSJ-TV and CHSJ-Radio; Mr. D. M. Burrows, Manager, CHSJ-Radio.

Mr. Pierre Berton, Broadcaster and Author.

1969-70

MEMBERS OF THE

SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, Chairman

The Honourable L. P. Beaubien, Deputy Chairman

Beaubien McElman
Bourque Petten

Davey Phillips (Prince)

Everett Prowse
Hays Quart
Kinnear Smith

Macdonald (Cape Breton) Sparrow Welch

(15 members)

Quorum 5

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

With leave of the Senate.

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Friday, December 19th, 1969.

With leave of the Senate.

The Honourable Senator McDonald moved, seconded by the Honourable Langlois:

That the names of the Honourable Senators Bélisle and Phillips (*Prince*) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Langlois:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 10th to 19th February, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, February 5, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Haig:

That the names of the Honourable Senators Quart and Welch be substituted for those of the Honourable Senators Bélisle and Willis on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 17, 1970.

With leave of the Senate,
The Honourable Senator McDonald moved, seconded by the Honourable Senator Connolly (Halifax North):

That the name of the Honourable Senator Kinnear be added to the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That the name of the Honourable Senator Langlois be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 4th to 13th March, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, March 19, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media on 24th and 25th March, 1970, and from 14th to 23rd April, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

Robert Fortier, Clerk of the Senate.

That the name of the Honourable Senator Elinear be added to the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was , 2001, dred and

William Seal at supply of the

March 3, 1970.

And Antick and the Minutes of the Troceedings of the Sensie, Tuesday, addition to the Sensie of Sensie, Sensie

That the name of the Honourable Senator Langleis he removed from the ust of Senators serving on the Special Committee of the Senate on Mass Media

Estimated The question being purpose the anotion plotters.

Resolved in the affirmative.

Extract from the Minnies of the Proceedings of the Senate, Tuesday,

estrumno, value agricular majornage, estra e ar est est et sinst part.
-m died a'The Honographe Sensteic McDonade mored, escanded dynthe Hon.
est in our able Senster Denista P.C.; even estimmed set infl. has a vient.

That Rule 78 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 4th to 13th March, 1979, both inclusive, and that the Committee have nower to sit during sillings of the Senate for that seriod

The question being put on the motion, it was-

Noterral's Besolved see the affinemental with the related with morth countries.

Extract from the Minutes of the Proceedings of the Schafe, Thursday, Merch 19, 1970.

With leave of the Senate, name and stands aldered

and dole of The RiomographismSchalder McGonaldinneverly secondedeby the Honno all citiable Senator Smiths (done will odd to worth not be nutricated

That Rule 76 (4) he suspended in relation to the Special Committee of the Senate on Mass Media on 24th and 25th March, 1970, and from 14th to 23rd Appli, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and-

Resolved in the aftirmative.

soft self we behavior, the root plenuit M. whatse Chericalotherstenate. (dryoM antibal; allouise) related planta

MINUTES OF PROCEEDINGS

Wednesday, March 25, 1970 (36)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey (Chairman); Beaubien, Kinnear, McElman, Petten, Smith and Sparrow. (7)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

Mr. Murray T. Brown, President and General Manager, CFPL Broadcasting Limited, London, Ontario;

Mr. C. N. Knight, Station Manager, CFPL-Radio;

Mr. W. C. Wingrove, Station Manager, CFPL-TV;

Mr. W. R. Laidlaw, News Director, CFPL-TV;

Mr. T. H. Bremner, News Editor, CFPL-Radio;

Mr. J. A. Plant, Production Manager, CFPL-TV; Mr. G. A. Bingle, Program Manager, CFPL-Radio;

Mr. G. A. Whitehead, News Director, CFPL-Radio:

Mr. Ralph Costello, President, New Brunswick Broadcasting Company Limited, St. John, N.B.;

Mr. George A. Cromwell, General Manager, New Brunswick Broadcasting Company Limited;

Mr. W. A. Stewart, Manager, CHSJ-TV:

Mr. W. K. Donovan, Managing Editor, News, CHSJ-TV and CHSJ-Radio;

Mr. D. M. Burrows, Manager, CHSJ-Radio.

At 1.20 p.m. the Committee adjourned to 2.30 p.m.

At 2.30 p.m. the Committee resumed.

Present: The Honourable Senators: Davey (Chairman); Beaubien, Kinnear, McElman, Petten, Quart, Smith and Sparrow. (8)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Miss Nicola Kendall, Research Director; Mr. Yves Fortier, Counsel.

The following witness was heard:

Mr. Pierre Berton, Broadcaster and Author.

At 4.45 p.m. the Committee adjourned to Tuesday, April 14, 1970, at 10.00 a.m.

ATTEST:

Denis Bouffard, Clerk of the Committee.

MINUTES OF PROCEEDINGS

WEDNESDAY, March 25, 1970 (36)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey (Chairman); Beaubien, Kinnear, McElman, Petten, Smith and Sparrow. (7)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fedier, Counsel.

The following witnesses were heard:

Mr. Murray T. Brown, President and General Manager, CFPI, Breadcasting Limited, London, Ontario;

Mr. C. N. Knight, Station Manager, CFPL-Radio;

Mr. W. C. Wingrove, Station Manager, CFPL-TV;

MY W. R. PHIGHAM MEMS THRECISE COLLECT AND

Mr. T. H. Bremmer, News Editor, Carl-Madio:

Mr. J. A. Plant, Production Manager, CFFL-TV:

Mr. G. A. Bingle, Program Manager, OFPL-Radio

Mr. G. A. Whitehead, News Director, Clffl.-Hadlot

Mr. Raiph Costello, President, New Brunswick Broadcasting Company Limited, St. John, N.B.;

Mr. George A. Cromwell, General Manager, New Brunswick: Broadcasting Company Limited;

Mr. W. A. Stewart Manager CHSJ-TV:

Mr. W. E. Donovan, Managing Editor, News, CHSJ-TV and CHSJ-Radio;

OF C at harmonike authorized add on a SC t tA

At 2.30 p.m. the Committee resumed.

Present: The Honourable Sepators: Davey (Chairman); Beaublen, Kinnear, McElman, Petten, Quart, Smith and Sparrow. (8)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Country, Miss Nicola Hendall, Research Director; Mr. Yves Fortier, Counsel.

The following witness was heard:

Mr. Pierre Berton, Broadcaster and Author.

At 4.45 p.m. the Committee adjourned to Tuesday, April 14, 1976, at 10.00 a.m.

ATTEST:

Denis Boufford, Clerk of the Committee.

SPECIAL SENATE COMMITTEE ON MASS MEDIA

EVIDENCE

OTTAWA, Wednesday, March 25, 1970.

The special Senate Committee on Mass Media met this day at 10.00 a.m.

Senator Keith Davey (Chairman) in the Chair.

The Chairman: Honourable Senators, ladies and gentlemen. this morning marks the final day of gearings prior to the Easter recess. For Senators and others who are interested the Committee returns on the 14th of April for two eeks of sittings, then the hearing phase will be complete.

Meanwhile today we have I think three very worthwhile and interesting witnesses. This afternoon Mr. Pierre Berton, this morning CHSJ Television from Saint John and the brief we are going to turn to now which has been submitted by CFPL Broadcasting Limited. The CFPL team is headed by Mr. Murray Brown who is on my immediate right and Who most of the Senators will recognize. Mr. Brown is the president and General Manager of CFPL Broadcasting Limited.

On my immediate left is Mr. C.N. Knight and Mr. Knight is the Station Manager for CFPL Radio.

Sitting next to Mr. Brown is Mr. W. C. Wingrove who is the Station Manager of CFPL Television.

Next to him is the News Director for CFPL Television, Mr. W. R. Laidlaw.

Next to Mr. Laidlaw is Mr. Hugh Bremner, who is the News Editor of CFPL Radio, and then next to Mr. Bremner is Mr. G. A. Whitehead, who is the News Director for CFPL Radio.

And last but by no means least is Mr. G. A. Bingle, who is the Program Manager for CFPL Radio.

I should say at once to you Mr. Brown, that we are flattered that you would bring so their presence will assist the hearing.

Now, you have been here so often before, both as a witness and as an observer that I hardly think it is necessary for me to go through my usual opening statement, so why don't you make your statement and then we still proceed to the questions.

Mr. M. T. Brown, President & General Manager, CFPL Broadcasting Limited: Thank you very much, Mr. Chairman.

The Chairman: I might say we are all mindful that we have dealt with CFPL Broadcasting rather extensively at other hearings and will be mindful of it in our questions.

Mr. Brown: Mr. Chairman, Honourable Senators, I would like to comment first in relation to Senator Davey's remarks about the number of people. I took quite seriously your suggestion which accompanied your initial guidelines indicating that you would like to hear from people actively engaged in news programming, and this is what we have done.

Our time is short this morning regrettably and consequently I will keep my opening remarks very brief.

The Chairman has very ably introduced the members of our group so that saves me this particular chore. I regret very much that Mr. Glen Robitaille, our Director of Engineering is unable to be with us today. As you know from my written brief I indicated that he would be accompanying us. Mr. Robitaille's son died accidentally on Sunday. Mr. Robitaille made a great contribution to the written brief and is highly respected throughout the country by other engineers and it is unfortunate he cooldn't be with us because I am sure he could have made a great contribution today.

I think, Mr. Chairman, that it is important to bring to the Committee's attention that we felt it was desirable and in fact even necessary to set out the views of our radio and many members of the team and I am sure television people relative to the guideline question in two separate sections of the brief.

Radio and television are quite different media. Each has its own distinguishing characteristics and the peculiar nature of each medium demands a different kpproach to programming. The problem in each medium being quite different, the attitudes of radio and television people can vary quite remarkably. I trust you have found this evident in reading the different approaches taken by our people in answering these questions.

I don't wish to be redundant Mr. Chairman, but I was again going to bring to the attention of the Committee that a great deal about CFPL Broadcasting was made available by Mr. Walter Blackburn, the Chairman of the Board, both in his written submission and in his January appearance before you and you may recall that on pages 2 and 3 of our submission we did list the references to broadcasting which appeared in the Blackburn brief, should the Committee wish to ask any questions relating to these references.

Chapter 2 of our brief deals with the organizational structure of CFPL Broadcasting itself. We felt inclusion of this information would give the Committee a better idea, a better insight into how a broadcasting organization such as CFPL functions by showing the formal lines of authority and responsibility and the number of positions and the number of people required to fill them in order to provide a quality radio and television service. The balance of our brief departs from housekeeping and concentrates primarily on programming. Some of our thoughts about present day AM radio and CFPL radio in particular are put forth in Chapter 3. And in our references to CFPL programming we have placed additional references to our approach to informational or news oriented programming in which we felt the Committee had a special interest.

As a pioneer in frequency modulation broadcasting, we have attempted to draw from our experience in providing some views on FM. Appended to the brief is a copy of our submission made to the Canadian Radio and Television Commission last year commenting on the future of FM broadcasting in Canada.

In concluding Chapter 3 we describe briefly our affiliation with the CBC radio network and the unique experimental arrangement with the network involving both our AM and FM stations. The first part of the following chapter on television deals primarily with our relationship with the CBC television network.

Tables are included to illustrate the total programming mix of our television station, showing the programming by category as originated both by the network and by CFPL-TV. Again, recognizing the Committee's interest in news presentation, we have devoted several pages to the extensive news operations of CFPL Television.

We did not include detailed description of the many varied programs produced by CFPL-TV but we did append to the brief a copy of a comprehensive report on CFPL-TV's local programming activities. This report was prepared originally for the CRTC.

Competition from American television stations through cable television systems obviously gives us much concern. How does CFPL-TV continue to fulfil its obligations under the Broadcasting Act while competing with the free flow of American television programs via cable TV systems which are licensed by the Government of Canada? This paradoxical situation is outlined on pages 39 to 43 of the brief.

In Chapter 5 we present some views regarding the impact of changing technology on the mass media. Specifically we make some observations on the possible influence of the media of the wired city concept as a potential outgrowth of cable TV in its broadest sense. We conclude these observations by expressing our opinion that it is likely only a matter of time until the public will have an almost infinite choice of services available through cable. With proper policies of development, cable systems could do much to provide a useful Canadian material to homes but without careful research and carefully defined policies, uncontrolled development of cable systems could very readily destroy any attempt to utilize additional broadcasting as a means of maintaining and strengthening Canadian identity.

As you anticipated, Mr. Chairman, our brief had been completed at the time of receiving your list of all the supplementary questions. Although we did not provide specific answers in our brief to these supplementary questions we trust that much of the information included in our submission is relevant to these questions. If the Committee has questions to ask based on the supplementary questions, we shall do our best to provide answers.

I hope Mr. Chairman that you and the Honourable Senators will not consider me immodest if I conclude by saying that we are proud of the contribution made by our broadcasting station to the life of Western Ontario. Appended to the brief is a list of national and international awards won by CFPL-TV along with excerpts of unsolicited letters of appreciation received by our radio and television stations. We believe these provide tangible evidence of the regard in which our stations are held both by the community and by the industry.

Thank you very much Mr. Chairman.

The Chairman: Thank you very much, Mr. Brown. I believe Senator McElman will start off with our questions this morning.

Senator McElman: First of all Mr. Chairman, I, as one member of the Committee would like to commend CFPL and the London Free Press for the amount of research, time and effort that has obviously gone into the preparation of these detailed and frank submissions. I know, speaking for myself, they have made my work much easier—they are terrific briefs, very good.

The Chairman: The foregoing was an untaped commercial announcement!

Senator McElman: Well, Mr. Chairman, I think it was quite appropriate.

The Chairman: That's fine, we take your point. Carry on.

Senator McElman: You are affiliated with the CBC with both your television and your AM stations?

Mr. Brown: Yes sir.

Senator McElman: How do you find your working arrangement in this affiliation—in programming for instance? Are you able to influence to any degree programming that comes on the network at the time that you are required to carry network programming?

Mr. Brown: Senator McElman, over the years we have had a good working arrangement with the corporation through joint committees established by the CBC. I think the short answer to your question is that the CBC will not change their basic programming approach which they feel is their interpretation of their mandate. However, they can be approached to change scheduling sometimes to make it more convenient for the affiliates. I was on the Affiliate Committee for several years and Mr. Wingrove and Mr. Knight are both on the Committee now. I think I would

like to have both of them possibly speak to it now. They are actively involved in this work at the moment.

The Chairman: Mr. Knight?

Mr. C. N. Knight, Station Manager, CFPL-Radio: I don't think we attempt to influence specific programs. I have found, however, through working as a vice-chairman of the Affiliates Committee that the CBC are susceptible to suggestions with respect to the broad affiliates' arrangements and in our particular case they have demonstrated their willingness to seek out different types of arrangements by involving themselves with us in a specific experiment, the details of which are in the brief.

Essentially they are this: We have come up with a formula on an experimental basis under which we present their programming on both AM and FM—the only premise being that we try and select programming which is compatable with what we are doing on those two stations. The experiment has been going on now for a year and a half and I think rather successfully. We have demonstrated by audience surveys that we were able to create a wider CBC presence in our community than we had before. I don't want to prolong the answer, but I think fundamentally the answer is that we find them willing to experiment, willing to listen to suggestions with respect to the broad philosophy of broadcasting.

We haven't frankly attempted to influence them with respect to a framework of a specific program.

Senator McElman: How often does this Affiliate Committee meet?

Mr. Knight: The Committee itself meets when necessary and it has been necessary about four times a year. There is a total Affiliates meeting once a year.

The Chairman: Well, before we leave radio perhaps I might ask just a question. It occurs to me that there might be a slight error in Appendix "B" but perhaps I might be wrong. CFPL-AM—CBC newscasts carried by CFPL-A.M.—shouldn't that be 10:00 p.m. instead of a m?

Mr. Brown: Yes.

The Chairman: It should be 10:00 p.m.?

Mr. Brown: That's right.

The Chairman: If any of the Senators are interested it is Appendix "B"—the second line reads 10:00 a.m. to 10:00 a.m.—it should be 10:00 p.m.

Mr. Fortier: Mr. Chairman, may I ask a supplementary of Mr. Knight?

The Chairman: Yes, you may, but I have one more.

Mr. Fortier: Fine.

The Chairman: I just wanted to ask about the special arrangement you have with the CBC for FM programming. The brief deals with it adequately so I simply put the question—would you recommend this kind of arrangement for other FM stations in the country?

Mr. Knight: Yes, I certainly would and I think that perhaps as a result of the experiment this development may evolve. What it amounts to really is simply matching the best of CBC programming, because what they do they do well, with the particular programming of the station on which it is being aired. In other words we were airing drama on A.M. radio immediately following a teenage rock music show which was totally incompatable. On the other hand, it had a great place on FM within the framework of a total arts, letters and science package. So yes, it is working.

The Chairman: And it could work for other stations?

Mr. Knight: That would be my view, yes.

The Chairman: Is the CBC happy with the arrangements?

Mr. Knight: I think so.

The Chairman: Is the CRTC happy with the arrangement?

Mr. Knight: I can't speak for them, but I haven't heard that they are unhappy.

The Chairman: Mr. Fortier?

Mr. Fortier: Your AM licence is endorsed as a CBC affiliate. You have made an arrangement under which the CBC feed to both the AM and the FM stations. To what extent does the CRTC have to be consulted prior to this arrangement being finalized, if at all?

Mr. Brown: Well, to what degree they have to be I am not sure but they were advised.

We brought them into our original exploratory discussion and have their blessing.

Mr. Fortier: I see.

Mr. Brown: On an experimental basis.

Mr. Fortier: Is this the CBC-FM sound which is carried on your FM station or is it the CBC-AM sound which is carried on your AM and FM station?

Mr. Brown: It is a combination of both. The reserve time package, as the CBC call it, for affiliates is a package which constitutes roughly 25 or 26 hours. When we entered into this experiment we extended that. We took a look at the total spectrum of what the CBC were producing and found that there were 17 hours that were totally compatible with what we were doing on AM and those were essentially news features-news and information features. We found, however, that there were 33 hours of things that they were doing for themselves, essentially for AM, but which happen to fit our particular programming format on FM and we were able to select the best of what they were doing. The result is, of course, that we now carry 50 hours in our market place. It varies of course in the spring and summer, it could be 51 or 52 hours. The importance to them is that there is in fact a CBC presence in our community on both stations...

Mr. Fortier: Yes.

Mr. Brown: ... within every two hour period pretty well throughout the 18 hours from 6:00 a.m. to midnight.

Mr. Fortier: And to what extent has this affected your financial arrangements with the CBC?

Mr. Brown: It hasn't affected them at all.

Mr. Fortier: Not at all?

Mr. Brown: No.

Mr. Fortier: It is the same as it was when the CRTC endorsed your AM licence?

Mr. Brown: That's right.

Mr. Fortier: And yet you get more...

Mr. Brown: I should add that there is relatively no financial arrangement. These shows that we have been talking about are unsponsored shows of the CBC in the main.

The Chairman: I think we should perhaps get back to Senator McElman's question—has Mr. Wingrove forgotten the question?

Mr. W. C. Wingrove, Station Manager, CFPL-TV: No, I haven't forgotten the question. Senator McElman, if I recall correctly, asked whether the affiliates through their connection with the CBC were able to influence programming?

Senator McElman: Right.

Mr. Wingrove: Yes, to a rather minor extent. The Affiliate Committee is composed of six members representing Canada generally from coast to coast and through them we feed viewer reaction to some of their dramas that may border on the area that causes concern...

The Chairman: What area is that, Mr. Wingrove?

Mr. Wingrove: Well, some place that was Very disruptive was Yorkton, as I recall...

The Chairman: Are they disruptive in London?

Mr. Wingrove: I think London is a little broader.

Mr. Brown: And there is a greater choice of Viewing.

Mr. Wingrove: The people that don't care to watch the CBC plays have seven American stations to choose from.

I think also we are able to influence, to some extent, their broad approach to programming in certain areas. For example, over the years, I think starting when Mr. Brown was on the Committee, we influenced the CBC to place their public affairs shows later in the evening where they wouldn't deny children their normal viewing and where there would be more adults in the audience. It is clearly recognized of course that the Corporation have the clear right to program the network as they see fit. It is clearly spelled out in the Broadcasting Act but of course they do listen to suggestions.

The Chairman: If I may just put a supplementary question to Mr. Brown. As a CBC affiliate which do you feel most, loyalty to the Corporation or the traditional private broadcaster's cynicism and scepticism of the Corporation?

Mr. Brown: I don't think we feel loyalty, Mr. Chairman. We have been affiliated for a long time and it is an alliance and it has not been an unfriendly alliance. I think it has

been a two-way street over the years and I don't have any scepticism about the CBC.

The Chairman: I was going to say hostility and I thought that would be unfair.

Mr. Brown: There is no hostility. I am sure the Corporation would be the first to say that, I am sure they have looked upon us as one of their favourite affiliates over the years and we have co-operated with them.

The Chairman: Well, we didn't ask them which was their favourite affiliate. Perhaps it might have been a good question to ask them!

Mr. Wingrove: I would share Mr. Brown's views. It is like a loyalty to a wife and to a mother, you know...

The Chairman: Do you have any comments, Mr. Fortier?

Mr. Fortier: None, Mr. Chairman.

The Chairman: Do you have a supplementary, Senator Smith?

Senator Smith: Yes, Mr. Chairman. I would like to know whether or not I could get an opinion from one of these gentlemen with regard to whether or not they agree with the submission of the CAB which was to this effect: That the CBC should get out of the business and they should be a programming corporation only.

The Chairman: I think we should put that to Mr. Brown because he is a past-president of the CAB.

Mr. Brown: Well, this is an old idea which was introduced some 25 years ago and has been updated. I think it is too late in time to reverse the function of the CBC. On the other hand, I think the idea needs to be looked at and maybe there might be some compromise. Personally, I nor my company favour this role for the CBC.

Senator Smith: Thank you very much.

The Chairman: Senator McElman?

Senator McElman: In a highly controversial situation—let us take "Seven Days" as an example—where controversy does develop within the CBC over a specific program, what reference, if any, do they make to the Affiliate Committee to determine the views of the affiliates on the matter of controversy?

Mr. Brown: They do after the fact.

Senator McElman: After the fact?

Mr. Brown: Yes.

Senator McElman: Then in effect you really don't take any part in the decision?

Mr. Brown: The decision to continue such a program?

Senator McElman: To continue it, to wipe it out?

Mr. Brown: We may suggest, if we don't like a certain series, that we don-t think it is in the public interest and should be discontinued and then the CBC will make up its own mind as to what it wants to do. Again, I come back to my original answer to your question, Senator McElman, the CBC has its own interpretation of what its mandate is, what they should be programming. It is difficult to have them change from what they think they should be doing, which is a very comprehensive type of program to appeal to all people's knowledge. However, they are flexible in relation to not so much what goes into a program, but the scheduling of it. One of the things that we have, I think, successfully accomplished is to make the CBC network, particularly the television network, a viable entity. It can only be that with popular programming and a certain amount of American programming skilfully weaved through the total program schedule. The Corporation believes in this now and I think this was evident in Dr. Davidson's views before you. What is the point of having a CBC television network, if enough people don't watch it? Therefore, it has to have popular programs interwoven with documentaries and public affairs programs.

Now, in the case of the radio network, this is not so. It is more of a public aflairs network and its whole approach is not to appeal as a popular network. I think the CBC is looking very carefully at its radio network wondering what its future role is to be. I am sure they are not certain themselves what it should be.

The Chairman: What do you think the future role of the CBC radio network should be?

Mr. Brown: I am not sure, Mr. Chairman. I don't think what they have today is right. I think there are too many sacred cows they are trying to appease.

The Chairman: Would you include Senators!

Mr. Brown: No. I am thinking for example of trying to please the Vancouver Symphony or the Halifax Symphony and so on and the end result is they are not getting very many listeners. You made this point very clear at the appearance of the CBC when you referred to the 8:00 o'clock news.

The Chairman: Yes. Did you have a supplementary, Mr. Fortier?

Mr. Fortier: Yes I did Mr. Chairman. It is again on this CFPL and CBC relationship. Mr. Brown, you seem to say that by and large the arrangement is working well—you are satisfied and the CBC are satisfied with you, according to what you have said. Now, you have a contract with the CBC—an affiliate contract—is this contract as you ideally would like it to be or would you like to see changes in it?

Mr. Brown: Well, dealing first with the television contract—no, it is not an ideal contract because everything is pretty well in favour of the Corporation. There is an omnibus clause in the agreement which really says that the CBC can do almost anything in the way of programming if they say it is in the national interest. They could in effect take over almost all of your programming under the agreement. It is a lawyer's nightmare, Mr. Fortier.

The Chairman: A lawyer's dream!

Mr. Brown: In the case of radio we don't have an agreement at the present time. We just have a letter of understanding because we have a letter of understanding because we have special arrangements with them.

Mr. Fortier: What about the division of advertising revenue for example. Do you find that this is a fair and equitable distribution or division which the CBC ask you to subscribe to?

Mr. Brown: Yes. I think the formula for splitting the commercial revenue is quite fair. I believe it is better than what the U.S. affiliates receive with their networks and as Mr. Knight said there is practically no revenue in radio so it is unimportant.

Mr. Fortier: In the non-network periods are you able to sell your own advertising?

Mr. Brown: Yes, that is most important.

Mr. Fortier: Satisfactorily? The network commercial time does not preclude you from

selling advertising during the non-network tions. It is a serious problem but we are time as you see fit?

Mr. Brown: No.

Mr. Fortier: There is no saturation which is reached?

Mr. Brown: No.

The Chairman: Senator McElman?

Senator McElman: Just on this last point. In some areas at least our information is that CTV affiliated stations have a greater listenership and are able to sell their commercial time much easier than the CBC affiliates. Do you find that as the CBC programming runs, the listenership drops and then you have difficulty getting back the listeners for your own program time that you want to sell?

Mr. Brown: We do on certain days, Senator McElman, yes.

Senator McElman: Is it a serious problem?

Mr. Brown: Not yet, but I think it is becoming increasingly more so with the growing competition from American stations. Yet we recognize the CBC's problem. They can't run popular programs all through the day. They have to have minority audience programs that they feel they must schedule. I can't quarrel with it because this is the type of service I think they are obliged to provide.

Senator McElman: And this is a problem that you are prepared to live with and overcome the best you can?

Mr. Brown: That's right, Senator.

Mr. Wingrove: Well, I was going to say at the practical programming level, it does pose the problem you mentioned Senator McElman. With the great deal of cable or American penetration into London—now 80 per cent of the homes are cable served and over half of the audience is watching U.S. on the average. It means that when we do hit a period where we are carrying, for example, a public interest program of the Corporation, Our audience does drop substantially because it is only a flick of the knob to have a choice of eight American stations with three networks and I don't know how many movies and so on. This has come upon us rather gradually, although it is more accelerated recently. We see this as a serious problem and particularly with the possibility of more restrictions on programming by CRTC regulamanaging to deal with it a the present time.

The Chairman: Well, I hope we can perhaps ask you some questions about cable in a few minutes but perhaps we can deal with other matters first.

Senator Beaubien: Mr. Brown, you said there was no advertising revenue in radio?

Mr. Brown: From the network.

Senator Beaubien: Oh, from the network?

Mr. Brown: Yes. The CBC radio network is virtually a non-commercial network. I think we only have one commercial program we carry.

The Chairman: And what is that?

Mr. Brown: "The Galloping Gourmet."

Mr. Knight: I was just going to say that, aside from that particular show, the types of things that may normally have some commercial content would be the Grey Cup game or World Series baseball games or special features like that.

The Chairman: What about the hockey broadcast on Saturday night?

Mr. Knight: On Sunday nights.

Mr. Brown: They are not commercial.

The Chairman: Well, there are spot announcements on them. Are they not national spot announcements on the network?

Mr. G. A. Bingle (Program Manager, CFPL-Radio): Yes, there are commercials in the hockey games as well.

The Chairman: Mr. Fortier?

Mr. Fortier: I would be curious to know which CBC program drives listeners off the air in Hamilton?

The Chairman: Well, first of all the witnesses are from London!

Mr. Fortier: Yes, I am sorry, Mr. Chairman.

The Chairman: And it may be that they can't discuss Hamilton!

Mr. Fortier: This was a statement we heard a few minutes ago so I think it would be interesting to hear...

The Chairman: Well, I will accept the question but I must say that Senator McElman has been very generous with us.

Senator McElman: No, go right ahead.

Mr. Brown: I think generally, Mr. Fortier, that any program which is of a documentary nature is not going to appeal to as many people as the "Laugh-in" show or others of that type. This is a fact of life. The words "drive the audience away" may be a rather harsh, but let us say they are less interested and they seek other channels where they will find something they enjoy.

Mr. Fortier: You are referring mainly to the public affairs programs?

Mr. Brown: Yes and some of the ...

Mr. Bingle: And some of the dramas.

Mr. Brown: Not all the dramas, because some of it is very good.

Senator Smith: And some of the music is not so generally popular?

Mr. Brown: Yes, that is right, Senator.

Mr. Fortier: And yet throughout your brief you stress the CFPL accent on public affairs programming albeit from a local point of view. How do you reconcile your view now that those are not popular and yet you present them to your viewers and to your listeners?

Mr. Brown: Well, we feel that we present public affairs programming in a more palatable fashion than the Corporation because it is more localized.

Mr. Fortier: I see.

Mr. Brown: We also think that we have a little showmanship and we recognize as well that we lose some audience with that type of program but we do have an obligation to produce that type of program and we are pretty proud of some of the stuff that we have turned out.

The Chairman: Senator McElman?

Senator McElman: Speaking of "driving" your audience, Mr. Brown, do you subscribe to the CAB's philosophy that the more advertising you put on, the higher audience rating you get?

Mr. Brown: No, I certainly don't. I was shocked at that statement.

Senator McElman: So were we!

Mr. Brown: I know he quoted figures but I think he is completely wrong. I dont' think

that commercials enhance the value of the programme. I do think that programmes which are popular and which are good—if they have commercials, Idon't think the commercials detract from the programme. This may be what the other spokesman was saying but I don't think that the inclusion of commercials add to it.

Senator McElman: Mr. Chairman, I would like to move to the cable area.

The Chairman: Well, I just have one area that I would like to ask about before we move to cable. I would like to know—perhaps I will put it to you Mr. Brown—are Mr. Laidlaw and Mr. Bremner, structurally in your organizational chart and so on, co-equal? One I understand is the TV News Director and the other is the Radio News Director?

Mr. Brown: Well, that has changed slightly in the last few months Mr. Chairman. Mr. Bremner was News Director of CFPL-Radio but he is Radio Editor...

The Chairman: I meant Mr. Whitehead, forgive me.

Mr. Brown: Yes.

The Chairman: Well, the reason I ask this question is the witness appearing next is from CHSJ in Saint John and hopefully we can put this question to them. I don't expect you to discuss their situation because we will put this question to them, but their television and radio news department is co-ordinated and yours very clearly isn't. You have separate TV news and Radio news groups I don't want to ask the question in such a way as to be critical of the Saint John situation but it did occur to me just this past week-end in rereading both the briefs that here are comparable sized cities and they do in one way and you do it the other. What is your philosophy in divorcing the two operations?

Mr. Brown: Mr. Chairman, when television first came into being some sixteen years ago in Canada we had to make the decision as to whether we would go with an integrated or segregated operation. After giving it a great deal of thought, we came to the conclusion that the two stations would be healthier if they were completely separate.

The Chairman: Has it always been separate from the beginning?

Mr. Brown: Yes.

The Chairman: Have you ever considered co-ordinating it?

Mr. Brown: Yes, but we still feel the same way. We think we have a healthier operation if they are strongly competitive and completely divorced from each other in their operation.

The Chairman: What if the radio news man comes up with a clear beat on somethingdoesn't he pass it on to the television people or do they find out when they hear the radio station?

Mr. G. A. Whitehead, News Director, CFPL-Radio: I think that is exactly the way it Works.

Mr. Wingrove: We might get an exclusive story on television and because there is so much preparation to do in putting together a news story for television as opposed to radio We might hold it until our 6:30 show and then we might alert the radio people. Mr. Bremner is paid on a free lance basis to be our announcer on the major television newscasts so that when he comes to the station he is certainly going to know about that story in any case.

The Chairman: Are you genuinely competitive with the radio news people?

Mr. Wingrove: Yes, I would think so.

The Chairman: Mr. Bremner?

Mr. T. H. Bremner, News Editor, CFPL-Radio: I would like to say that we are certainly competitive on a feature basis and in the way of spot announcements, we do tip each other off when there is a story.

The Chairman: Senator McElman?

Senator McElman: What difference is there in your programming time of news? Your prime time news?

Mr. Bremner: Well, as to radio in basically what we call prime time hours, every half hour and on the hour.

Mr. Whitehead: Through the day it is on the hour only. In the late afternoon or early evening it is again on the half hour, whereas television has three major newscasts.

Mr. Wingrove: One at noon, one at 6:30 and one at 11:00.

The Chairman: Talking about editorial comments, your brief, at p. 18 states:

21490-2

"Mr. Bremner is not required to check these commentaries with station management in advance of broadcasts nor does he ever receive a directive from management as to what he can or cannot say."

It says he never receives one. Is that true Mr. Bremner?

Mr. Bremner: Yes.

The Chairman: Then I read on the next page about your dissent. And then you say relating to the Free Press...

"In developing this new editorial approach for CFPL-Radio it was obvious to us that our stand on certain issues may be completely in conflict with the editorial opinion of the London Free Press. This fact is clearly understood by the newspaper and has the full approval of W. J. Blackburn, President and Publisher of the London Free Press and Chairman of the Board of CFPL broadcasting."

I wonder if you, Mr. Brown, or Mr. Bremner would give us some examples of editorial opinion expressed on radio which has been, to quote "completely in conflict" with the London Free Press?

Mr. Bremner: Completely in conflictmainly on matters of local issues and conflict generally on issues such as the Vietnam War and some national things.

The Chairman: Well, let us take the Vietnam War as a case in point.

Mr. Bremner: I tended to be more dovish.

The Chairman: Well, what would be an example of a local issue?

Mr. Bremner: Well, we had some property called Broughdale which I thought should be sold to a Greek church and they took the opposite stand saying it should be parkland.

The Chairman: Senator McElman, if you would like to ask some questions leading in to cable perhaps now is the time.

Senator McElman: Mr. Brown, as I understand it London was the first city in Canada to have cable?

Mr. Brown: Yes.

Senator McElman: And now, approximately 80 per cent of the television homes are also cable homes? Mr. Brown: Around 80 per cent.

Senator McElman: So that is fairly accurate?

Mr. Brown: Yes.

Senator McElman: You have gone into considerable detail in your brief as to the fragmentation of the audience as a result of this. Are you already suffering from the revenue standpoint or are the concerns you expressed here largely for the future?

Mr. Brown: Largely for the future, Senator McElman. I think we did indicate in our brief that fortunately up to this date we had not suffered financially.

Senator McElman: Your company—you have the saturation newspaper in the London area, the daily newspaper, you have the one television station originating in London and you have your radio station.

The Chairman: I just wish to interject before Mr. Blackburn gets up and marches to the front, that we should say "near saturation".

Senator McElman: Yes, I recall the half hour of semantics with Mr. Blackburn very well!

The Chairman: Please carry on.

Senator McElman: In such a situation do you feel that the fact of this ownership of the various media has been the factor in retaining your earnings situation. Does one assist the other? I am not speaking of any relation of rates or anything of that nature but does one assist the other in the marketing of commercials?

Mr. Brown: No, not a bit Senator McElman. We are completely autonomous in the free operation and we are highly competitive. When I say that the television station has not suffered, I mean it has been able to generate good revenues of its own. It hasn't required any subsidies from its sister company. I didn't know whether that was what you meant by your question or not.

Senator McElman: Well, let me put it another way, Mr. Brown. Your audience rating on television has obviously gone down because of the intrusion of cable. Your rates haven't have they?

Mr. Brown: No sir. I made the point in our brief that, whereas the audience has been

fragmented because of the growth of cable, we still are the singly most listened to or most watched television station in the marketplace. Since London is a good market and national advertisers want it in their campaigns, they will buy CFPL-TV.

Senator McElman: It is still the best in the market?

Mr. Brown: Well, to a degree. I don't think it is possibly as much as it was a few years ago—we promote it as such.

Senator McElman: I am sure you do. You have gone into considerable detail in your brief as well, in explaining the effect of the American stations coming in and you have shown concern in the falling off of revenue looking to the future. Is there any recommendation that you would make to and through this Committee whereby Canadian advertising dollars could be prevented from flowing to those American stations. I am thinking of the provision that was made as a result of the O'Leary Commission. Is there anything of a similar nature that you have in mind in practical terms?

Mr. Brown: Well I think it is premature, Senator McElman, because at the moment, with the exception of places like Winnipeg, which was mentioned yesterday, and the Bellingham situation and Toronto there aren't too many Canadian dollars going into U.S. television stations. I suppose a similar provision to that which applies to the magazine industry might eventually be the answer. We made some comment about this in our answers to the guideline questions.

What could happen and Mr. Wingrove could speak to this a little more fluently, is that if the American stations begin to take more and more audiences away along the border, the American advertiser which has Canadian outlets could say "Well, we don't need to buy these Canadian outlets because we are getting enough overflow audience through all these border U.S. stations", and they could just quietly say to their Canadian subsidiary "You will put a little money into the American pot toward our advertising and we won't spend the money in Canada." This could happen but I don't think it has happened as yet.

Mr. Wingrove: Well, there is really no way of knowing when this happens but I would doubt if it is a serious factor in our area at present but there really would be no way of

knowing. There has been no evidence of it except in one or two very, very minor cases.

Mr. Brown: Well, we know that the Buffalo stations get a fair amount of business from Toronto and you have heard about the Pembina-Winnipeg situation and the Bellingham-Vancouver situation. I think they are about the only three.

Mr. Wingrove: I believe Watertown into the Kingston area is another one.

Senator McElman: You suggest that that action might be premature, Mr. Brown, but could I remind you that with respect to Time and Reader's Digest now, there are those who are suggesting very firmly that it is too late, that action should have been taken earlier.

Mr. Brown: Well, as broadcasters who have been subject to a great many regulations, we hate to suggest that there be more introduced for other media or for other people. I think What we would really like is the freedom to compete. We would like less regulations so that we could compete more freely in the open market and I think this is all that broadcasters would really ask for. We don't ask that other people be regulated.

Senator McElman: Well, you are probably as well aware as we are of the ways in which national advertisers could get around a provision that is similar to that which is applied to magazines. This is why I am asking if there is something of an equally practical nature that you can suggest to us at this stage, to make you more competitive let's say. What regulations make you less competitive in a situation of this nature?

Mr. Brown: Well, we need freedom to program in competition with these American stations so that we can hold audiences and we won't have to worry about losing revenue. I wouldn't at this point in time favour any sort of tariff restrictions in this regard.

The Chairman: Perhaps I might ask you a Question at this point on cable. You say in your brief at section 140 that "it seems inevitable that development into more extensive programming will follow"—that is originating programming by cable stations will follow.

Mr. Brown: Yes.

your brief, however, that: 21490-21

"There has been little, if any, fragmentation of audience as yet from the distribution by cable of programs originated by the Cable companies themselves."

Presumably you don't thing the cable companies' originations as yet, are of sufficient quality. When do you think that is going to happen?

Mr. Brown: Well, I can't give you the timing, Mr. Chairman. They have only just started in the last eight months.

The Chairman: Well, let me put another question to you, and if I could detach you, at least for a moment, from your CFPL Broadcasting hat, I ask you to consider this question from the Committee's point of view. We have had a great many witnesses come before the Committee from various walks of life, organizations, groups, communicators and so on and there seems to be a view that at last with cable we will be able to provide, or there will be provided, to citizens in various communities a multiplicy of choice—that, for example, underprivileged or minority groups will have access. They will also have an opportunity to receive the kind of minority programming which interests them. The question I would put to you is this. Isn't this multiplicity of choice and the availability of minority programming desirable? And if you think it is desirable, how would you, if you were charged with the responsibility of directing or regulating the future of cable broadcasting in Canada-what should be done-(a) to facilitate this minority programming, if indeed you think that is a good thing; and (b) to protect the position of the conventional broadcaster?

Mr. Brown: Well, to answer question (a), I think we agree that it could be a good thing to provide these additional program services on cable. We have no quarrel with that. I think our prime concern is the importation of American signals which makes it difficult for a Canadian television station not only to continue to be viable but how does it contribute to the Canadian identity, which is part of its obligation under the Broadcasting Act?

The Chairman: You would have no objection if, for example, there was a cable in London originating from the University of Western Ontario?

Mr. Brown: Not a bit.

The Chairman: And if one was from City The Chairman: You say in section 164 of Hall—you wouldn't have any objection to this type of thing?

Mr. Brown: No. We have not objected to local origination. The only point we make is that they can grow from what they are now which is really programming designed for a multiplicity of small groups to more popular programming and then ultimately to commercial programming.

The Chairman: Your concern is primarily economics, and, I said yesterday, when you were here, and I have said many times before this Committee, I don't find that distasteful at all. I quite understand that, but you are also concerned, and I know you are, with the social problems, the social scene and cable, surely, is a great social potential. How can we most effectively realize that social potential, if you will?

Mr. Wingrove: I would agree that if cable continues to expand its minority local services—programming such as the Home and School meetings and so on—that this is an additional service like a weekly newspaper renders in a small town.

The Chairman: Yes.

Mr. Wingrove: And I believe it is good. It seems to me that with the high prices that are being paid for cable—I mean, it is the new Porcupine gold strike—everyone is rushing in and paying the prices—and already word comes from cable groups that to do this and that, they will need to sell advertising. I have heard it expressed that it would probably be a good thing that they sold advertising because, again like a weekly newspaper, they would sell the corner grocer and so on.

Now, we have the situation where cable people are really going into it to import American programs, and there is really no doubt about that and that the other services are an obligation. They will only provide those local services within their revenue means. If they feel that they are being crowded in to provide more than the old services in our city, some of those who are paying these big prices may not be able to afford to. Those are the ones that may feed back to whoever the appropriate authorities are at the time and say that if you want us to do all this we will need the advertising revenue. When that starts, that may not just affect television. In fact, it might be the least affected. It could affect the radio, the weekly newspaper and the daily newspapers because of the local advertising. So that as far as our own television station is concerned, I don't foresee any

development in the cable service in that area and I don't see how it is going to bother us.

It might also occur to people that it would be wonderful to have first-run feature movies every day, because, after all, the Broadcast Act was passed by Parliament but the people of Canada by plebiscite didn't say that they would prefer all this kind of programming over American. We know, despite what the Broadcast Act says, that the people in their own voting, which is the turning of the knob, prefer the popular programming. If you get to a situation where the people are crying and they have a right to see these and the technology is there, then you could have a serious undermining of orthodox broadcasting. We take seriously, I think, our responsibility, which is not only to keep bring in the revenue but to serve the purpose that is required by the Broadcasting Act, a purpose which is being eroded by audience fall off. That is our prime concern.

The Chairman: Well, are you suggesting that it is to the detriment of the people of Canada. Let's say that there is a first-run movie in Ottawa. Would it not be in the public interest that the people could sit in their living rooms and watch this movie?

Mr. Wingrove: Well, it would be in the public interest if the simple view of giving the public what it wants, is the objective and I don't agree with that. We do try to give them what they want to a certain extent. However, suppose at the same time that Patrick Watson or whoever on CJOH was presenting a program as a result of months of research into the drug problem in Ottawa and this was of tremendous social importance...

The Chairman: Yes.

Mr. Wingrove: And people are sitting, watching a Hollywood razzle-dazzle type of movie...

The Chairman: Well, in answer to that, Mr. Wingrove, is it not true that if CFPL is running an invaluable documentary on whatever and one of your competing stations, let's say Kitchener, is running "Laugh-in" I guess they don't run that because you have it—or some other program, they will outdraw you.

The point I am making, perhaps not well, is that I think cable has great potential for the people. I understand the concern of the broadcasters.

Therefore, the other question I would put to you is that you fellows have come to us, as have other broadcasters, and said, "These are the problems". We understand the problems. You honed in and said, more directly, that it is the access through cable to all of these American signals which now saturate London, which is the problem. What would you do about that very problem?

Mr. Brown: Well, you can't hold back technology, Mr. Chairman. I think the use of advanced technology, where possible, has to be controlled or designed in the public interest. This is the only point that we make. There must be well thought-out policies to govern the growth of cable, so that it can be used in the public interest. We don't specifically have any suggestions—I know this is what you are looking for...

The Chairman: Yes it is.

Mr. Brown: And I am sure the Canadian Radio and Television Commission is looking for an answer and I don't think there are any pat answers. There is the other complication that cable systems have, as their planned source of revenue, subscription fees. Broadcasters don't have that. Their only source of revenue is through the sale of advertising.

If cable systems also got into advertising they would have two sources of revenue and not necessarily the same obligation under the Broadcasting Act to provide a comprehensive programming service. Also, the very nature of a cable operation is such that it is much cheaper to operate a cable system than it is to operate a broadcasting station. Our television broadcasting station has roughly employees and another 30 free-lance television people, whereas a cable system might have 25 employees. This could make it very difficult for a conventional television station or traditional television station to continue to serve the audience. And don't forget the audience in the smaller rural areas that will not have cable. Who is going to provide a service to these people if the cable companies just appeal to the lucrative metropolitan markets?

The Chairman: I am not disagreeing with you at all but we are just trying to come up with, as you have indicated, some answers.

Mr. Brown: Mr. Chairman, I haven't got the answer today...

The Chairman: Will you write us if you come up with it?

Mr. Brown: I will work on it.

The Chairman: And Mr. Fortier?

Mr. Fortier: Mr. Brown, Mr. Wingrove said a few moments ago that your viewers have access to these American programs and indeed these seven or eight channels that are available in London—through these they do. To what extent do you as a broadcaster, who happens to be a Canadian citizen, feel that a quasi-judicial agency such as the CRTC should impose Canadian content programs on Canadian viewers in the London market specifically?

Mr. Brown: Mr. Fortier, I think the CRTC as the regulatory authority is trying to or taking this approach under their interpretation of what they should be doing according to the Broadcasting Act.

Mr. Fortier: Do you think their approach is correct?

Mr. Brown: No one can quarrel with the objective that we want a greater Canadian identity.

Mr. Fortier: The objective as spelled out by Parliament?

Mr. Brown: No.

Mr. Fortier: Or the objectives as interpreted by the CRTC?

Mr. Brown: Both. I am not sure whether the approach, which is in a sense a restrictive approach, saying that you must have a minimum of so much Canadian programming, is going to achieve this. Mr. Juneau, shortly after he was appointed to the Commission, in an interview said something to this effect that rules will not produce quality; rules will not provide excellence. I don't know how we would achieve this. I sometimes think we have achieved it without knowing it. I think that our television station has a very distinct flavour.

Mr. Fortier: Is that because of the minimum content which exists now and which was imposed by the BBC back in 1959, or is it because of your own programming and policy philosophy?

Mr. Brown: I think it is a combination of our own programming philosophy and our affiliation with the CBC. Before the 55 per cent regulations came into effect, which was around 1960 or '61—I looked at a brief we filed the other day about that our program-

ming was quite Canadian. There was no Canadian content at that time and I think it was almost 55 per cent at that time. We had a very distinctive Canadian flavour to our station without any regulations. I am sure that many other television stations did also.

Mr. Fortier: Do you think the Commission, the CRTC, is naive if they entertain the belief that by imposing this minimum Canadian content, they are going to force Canadians to look at those programs or do you think that this is a distinct possibility. In other words, not in spite of themselves, but because of this channelling of programming, that Canadians sooner or later will come to realize that we have something to preserve in Canada, we have something to encourage and that maybe we should look at these programs rather than "Bonanza" or "Laugh-In" or what have you. Is this a naive policy?

Mr. Brown: No, I don't believe it is naive Mr. Fortier, and I believe Mr. Juneau made the statement—it may have been said before this Committee—that he didn't agree with the statement that has he made that the quantity will not produce quality. I believe he feels and quite justly so that at least if you have some quantity there is a good chance that quality can come from it.

Mr. Fortier: Yes.

Mr. Brown: And I don't quarrel with this premise.

Mr. Fortier: Well, do you as a private broadcaster quarrel with the method which is now suggested by the CRTC?

Mr. Brown: Well, let me say this Mr. Fortier. It will not provide us with any severe hardship but I think we would have Canadian identity without it.

Mr. Fortier: Will you lose viewers in the immediate future?

Mr. Brown: We will lose some.

Mr. Fortier: Do you think you will get them back eventually?

Mr. Brown: Well, I come back to what I said a while ago. If we can have the flexibility to program competitively, I think we can do it. We have enough ingenious people in our organization but there is an inconsistency. As I mentioned in our brief, we want to fill our obligations under the Broadcasting Act as does the CBC network, and I think the CTV

network, yet at the same time the Government of Canada through various authorities has licensed cable systems to bring in American programs to compete against Canadian stations. To me, that is a great inconsistency.

The Chairman: I believe Senator Kinnear has a supplementary question.

Senator Kinnear: Thank you very much Mr. Chairman. I wondered what opportunities you provide for Canadian talent—local talent?

Mr. Brown: What opportunities we provide?

Senator Kinnear: Yes.

Mr. Brown: Would you like a list?

Senator Kinnear: No. I don't want a list but I want to know the...

Mr. Brown: The sort of things that we do?

Senator Kinnear: Yes.

Mr. Brown: I wonder if Mr. Plant would speak to that. Mr. Plant is Production Manager for the company.

Mr. J. A. Plant, Production Manager, CFPL-TV: The concept of supporting Canadian talent varies with our program schedule. Our thrust, perhaps in the last two or three years, has perhaps been more towards public affairs. In the development of talent and at the present time, we are devoting a great deal of time and energy to a country and western program—which of course is a form of talent—and very popular in our area. That is our major project this season.

On the other hand, we are doing two other groups of public affairs programs with the Ecumenical Council and we just completed one with the University of Western Ontario Students' Council. Whether or not you would say that was talent development is a matter to be argued or discussed, but our thrust...

Senator Kinnear: Does it give you Canadian talent for your programs?

Mr. Plant: Oh yes, of course. We also feel it fills a need in the community for these people to be heard. We also produce, three times week, an afternoon program which varies duration from 15 minutes to 30 minutes—a weekly farm program largely on film, and, our most expensive public affairs proposition, the program The World Around Us which is seen weekly in prime time.

In addition we produced this year again, ten medical programs in conjunction with the University of Western Ontario and that is all included in our brief.

The Chairman: I was just going to say to Senator Kinnear that it is all in the brief.

Mr. Plant: Whether or not you would consider this talent is another matter.

Senator Kinnear: Well, I am interested in seeing Canadian talent develop and I thought it was going to be an opportunity to do it considering you are asking for more Canadian content.

Mr. Brown: We are aware of this and thinking along those lines, Senator.

The Chairman: Do you have another question, Mr. Fortier?

Mr. Fortier: Yes I have, Mr. Chairman.

The Chairman: Well, we have another witness, so as long as you are mindful of that—carry on.

Mr. Fortier: Mr. Brown, you said you can't hold back technology. I believe that you were addressing your mind to cable at the time?

Mr. Brown: Yes.

Mr. Fortier: And in fact you joined some years ago the cable fad in wiring up Chatham?

Mr. Brown: That is correct, sir.

Mr. Fortier: And yet last fall you applied to the CRTC for their blessing of the sale of your interest to Jarmain Cable Systems Ltd. Why are you getting out of cable? Why are you not expanding in this new technological field?

Mr. Brown: Mr. Fortier, I think the answer is, and Mr. Blackburn replied to this in a similar way during his appearance, that after the CRTC decision concerning one of the cable systems in Toronto in which one of the conditions was that Mr. Bassett would have to divest himself of his interest in it because of his ownership or involvement in both a newspaper and a television station, it became clear to us that our participation would probably not be considered too popular by the authorities

Mr. Fortier: Well, I would suggest to you that yours was not on all fours with the Toronto situation. You were not wiring up

London—you were wiring up adjacent communities.

Mr. Brown: Except, Mr. Fortier, that the Jarmain people, in order to clean up the situation of their involvement with Famous Players—Famous Players had to sell out some of their interest. When the Famous Players proposed public company fell though, Jarmain Cable then decided to proceed with its own public company and it has subsequently been approved by the Commission. In so doing, if we had been considered as shareholders in this new company, we then in effect would have owned a part of London TV Cable which is the cable system in London.

Mr. Fortier: All right. On the same note—you can't hold back technology—the CRTC, in its December the 3rd announcement on the microwave policy, seems to have suggested that technology could be held back and that in certain sections of Canada, there would be citizens who would not have access to the same type of programs which are available to you and I. You know 80 per cent of the Canadian population live that close to the border. What do you think of that decision on restriction of microwave systems?

Mr. Brown: Well, I can't help but feel, Mr. Fortier, and this is a personal view, that it is just a holding action. I think public pressure will be such that ultimately some device, be it microwave or something else, will be allowed to make cable systems possible in those cities in Northern Ontario and Western Canada.

Mr. Fortier: Once again do you feel that the goals of the CRTC are legitimate and laudable ones?

Mr. Brown: Yes I do. In fairness to the Commission they took over the jurisdiction of cable after the door had locked behind them. If these cable systems had been allowed to flourish and develop anybody could have got a cable system ten years ago and it would only have cost \$25 a year for a licence...

Mr. Fortier: Yes.

Mr. Brown: So these things developed completely unregulated and the Commission took them over when it was formed and they had to deal with insurmountable problems which were inherent in taking over the system. It is easy to criticize the Commission and say that it is an unfair ruling in Western Canada and Northern Ontario when people along this gold coast from Montreal to Windsor have access

to American stations. However, because something was possibly wrong at the beginning, I think that they didn't want to perpetuate it, so I am sympathetic to their decision. I don't think there was any other decision they could make under the terms of the Broadcasting Act.

The Chairman: I wonder—Mr. Fortier—do you have other questions?

Mr. Fortier: I will be very brief, Mr. Chairman. I just have two areas...

The Chairman: Two questions, not areas!

Mr. Fortier: Your viewers in London have access to all these channels and U.S. programs are imported by cable and there is this exposure to CBC English language programming but what exposure is there for those viewers in London who wish to have access to a French radio station or to a French television program and what policy, if any, do you have at CFPL in this respect?

Mr. Brown: Well we carry five 15-minute French programs Monday through Friday which are designed for pre-school children. We carry two half-hours between 11:00 and 12:00 on Sunday and those programs are originated by the CBC. It is not mandatory that we carry them but we do carry them because we feel for those who are interested in French, they should be made available. As well on CFPL-FM, we produce a one-hour French program on Saturday nights from 6:00 to 7:00. I feel that we are making a reasonable contribution to biculturalism and bilingualism in our country, in an area where there are relatively very few French speaking people.

Senator Smith: How many, Mr. Brown?

Mr. Brown: Pardon?

Senator Smith: How many would there be, do you think?

Mr. Brown: 150 families.

Mr. Fortier: I think I am equally concerned about the English speaking families who wish to learn French or listen to French programs.

The Chairman: Was that your second question?

Mr. Fortier: No.

Mr. Brown: I think there is an opportunity here for closed circuit television or for cable TV to provide some French programming.

Mr. Fortier: Has this been attempted at all in London?

Mr. Brown: Not to my knowledge. The cable company—London TV Cable, who is doing most of the production in London, has taken the stand largely that they are prepared to provide the programming time but they will not produce the program. They would like to have somebody else produce them and then they would put them on.

Mr. Fortier: My last question, Mr. Chairman, I will direct to Mr. Knight. CFPL-Radio has citizen panels, does it not, with whom it consults regularly to keep the station in tune with the community?

Mr. Knight: No it doesn't.

Mr. Fortier: It does not?

Mr. Knight: No.

Mr. Fortier: Well, we have been informed that it did. Consequently Mr. Chairman I have no further questions!

The Chairman: Well, we could ask these witnesses back this evening!

I do have a couple of questions and they are very short. I was interested in the TV Bureau survey which was taken February '68 and the results of which are Appendix "J" in your brief. I have three questions on it but they are all very short. One of the questions put to people was:

"Do you agree or disagree that having commercials on Canadian television is a fair price to pay for being able to watch

Fifty-five per cent agreed with that statement. What do you think that percentage would have been had the question been worded differently and the question had been "Would you prefer to see all the current television programming without any commercials"?

Mr. Wingrove: Well, all I can say is that we didn't do this survey at all. It simply came to us and we are a member of the Association that commissioned it and we put it in here simply for you to view as you like, except that organization is quite responsible.

The Chairman: Yes, I agree.

My second question is this. It is apparent from the findings that the people who earn under \$6,999 clearly use television as their first source of news and presumably people who earn \$7,000 a year and over preferred newspapers as their first source of news. Does this give you, Mr. Wingrove, the particular challenge in the area of adapting news—do you have a particular responsibility to people who earn under \$7,000 who use television as their first source of news?

Mr. Wingrove: Well, we have never targeted our audience to that fine an extent. I think it has been generally known that possibly the lower socio-economic group spend far more time watching television and it cannot be conversely said, therefore, that the well-to-do people do not watch television.

The Chairman: We had a witness last evening and he made the point which some of us certainly hadn't thought about—certainly I hadn't—that television probably is the first really mass medium in history in terms of reaching people who earn under three or four thousand dollars a year. They probably wouldn't buy newspapers or magazines and they perhaps may have been reached by radio, but certainly they are reached by television.

Mr. Wingrove: Well, television certainly has the power and the ability to penetrate very deeply. That is people spend four to five hours a day watching television. To people in this room this would probably be an unthinkable way of spending this time but surveys consistently show this, so it is a mass medium.

The Chairman: Well, my final question is to you Mr. Brown. Is Mr. Blackburn concerned by this particular chart on page 4 of the ORC study which shows that television in all regions of the country, in all occupations, in all income groups, is considered more believable than the newspapers?

Mr. Brown: I haven't asked him but I am sure the newspapers have similar surveys which would show that newspapers...

The Chairman: Senator McElman?

Senator McElman: At page 70 of your brief, Mr. Brown, in paragraph 266 you say:

"In our view 'freedom of the press' in the broadcasting industry is not adequately protected."

In what additional ways do you feel it should be protected?

Mr. Brown: I would like Mr. Laidlaw to speak to that.

Mr. W. R. Laidlaw, News Director, CFPL-TV: Well, I think it is simply a matter, sir, of too many closed doors to our cameras.

Senator McElman: Oh, I see.

Mr. Laidlaw: This room for instance.

The Chairman: As Chairman I can only say "Amen". I agree with you.

Mr. Brown: That was a television answer Senator McElman to the guidelines and that is why I asked Mr. Laidlaw as our News Director to answer that.

Senator McElman: Fine.

The Chairman: Do you have another question, Mr. Fortier?

Mr. Fortier: Yes Mr. Chairman.

The Chairman: This is the last question Mr. Fortier, no matter what.

Mr. Fortier: You were here yesterday Mr. Brown and you heard Mr. Mackay say, as President of Selkirk, that Southam had recently agreed to sell to Selkirk all of its interests in broadcasting companies, with the exception of their interest in CFPL. Do you happen to know why Southam have not included CFPL in this arrangement with Selkirk?

Mr. Brown: To my knowledge it has never been suggested by Mr. Balfour, the President of the Southam Company.

Mr. Fortier: Would you have any objection to the 25 per cent Southam interest being acquired by Selkirk—in other words going to bed with Selkirk?

Mr. Brown: I rather think that Mr. Blackburn, being the principal of the company, would have to answer that question. I am an operating man—not an owner.

The Chairman: Well, unhappily we didn't put that question to Mr. Blackburn when he was here and he is not here today as a witness and I am not going to ask him. Would you like to ask him, Mr. Fortier?

Mr. Fortier: Certainly I would!

The Chairman: Well, I think we have dealt with this. Perhaps Mr. Blackburn wishes to comment to us and if he does he can do it in private and if we wish it answered we can have it answered in private.

Certainly few witnesses have been as cooperative with the Committee as has been your organization—speaking particularly today of the broadcast and television groups. I am sorry that time is short because it is certainly obvious that there are other questions we would like to ask you. Simply put, but most sincerely, thank you.

Mr. Brown: It has been a pleasure, Mr. Chairman.

The Chairman: We will adjourn now until 11.40 and at that time we will receive the brief from New Brunswick Broadcasting Company Limited and CHSJ-Television.

Thank you.

Whereupon the Committee recessed until 11:40 a.m.

Wednesday, March 25, 1970.

Upon resuming at 11.40 a.m.

The Chairman: Honourable senators, if I may call the session back to order. The second witness this morning is the New Brunswick Broadcasting Co. Limited.

The chief spokesman in connection with this second brief this morning is sitting on my immediate right, Mr. George A. Cromwell, who is the General Manager of the New Brunswick Broadcasting Co. Limited. Perhaps I could introduce the people who are also with Mr. Cromwell this morning. On his right is Mr. W. A. Stewart, who is the Manager of CHSJ television, and then following along from Mr. Stewart is Mr. D. M. Burrows, who is the Manager of CHSJ Radio, and on the extreme right is Mr. W. K. Donovan, Managing Editor, News. Sitting on my immediate left is someone most Senators will remember, the President of the CDNPA, Mr. Ralph Costello. Mr. Costello is here, of course, this morning in his capacity as President of New Brunswick Broadcasting Co. Limited.

Mr. Cromwell, you may not be quite familiar with our procedure, but we provide for an opening oral statement of 10, 12 or 15 minutes and then following that we would like to ask you some questions on your oral statements, on your brief, and on other matters which may concern the Committee. It is my understanding that you do have a statement but it will be prefaced by a statement by Mr. Costello, is that correct?

Mr. Ralph Costello, President, New Brunswick Broadcasting Co. Limited: Yes Mr. Chairman.

The Chairman: Well, would you please then just carry on, Mr. Costello.

Mr. Costello: Well, Mr. Chairman and honourable Senators. I think this will be the opening statement, so we can get right to the questioning. When I was last with you in this room, you were kind enough to grant me a few extra moments to make my opening remarks, and I think today I am in a position to return that time to you as my opening statement will be relatively short.

I am here, as you have suggested Mr. Chairman, as President of the New Brunswick Broadcasting Co. Limited, accompanied by the General Manager, the Manager of the television station, the Manager of the radio station and the Managing Editor of the News Department. I do want to say that I hope the French translation of our original brief arrived prior to today's hearing as we did have some difficulty in regards to time and a little difficulty in regards to the mail.

We also have provided supplementary material as a result of the second set of guidelines which were developed for radio and television a short time ago.

Mr. Cromwell, as you have indicated, is the General Manager of the Boradcasting Company and will answer questions dealing with both radio and television, or direct the questions to his a ssociates.

All members of the group, myself included, will, of course, attempt to answer any questions which you may care to direct to us individually.

The Chairman: Thank you very much. I think we might as well turn right to the questioning this morning, and I believe Senator Smith is going to lead off.

Senator Smith: Yes Mr. Chairman. I have some notes on a few questions about programming and I would like my first question to be in that area as it follows along the events we have just listened to this morning on the management of the London situation.

The Chairman: I believe these gentlemen were all here for that.

Senator Smith: I believe they were, yes.

This question has to do with the evidence given that the London station found it possible and a very well received idea to program on radio for French-speaking families who may be in that London area of coverage. When the meeting was over I aked the witness who supplied the information about the 150 families. He said that their programming was really quite important not only to the French-speaking, but to English-speaking families. They are advised by one who is of French-speaking origin and who is anxious to promote bilingualism. They have news broadcasts and summaries of news, and so on, in both languages on a program. Now my question is this. Situated as you are and with considerable coverage of the Acadian people, do you do anything like that on radio or television?

Mr. George A. Cromwell, General Manager, New Brunswick Broadcasting Co. Limited: No, we don't do any mix at all between the two languages either on radio or television. When we first went into television which would be back in 1954 or 1955, there was some French programming done, but mostly of a religious nature. Since that time there has been no French programming as such.

Senator Smith: Which one of the Saint John stations is it that I used to listen to some years ago which every Sunday morning had a church service in the French language. It was not a Roman Catholic service—it was some kind of Protestant service. Was that your radio station?

Mr. Cromwell: Not to my knowledge, no.

Senator Smith: Your competitor then?

Mr. Cromwell: Very likely.

Senator Smith: Well, I will just leave it at that.

The Chairman: Would you like to comment on that, Mr. Costello?

Mr. Costello: Yes, Mr. Chairman. I think it should be noted that there is considerable French language radio and television in New Brunswick. I am not sure that a comparable situation exists in London.

Senator Smith: I thought that.

Mr. Costello: The need might not be as great or it might be greater. There is French radio and television in New Brunswick.

Senator Smith: Yes, that is quite true and I accept that. I was thinking more in terms of the education of the young English-speaking children who were growing up. One of the radio programs in the morning hours is directed to pre-school children. Their mothers are interested in it as well. I thought you might try something like this at some time as an experiment.

Mr. Cromwell: No, we haven't.

Senator Smith: I don't want to spend too much time on it.

Mr. Cromwell: If I might I would just like to make another remark. When we were an affiliate of the CBC network, at that time I think there was some French programming done as well in the direction to which you refer and it is still there, of course, with the CBC stations.

Senator Smith: At the outset, Mr. Chairman, I don't want to leave the impression with anyone that I was trying to compare, because you can't compare a giant sized grapefruit and one of these little tiny ones on the inside of a branch. Now, I also have another reference with regard to programming from information which I have been reading with regard to the London operation. This has to do with television programming and it is my understanding that London finds it possible with their resources to produce something over 50 hours per week of local content programs. I have a figure here and you can correct me if I am wrong that CHSJ television produces around 14 hours a week. Is that correct?

Mr. Cromwell: I would think that would be a correct figure, yes.

Senator Smith: Is this because of the lack of talent that you have access to, or is it the lack of other resources, such as finance?

Mr. Cromwell: I believe our program mangager, Mr. Stewart, can answer that.

The Chairman: Mr. Stewart?

Mr. W. A. Stewart, Manager, CHSJ-TV, New Brunswick Broadcasting Co. Limited: I think I can clarify, and I don't want to speak for the London station but I don't think they said they produced 50 hours of local programming a week. I think that might be their total Canadian programming—not what they produce per week.

The Chairman: What is in their brief?

Mr. Fortier: That they produce 50 hours a week.

The Chairman: Of local programming?

Mr. Fortier: Of local programming.

Senator Smith: That's what I thought I read. I didn't have the reference in front of me.

The Chairman: I think that is in their brief as I recall.

Senator Smith: Well, let us not bear too heavily on the London situation.

The Chairman: Would you like to just get that reference, Mr. Spears, so we may have it on the record.

Mr. Stewart: We produce I think an amount of local production that is comparable to most stations our size. We have a little greater difficulty in producing local programs in the area in which we live because we don't have the talent pool upon which to draw. I think it is quite a fair statement to say that our record in local production is quite a good one on a comparable basis. As a matter of fact I think it is a damn good one on a comparable basis with stations our size in Canada.

Senator Smith: Well, Mr. Chairman, I would like to ask a few more questions and perhaps it might be appropriate that Mr. Stewart...

The Chairman: Just before you go ahead he might have reference made to this local broadcasting. Where is that, Mr. Fortier?

Mr. Fortier: A combination of pages 31 and 33. Page 31, CFPL television prime time 6 p.m. to 11.40 p.m.—total hours, 18 hours and 20 minutes, and on page 33, CFPL television daytime 33 hours and 25 minutes, but I understand this is divided as follows: Canadian source 25 hours and 26 hours from other sources. It would appear to be 25 hours of CFPL produced programming in any given week.

The Chairman: Well, I think the witness has given us his answer on it.

Senator Smith: I was interested, of course, in reading some of the material that was in the various appendices that were submitted to us and at first glance it looked rather impres-

sive, the list of local programs and the kind of people that you give an opportunity to get on radio and television. I made the conclusion, after going over it the second time, that when you speak of thousands of people who have had a chance to develop their talent, you are speaking mostly in terms of children aren't you, with regard to music festivals, and things of this sort?

Mr. Stewart: I think that primarily we concentrated on children—that is quite true, Senator. There is a very good reason for this. As I said earlier, we don't have the talent pool. A person who is going to make it in show business, if I can use that expression, is not going to stay around Saint John long enough for us to really work with them. Most of the people that have made a career in this field have appeared on our television station.

The type of thing that we do and that we are proud of-you referred to children and music festivals. We do work very closely with the New Brunswick Competitive Festival of Music, but we are not presenting a talent show, for example, in the case of "Time for Juniors" which is one of our vehicles which is in prime time and that deals with this type of programming. We are presenting a show which encourages all children to participate. We do work with thousands of them but this is what the show is doing. I think it is quite unique in Canada that this type of show can be presented in prime time and has been for 15 years and has worked with approximately 30,000 children.

What we do with the show is this. They come to audition, sometimes 300 or 400 a week, and every child who comes to audition is given individual attention because the accompanist on the show is a qualified music teacher. The person who does the show has a great deal of training in music and we work individually with the children and the message that we are trying to put across is participate. Viewers don't realize this, but we quite often put on children who on the basis of their ability alone shouldn't be on the program, but they have worked and tried to do the songs and with our help they eventually get to the point where they are going to do that song as well as they ever will with their natural ability. You have to put that child on to prove to him that by trying he can achieve. I am sorry to digress on this but I feel very, very definitely that this is the type of thing that a television station can do. I am not terribly impressed with the statements that I hear from other stations and that we have probably made at times, that these now stars of show business—we helped them along in their early careers by putting them on television, et cetera. When they get to that stage we really have nothing to do with their development other than providing an outlet for them.

Senator Smith: Aren't you proud ...

Mr. Stewari: But at the child stage we are doing something for their development.

Senator Smith: Aren't you proud of the fact that Don Messer got his start on your station?

Mr. Stewart: Well, I am not personally proud because I wasn't there then, but I imagine there are people at the station who are quite rightfully proud that Don Messer got his start there. Right now, we are working with Ned Landry who has a show on the station. I think our most important contribution is in the area working with younger people, particularly because of the area in which we are, where we don't have an adult talent pool to draw on.

Senator Smith: Mr. Stewart, what are the different circumstances around Saint John? It would seem that Halifax has been able to hold on to its talent. I observe many more local people getting on prime time programs over the Halifax station, one or the other, then getting a national network program, and so on. I don't want to start to name them, but there are quite a number that float across my mind. Don't you have that kind of a pool available to you in the Saint John area? These people haven't all gone up to Toronto. Max Ferguson came down for a while and visited and then went back to London.

Mr. Stewart: I think the fact that there is a CBC owned and operated station there is a factor in that regard.

Senator Smith: That is fine. I hope you don't mind if I do interrupt you when we receive a short answer because we are a little short of time and I apologize for that.

Mr. Stewart: Fine, Senator.

Senator Smith: I was also thinking about something else about the CBC which they are able to do and that is to search out for talent. I am thinking of all these talent-searching things from time to time. They advertise in even some of the local newspapers and weekly newspapers that on such and such a

day a man will be in that district and he will listen and tape various people who think they have talent. Do you people do anything of that nature to ascertain what talent you have?

Mr. Stewart: Yes, we have done it in the past, but we were limited in our studio facilities for most of our years in the television business. We are now in very excellent facilities and we do hold auditions. In addition, to this, we have three full time producers on the staff who as part of their job feel an obligation to attend various entertainment things that are going on searching for talent.

Recently we attended a presentation in Saint John and saw a young singing group that was just starting and they became the basis for a half-hour television show. We intend to continue working with this group, and if they develop all well and good. But, if they do develop to the point where they are making a show business career they will not be in Saint John very long.

Senator Smith: I suppose with the new proposals with regard to Canadian content this sort of search and development would be a much more useful exercise for you, perhaps more so than it has been in the past?

Mr. Stewart: Yes. If we get better programming, Senator, it will be useful. I may say that we have had no great problem in adhering to 55 per cent Canadian content. I think at this time our station schedules closer to 60 per cent Canadian content. This becomes more difficult as the market becomes...

Senator Smith: You are speaking, of course, of television?

Mr. Stewart: Yes, I am not connected with radio.

Senator Smith: Yes, there is some other local talent that I see quite frequently up here and it is in the person of Senator Fournier. I saw his program one time and I thought he did a very fine job for you.

Mr. Stewart: We did as well sir.

Senator Smith: It is the kind of thing that ...

Mr. Stewart: We are hoping to have him back. He is not on now at his request because he is quite busy. We had a high regard for the Senator and for the programs he did.

Senator Smith: He gave us an hour or so dissertation in the Senate not so many days

ago on highway safety and so on which of course is a useful thing and it is good that you have found someone like that. There is another talent in that area of education and entertainment combined perhaps, in the person of a chap whose writings I have followed quite closely and I admire him very much—I find him amusing, perhaps a little more than that, and that is Alden Nowlan—you know who I am talking about, of course. He is associated with the Department of English at UNB and is a poet of some note in some people's estimation. Do you ever use a person like that?

Mr. Stewart: We haven't made specific use of Mr. Nowlan, but when you say a person like that—yes, we have used a member of the Faculty of Arts of the University of New Brunswick to present a series in prime time on basically how to draw, and we have used people who were connected with the university on several occasions. I am in the midst of correspondence right now with someone who is connected with UNB who is interested in doing a series of courses on management who wants to discuss with us putting six of these on television and we are very interested.

Senator Smith: I have a note here to ask someone a question with regard to the effect of whatever changes might be finalized with regard to the commercial rules.

The Chairman: I believe you could put this question to Mr. Cromwell, Senator.

Senator Smith: I think it was referred to in the brief, Mr. Chairman, in which they indicated that it might interfere, for example, with public service announcements if it came out the way it appears to be coming out.

Mr. Cromwell: Well, I would suspect that they are referring, those who do, to the limitation of interruptions in a program and coupled with this the limitation of 12 minutes per hour for commercial content. If you combine these two together, it would seem to preclude the use of public service announcements or promotion announcements in this hour. Because if they are to be considered as commercials-whether they are or not, restricts their use. I won't say it will restrict their use on television as such, because I doubt if there are very many stations who are sold out and who have all of their availabilities sold, but it might change the position to where we are moving public service to off periods, or mornings, or afternoons, or less desirable times. As it is now, we have good positions open in class A time and these are used for good purposes for service clubs, and so on.

Senator Smith: It has been brought to my attention—this relates to news and I don't know who would like to answer the question...

The Chairman: Well, if it is news we might perhaps put it to Mr. Donovan who is the news chief.

Senator Smith: It has been brought to my attention that CHSJ television carried very good coverage on the subject of pollution of the Saint John harbour—even went to the extent of naming what was in other news broadcasts in other parts of the country and the main source of the pollution. Was that a bold step in relation to what you have done before? I have also been informed that the Saint John newspaper didn't give the same coverage to it. I haven't checked my last statement and I would like to be corrected if I am wrong. Did you look over your shoulder when that was part of the news broadcast?

Mr. W. K. Donovan, Managing Editor, News, New Brunswick Broadcasting Co. Limited: I would say simply, Senator, it was a major story and was treated as such. It was as simple as that.

The Chairman: Mr. Costello?

Mr. Costello: Exactly the way the newspaper treated it, as a major story.

Senator Smith: I wasn't able to find the issue, but it was my impression that that was polarized...

Mr. Costello: Well, unfortunately, that was not the case and I believe tear sheets have been submitted to you...

Senator Smith: Well, they haven't come to my attention. It really was a minor point but there is a major point, of course, back of the whole thing which you will understand. I would like to follow this up just for a moment. I was invited some time ago to be one of the judges for this year's Gillin Award which as you know is sponsored by the CAB and given to the radio station which in the judgment of those particular judges in any year has performed the best community service. Last year is was won by a pair of Montreal stations who carried on a very worthwhile, apparently, campaign to make

the people aware of pollution. Have you ever thought in your programming that this would be a subject of a special interest, as it would be in Halifax, to treat in depth and make the people aware of what the problem is now and can be in the future; also let these same people who complain about pollution in on the secret of how much it would cost and what the effect of the cost would be on those who are concerned with it. Have you ever thought of doing a story in depth for a series on radio and television?

The Chairman: Mr. Cromwell?

Mr. Cromwell: Well actually up to this point in time we haven't gone into programming in depth outside of the program which we call News-scope in which competent people and knowledgeable people are invited to discuss various subjects such as you are suggesting. We go into depth quite a bit, I think, in this area on various subjects and that certainly would be one of the subjects that would be covered by Mr. Donovan, who is the moderator of the show.

Senator Smith: What kind of subjects...

The Chairman: Well, Senator, I just had a supplementary question on that, if I may.

Senator Smith: Yes.

The Chairman: You listed in the News-scope area—I think there are probably 10 or 12 pages with 10 or 12 programs on each page—somewhere in the neighbourhood of 125 programs listed but I didn't see any of them on pollution. Have there been programs on pollution?

Mr. Donovan: I believe, Mr. Chairman, that that is a partial list. There is one program that comes to mind where it is in connection with the introduction of the Canada Water Act and the minister involved had to alter his scheduling and fly from Fredericton to Saint John specifically to do the program. We had the provincial minister of national resources on.

The Chairman: So there have been programs on pollution?

Mr. Donovan: Yes.

The Chairman: Thank you.

Senator Smith?

Senator Smith: I move from that to ask you whether or not editorial commentary has a

place on your news broadcasts. When I listen to the news in Ottawa in the morning and, in fact, when I am back in my home town the national news or news of a natural nature is hooked into a program in which I get the commentary program. It is a free choice given to that person who has been selected to comment on what he thinks is the story of the day or what is happening today. Do you do anything like that?

Mr. Stewart: If I knew the programs to which you are referring, Senator, I could be more specific.

Senator Smith: Well, I am referring to what I listen to which is the eight o'clock news on the CBC followed by a commentary. They used to call it "Preview Commentary." It is now just a commentary.

Mr. Stewart: Not as such. You would be I think asking me if, for instance, a freelance broadcaster would be given five minutes to discuss a certain topic?

Senator Smith: No, not necessarily freelance.

Mr. Stewart: Not as such. We use our own staff for this. But with regard to editorial comment within the news, definitely no. We try to interpret the news within our news broadcasts, but we do not want editorial comment on either radio or television. This is partly station policy which is made above my head and perhaps Mr. Cromwell could answer that better than I could.

Mr. Cromwell: I think perhaps we certainly would consider it. I think our news operation is an evolutionary process, if I may go back because I have been there for 32 years and I have seen the way it has progressed. If I go back just prior to the fifties a news department as such in our radio operation just did not exist. It was an announcer who was handed a sheet of paper or reading the back page and I suppose this was similar to many stations. However, when we became involved in television within about the second year of the operation, we started to develop a news department of our own; one where we attempted to get competent people. We felt that in television and radio, the approach was different from newspapers and that it was not exactly the same type of news reporting. From that point, we have developed a news department which started off with two men and has approximately nine, I would say, now and a half a dozen correspondents around the province, and cameramen. This is an autonomous unit within our organization that has developed to a point where I think it is very efficient now.

The Chairman: Mr. Cromwell, what do you mean by autonomous?

Mr. Cromwell: Well I mean it functions as a unit within the organization and serves both radio and television. We don't have a separate news department for radio and television as such. This is under the direction of Mr. Stewart and Mr. Donovan. This operates without any influence from management.

The Chairman: Why do you combine the operations?

Mr. Cromwell: Well, this is an evolution of experiment. We have done it both ways. I started to describe the way we developed the news department. At first, it was a single unit and then we looked at the situation and separated radio from television. I just can't remember the years, but for a period of two or three years the radio was separate from the television department. They were in separate buildings which, of course, was part of the reason that we had separate people and there was very little interchange between them. When we got into our new plant in 1967 or 1968 we started to bring it together and frankly it has worked out very well. It is much more efficient, we have a better news service and we are able to give radio what it requires and television what it requires.

Now, we do have people in that operation who work exclusively for radio, such as reporters and writers, and we do have people in that operation who write exclusively for television, but the basis of the news operation as far as the city hall reporting, and this sort of thing, actually comes under one department.

Senator Smith: Mr. Cromwell, what connection, if any, would you have in your news department with the Saint John Telegraph-Journal Evening Times Globe.

Mr. Cromwell: The only connection we would have with it is what we read in the paper. Frankly, we have no direct connection.

The Chairman: Why?

Mr. Cromwell: We feel that we are competitors to the newspaper. We feel that we have a different purpose. Radio serves it a little differently and it complements newspa-

pers. Very often newspapers will develop a story which is continuing and radio picks it up and carries it through. You turn to your radio to find out what is going on. Conversely, radio or television might develop a story and if you want detail in depth I think you have to go to the press for this, but we do not have any direct connection between the two news departments.

Senator Smith: I have never had any experience in the media except in the early days of formation of a radio station in my own district down there, but it does seem to me that there must have been lots of news sources and people who write well who are employed by a newspaper owned by the same company or published by the same company which is your ultimate boss, and isn't it in the interest of your viewer to get the best team you can? I just don't follow the reason that you gave.

Mr. Cromwell: I didn't necessarily ...

Senator Smith: To get their business because they are competitors...

Mr. Cromwell: I didn't necessarily mean it wasn't a good thing, but I think they are probably pretty well concerned with their own operation. If I may go back to the time earlier when we were getting news from newspapers-and I don't know whether Mr. Costello would like to hear this or not-we found frankly that a newspaperman is more interested in newspaper than he is in radio or television. We felt if we had our own people concentrating in our own media. The way that we felt it should be operated-I would say if we were unable to get competent people and we didn't have this field we have of good people, we might very well have to rely on the newspaper.

The Chairman: I believe Mr. Costello would like to add a comment.

Mr. Costello: I will just make a very brief comment. It is quite possible the radio and television station might like to have access to some of our writers, but frankly our people on the newspaper are extremely busy and their first responsibility and continuing responsibility is to the newspaper. A good competitive situation has developed, and I think that is the way we would like to keep it. We think we are serving the community better now with competition than we were previously. That is the newspaper and radio and television.

The Chairman: Mr. Costello, let me put a question to you which is not entirely hypothetical.

Mr. Costello: Fine.

The Chairman: Suppose you personally had access to a very significant news story—a major event national or local, or whatever it is, but you were the first person to hear of it—somebody came to you and said "Here is a good story." What would you do with it? Would you give it to your television-radio news director or would you take it to the newspaper?

Mr. Costello: Well, the newspaper has had a good number of stories develop over the years and I can't remember calling the radio and television and saying "Here is a story that you should be on or you should be on it before the newspaper." However, that does not suggest that I would not do this.

The Chairman: But you are the President of the broadcasting company.

Mr. Costello: That is correct.

The Chairman: I dare say that the presidents of most other broadcasting companies in Cauada in a similar situaton—I spy Mr. Waters—he is coming before the Committee after Easter and I am sure if the same thing happened to Mr. Waters he would immediately phone his news director. You wouldn't?

Mr. Costello: No, I didn't say I wouldn't.

The Chairman: Oh, I am sorry.

Mr. Costello: I said that I can't recall. Now, perhaps Bill Stewart or Bill Donovan can recall...

The Chairman: I realize it is a hypothetical question.

Mr. Costello: But that is not to suggest that I would not and certainly if it were the type of developing story which television should be on with the cameras or radio should be on with a mobile unit, I hope that I would follow it up, yes. It just doesn't come up very often.

Mr. Stewari: You haven't been a great deal of help as yet.

Senator Smith: Well, we will leave it at that, Mr. Chairman.

The Chairman: Senator McElman?

Senator McElman: Have there not actually been occasions, Mr. Costello, in the broadcast stations plus the print media where they have been co-ordinated on a large story or in a specific local issue?

Mr. Costello: I don't think so. If there is anything that would refresh my memory—but I don't think so.

Senator McElman: The bridge throughway?

Mr. Costello: No, there was no co-ordination there.

Senator McElman: None whatsoever?

Mr. Costello: None whatsoever. I think I did touch on that when I was here previously and my statement was quite an accurate one. Brigadier Wardell was under this impression living in Frederiction. The bridge throughway was covered. It was a major event taking place in the community, strongly opposed by certain people and strongly supported by others, and the news media as such, radio and television, were reporting what was going on as was the other station located in Saint John.

Senator McElman: There was no conflict though in the approach of the media?

Mr. Costello: There was absolutely no conflict and I hope there will never be any conflict in accurately reporting the news.

Senator McElman: Another occasion I recall was at the time of the breaking of the news on the rather vast conglomerate development of Brunswick Belledune and so on. There was a co-ordination at that time wasn't there?

Mr. Costello: No. What is the co-ordination that you are referring to?

Senator McElman: The co-ordination of each and all of the media on the same story. They were working together on the same story.

Mr. Costello: Not to my knowledge and I am sure not to the knowledge of anyone here. If an event takes place, if city hall blows up I hope that radio, television and the newspapers will all go and report it, but if you are suggesting that there is some co-ordination beyond this, not that I know of. If reporters are there from radio, television and the newspaper, I think that is a natural event.

Senator McElman: Were you not present yourself as the President of—in both broadcasting and print?

Mr. Costello: On what occasion?

Senator McElman: The last one I was speaking of—Belledune—the Bruswick story.

Mr. Costello: The Brunswick?

Senator McElman: The Brunswick smelter.

Mr. Costello: No.

Senator McElman: Sir, I was there with you.

Mr. Costello: You were not there with me because I was not there. Where did this take place?

Senator McElman: It took place in the office of E.C.L. next to the drydock.

Mr. Costello: No, I was not there.

Senator Smith: What is E.C.L. for our benefit?

The Chairman: Yes, I was going to ask that.

Senator McElman: Engineering Consultants Limited.

Mr. Costello: And the point is no, I was not there and I am very much surprised that you would suggest that I was, and I am very much surprised about your memory of the event.

Senator McElman: I am very surprised too.

The Chairman: Well, I am also surprised!

Mr. Costello: I think this should be clarified. If there is some inference being made—because I just wasn't there.

Senator McElman: Well, I am not making an inference because I am simply asking you of a specific occasion...

Mr. Costello: Well, Senator, you said I was there with you...

Senator McElman: And as to whether there was a co-ordination of the media on that occasion to present the story.

Mr. Costello: The answer is no, and the answer to whether I was there with you is no.

The Chairman: Well, I don't know how, as Chairman of the Committee, I can resolve who was at this meeting...

Mr. Costello: I can only assume that it must be a misunderstanding on the Senator's part, because I don't suggest he would say I was there, if he didn't think I was there. Senator Smith: We may turn up a picture and that will solve it!

The Chairman: Well, I would like to ...

Mr. Costello: I would like to have it clear in his mind that I wasn't there. Was there anyone else there?

Senator McElman: Yes. Mr. John Park, Jr., and Premier Robichaud.

Mr. Costello: Well, I was not there.

Senator McElman: Well, I won't pursue it.

The Chairman: Well, I don't think there is any point in pursuing it because we have a situation in which two men of admitted integrity have a clear misunderstanding. I think the Committee would be interested in resolving the thing ultimately, if we can, either through some source that you may have or through some source that Senator McElman may have...

Senator McElman: Mr. Cromwell perhaps may remember the occasion.

The Chairman: Mr. Cromwell?

Mr. Cromwell: I can say...

Senator McElman: But not necessarily the meeting.

Mr. Cromwell: I can say this that there has been no directive ever issued to me or to any of my people to my knowledge indicating in any way that we should get together with the newspaper or anybody else on the coverage of any story. I just do not receive directives like that.

The Chairman: Mr. Cromwell, let me ask you a question so that we can get away from the point. Your supplementary question, Senator, and I say again to Mr. Costello and to you that I would be most interested in having this followed up, but I don't think we can sit here until one o'clock discussing who was at a meeting, which I don't know about. I hope we can follow it up, however, because I would like to know.

Senator McElman: Yes, I would like to know myself.

The Chairman: Back to you, Mr. Cromwell. You say that you don't receive any directives, so let me be the devil's advocate for a moment. Are directives necessary? You know that Mr. Costello is in the newspaper, you know of his interest, and you know that while

you are in competition with the newspaper, and I am sure you are, you know also that Mr. Costello has a responsibility, so would directives be necessary for you to know?

Mr. Cromwell: If you are speaking of specific directives, no. I am aware of the situation there, but I will tell you this. I have been with this station during the time of the present ownership, I was there prior to that, and I have never been inhibited in any way or given any indication that I could not operate the broadcast station in the best interest of the community, or in the best interest of the directors of the CRTC, or the regulatory body, or these associations with the CBC There has never been any indication implied or direct, or in any other way, of how to program or how to run a news operation, or anything. The only message I get is that we Operate a good broadcasting service; that we try to be the best; that we are capable and try to get the capable people to do this, to be responsible and to be fair. I receive no other messages whatsoever.

The Chairman: Well, we are all trespassing on Senator Smith's path and I would like to turn to him shortly. However, I would like to ask one very fast supplementary question. It wasn't clear from the brief when New Brunswick Broadcasting Co. Limited was taken over or purchased by New Brunswick Publishing Limited.

Mr. Cromwell: Well, Mr. Costello could answer that question.

The Chairman: Mr. Costello?

Mr. Costello: That was at the time of the original purchase.

The Chairman: Well, that was what I thought, but I was curious—when did Mr. Irving come into the picture?

Mr. Costello: Well, that was at the time and he purchased...

The Chairman: I was interested in the phraseology that you used.

Mr. Cromwell: Well, I understand that Mr. Irving was connected—26 years...

Mr. Costello: You were talking about going back prior to...

The Chairman: Well, you made the statement that you were there under the other owners.

21490-31

Mr. Cromwell: Yes, that is correct.

The Chairman: Who were the other owners?

Mr. Cromwell: At that time it was the publishing company, but the people I was involved with at that time had a direct connection with programming...

The Chairman: Well, I am not interested in that for the moment, Mr. Cromwell.

Mr. Costello: The answer is that Mr. McKenna, Mr. Robinson and Mr. McLean were the owners and they also owned the broadcasting company of the day. I think the point that Mr. Cromwell was about to make is that they did take a personal and definite interest and it was more difficult to broadcast professionally at that time when non-broadcast people were involved. May I just add one more thing.

The Chairman: Sure.

Mr. Costello: May I just ask one more question of Senator McElman because this obviously bothers me as it must bother him. Is there any possibility that this was Burgoyne or Hazel or someone, because it bothers a person when you say "You were there" and I wasn't there, and one of us has to be wrong and I don't think Senator McElman would make that statement if he didn't believe it. Is there someone else that could have been there?

Senator McElman: Not to my knowledge.

The Chairman: Why don't you fellows have lunch and thrash it out there.

Mr. Fortier: I just have one question, Mr. Chairman...

The Chairman: Is yours a supplementary?

Mr. Fortier: Yes it is.

The Chairman: Well, Senator Smith has been very patient, but go ahead.

Mr. Fortier: Well, it is very supplementary to everything that has been said for the last 15 minutes, Mr. Chairman. Mr. Cromwell have you ever met Mr. K. C. Irving?

Mr. Cromwell: I would say yes. I have met him at a social function but I have never had any dealings with him with regard to the business at all.

Mr. Fortier: Do you have meetings with Mr. Costello with regard to the broadcasting business?

Mr. Cromwell: Yes.

Mr. Fortier: How often?

Mr. Cromwell: I report directly to Mr. Costello now since he is President of the operation.

Mr. Fortier: How often do you meet with Mr. Costello?

Mr. Cromwell: On quite a regular basis.

The Chairman: Would you meet him every day?

Mr. Cromwell: Oh no, not necessarily.

The Chairman: Every week?

Mr. Cromwell: It could well be.

Mr. Costello: It would be likely that we would talk on the phone but there would not be weekly meetings. We would talk on the phone.

Mr. Fortier: What would you talk to Mr. Costello about, the programming of TV or a radio station, news content, economics, or what?

Mr. Cromwell: Mostly economics that has to do with the business. I think that I am charged with operating a viable operation and nobody likes to go into red figures. These things are of concern today because expenses are creeping up and revenues are going down and these are factors which we must look at. We have just embarked on a rather extensive expansion program to the alternate service system in New Brunswick and we are faced with this, and we are faced with things such as how fast do we expand our colour operations—what is the right time to do it? These are all financial problems which we have to look at.

Mr. Fortier: Does the board of the broadcasting company meet very often?

Mr. Costello: Not as such.

Mr. Fortier: So that all corporate decisions are, in the end, made by Mr. Costello?

Mr. Costello: I think that would be a fair assessment.

The Chairman: I think, Mr. Fortier, we should perhaps return to Senator Smith and I will return to you subsequently. Is that agreeable to you?

Mr. Fortier: Yes, Mr. Chairman.

The Chairman: Senator Smith?

Senator Smith: Mr. chairman, I have several areas which I think someone should enter before we run out of time. We can't deal with everything in great depth, but I will try to be as concise as I can.

The Chairman: My intention is, for the benefit of all concerned, to adjourn at one o'clock.

Senator Smith: In some of the material which you sent us which is headed Supplementary Material, I read a paragraph or so that referred to your use of the Bureau of Broadcast Measurement and I suppose that simply indicates to you the size of your audience at any given time?

Mr. Cromwell: I think it is a device for measuring audience or program preferences. I think it is relative. I don't know the accuracy of it, but all stations are measured by the same yardstick so it is a guide.

Senator Smith: That particular organization does indicate to you what preference people have for programming. Would that be relevant to your situation—well, it was only recently that you have had two channels there—would it be relevant for you to know...

Mr. Cromwell: No, it really isn't. It hasn't really given us very much of a clue because at the time if you only had one channel you may very well show a program of minority taste and show very well in it and the minute you introduce competition the whole situation changes. I think what it did do is it did give us some indication as to how many people or how many homes were viewing at a given time.

Senator Smith: Well, I didn't think that the Bureau of Broadcast Measurement did anything else. My association with a small broadcasting station was so long ago that their function may have changed some, but I know we were interested in the figures in those particular areas for commercial reasons only.

Mr. Cromwell: I don't know if a figure from the BBM would indicate a program preference. I think what it shows you is how many people watch a program at a given time.

Senator Smith: That is right. In that same material you also referred to polls taken which indicate the audience demand and the audience reaction to your programs. Do you

yourselves run other polls to get this information as to the audience preference?

Mr. Cromwell: Well, I think probably what we are referring to is that there are other sources other than BBM which gives us some indication as to program popularity. You get it from various publications.

Senator Smith: This reference was on page 6 of the Supplementary Material in paragraph 19. It states:

Our programming is done on the basis of our own experience in this field and we are guided by audience demand and audience reaction. Polls on programs are taken into consideration.

Do you yourself take those polls or do you hire other services?

Mr. Costello: I believe you are referring to the Bureau of Broadcast Measurement.

Mr. Cromwell: Basically we are influenced by reaction and we get reaction through our base switchboard and get it by mail. Mr. Stewart could answer this question because he is directly involved with out programming schedule.

Senator Smith: Well, I don't think it would be necessary to take the time because some of our people, I am sure, know about the operation of the Bureau of Broadcast Measurement.

Mr. Cromwell: Yes, it is quite an operation and I am sure your researchers would know about that.

Senator Smith: You don't have any other way to take a sample as to whether a certain program or a certain group of programs are receiving a good audience, or received well by your audience? Do you give your listeners a chance—apart from their fundamental right of putting a letter in the mail of course—to make suggestions on programs, and do you get suggestions from your audience?

Mr. Cromwell: I would say that we do get a considerable number of suggestions and if there is something they don't like we certainly hear about that. I will say that we very rarely hear about something that people do like. If they don't like it, we hear about it quickly. We are running a program now—it was mentioned earlier when the Don Messer thing came up—we have another group of people on Saturday afternoon at a time which

we thought perhaps wouldn't get very exciting results, but the mail from this is surprising. This is coming from all over the area. We have a woman's program on at 12.30 that we invited somebody from the Government to talk about safety, or something, and we happened to mention that if our viewers would like a little booklet on this that we would be glad to send it out and 350 letters came in within two days. It was a surprising response. So these sort of things give us indication that there are people who do watch and if they are interested enough to write a letter requesting a pamphlet, they are obviously interested in the program.

Senator Smith: Mr. Cromwell, now that you have the competition for listeners coming from the CTV network by the Moncton system, are your people trying to pay a little more attention to your kind of program to make them even more attractive than they have been in the past? In other words, has this been good for you yourself in running an operation?

Mr. Cromwell: I would say yes. I think competition is a good thing and I think we have always tried to do a good job. We can get a little complacent and a little self-satisfied with what we are doing. I am sure they have helped our programming, and I know we have helped their programming, because I can see the improvement.

Senator Smith: I would think it would be the most natural thing in the world for complacency to set in. I might even suggest, to make you feel better about it, that some of us perhaps feel a little too complacent because of our life tenure.

Mr. Cromwell: It also makes it much easier to program. It is very difficult to program a station when there is no competitive signal because you cannot please everybody at the same time.

Senator Smith: Yes.

Mr. Cromwell: No matter what we did we seemed to be wrong because there was always somebody who didn't like it. You might think that hockey is a very popular sport, but I wish you could get at the end of my telephone when we ran a hockey game—you wouldn't believe it.

The Chairman: What would happen if you left the hockey game off?

Mr. Cromwell: The same thing.

The Chairman: You just can't win?

Mr. Cromwell: No, you can't win.

Senator Smith: They would tear the station down!

Mr. Cromwell: That is right.

Senator Smith: This leads me to another area which I don't want to spend too much time on, but perhaps someone else would like to. You indicated in your material that you feel that service to the metropolitan area of Saint John by cable would be, indeed, a very dangerous thing to the welfare of your company, but also because of the side effect it would have on the inability of some of your rural audience to be served at all.

Mr. Cromwell: Well, I think what we are suggesting is that I think it is inevitable that there will be a cable system, but I think there should be caution and we are talking about different areas. When we are talking about Saint John we are talking about a very small area. There are 28,000 homes served by two television stations in metropolitan Saint John.

Senator Smith: Yes.

Mr. Cromwell: And these are the areas where cable will first enter. This is the area where they will make money. Obviously there is no point or commercial value in going up country with the scattered population that you have. So Moncton and Saint John would be the first areas where this penetration would occur. This would be a fragmentation of audience and when you fragment this fewer number of homes and these metro pockets, I think you dilute the viability of the media as an advertising medium. Perhaps if we don't have commercial revenues, and we don't have the funds to operate it could very well be that we would be unable to bring the service that we do. I think right now that we are serving a great area of New Brunswick which is not necessarily economically viable. We have a very powerful transmitter at full power at Bon Accord serving the north part of the province, but frankly there are only 18,000 homes in the whole area that that transmitter covers. I am sure that no commercial entrepreneur in his right mind would ever build a television station to make money on a thing like that, but it is part of the expansion of our operation. If we are hindered too quickly or too rapidly in our ability to continue this kind of service, it could have an effect. This would not happen

with large metropolitan areas, but we are dealing with very small population centres.

Senator Smith: Mr. Chairman, just let me ask the question in the same area of Mr. Costello. If my memory serves me correctly, and I am just going on memory—I have no note on this—one of the companies with which you are associated, and I don't know which one, did make an application for cable TV licence...

Mr. Costello: That is right. There was an application about two years ago, I believe. There was some concern about the future, the same type of concern which is held now. There was concern about what would happen if cable television came to Saint John and fragmented the market. It might be suggested that it was a precautionary application. I believe that would be a correct statement Mr. Cromwell?

Mr. Cromwell: I believe so.

Mr. Costello: I think we would have the same concern now. In fact, a greater concern as cable television seems that much closer, and I think our brief expresses our position. We are quite concerned. If the regulatory body decides after encouraging our company to expand into areas which are not profitable for us, if that same regulatory body then decides that cable television should come at this time to Saint John and Moncton, I think this would be a matter of concern to us.

Senator Smith: Mr. Costello, what you have just said seems to me that your entry into the Moncton market up to this time at least has not been profitable with the capital you had to invest, and so on. I think you make mention of that in some other terms in your brief.

Mr. Costello: Yes.

Senator Smith: What are the prospects for that?

Mr. Costello: I don't think they are bright. I hope the gentlemen over here disagree with me, but I don't think they are very bright. It was not our belief at the time that this was going to increase our revenue and the opposite has been the effect up to now. I don't see any great change in the immediate future. Now, Mr. Cromwell or Mr. Stewart might have some other views on that, but it was a matter of—we are there, we do have the existing station, so this was required and demanded by the public, and I think it was a

matter of taking some of the bad with the good.

Senator Smith: What did the CRTC have to do with your decision to move in there?

Mr. Costello: The CRTC suggested that—and that may be too mild a word—it would be an excellent idea if we went to Moncton and Moncton came to Saint John.

Mr. Fortier: Well, they forced you to didn't they?

Mr. Costello: Well...

Mr. Fortier: Let's call a spade a spade. They forced you to do that.

Senator Smith: Well, I was just wondering...

Mr. Costello: Well, I am speaking from memory, but I don't think we were forced.

Mr. Fortier: They forced you to provide what they call the alternate service therory?

Mr. Costello: They came up with a formula and said this would be the directive. I don't think they said "This is the requirement. Do it or else." As a matter of fact, the point I am making is that they did not have to. We were quite happy to go in and do this as part of our service. As part of our service in New Brunswick.

Mr. Fortier: But you hadn't done it until the CRTC suggested you should?

Mr. Costello: As a matter of fact there is nothing you do without CRTC approval, and there were a great many proposals about what was going to happen in Moncton and along the north shore and our section of the province. The CRTC took these various suggestions and had a meeting and said "Here is a formula." This is the way we believe it should be done, and we said "You have hit it right on the nose."

The Chairman: Senator Petten?

Senator Petten: Mr. Costello, I am not as familiar with your native area as I should be for which I apologize, but when you talk about cable television coming in, does this mean they will be picking their signals up from the air from our meighbours to the south, or are you referring to American signals coming in?

Mr. Costello: I think we are basically concerned about the fragmentation of the market no matter how this is done.

Senator Petten: As I say I am not as familiar with this as I should be. Can you pick these signals up from south of the border?

Mr. Costello: Well, I don't think we can at the present time.

Mr. Cromwell: At present a direct pickup is very difficult. I think that technically anything is possible, but economically it is not practical. There are people with schemes to get around it, but...

Senator Petten: Well, I was not referring to North Bay couldn't they being it in to the Saint John market?

Mr. Cromwell: Well, they could by microwave.

Senator Smith: Yes, that is what I am saying, and of course the present policy of the CRTC...

Senator Petten: Well, I was not referring to the microwave...

Mr. Cromwell: Directly, no. We are just too far away for any practical purpose.

The Chairman: Senator Smith?

Senator Smith: Mr. Chairman, I just have one other area of questioning and I don't think it would take too long. This is with regard to the CBC affiliation. In your judgment and experience over the years has that been a satisfactory arrangement both for your viewers and for your operations?

Mr. Cromwell: I think by and large it is. I think there is a good mix, a good balance, and I think the program content of national interest and concern is good balance. I have been on various committees in the early stages and they will listen to the problems of the private stations.

Senator Smith: The people from London this morning, and you probably heard them, referred to the contract—the back page or the fine print being very tough and that they had you over a barrel...

Mr. Cromwell: I think perhaps there are terms in effect which say that if it is in the national interest they can pre-empt anything that we are doing at any time. In other words, let us say we are operating between five and eight o'clock where we are programming our

own station before we join the network and it is conceivable that they could demand that time for any emergency.

Senator Smith: Has anyone from your company had an opportunity to be a member of the advisory committee of the network or the rates committee?

Mr. Cromwell: Yes. Mr. Stewart is on it now and I have been in the past.

Senator Smith: What opportunities do you have to make beefs and can you get anywhere if you have beefs over programming or rates?

Mr. Stewart: There have been times when we have made points, Senators, but they don't come easily.

Senator Smith: Was your station, or did you happen to be a member of the advisory committee at the time the CBC, according to something I read, did do some consulting with member stations of the network on the program "This Hour has Seven Days." Were you people consulted whether that program should remain on or be taken off?

Mr. Stewart: No. I think I had discussions with the relations department of the CBC, but they did not sound us out for an official opinion on that, no.

Senator Smith: Does this sort of thing happen very often when they would even sound you out? Do they regularly or even occasionally ask you for your opinion on certain kinds of programs?

Mr. Stewart: Yes, occasionally, would be a fair statement.

Senator Smith: Do they ask you questions on the subject of good taste whether your audience thinks that a certain kind of programming is or is not in good taste?

Mr. Stewart: Not formally. In an informal way I have even had discussions with the President of the CBC. When he visited the area he wanted to discuss his programs with us and we had a very good discussion. We did tell him at that time that there were things that they did which did not sit well with our audience. Part of the problem is because we are in a different time zone and some programs that may make sense at a certain hour in a more metropolitan area we don't believe is the type of program which should be presented at the time we receive

it. At lot of this has improved since they instituted the pre-release which in effect puts the programs an hour earlier on the same clock hour as they are in the central time zone.

Senator Smith: Mr. Stewart, do you carry the CBC national news every night?

Mr. Stewart: Yes, sir.

Senator Smith: And what hour would you get it?

Mr. Stewari: We now get it at eleven which is the result of the pre-release which is an improvement, because we used to get it at midnight. It was just too late.

Senator Smith: As I can remember the programming that comes on the network, on occasions the national news on Sunday is followed by a free time political broadcast?

Mr. Stewart: Yes, sir.

Senator Smith: Have you ever had your audience measured to see who stays up that late in the Saint John area to listen to a political broadcast at 11.15 or 11.20, or whatever it is?

Mr. Stewart: Yes. Most of our measuring comes through BBM. But just to clarify our point that was made earlier we have circularized our audience with a form they could report back to us on the program and Mr. Cromwell doesn't do it now, but there is another one on my desk where I am proposing we do this type of sample. I would think that the watchers on Saturday night-this pre-release doesn't apply Saturday night and there is one of these programs on Saturday night and one on Sunday. The one which is on Saturday night-pre-release can't do anything with Saturday night because the hockey is live and it comes on after midnight. The only thing that saves it or which keeps the audience there at that time is the fact that we play a feature movie immediately after it. If we were signing off after that and not playing a feature movie that late at night, our experience is that the audience would drop down to something like 7 or 8 per cent.

Senator Smith: Do you ever get complaints from people that they are unable because of the nature of their employment—they have to go to work the next morning—that they cannot stay up even for that eleven o'clock news and certainly not for the free time political broadcast, which many of us think is

in the national interest for a great many people to listen to, whether they agree with it or whether they don't agree with it?

Mr. Stewart: Candidly, Senator, I can't recall ever having anybody tell me that they watched either of those political programs.

Senator Smith: Well, perhaps they would never watch if it was on at that hour.

Mr. Stewart: The last time that we presented these programs we presented them on Sunday afternoon. I would suspect—as a matter of fact, I am certain there are more people who would watch them at that time.

The Chairman: Did you carry on radio a report from the local member?

Mr. Donovan: No, not apart from the news.

The Chairman: Has he ever asked you to do this?

Mr. Donovan: Not to my knowledge.

The Chairman: Would you do it if he asked you?

Mr. Donovan: Well, you would have to tell me which local member you are talking about because there are several.

The Chairman: Would you differentiate?

Mr. Donovan: No. But I would think if you do it for one you would have to do it for them all.

Senator Smith: I think what the Chairman is likely referring to is the system that was developed by CAB some years ago, indeed it was more than 20 years ago when I was in the House of Commons. Every member from the House of Commons from that day on would go downtown and put something on a tape and they would be played automatically over their local radio station all across this country. I am surprised that your station hasn't been in that scheme because I thought they all did it.

I think I will wrap us my reference to the CBC affiliation by one final question.

The Chairman: Fine.

Senator Smith: The CAB made a suggestion to us that the CBC—as a matter of fact they actually recommended to us that the CBC should be nothing more or less than a programming organization. Do you agree with that?

Mr. Cromwell: I don't know if I subscribe to it entirely. I think it is perhaps a little late to be talking about that. This is nothing new, of course, in the Association of Broadcasters. It would seem that it takes such a great deal of capital and a great deal of money to develop Canadian talent, to produce Canadian programming, and this money must come from some source. I think the basis of their suggestion was that the money that was funnelled into the actual physical operations and the hardware of broadcasting might well be better spent funnelled only into production of programming and development of talent. Whether this is a practical scheme at this point in time, I don't know.

Senator Smith: Could your company get along under the present circumstances without CBC affiliation?

Mr. Cromwell: Well, I wouldn't envisage-toget back into the former question—that the CBC would cease to exist. I don't think it is the Association's impression or intent that there be no CBC. I think it is just a different function of the same organization and whether it actually operated transmitters or just operated as a program source, I don't know. I think it is a condition of the licence of various private broadcasters that they carry as much or if not more than we carry now originating from the CBC, except that conceivably it would be better quality because there would be more money available to be spent on it. It wouldn't affect anything in New Brunswick because the transmitters are in existence now and they are not CBC transmitters-they are privately operated. So as long as the program material is funnelled through it by no matter what means it would make no difference.

Senator Smith: Well, the answer then to my last question is that you think there would be a difficulty to get along without the affiliation with the CBC?

Mr. Cromwell: Yes, you have to have some source.

Senator Smith: The CTV is right in your area as well?

Mr. Cromwell: Of course.

Senator Smith: That is all I have, Mr. Chairman. Thank you.

The Chairman: I wonder whether Mr. Costello could tell me whether or not he belongs to the Canadian Association of Broadcasters?

Mr. Costello: I think Mr. Cromwell could. Do I belong George?

Mr. Cromwell: Well, the station does.

Mr. Costello: Well, I get the material but I am not an active member.

The Chairman: You are not an active member of the Canadian Association of Broadcasters so really my next question is perhaps an unfair one. I was going to ask you which organization does the best job for its medium—the CDNPA or the CAB. You have disqualified yourself. You may comment if you wish but you have said that you are an inactive member.

Mr. Costello: The only comment I would make is that you are right, it is a terribly unfair question and I am delighted that I am disqualified.

The Chairman: Are you active in CAB activity, Mr. Cromwell?

Mr. Cromwell: Yes, I am on the board of directors at the present time.

The Chairman: But the actual member of the CAB—how does it work?

Mr. Cromwell: Well, the station is the member.

The Chairman: And how many people go from the station?

Mr. Cromwell: Each station has one voting delegate.

The Chairman: And you are it?

Mr. Cromwell: I would be it or I could designate someone else.

The Chairman: It is not Mr. Costello?

Mr. Cromwell: Well, it could be.

The Chairman: He could be?

Mr. Cromwell: Yes.

The Chairman: But he doesn't wish to attend.

At page 3 of your brief, Mr. Costello, you say:

"We do not know if there will be further concentration of ownership, but it seems likely."

Does it seem likely in New Brunswick that there will be a further concentration of ownership? Mr. Costello: Somehow I doubt it.

The Chairman: You were referring to other provinces other than New Brunswick?

Mr. Costello: Yes.

The Chairman: Mr. Fortier?

Mr. Fortier: Mr. Cromwell, what tangible benefits, if any, flow from the fact that your broadcasting company is owned by a conglomerate?

Mr. Cromwell: I think there are many benefits. I think this has been the reason why we have been able to develop broadcasting to the state it is in in New Brunswick. I might point out that if it was not this way I would think we would be much slower in developing television and colour and the various other things.

Mr. Fortier: If what would not be what way?

Mr. Cromwell: I mean if we were owned by a single person, a single owner—I just don't think...

Mr. Fortier: Are there any disadvantages which you have experienced over the years in being a member of a conglomerate, a company amongst many belonging to Mr. K. C. Irving?

Mr. Cromwell: I have not experienced any difficulty because of the fact that there has been no interference or any direct operational interference with any of the other companies. We have operated as a broadcasting unit and we always have. I would suppose, if I may go back a number of years, that if this thing were a fact and it were happening I wouldn't be with them. I think it is a very healthy situation as far as we are concerned and I think through this whole ownership system we were able to bring to New Brunswick a television system and the whole thing.

Mr. Fortier: You seem to paint a very positive picture. Surely all cannot always be roses?

Mr. Cromwell: No.

Mr. Fortier: Have you had any complaints at all to ever direct to Mr. Costello?

Mr. Cromwell: Complaints in what area, Mr. Fortier?

Mr. Fortier: In the way that the company was managed; in the way that funds were made available or not made available?

Mr. Cromwell: I have never had any complaints. The only complaints that I have ever received that I can remember have been about programming problems. If somebody doesn't like something...

The Chairman: No, I think the point Mr. Fortier is making, Mr. Cromwell, is complaints that you have made to Mr. Costello.

Mr. Fortier: To the owner. Have you ever said to the owner through Mr. Costello, I wish to heck this would happen, or I wish I had that money, or I wish this had not happened?

Mr. Cromwell: Well, my experience is that every time we have gone into any exercise that has to do with the enlargement of the operation or the improvement of it, I receive a very receptive reception.

Mr. Fortier: So you have no beef to take with the owner at the moment?

Mr. Cromwell: Not at the moment.

Mr. Fortier: All is well in the best of all worlds?

Mr. Cromwell: I think we are very fortunate that we have this system.

Mr. Forlier: Mr. Costello, what benefits, if any, exist from the fact that your company owns and publishes newspapers as well as owns and operates broadcasting stations?

Mr. Costello: I don't see benefits, tangible benefits. I see the type of benefit that Mr. Cromwell refers to. That is that the primary objective is not simply to make money, its to provide a service. I think that is a benefit in New Brunswick. In the physical sense we have excellent facilities for the newspaper and the radio and television station. Beyond this we are developing the type of professional broadcasters we are capable of developing.

Mr. Fortier: Are there ever any horizontal moves between, say, employees of a newspaper who would move to the broadcasting operation or vice versa? Has this ever happened?

Mr. Costello: It doesn't happen as a rule.

Mr. Fortier: Has it ever happened?

Mr. Costello: Yes. I think people have gone from newspaper to the broadcasting company.

Mr. Fortier: Supposing, Mr. Costello, that you were the owner—supposing that you were Mr. K. C. Irving whom you represent

here today and you were asked to divest yourself of either your print media interest or your electronic media interest, which one would you sacrifice?

Mr. Costello: Well, if I were asked I would not divest myself of either.

Mr. Fortier: Well, I am asking you to answer just a purely hypothetical question. Which one is most important to you as an owner, the newspaper or the broadcasting?

Mr. Costello: To the owner—I don't know what the owner would answer to that.

Mr. Fortier: Has he ever mentioned it to you?

Mr. Costello: No, I don't think that he plans on divesting.

Mr. Fortier: No, but has he never said that he took great pleasure from the fact that he owns newspapers and that he took less pleasure from the fact that he owns radio and television stations?

Mr. Costello: I think the pleasure that is derived is the same pleasure that I would have if I personally produced a better newspaper, and I think the pleasure that Mr. Cromwell will have if he produces better radio or television. There is an emotional pleasure or some satisfaction I think it would be in this area. I think Mr. Irving is pleased to see the physical development of the plants. I think he is pleased to see the type of improvement which we maintain in both the television and radio and in the newspapers.

Mr. Fortier: What about the economic pleasure or economic satisfaction? Which one is a more viable economic entity? The newspaper side of the business or the broadcasting side of the business?

Mr. Costello: Well I think at the moment that the newspaper is in a little stronger position than the broadcasting.

Mr. Fortier: Again I am assuming that you are the owner. Mr. K. C. Irving has invested you with all his interest in the New Brunswick Publishing Company Limited and you are forced to take this decision for whatever reason it may be—not necessarily governmental interference, but you are forced to divest yourself. Which one would you let go?

Mr. Costello: Frankly, someone else would have to decide. I would not decide.

Mr. Fortier: You mean the owner wouldn't decide?

Mr. Costello: I don't know what he would do but if it was me, someone would have to say—you would have to say, you are going to get rid of this or else.

Mr. Fortier: Well, I am saying it.

Mr. Costello: Well, then you say which one.

The Chairman: Well, Mr. Fortier, I think the witness has answered.

Mr. Fortier: Mr. Cromwell ...

The Chairman: Well, before you go on, Mr. Fortier, may I say it is three minutes after one and I have Senator McElman wanting to ask a question and Senator Smith. I would like to ask one question and we have to be back at 2.30 p.m. to meet Mr. Berton—I can't let this thing spin on endlessly, so would you complete your line of questioning?

Mr. Forier: All right, Mr. Chairman. Just one last question.

The Chairman: And then I will ask for Senator McElman's question, then I will put my own and then Senator Smith may have the final question.

Mr. Fortier: I will pass, Mr. Chairman.

The Chairman: No, please go ahead.

Mr. Fortier: No, Mr. Chairman. I will pass.

The Chairman: You are seldom so easily intimidated. Please go ahead.

Mr. Fortier: Mr. Cromwell, you said earlier that you read Saint John newspapers. How do you regard them?

Mr. Cromwell: I find them good papers.

Mr. Fortier: What do you think of the Telegraph-Journal? Is it a good paper or a bad paper?

Mr. Cromwell: I think it is a good paper. I don't know whether or not I have actually had an opportunity of comparing it with other newspapers. I know that when I am in Toronto I try to buy the Telegraph-Journal and I think it covers the provincial and local scene very well.

Mr. Fortier: Is the Telegraph-Journal the only paper you read in New Brunswick?

Mr. Cromwell: Well, the other is the evening paper and I also read the Gleaner. I also read the Moncton Times-Transcript.

Mr. Fortier: Do you think these are good English papers?

Mr. Cromwell: I think they do a good job, frankly, yes. I think there is an improvement every year.

The Chairman: Senator McElman?

Senator McElman: Just two brief areas, Mr. Chairman. Mr. Costello, we have had several witnesses of late who have touched on the same point. One of those was here last evening and I think it is almost a direct quote—it is very close in any event, but he suggested that the mass media has the power of deciding which issues become public issues. That is the media can lead in making them public issues or conversely by non-treatment of a social or local issue, they can retard any real possibility of their becoming public issues. Would you agree that the mass media has such a power?

Mr. Costello: I don't know how great the power is but I think in general terms the answer would be yes. The mass media does have some power to influence by what it does and by how it performs, yes.

Senator McElman: Would you agree that that power to influence would be greater where there is a control of a large element—a concentration of ownership of a large element of all the media available in an area. Would there be power to influence—would it become greater or could it?

Mr. Costello: I think you are asking if there is a potential power in existence and I think the answer is probably yes. There is the potential power. I think I would like to add as well, insofar as New Brunswick is concerned, that the thing that has been a protection to the company is the responsibility which has been taken by the individual newspaper and by the broadcasting company. This protection is much more apparent, and has been in recent years, than it was years ago. If you would allow me to relate to my own period on the newspaper as publisher—it is about nine years I think—there has been no attempt to use any potential power which might exist. I think it would be ridiculous for me to attempt to argue that if there is some power or some potential power that it is not greater until it extends to a larger field.

Senator McElman: It would accelerate the degree of concentration?

Mr. Costello: It would not necessarily accelerate...

Senator McElman: We are talking potential.

The Chairman: Yes, potential.

Senator McElman: The potential would accelerate?

Mr. Costello: Well...

Senator McElman: With the degree of concentration?

Mr. Costello: That is correct.

Senator McElman: The other area, and believe me Mr. Chairman, I have no intention of trying to convince Mr. Costello that he was at a meeting.

The Chairman: Are we back to the meeting?

Senator McElman: Yes.

The Chairman: O.K.

Senator McElman: I would simply like to recall—Mr. Cromwell, you were the head of the broadcasting operation in October of 1964 were you not?

Mr. Cromwell: That is correct, yes.

Senator McElman: Mr. Costello, you were involved also at that time in broadcasting directly, were you?

Mr. Costello: No.

Senator McElman: But you were president of N.B. Publishing?

Mr. Costello: Correct.

Senator McElman: And in charge of the print media?

Mr. Costello: Correct.

Senator McElman: This is the front page of your newspaper. Do you recall this?

Mr. Costello: Yes, I recall it. I recall every front page.

Senator McElman: Well, I would dispute that you recall every front page. This was a rather extraordinary front page. Banner line—red lead above your own staff—Premier announces a \$117 million industrial development program for New Brunswick. Then the black banner line below your own staff—steel mill to cost \$64 million—\$90 million a year benefit to New Brunswick. And the photograph shows the Premier and John Park, Jr.

standing in front of a chart of some sort showing a part of this projected development.

There is a great editorial on it which sets out how extraordinary this whole thing is-two complete new steel mills, two new mines, concentrator, an acid plant, one of the largest in the world-largest fertilizer and manufacturing plant in the world-all year round shipping harbour on the north shore, new 30,000 ton ore carrier to be built in the Saint John drydock in Saint John which is a \$12 million thing in itself. And then we get to page 3—the same day—the whole page, complete again, with a photograph of Mr. Park who was President of Engineering Consultants Limited at that time, I believe, which was a wholly-owned subsidiary of the Irving interests which also owned the newspaper and the radio and television. Here again the charts and again the great reactions, and so on. You recall this event, do you?

Mr. Costello: I recall the event, yes.

Senator McElman: Do either you or Mr. Cromwell recall the event previous to the publication of this?

Mr. Costello: No.

Senator McElman: The meeting?

Mr. Costello: No, I don't recall a meeting. A meeting involving you and myself and...

Senator McElman: John Park?

Mr. Costello: No, I don't recall that.

Senator McElman: Then could I ask would it surprise you—and I am not disputing you—I won't dispute you—if I made a mistake I will certainly retract it, but I must admit I would find it hard to confuse Bert Burgoyne with yourself.

Mr. Costello: So would I.

Senator McElman: In any event, let us forget that aspect of it if we may. Would you find it surprising if I recalled that on this occasion representatives of the broadcast media and of the newspapers did take part in the preparation of this whole production in advance and as Michael Wardell said in his editorial covering this same thing:

"The prime mover in this great new development is, of course, none other than K. C. Irving who stands like a magician, has galvanized a great variety of industries in this province over the past 40 years."

I simply remind you of this. I don't dispute them in any fashion. Would you be surprised if I recalled that, let's say, senior representatives of both broadcast and the print media were brought in to discuss this and the whole thing was laid out. The charts were prepared with the assistance of art staffs so they would show up well on TV and this sort of thing, as well as reproductions in newspapers, and that the whole effort was co-ordinated well in advance. The only flaw, as I recall Mr. Costello, was that although there was a break time on it somebody busted it in Halifax in advance. You may recall that.

Mr. Costello: No.

Senator McElman: You don't recall that either?

Mr. Costello: No.

Senator McElman: Even though they had a break on your paper, you don't recall it?

Mr. Costello: Well, I will answer the question if it has been completed.

Senator McElman: Would it surprise you?

The Chairman: Well, I am not sure what the question is?

Senator McElman: I am asking if he has any recollection of the co-ordination that took place?

Mr. Costello: No. I will try to answer that one as well, but the question which you asked me was would it surprise me if this sort of thing did take place and the answer is no it would not surprise me. It could take place at any time. If a press conference was called, if that's what it was...

Senator McElman: Well, it wasn't really a press conference.

Mr. Costello: Well, whatever it was to arrange for the release of information and the radio and television and newspapers were called in—no, that would not surprise me at all on a thing of that size.

Senator McElman: Any comment, Mr. Cromwell?

Mr. Cromwell: I have no recollection of it, but I would suppose that if anybody were called in, it would be on a program level, but I wasn't connected with it so I really don't have any knowledge.

Senator McElman: You don't recall it?

Mr. Cromwell: No, I don't recall it.

Senator McElman: Were there not preparations in your studio? This was your old studio?

Mr. Cromwell: There very well could have been, but since I wasn't involved with it I don't recall.

Senator McElman: You weren't involved?

Mr. Cromwell: No, I wasn't involved but perhaps Mr. Stewart recalls this.

Mr. Stewart: Yes, I recall some preparations. There were preparations made for paid broadcasts and we were asked to arrange a network of stations, if I remember correctly, which we did. I produced a program and the only other thing that I know, that I recall, was that there was great secrecy about it. The talk was put on teleprompter, I believe, and that was delivered to me a matter of an hour or less before the program went on the air in order to safeguard against a premature break on the thing. The program, I think, went on the air somewhere between 6.30 and 7 and I produced it.

Senator McElman: Well, you recall, Mr. Stewart, that it did break in Halifax?

Mr. Stewart: I recall hearing, but I wasn't sure—I don't recall that it was a newspaper I was under the impression that it was broadcast.

Senator McElman: That it was radio?

Mr. Stewart: Yes.

Senator McElman: Well, the point of the whole exercise is that I do recall it very clearly that there was co-ordination. There was no press conference as such. There was a co-ordination. The co-ordination was done, not at the insistence of government, but at the insistence of E.C.L., a wholly-owned subsidiary, under the direction of Mr. John Park.

Mr. Costello: Well, that is information that you have and I am not familiar with it.

Senator McElman: Fine.

The Chairman: Do you have a question, Senator Smith?

Senator Smith: Yes, Mr. Chairman. I would like to wind up this questioning if I could on the same general area that I started out on and that is programming. I would like to ask Mr. Stewart for his comments on this particu-

lar information which I had a note on but I haven't turned it up in time to ask the question before. You give a list-a rather lengthy list of, say, eight, or nine, or ten pages of the subject and the names of those who participated in your various "Newscope" programs over a certain period of time. The first one on the list of subjects is "controversial organization opposition to bilingualism and biculturalism." Participating-Elton, Killam, Vice-President of Maritime Loyalists Assocation. On the last page of this summary of participation, and so on-at the top of the last page you have under the subject heading Maritime Loyalists Association; Participating-Elton Killam, Moncton.

I fail to find any reference at all in the Newscope program on the other side and the generally accepted side that biculturalism and bilingualism is a potent force in this country today supported by all the political parties in the House of Commons. Have you any comment to make on that?

Mr. Stewarf: Mr. Donovan is more qualified, Senator, but one comment I would like to make—I think the fact that that is there twice is a duplication. I don't think Mr. Killam went on the air twice and I am quite sure that we have had a number of people on a variety of programs speaking on biculturalism and bilingualism and Mr. Donovan may recall exactly who they were.

Mr. Donovan: Senator Smith, Senator McElman may have seen the program or heard of it—the Maritime Loyalists Association with Mr. Elton Killam?

Senaior McElman: I have seen all I want!

Senator Smith: I have heard about it as well.

Mr. Donovan: The one on the last page was simply a duplication. The other side has been explored and if it will ease your mind I think most people thought it was critical, a critical interview with Mr. Killam.

Senator McElman: I would like to say that in that instance, as in most instances, Mr. Donovan did a tremendous job of exposing extremists to the people of New Brunswick and thereby, I think, played a part in disposing of them.

The Chairman: I wonder Mr. Costello—you were the first witness we had before this Committee, so just before we adjourn do you

think this has been a full study of the media and a professional examination?

Mr. Costello: I hope it has been. I fear it may not have been. I fear you may not have had enough time, I fear you may not have had enough money, I fear that you may in some areas be examining past history which is perhaps all part of the inquiry. So these are my fears, but I would also like to say that yesterday I was in Quebec City and was asked to speak at a service club. I said then and I say it again that I believe that the newspapers of Canada—perhaps I am a little bit oriented towards the newspapers-but the newspapers of Canada should benefit and I believe will benefit from the inquiry which has taken place. I think it has been a very strong reminder to the media of our responsibility. I also said that I do not envy you or your colleagues the chore which you now

The Chairman: Which awaits us.

Mr. Costello: Yes.

The Chairman: Thank you. I should say that we are grateful to you and your broadcasting colleagues for coming to the Committee. It has been a helpful presentation. Much has been said at these hearings about the media in New Brunswick, as I am sure you know, and the contribution today will be useful in helping us prepare the ultimate report. I can assure you we do not minimize the task which is in front of us.

Thank you very much.

The Committee adjourned at 1.20 p.m.

Upon commencing at 2:30 p.m.

The Chairman: Honourable Senators, if I may call this session to order. The witness this afternoon, as I am sure you will realize, is Mr. Pierre Berton. I was just mentioning to Mr. Berton that the last time I introduced him I attempted to give a humorous introduction, which I thought I did, but he one-upped me so completely in his opening remarks that I decided to play this one perfectly straight.

I will tell you that he was born in Whitehorse, July 12th, 1920. He was educated at Victoria College, Victoria, British Columbia, and the University of British Columbia. There is a long list of things he had done since and is presently doing and I am sure the Senators are more than familiar with Mr. Berton's involvement with many phases of the media. I should say to you, Mr. Berton, that what we try to do in these hearings is have a mix. We have attempted, of course, and understandably so, to have a representative group of media publishers, and owners, but we have tried to liven the mix with organizations such as the Canadian Consumers' Association, the Canadian Labour Congress and many other organizations. As well we have tried to bring nationally-known communicators from Gerry Goodis to Douglas Fisher, including Mr. Charles Templeton and yourself.

We are grateful that you have found time to be here and I for one realize, and I am sure that most of the Senators do, that you really are one of the busiest people in Canada. We think there is a great deal that you can contribute to this study.

Having said those things I will turn it over to you, but I would like to suggest that perhaps you begin with an opening oral statement. You may take as long as you may feel is required and following that we would like to question you on things you say and perhaps on things you don't say.

Mr. Pierre Berton: I would be delighted, Senator Davey, and Honourable Senators. Thank you very much for having me; it is a pleasure to be here. I represent, as I am sure you know, nobody but myself; therefore, perhaps my remarks won't carry too much weight. I would like to say a few things verbally and informally on both newspapers and broadcasting, both of which I have been associated with, but first on the press.

It has been thirty years since I started in the business of journalism as a cub on the Vancouver News-Herald and I can't really remember a time when the press of this country has been threatened as it is threatened today. I think the threats are both exterior and interior because I think the newspapers themselves contain the seeds of their own demise. They are often enough their own worst enemies. But I want to talk first about the exterior threats because I think they are profound and dangerous.

I have never seen in all my years, and wouldn't have believed it when I began, having listened to so many luncheon club speeches about freedom—I have never seen so many attempts at censorship of the press by the police and the municipal authorities of this country. Now, I am not talking about the daily press which doesn't get censored in that

way—I am talking about what we call the underground press and you have already heard from them in a discussion which I think is a very healthy manifestation.

It is the first time I have seen really an alternative to the large established publications of this country. I think what we want and desperately need in this country is this kind of alternative. This alternative, which is in generally the form of a weekly informal newspaper published by young people, has been subjected to what I can only describe as unbelievable, scandalous and continual harassment by the municipal authorities and police of several cities in this country.

One thing that concerns me is that although some individual newspapers have written some editorials about this, the press of the country as a whole, the established press, have really not said nearly enough about this, they haven't got nearly as angry as they do when much more minor aspects of the freedom of the press are raised by the community as a whole. As you know because you have been told by the Georgia Straight, we have seen the business licence technique used right across this country from Montreal to Victoria and New Westminster to stop the publication and the distribution of newspapers. I don't really want to repeat what has been said here already, but when the Mayor of a city takes it upon himself to censor papers that he doesn't like, simply because he doesn't like them, by refusing them a business licence—there must be something very, very wrong especially when he seems to have the support of a large section of the public and the tacit support of some daily newspapers.

The situation that existed in Vancouver and New Westminster has also existed in other cities as you know, in Montreal and in the city of Ottawa. I find the remarks of the judge who sentenced eleven vendors of Logos in June of 1968 almost unbelievable in a democracy. Now, in Montreal as you know in 1968 there were about thirty-five arrests of vendors of Logos.

It is clearly established in Montreal that a newspaper does not need a permit to be sold. They got around this by saying that Logos was in the category of books, circulars or brochures, which is absolutely pure nonsense—it is a newspaper in every sense of the word. However, there were eleven vendors arrested, found guilty and fined for the heinous crime of distributing the free press of

this country and they were fined \$40. each by Judge Gerard Tourangeau on June 16th of 1968. This is what the Judge said—and this is really the crux of the thing-he said, "I would like to assess each accused..." He couldn't-he had to give them the maximum-"I would like to assess each accused \$100 and costs"—and get this—"for, in my opinion, the newspaper in question is of a revolutionary nature, the purpose of which is to spread dissension and dissent."

Well, as you know, the history of journalism has been to spread dissension and dissent from time to time. If it didn't do that, it wouldn't be worth its salt. I was interested that the Judge—having fined these people for selling something that the city insisted were either books, circulars, or brochures—used the word "newspaper" to describe it when he made this totally uncalled for remark. It indicates exactly what was going on-that the business licence was only a device to stamp on, to trample on, the rights of freedom of expression in this country and to put people out of business for publishing remarks which the authorities don't like because they don't agree with them. The previous month in Montreal another Judge had three newspaper vendors up before him.

Now you know if you infringe a business licence in a community you don't get usually hauled and thrown into jail. They issue a Warrant for your arrest, a summons is issued and then when the time comes you go before the Court. These are just misdemeanors but these kids are always put into jail and they have to raise bail. Two of these kids who had long hair had to raise \$25 bail and the Judge let the kids who had the short hair go away with just paying \$20 bail. This often indicates the attitude towards the press and this kind of press in this country.

Often in my dreams—I have a picture of John Bassett putting out a new newspaper in Montreal—he puts out this new newspaper in Montreal and immediately the police pounce on the younger Bassetts who are out selling it and they haul them off to jail saying that you haven't got a business licence. Can you imagthe the row that would be raised by the established press of this country? "Freedom of the press" they would shout, which they often shout when someone says that a boy of fourteen shouldn't have to get up at six O'clock in the morning to sell newspapers.

21490-4

Now, the same thing has happened here in Ottawa. I don't want to really go on too long. about this, but I must say I find it unbelievable that police should jump on kids selling newspapers, that they should tell them lies, they should confiscate not just one newspaper as evidence but in some cases three hundred and fifty which is the entire production of the plant, that they should demand bail, that they should obviously attempt to force newspapers out of business.

There were two or three kids who didn't have a lawyer at this time before it was ruled in the Court that the by-law about licences did not apply to newspapers. As I understand it, the by-law—and my information comes from the Civil Liberties Association of which I am a director and a branch of which was started in the city because of this-is that a minor in this town can get a licence to sell a newspaper for ten cents, but these kids who were selling newspapers were told by the police first that what they were selling wasn't a newspaper; second that they weren't minors and third that the licence would cost fifty dollars. Patently untrue. I learn that on the mall here—the Sparks Street Mall—they still can't sell their newspapers although now there is this documentary evidence in the form of tape recorders and photographs showing that the Citizen and the Journal have been sold on the Mall and nobody has prevented that from being done. I think this is patently unfair and unjust.

In March a newsboy selling not the Citizen or the Journal but an underground paper here was told by the police that he couldn't shout aloud the headlines. I never walked down the street in any Canadian city where newsboys haven't shouted the headlines for years and years and years and why is it suddenly...

Senator Beaubien: Would it depend on the headline, would you think, Mr. Berton?

Mr. Berton: I have no idea.

Senator Beaubien: If the headline was a little rough?

Mr. Berton: If the headline is a bit rough and it is against the law, surely the police will arrest that man for obscenity and if it is found obscene, put him in jail. The police have no right making the laws-they only have the right to enforce the laws and if they think the law has been violated, they have a perfect mode of procedure. Now, the obsceniment that one of the Judges said that it seemed to him that this particular publication was being singled out in these obscenity

There are many other papers with an equal number of words, books and magazines of all kinds on sale at the newsstands, but only a they try to discuss the world outside them certain kind of paper has been singled out. they are not allowed to. In many cases they That is as much as I want to say at the mo- are not allowed to even discuss the most ment, but I hope that the Senators on this innocuous things in the school and if the kids Committee will take cognizance of this situa- are in the schools and they are attacking the tion because I think it is very dangerous. I school systems by saying this is wrong, they think this whole business of freedom of the are not allowed to print this type of material. press has to involve allowing people to say A kid in one of the high schools in Montreal things that we don't like; otherwise we had this year—I read a report in the Montreal better stop telling the Russians how much Star where he had been hitting the curfreedom we have.

Now, there is another serious threat to the press which I think is dangerous and that is the threat inherent in the educational system in the high schools, and in fact in some of the universities, where the concept of censorship by the authorities seems to me to be inculcated in almost every student in this country by the example set by the school authorities who insist on censoring, moulding and changing the copy in high school-and in some cases even the universities' papers. If you are a student editor in this country unless you belong to a very enlightened high school which I am quite sure are in the minority, you can't put out a newspaper which is in any sense free. You can't say what you want. You can't say what you think as the editor, you can't say what other kids think in the editorials and sometimes you can't even report what they think. Now, this situation varies from school to school and from city to city. I see a lot of these kids during the year and this is the first complaint they make to me, that they have no freedom to run a newspaper.

Now, if the schools are supposed to be teaching freedom then surely the first place to teach it is by example. Now, sure you will get a lot of lousy newspapers—a lot of them aren't any good anyway and they say a lot of idiotic things but surely the essence of freedom is to be allowed to say the idiotic things and then be attacked for it, but you have the right to stand behind what you say, what you think.

I would hope that the schools over the next ty laws have been used, as you know, in few years would become enlightened enough many of these newspapers. In Vancouver, the to let the students experiment with newspacase of the Georgia Straight is perhaps the pers freely. They shouldn't be telling themmost famous one-it was found innocent as a in schools that I know about-that they matter of fact, but only after so much harass- shouldn't be writing about the war in Viet Nam-they can only write on school topics.

> To me I think one of the most refreshing things about the students today is that they are not confined in their own minds to the little world of school but they are interested in the world outside them and so often when riculum. Nobody stopped him from writing about this, but they wouldn't let him be editor of the student paper anymore and they wouldn't let him lead the student council. I guess he really got under their skins.

> So much for exterior problems and exterior pressures in the press. I would like to talk now about the interior pressures which are within the press and within the press's ability I think to solve. They all come really under the heading of alienation of the public. It is my observation that large numbers of people in this country are suspicious of the press. Large numbers of people fear the press, and I think rightly, and there is a goodly number that really hate the press. It is ironic that this should be so because I think that probably most of the newspapers in Canada now are better than they have ever been before. What they are reaping is a legacy of distrust and they are also reaping the fact that the public are also a little bit ahead of them.

> It is not the fact that they haven't improved but it is the fact that the public's taste and the public's suspicion has grown sharper. It is not that they are not fairer than they used to be-I think they are and they are more comprehensive—but they are not fair enough and they are not comprehensive enough and they are not good enough and what we are really talking about here is ethics and professional standards.

> We hear a lot of talk about ethics in the newspapers and I have heard this talk all my

life as a newspaper man, but I have never because the only responsibility is to the ethics—there are codes of standards—the kind the medical profession or the legal profession and the other real professions have—exist for the newspaper business in this country. I can cover a lot of ground that has been covered here before about the need for professional associations and if you ask me about that, I will talk about it, but it has been said here already.

I have only three suggestions to make in this area. They deal with journalism schools, with the whole business of newspaper headlines, and with the newspaper Court of Appeal. I don't think the journalism schools are nearly tough enough on the newspapers and I don't think that the newspapers are nearly tough enough on the journalism schools.

I think in the journalism schools even today, and they have improved over the years, there is more emphasis on technique than there needs to be and not nearly enough on philosophy and ethics. I don't see in any of the journalism school calendars a course on ethics and I think the time has come where they are because I have been in touch with some of the heads of the schools recently, but they have been discussed in passing on side issues within the context and framework of another course; but really if newspapers are going to change their image in the country, they really have to establish really strong ethics.

I think it is obvious that some of the things that are being discussed now at random in journalism schools are things that have to be codified—things like what actually do you mean by fair reporting? What do you mean by objectivity and can it be achieved or is there too much? What is a reporter's relationship to a subject? What are his duties and responsibilities to his readers as well as to his boss? What is a newspaper's responsibility to its readers as well as to its advertisers?

For instance, in the field of consumer goods a newspaper as far as I can see has very little responsibility to its readers—its responsibility is totally to its advertisers. There are whole Sections of newspapers published on Saturdays and week-ends throughout the country 21490-41

seen a code of standards-really a code of advertiser. If you want a good example, I will give you the example of the travel section of the newspaper or what they call a better living section, whatever that means, which really are vehicles for ads for travel agencies and airlines and home appliance firms.

> There isn't one line of critical comment in any of these sections and you would think from reading the travel section of any major newspaper that every place in the world is wonderful, that all hotels are great, that every airline is superefficient. I made a study of these and I couldn't find anything but labelled photographs and I couldn't find anything that would deter me from going anywhere.

Now, that's how the entertainment pages were when I began this business. Every movie was great, every movie was wonderful. The reason they were wonderful was all movie reviews were annexed to movie advertising and the newspapers thought that if you ran down a movie, the advertising would be withdrawn and it took a long time for them to discover that the one thing that the movie had to do was to advertise, and you can now there ought to be a good one. I don't mean by in the major papers of this country—it is not that that ethics and philosophy are not dis- true with some of the small ones-but in the cussed in the journalism courses; I know that major papers of this country you have what I would call honest movie reviews. That is to say, the opinion of a man who has gone to a lot of movies telling you what he thinks about the movie. I guess maybe the first to do this was Mr. Clyde Gilmour of the Province and Sun-he is now with the Telegram as a movie critic.

> The Chairman: In some papers you never get a favourable review?

Mr. Berton: Yes, it is almost going the other way, you are right. If any of us in the business have any complaints, it is almost as if they were too critical, but I would rather have them that way than to have them be the way they were when I began, when poor old Roly Young was trying to write in code in the Globe so that those in the know could read what was underlined to see what he liked or what he really didn't like. That situation still exists in other sections of newspapers and I would think that this is an area which journalism schools could go into critically. I think the journalism schools ought to be pushing the newspapers very hard. They ought to be in the job of raising the standards and I think which are almost useless and unreadable that the newspaper publishers on their part should be pushing the journalism schools to raise their standards.

You know, for years large numbers of publishers in this country totally ignored the journalism schools. When I was on a newspaper everybody said, "Oh, of course, you know that the graduates of journalism schools aren't really any good, they can learn more here on a newspaper." That may or may not have been true, but I heard that remark made just two days ago by a prominent newspaper man. The fact of the matter is that they are the best things that we have and there aren't really very many of them.

If what we call a newspaper business is going to become a newspaper profession, its only hope is in the kind of comparable course that we see in medicine and in law and the other so-called and properly called professions. Journalists can be very destructive in this country—they have a lot of power and I had a lot myself when I was a journalist. It is very terrifying when you think about it and there are no professional brakes to apply. There is no way really outside of the courts of law unless you commit a libel, which is an extreme thing to have to do really, of curbing the press except the self-discipline which exists among some of the best journalists of the day.

Now, I would like to talk about headlines briefly. I think anybody who has been involved with being reported in the papers—and I am on both sides of this thing—I am interviewed and I interview. I see it in a rather circular way but anybody in public life knows that if he has any major quarrel with the paper, his quarrel is more often with the headline on the story than with the contents of the story itself. The reason is they have to get the whole story or try to get the whole story in about five words—that is a total impossibility. Nothing can be told in five words except the most extreme things.

There was a headline the other day in the *The Toronto Star*—the story which was fairly well-reported was about the Committee on the Toronto Board of Education who had recommended very strongly a quite ambitious and far-seeing program for seven schools in the city to provide extra-curricular activities for students between the hours of four and six whose mothers were working mothers. It was hailed at this particular Board of Education meeting as a great step forward.

The headline on the *Star* read, "Trustees want schools to baby-sit from four to six p.m." It was that phrase "baby-sit" that did not appear in the story that cause an uproar at subsequent meetings of the Board of Education and I am told by those who were there it was picked up by some of the members of the Board and used to prevent that program from going through and they reduced it to a pilot project in one school.

I don't want to hit the Toronto Star for this because I think it is one of the best papers in the country; but the fact that even it can be involved in this kind of dangerous shorthand—and that is what it is—suggests the difficulty of the headline system in newspapers. Headlines are getting shorter every year; I was measuring them over a century and major headlines contain only about a third the number of words that they contained one hundred years ago because in those days they used to run all the way down a column and they were smaller in size so you could get quite a bit into a headline—it is impossible now.

Now, what I am suggesting is that there can be newspapers without headlines. I would think that the journalism schools of this country, to start with, should be experimenting with a new kind of newspaper which is a compartmentalized newspaper and which could be totally attractive and in which the news comes under headings, but not headlines. I further suggest that some of the the kind of excitement the headlines provide, but I think in some of the monopoly towns toronto papers or the Montreal or Vancouver papers in monopoly towns-I don't think the papers can do it when they are locked in the kind of competition which seems to demand where you have no competiton it would be possible to experiment with a more subdued kind of newspaper.

Thirdly, Mr. Chairman, I think the Senate Committee here could be well advised itself to turn out a sample copy of a newspaper with some professional advice to see what it would look like. Now, on first glance the newspaper man will say, now, that is impossible—the public are used to headlines, they like to read them and everything else—but I would like to point out to you that there are a great many very successful publications that have done this.

The news magazines—Time and Newsweek and U.S. News and World Report really don't

in compartmentalization, as far as I can see.

Finally, in this section on newspapers I want to talk about the general alienation of the public from the press and what I think might be done. I think more and more there is a need for the press to turn over more and more of its space to the people. We are seeing this happening in some major cities—the Toronto Star especially with its new "Voice of the People" section and the Globe with its expanded letters section, with its little regular feature called "Our Mistake"—the Star with its Bureau of Accuracy although it seems to have abandoned its Bureau of Accuracy—they had so many people 'phoning in to the Bureau of Accuracy that half of the reporters spent their time correcting their own stories.

The Chairman: I am not sure the Globe and Mail would describe "Our Mistake" as a regular feature!

Mr. Berton: It seems to be in there an awful lot, Senator, and I think one of the reasons is because it is a good idea. I would like to applaud the Globe for apparently running letters to the editor in full, or at least if they abridge them I think they include the three dots. A lot of papers you know take a letter of four pages, which is too long for a letter really, and knock it down to one paragraph without any indication whatsoever that it has been edited, and I think that is bad.

I think, however, you have to have more than that. I think newspapers really have to come to the conclusion that what is needed is a Court of Appeal established by the press. I don't think government can do this. I think some of the newspaper chains can do it because they can afford it and they have the newspapers to do it and also the facilities for it. It would be a Court of Appeal set up by the newspapers totally independent from them and simply paid for by them to protect the people's integrity as a kind of a system whereby people who feel they have been wronged by a newspaper story or by a newspaper can have a recourse.

have news headlines. They have titles, very Now, they may not have been wronged—in short ones but they don't attempt to tell the fact, quite often people who think they have story or they don't attempt to angle the story been wronged by the press haven't been. For with two or three words. Nor do they have instance, if a man is later acquitted of that any front page any more. They have U.S. crime, I would think it would be incumbent news and Canadian news and foreign news upon a newspaper, if the charge appears on and news about people and sports and every- page three with a four column headline, that thing else-they have achieved the ultimate the acquittal ought to appear on the same page with the same size of headline or in a comparable position in the newspaper. Now, this cannot happen. Wild charges are flung about, statements are made which are accepted by the press at face value and put in quotes without any attempt sometimes to check on their accuracy. They are denied and proof is issued of that denial and if the correction appears, it appears quite often in the classified advertisement section, next to the comics sometimes.

> This is one of the things I think a Court of Appeal might—with the press's co-operation look into from the point of view of the average citizen who has no other recourse except a 'phone call to the editor which isn't of very much use.

> I have somewhat the same complaint to make in the area of television-and I am now moving into the broadcasting field—that there is no real Court of Appeal on television although there is in radio, oddly enough, in a sense. At least the open line shows, which I think are a very healthy manifestation of radio, give the average guy a voice, if he wants to use it to say what he thinks. There is not much of this on television.

Oddly enough I have a program on in Hamilton on Channel 11 at eleven fifteen which is followed by one of the few open lines programs on television and I think it is a good thing that the guy running the open line program is totally and diametrically opposed to me in every possible sense. I have never met him and don't particularly want to but there is a kind of balance there. If I go on and get on some guy who says a lot of things he doesn't agree with, at least in the next half hour the public is going to be able to 'phone in and say they don't agree with it. He doesn't always agree with my program, but I am delighted when he does, but it is that kind of a thing.

There is a need for much more Canadian content next year and I would like to suggest a program which can be produced cheaply which I think, if it is properly produced, can be one of the liveliest and most entertaining programs on the air and which I think would have a high rating and be totally Canadian an hour and everybody else had their say and don't see why a television program can't do this, just take their cameras, have a lot of seats, just leave the doors open and turn the cameras on. There would be a couple of guys running the cameras and there would be music in the background but the public would be there. Let the public walk in and say anything they like as long as it is not libelous or obscene and you may have to run your tape five minutes ahead to prevent that, but the open line shows have discovered that the general public is generally responsible. They don't say obscene and libelous things, but they do voice their opinions.

I think that would be a fascinating thing to see, people coming in and saying I hate your television station or you did this to me, or I am opposed to the White Paper, I like the White Paper or whatever they want to say. There has to be a lot more of this and I hope when cable comes in this would be the type of thing the cable can do. Cheap and lively and popular programming involving large numbers of people who never get on television and never have a chance to get on television. Just leave the door open-let them fight if they want in the studio—"that's show business" as they say.

Senator Beaubien: Trudeau and Chartrand!

Mr. Berton: Sure, anything. Public figures—let them walk in.

There is another area that bothers me in television and that is the area of tape editing. I don't know how many here in the public eye have had this experience, but the tendency now is to interview everybody at an enormous length on video tape-thanks to the magic of video tape as they call it—and then they get this huge piece of tape and they snip out you know, about that much (indicating) and that goes in the news. If you were asked a question or an opinion and you start out by saying "no" then you qualify it for fifteen minutes, all they will get is that "no".

I was on a program a while ago and I didn't see it-it was an hour program and during the hour we were discussing the Prime Minister and I got a rude letter the next day from somebody saying, "Not only were your remarks rude and uncalled for, but you persisted interrupting in a rude, overbearing boorish manner eveybody else on the panel." I thought this was impossible. We talked for

in content—a Voice of the People program. I I never interrupted anybody. I discovered that they had taken this item and chopped it to about six minutes and everybody was cut off in a half sentence apparently, except me, because as soon as they were cut off my face appeared, appearing to interrupt them. It is very dangerous really.

> occur and have Great distortions can occurred and responsible editors in television understand that. There are many arguments for editing television tapes—it does help pace programming, it is livelier and the other argument is that the newspapers always edit whatever they do but television is a far more powerful medium than newspapers. People know that newspapers do this, but they cannot see that the tape is edited because electronically it has been so perfected that it doesn't look like you are being interrupted. You can't tell on TV that half a statement is appearing regularly.

> There have been some suggestions as to what might be done. One might be that just as commercials have to day now that it is a dramatized thing, not the real thing but dramatized, you might have to precede a program saying that the program has been edited and abridged. Another way is to leave the jump cuts in. A jump cut, for those of you who aren't familiar-here is what happens. You take a lot of tape but you take a lot of other shots of other people staring and in fact they have people sit down and point and do things so that they want to edit you-they don't want your face jumping because that shows that they have edited—they put another face in who appears to be listening to what you are saying—he is not listening at all, he is just pretending to listen to you, you see, and that makes it very smooth.

> Now, if they didn't put another face in which might be the face of the interviewer, or the face of someone in the audience, just chop the face out and let you appear again, your head would be seen to move and then the viewers would know that something has been left out, but at least there is a little more honestly there. It is perhaps less technically perfect, but I would opt for reality more than technical perfection.

> A lot of it is unnecessary anyway in my opinion. A lot of it is sheer laziness and expensive. The most expensive thing in the world is to run tape and try to edit it. I am involved in a show that hasn't any money and

I am not even allowed to do it—it is just as you send them out to try things and to do might happen. I have to do the editing in my able to do it. I think the broadcasters underpeople because I know everything they are support it. going to say but I can't afford to put a pair of scissors on that tape, even if I wanted to. I really don't want to. I think it is better if you let the people have their say. Tell them how much time they have and just let them go. The only solutions I have, gentlemen, in that area are the ones I have made, but I think it really is something that has to be considered carefully in the future.

Finally, in the area of broadcasting I really want to support the proposals of the CRTC which as you know is that programming should be sixty per cent Canadian content on television and even more important that the prime time or prime hours when most people are viewing, I think fifty per cent of that has to be-two hours out of four have to be Canadian and that on radio thirty per cent of the music played has to be Canadian in some way, even if it is only Lorne Greene Who holds Canadian citizenship recording a new record on the set of Bonanza.

I do not buy the argument that this will result in a loss of quality. I don't think that the quality necessarily on television has anything to do with dollars. Some of the best programs on television happen to be the cheapest ones. Maybe a good example is the one I am connected with on the CBC "Front Page Challenge." It is the cheapest show the CBC produces regularly as far as I know and I am told (I must say this is hearsay because they never really tell us anything) but they told Gordon Sinclair and he claims that it is the only one that literally makes a profit and if you can make a profit with a CBC program after they put all that overhead in, they must be producing cheaply.

I don't think all programs can be produced cheaply or should be produced cheaply. I think there are some programs that involve a large sum of money, but I think there is going to be plenty of money available under the new regulations to produce programs of excitement and quality with low budgets. I think people are going to have to use their brains and their imaginations instead of their pocketbooks in the future.

The lazier way is not always the most expensive way—it is just easier because you can have a lot of people working for you and

well I don't, because some terrible things other things—but I think we are going to be head and decide exactly what I want to ask stand this and I applaud those who want to

> I want to go on in this area because the CRTC has finally got a philosophy in broadcasting and I think the thing that has been wrong in broadcasting in this country is that the philosophy we have had has been an American philosophy-not a Canadian philosophy— a philosophy that sees that broadcasting is an arm of the marketplace.

> Now, I don't think that public broadcasting in this country should be concerned at any point with ratings or with revenue or with sales or with commercials. I think it is a scandal that the sales department of the CBC can now pre-empt any program on the air if they want to. They have the right to pre-empt the programs. Not the program department but the sales department is in control. Surely the purpose of public broadcasting in Canada is to strengthen national sentiment, to hold the country together. That's what it was started for-it's one in a long progression of rather awkward and expensive but necessary devices which go back to the days of the canals and the inter-colonial railroads and the CPR and it worked up to the telegraph lines and the pipe lines and the airlines and finally the radio and TV network.

> It is kind of a marriage between the public and private sector to make the country workable. To create a national idiom, a national mythology to interpret Canada to Canadians; to tell us who we are, where we came from and where we are going. This is the job of the television network and the public sector, and we will not do that—we can't achieve that with a fifth re-run of I Love Lucy or its equivalent; nor even with the excellent U.S. public affairs programs, as necessary as those are. We have to sing our own songs and we have to create our own heroes, dream our own dreams or we won't have a country at all.

> That is the basic reason why the government originally got into broadcasting—the reason it seems to me that everybody in the public sector at the top level have forgotten except the CRTC. Thank God they came along and thank God they are composed of tough and intelligent people with some experience in broadcasting because they are going to be the saviour-not only of broad

casting in this country but they may be the Mr. Berton: Yes, the book is about... most important people in the country today. If you haven't got a viable television network who tells you who you are, you have got no one. Now, I will be happy, Senator Davey, to answer any questions, if I can.

The Chairman: Well, I am sure you can and I want to thank you for offering. I think what we might do, Senators, is I ask questions about the comments which have been made by the witness and then perhaps following those questions, we can turn to other questions we have on topics which have not been raised.

Perhaps I could begin by asking one question that occurred to me as you were speaking. You said two things which I thought were perhaps in conflict and I wonder if you can explain them. You said that television is a more powerful medium than print and yet at the same time you said that you had more power when you were a journalist than you do now. You have a great deal of television exposure now and you have a great deal of radio exposure now.

Mr. Berton: I don't think I said I have more power now, but I had a lot of power as a journalist. I think television is more immediately powerful in that it is instant. You can't roll it back. I think a piece in a newspaper probably lasts longer and has more staying power, but from the point of view of immediate impact, as anybody who sells cigarettes or soap knows or anybody who is in the public eye knows, you cannot beat television. Every politician knows that!

The Chairman: Can we assume that you enjoy working more in the electronic media because that is where you are concentrated?

Mr. Berton: I enjoy writing books more than anything else.

The Chairman: More than anything else?

Mr. Berton: Yes. I am writing a book-I am just finishing one. You can't write a book all day because you have got to do other things, but the only thing you have complete control over is a book. In television you have no control over length. You are told it is half an hour, etc. I have a lot of control over my own television program, but there are things I don't control.

Senator Smith: Would this be a good time to know what subject or what title your book is going to deal with?

The Chairman: He thought you would never ask!

Mr. Berton: It's the first of two books on the building of the C.P.R. and the holding of this country together by a filament of steel that runs across Canada, which in its day was comparable to what the filament of microwave or the coaxial cable or the telephone wire is today.

The Chairman: In your opening comments you expressed some concern about the censorship of the press?

Mr. Berton: That's right.

The Chairman: I was wondering if you could tell us what elements are there in our society which are causing this attempt to happen?

Mr. Berton: It is the fear of the stranger, which is what is behind anti-Semitism and anti-Negroism and everything else. The stranger today is the kid. He looks like a stranger because he dresses strangely. He wears his hair in a different length and he wears his clothes differently, but he also acts differently. He has a different lifestyle. He is seen as an unknown and he is seen as a threat. His parents often don't understand him and certainly the older generation doesn't understand him and he doesn't understand them.

What people don't understand, they fear and they want to stamp out. There is no doubt in my mind that the most vicious kind of bigotry that goes on in this country today is the bigotry that is expressed largely by the adult population towards youth but sometimes it is reflected in youth attitudes towards the adult population.

The Chairman: Well, tied in with that youth attitude towards the adult population, could we have your comments on both the quality and the content of the underground press which I am sure you probably read on more or less a regular basis?

Mr. Berton: I don't read it on a more of less regular basis, but I read it from time to time because my kids bring it home and I am sent copies of it. I think it is refreshing because it is different. I don't think difference for its own sake is enough, but in this country we have a pretty general attitude on the part of the establishment press.

You would think that there would be one, but the nature in the world of commerce. I guess, is such either the party hasn't started one and no entrepreneur has wanted to.

The Chairman: You might be interested in knowing, Mr. Berton, that we put that question to a great many publishers specifically about the N.D.P. and many of them said some day they might.

Mr. Berton: It is very hard for a publisher. Once you become a publisher of status and you go to the club, you really don't think much along the lines of the N.D.P.

The Chairman: We, do you think that there is an establishment that controls the press in Canada?

Mr. Berton: I don't think it consciously controls the press, I just think it is because the establishment consists of people in the same economic bracket with the same outlook and ideas and about the same age and they all act and think about the same.

The Chairman: Are you part of the establishment?

Mr. Berton: I am part of the literary establishment. I am not part of the commercial establishment. I don't even want to be part of the literary establishment or the television establishment but I am. I have to face that.

The Chairman: You have given us two rather interesting new thoughts—this whole question of alienation and pressures and so on, and you have been practically the first Witness who has brought up two rather interesting points. I think one is the fear of the stranger and the other was interested in was that the newspapers presently are reeping, to quote you "a legacy of distrust". That is a view-point we haven't had expressed. Does that go far enough, however, to explain the so-called credibility gap?

Mr. Berton: Well, the history of the press in this country—I know something about it, I have been reading for this book the press of a century ago, and the newspapers today look awfully good next to what they looked like, even when I began. A century ago they were shrill, inaccurate, totally biased and bigoted party sheets and in those days nobody really believed them—they were preaching to the

One of the things that bothers me is that converted. The Grit press preached to the there is no daily newspaper that supports the Grit and no Tory would be seen alive with a third largest party in this country, the N.D.P. copy of the Globe in his pocket and vice versa.

> What happened was that they began to put real news in with the opinion and separate the two but it has taken a long time to work out the confusion between what is news and what is opinion and in certain areas, the consumer area being one, they really haven't attempted to any degree to service their readers. They have only attempted to service their advertisers. I don't mean to say that advertisers bring much pressure on newspapers—they don't have to.

It seems to me also that generally the press has not been in the forefront of social change-maybe it can't be. It has taken up causes just about at the moment when they become popular with the general public. It is slightly ahead but I think it really ought to be farther ahead.

In the youth field for instance the press is still using the word "hippie" in many headlines to describe generically any kid who has long hair and dresses a certain way. Well, this is like using the words "hike" or "wop" or "nigger"...

The Chairman: Or "Tory"!

Mr. Berton: Or "Tory".

The Chairman: Or "Grit"!

Mr. Berton: Or «'Grit", although "Grit" has a specific meaning, if you remember Mr. Mackenzie.

The Chairman: You think "hippie" is an offensive phrase, do you?

Mr. Berton: I think it is an inexact word to start with and I don't think anybody can define it. Secondly, when you call people like Charles Manson who is charged with engineering the brutal murder of Sharon Tate, a hippie, and when that word is applied to people that take drugs-how would you feel if your son simply because he has long hair is also called a hippie? I don't think it is the word that needs to be used except if somebody calls himself a hippie then I think you have to allow him to use that label.

The Chairman: You indicated that this legacy of distrust which newspapers are reaping is at least in part facilitated by the fact that public taste has grown sharper?

Mr. Breton: Yes.

The Chairman: More sophisticated?

Mr. Berton: I think so.

The Chairman: How do you rationalize that improvement in public taste with the fact that on television and radio the lowest common denominator programs are the most popular ones?

Mr. Berton: Well, it has yet to be proved to me that they are.

The Chairman: You don't think they are?

Mr. Berton: No. I think this is nonsense—I think the public is far ahead of people who run television programs. The public is looking ahead and the people who are running television programs are looking backwards. They are trying to repeat last year's successes and trying to think of next year's successes.

You know, I have been on television for a long time and I have been involved with a good many programs and I hope that I have never talked down to anybody or treated any of them as thirteen year old children. As a matter of fact I have been doing an interview program on television now for eight years and every year the program, I think, gets less and less frivolous and less and less superficial.

When we began we dealt mainly with show business people. I hardly have them on any more. I find the public appreciates this and is flattered by it and likes it. They are hungry for that kind of thing. They are hungry for people who will talk to them straight and not phoney—people who give them the clear story. Now, I find the public are smarter than most people think.

The Chairman: I have a couple more questions on your opening comments. You made reference to standards and ethics. You also said, as have many other witnesses, that there is no known code of ethics or standards for reporters for example. Is it possible to prepare such a code realistically?

Mr. Berion: Yes. I think it is possible to lay down certain guidelines and certain basic premises. I mentioned one. Basic premise number one: if you hit a guy on page one on Tuesday and it turns out you are wrong on Thursday, you ought to confess on Thursday on page one that you were wrong. I mean that seems to be a pretty clear ethical approach to take.

I think probably if we were to sit down and knock it around we would get some others. There are certain alleged codes which newspapers use-the code of "off-the-record", more honoured in the breach than the observance by everybody. But really, if we start off by my saying, "I am going to interview you, Senator", and you say, "All right", and you start talking and then you say, "Well, what I say from now on until I stop saying it is off the record" and I nod in agreement-ethically I can't publish that fact. Now, the other day, I picked up a newspaper and to my absolute amazement I saw that exact quote in the newspaper. The guy is quoted as saying, "now, what I say from now on is off the record", and the whole thing is reproduced.

You know, if we had a proper code of ethics anybody who wrote that would be out on his ear or suspended or the letter against his name in a journalism school would be taken away for a month or some kind of knuckle-rapping would go on. To see that after thirty years in journalism, to understand that a reporter wrote it, a desk man passed it and an editor allowed it to go in, tells me this whole think is going out the window—this "off-the-record" business.

On the other hand if I go to interview you for an hour and at the end of it you say, "Incidentally Berton this is off the record," I am going to laugh in your face. I am going to say, "Well, you know the rules and you should have said that at the beginning". None of this is codified though because there are no terms that are written down.

The Chairman: Aren't there some reporters who won't talk to people off the record?

Mr. Berion: Yes, I was one of them.

The Chairman: You were one of them?

Mr. Berton: When a fellow said to me, "I am going to talk to you off the record", I said, "Goodby, I don't want to talk to you at all, because I am only here to get stuff on the record," whereupon invariably they would say, come on back, we will put it on the record again.

The Chairman: Do you think it is realistic to think in terms of developing a code of ethics...

Mr. Berton: Yes. I think it is realistic to start thinking about it and I think it is realistic to start discussing it and trying to arrive at a solution.

The Chairman: A great many people have have just two kinds of people. You have said to the Committee and you have repeated here today that-I don't mean to say that you repeated the exact comment, but the sentiment-give the public more access to the media. You said the Globe and Mail is now running longer letters to the editor. You talked about the Star's page seven which Peter Newman, I think, christened "participatory journalism". Talking about newspapers only for a moment, aside from letters to the editor, is there anything else that newspapers can do to facilitate that kind of involvement of people?

Mr. Berton: Well, I think there is another area which is called the area of understanding. You see, something very significant and interesting is happening in this country and I think probably is happening as a result of television which is the most involving of the media.

People get involved in television because they are not remote from people in television—they are in their living rooms. It is not a movie screen or a disembodied window off in the distance. It is not the cold print of a newspaper which has no life except in the Words of the reporter. It is a guy sitting right there talking at you and the fact also that demonstrations can be seen on television. Television can be manipulated now by people who want to get their views across as God. Everybody is realizing that for the first time in history, masses of people at the grassroots level do have some muscle and some strength Which they never had before because the media weren't there.

I am not sure that many of the newspapers have caught on to this fact and have understood that there is something going on which they are really only partially aware of.

I would except the Toronto papers because they are amongst the most alert papers on the continent; but in other parts of the country I don't think there is an understanding of the trends and the only way to get understanding of the trends is to have people on your staff who are alive and alert and intelligent and have had some training. You don't get it by hiring anybody that walks through the door for the lowest possible price which is really What I am talking about.

I am talking about a legacy of distrust. mean for decades in this country the poorest baid job was a newspaper man's job and you

people who are just dying to become newspaper people, and I was certainly one in my young days, or you have got people who need a job and who would take this job who were totally unqualified, never were qualified, who kept the job, drunk or sober, because they would work for peanuts.

The Chairman: I have a lot of other questions which are not perhaps based on remarks you covered, but I just have one other question based on the comments you made and that is your thought that the CBC should become non-commercial.

Mr. Berton: I didn't quite say that.

The Chairman: I am sorry.

Mr. Berton: I said that it should not be concerned...

The Chairman: Primarily?

Mr. Berton: I did not even say primarily. I said it should not be concerned with ratings or sales or commercials. I don't mean that it shouldn't accept commercials if there is no other way of raising money, but I mean it should be concerned with programs of quality of a kind that people cannot get elsewhere because they can't afford to give it to them on a commercial basis.

The Chairman: I was going to ask you about a comment the private broadcasters made when they were here a week ago Friday. They said that the commercials attracted audiences to a station and that the commercials made a contribution toward Canadian content.

Mr. Berion: Well, you know we haven't got many comedy programs in this country and we could use some of those guys on television.

The Chairman: Well, I think I am quoting them accurately and I think that is a fair statement that I made.

Mr. Berton: Commercials have some value and I will tell you what they are. I have five on my program and they are banked in three groups and next year because of the CRTC they will be banked in two groups. A commercial sometimes gives people breathing space. I think the negative thing to say about commercials,-and I guess once again I am biting the hands that feeds me-but from the point of view of a broadcaster, it is sometimes valuable in a program to have a break. I in my program because sometimes I want to breathe. I think the audience sometimes needs a chance to breathe.

They may not be watching the commercial-they may have gone to the fridge to open a can of beer, but as I understand it, commercial sponsors don't seem to mind that because their commercials are turned up so loud that even when people are in the fridge, they can hear a commercial because the first ten seconds stabs them.

From that point of view I would say that there is a certain value in breaking programs and if I had to do a show without commercials, I might have to invent some device to pace it. Some commercials are amusing the first time you see them. I don't think anything is amusing if you see it fifty times, and that is one of the terrible problems that the producer of commercials faces. He can produce the funniest commercial in the world, but if you see it fifty times next week or the same singing commercial or song, no matter how nice it is, you are going to get tired of it. However, I can't agree that commercials have much to do with Canadian content.

The Chairman: Well, I will use that as a device and turn to the other Senators. I would like for the moment to confine the questioning to the witness's comments and then we will go on to other matters. Mr. Fortier?

Mr. Fortier: Time for a breather! I think questions which flow from the remarks...

The Chairman: Yes, I think for the moment.

Mr. Fortier: Would you go so far as to suggest that the CBC network should strive for one hundred per cent Canadian content?

Mr. Berton: No, because there are many programs of excellence which cannot be brought into this country commercially which ought to be seen.

Mr. Fortier: That is one of the roles of the CBC?

Mr. Berton: I think that is one of the roles of the CBC. It might be the World Series, I don't know. It might be a British series like the "Forsyte Saga", or "Sesame Street", or it

think from the point of view of the audience might be "Sixty Minutes" or it might be Red it is valuable to have a break. I like a break Skelton, if anybody else is carrying it; I think probably that is less important to the CBC change the subject and get on to something but the CBC has no business bringing in the else which I cannot do without a stop and I fifth re-run of "I Love Lucy" to use the old like to stop to give everybody a chance to cliché. They have no business at all bringing in bad shows.

> Mr. Fortier: Does the CBC have business bidding against CTV for "Laugh-In", for example?

> Mr. Berton: It does right now because the only way it can get any money is to do that. It is in the commercial business and I think it should be taken out of the commercial business. If you are given a yearly budget and if the budget isn't big enough—if your costs are going up the technical area as they are everywhere in the world, what happens is your program areas are squeezed down and down and down and you must go after extra revenue. The only way you can do it, when everything else is fixed, is by getting more commercial revenue and that is the squeeze the CBC has been put in. They are in such a squeeze now that they think as far as I can see in totally commercial terms.

> But you are right in the long run. "Laugh-In" is available and if everybody wants "Laugh-In" the last network to get it is the CBC because somebody else will provide "Laugh-In". The CBC should really be providing something that we can't get from some body else. There are a lot of shows that I would like to see them bring in.

> Mr. Fortier: This philosophy of broadcasting which the CRTC are implementing—as it was instructed to do by parliament—do you care to make a guess as to whether or not the private broadcasters will accept it and put it into force or maybe I should say economically, would they be able to accept it?

> Mr. Berton: The private broadcasters will certainly, I think, oppose it in April. I think there may be some small areas in which changes will be made by the CRTC which has the great advantage of not being inflexible; but I am quite convinced from what Mr. Juneau has said that it will come into effect, the fifty per cent figure probably and the prime time figure and the private broadcasters, who also said they couldn't provide fifty five per cent ten years ago, will find a way of providing it.

> In fact, I can tell you from my own experience that I have never seen so much work

Canadian content. I have been involved with that it can be done and it will be done. three of them myself. You know, everybody is making a program now. In two months there is an electricity in the air in the entertainment and public affairs world of this country. All the studios are turning out some very imaginative and quite inexpensive programs, the very thing the private broadcasters say can't be done. Of course it can be done and will be done.

Mr. Fortier: We have heard it said many times before this Committee that the goal is a very legitimate one and very valid one, but it is not through the CRTC that it should be attained. In other words the viewers should not have Canadian content forced down their throats; that they should somehow reach the point where they will stand up and scream for it and then the broadcasters will give it to them. Would you care to comment on that?

Mr. Berton: Well, it would never happen if it was done that way.

Mr. Fortier: You don't think the average Canadian viewer would scream for Canadian content?

Mr. Berton: The average Canadian viewer Will scream for entertaining programs that he Wants to watch. He doesn't know what those programs are going to be next year because he is not in the programming business. He knows the kind he liked last year. Now, the fact is that last year he got very few Canadian programs of any kind but if you give him a good Canadian program like "Front Page Challenge" or another very inexpensive program, which I was once involved with and no longer am, called "Under Attack" he will watch it.

Every yeardstick that they use suggests that there are lots of Canadian programs that people will watch. The only reason that there aren't any more of them is because it has been cheaper and simpler and takes less energy to purchase something from the States that is proven.

I think the CRTC have to provide now a climate whereby Canadians in the broadcasting industry have a chance to show what they can do. Now, if after a ten year period they show that we are lousy broadcasters, that we can't do it, then I think you would have a bretty good argument to say that it ought to

going on in Toronto on pilot programs with the world. I, for one, am totally convinced

The Chairman: Senator McElman?

Senator McElman: Mr. Berton, there is an area that you have touched on to a degree and I would like to get a little deeper into it. A number of witnesses of late have talked about the potential power of the mass media with emphasis to television. The power of deciding what will become an issue simply by coverage or non-coverage—it is an issue or a non-issue with the public. With the ferment in North America today do you feel that the mass media of North America have played an appropriate part in warning society of the things that are obviously developing or did they prevent some of these things from becoming issues by non-attention or nontreatment? What is the role; what is the responsibility?

Mr. Berion: I think you have to be more specific, Senator, by saying what issues you

Senator McElman: Well, the problems of the blacks, the ghettos-not only of the blacks-the poverty and so on. The things that are now all to the fore-you said the media come in at the point where society itself...

Mr. Berton: Is ready to accept it. I think what happens—I think there is a progression and I once likened it to a parade. At the very front of the parade you have people who are called nuts and screwballs and some of them wear funny clothes and in fact usually wear funny clothes—people like Bertrand Russell. If you want to just leave it to the media, then you have some very small queer publications, which don't have to worry about mass audience, advocating all sorts of things that seem to be goofy or nutty-they might have begun fifteen years ago to advocate that there should be steps taken to stop pollution. As you know, this was considered way up in the sky. Behind that you get some of the more serious publications—Harper's the Atlantic and then after that you get the mass magazines like Life and the mass newspapers. Then it becomes an issue on which everybody agrees.

I don't see any way of mass publications getting ahead too often because I suppose the very definition of a mass publication is a publication that appeals to large numbers of start bringing in programs from the rest of people. Pollution is a very in subject this year years ago pollution was the very least popular cause. The same is true of poverty; the same is true of the racial issue.

I think I would agree with the implication of what you are saying, that newspapers are reluctant to involve themselves to any great degree with causes until just before they become popular. There are a lot of unpopular causes today which you don't see being spread in the newspapers.

Perhaps the best example of an unpopular cause which is now just beginning to change is the whole problem of the legalization of marijuana. Now, I remember that in 1962, I wanted to do a program in which we would debate the problem of the legalization of marijuana and it was suggested to me by my then producer that this was an irresponsible thing to do. Since that time, as you know, that debate has become a public debate. I don't want to take sides here on that debate. but the very fact that you couldn't even debate it really on a popular program eight years ago and you can now, shows what has happened. But certainly until the last two years, there is not a newspaper in this country that would have jumped in and advocated even that we put marijuana under some different kind of controls-under the Food and Drug Act instead of the Criminal Code. Now, a good many, including the Globe and Mail have suggested that. I don't think generally speaking the press of this country has indulged in causes when they are unpopular.

Senator McElman: Do you think there is hope that they will? Do you think there is an involvement now?

Mr. Berton: I don't see it. I think that the underground press is going to carry on with many unpopular causes, some of which are justly unpopular and some of which may become popular.

Senator McElman: Leaving the print, is there hope that television will do this chore? Public television?

Mr. Berton: Television is more diversified than the press. There isn't a single boss. You see, if you work for a newspaper, sooner or later the guy upstairs can stick out a finger sold separately to dozens of stations and they part of the press, you see. We can bandy

with the mass publications and has become a decide whether or not they want to buy it popular cause. I can tell you ten or fifteen and they in turn sell pieces of that commercial time which a total of five minutes to a variety of sponsors. So (a) they haven't got a sponsor and (b) I haven't got a television boss, except an American company called Screen Gems which is only interested in that it gives them some profit. That is the only thing really that they are interested in, so there is nobody really except the producer-and I am fifty per cent of the production staff myself.

> Nobody really says you can't do this-except the lawyer, if am libelous; then I have to apologize and cut it out. So in television it is more diversified and this is the same with radio as well.

> In the newspaper business it is much harder. I never had much trouble myself in the newspaper business, but then I arrived as a daily column because they wanted me more than I wanted them, but most reporters don't have that luxury.

> I think probably there will be certain programs on television,-especially in this country much more so than the States, where they are all actually very frightened—which will take stands that are ahead of the popular taste or popular feeling and belief.

> The Chairman: Do other Senators have questions on the comments that made? Mr. Fortier.

> Mr. Fortier: In your initial remarks, you spoke of the press being threatened and you first referred to exterior pressures. Under that heading you spoke of attempts at censorship and gave an example as to what has happened at too many underground newspapers in Canada. You also emphasized the Logos situation in Montreal. I, like you, am aware of Judge Touranzeaus' extraordinary judgment, but on the question as to whether or not Logos was a newspaper, you accept the fact it was. Is there any publication which resembles a newspaper which in your opinion would not be a newspaper?

> Mr. Berton: I think we ought to be very careful...

> Mr. Fortier: I am not asking you for a definition.

Mr. Berton: I think we have to be very and say, "Out". Now, in television—for careful in trying to make a definition. Even if instance, take my program—I really haven't it wasn't a newspaper and was a periodical, I got a boss. I am my own bees The arrest of the same and say, "Out". got a boss. I am my own boss. The program is would say that it ought to have the right as sold separately to dozons of stationary and say that it ought to have the right as these words—"newspapers" or "magazines" or "brochures" or "books" or "pamphlets", if you want, but damn it all, I think everybody in this country even if they want to produce a pamphlet—if I want to produce a pamphlet—and this was done one hundred years ago by everybody because that is how everybody got their views expressed, but if I want to put out a thousand pamphlets and sell them on the street, I think in a democracy I should be able to as long as I am not obstructing traffic or punching people in the nose or shouting obscenities or breaking the law.

I think it ought to be within the law for me to hold up a thing called Pierre Berton's pamphlet or Pierre Berton's leaflet or anything I would like to call it—print on a piece of paper something that says something and I think I ought to have the right to sell it.

The Chairman: Senator Sparrow?

Senator Sparrow: Along the same line. Wouldn't anybody, therefore, be entitled to sell anything on the streets—why just sell newspapers?

Mr. Berton: I don't think that is quite true at all because we have a concept of democracy which allows the freedom of the press. This is not written down because we don't have that kind of a Bill of Rights, but I think you know the published word is quite a little bit different from toothpaste. I don't think anybody has the inherent right to go out and selling toothpaste or shoe laces on the streets. However, I think they have a right to publish their opinions and sell them or distribute them free, if they want to. I think you get the essence of the kind of consensus of democracy.

The Chairman: Mr. Fortier?

Mr. Fortier: And you are suggesting that within the laws of libel and slander, anyone can publish anything?

Mr. Berion: Yes. Well, there is another law about hate literature now to which I think we ought to pay attention, although I happen to oppose it; but it is on the books and if it is on the books, I think we ought to abide by it.

Mr. Fortier: Right. Supposing a publication on numerous occasions is charged with having committed libel and indeed found guilty. Do you think there comes a point where the law and the courts of the land could be empowered to say to Logos or the Georgia Straight—"this is ten times in the

last ten months that you have been charged with having committed libel and you have been found guilty, now out you go" or do you say, "if these gentlemen are prepared to pay the price to be fined or to be jailed, they should be able to publish libelous statements"?

Mr. Berton: We have in this country the Habitual Criminals Act, with which I disagree because I think it is probably an offensive act, but if a fellow is a habitual criminal and he burglarizes a safe eight times and the Judge says, "well, you are a habitual criminal and should be put away or if you are out, you are out on probation," and I wonder—suppose for instance the Globe and Mail got ten libel suits which it might easily do...

Mr. Fortier: There wouldn't be any distinction.

Mr. Berton: I think the Globe and Mail would and I think the public would say, "no, this is harassment". Everything has to stand—I mean, the second libel suit might be a tougher fine and there are jail sentences for criminal libel so the editor mightn't be able to publish a paper, but if he gets nominal fines and goes back on the street again, I think you have to judge him on what he does and what he did. I think that is the basic principle of the law.

Mr. Fortier: So that as slanderous or libelous as the publication may have been in the past, you don't believe it is for the courts of Canada to prohibit future publications by that publisher?

Mr. Berton: No. I think, with respect, Senator, you are dealing with something that just mechanically could not happen. I don't believe there is any historical evidence or contemporary evidence that this is possible because libel cases are among the most expensive in the world to indulge in no matter what side you are on and any publication involved in a continual series of libel actions would be totally broke. That is the purpose of the law of libel—the law of libel contains in itself the solution to the problem you suggest.

The Chairman: I should perhaps explain that Mr. Fortier is not a Senator. He is our legal counsel.

Mr. Berton: I am sorry.

Georgia Straight—"this is ten times in the for another reason and perhaps I should

apologize for not telling you, but you earlier referred to "gentlemen." We have two female CDNPA? Senators-Senator Quart and Senator Kinnear. I am sure you apologize to them as well.

Mr. Berton: Certainly.

Senator McElman: He doesn't even look like a Senator does he!

The Chairman: You had a question, Mr. Spears?

Mr. Spears: Yes; I am not a Senator either, Mr. Berton.

The Chairman: Mr. Berton knows that!

Mr. Berton: I thought they just made you one.

Mr. Spears: No. One of the very basic things Mr. Berton has been talking about which interests me particularly is some method of establishing standards, the establishment of some code of ethics and professionalism. Would you go so far, Mr. Berton, as to advocate a licence for journalists?

Mr. Berton: No. I think this has got to be within the profession itself. I think that a daily newspaper—one of substance—can say to its readers—you can put a stamp on the newspaper like a union stamp or the code stamp like the Good Housekeeping seal of approval and that is all you can do. I don't think that the public sector, or the govern- take a short adjournment now and give our ment can insist upon this. I think that there reporter a break for ten minutes. We will would be many publications including the re-convene at four o'clock and we will go underground press who would not adhere to this, and would have to pay penalties, whatever they are, for that.

Mr. Spears: Well, in this sense then your concept of professionalism doesn't go as far as what we call the established professions?

Mr. Berton: No. I don't think it can because of what I think is more important, which is our concept of freely expressed opinion. I am really talking here of daily newspapers and perhaps weekly publications. I am really talking about our daily newspapers because they are the ones that pack the clout. They are not the gnats butting on the fringe of society. They are society. I think it has to be established by newspapers themselves in concert with the Canadian Daily Newspapers Association or the large chains. They wouldn't have to join if they didn't want to and perhaps some of them wouldn't.

Mr. Spears: Do you really mean the

Mr. Berion: Not really.

The Chairman: Senator Kinnear, I believe had a question?

Senator Kinnear: Thank you, Mr. Chairman. I was interested when you said they have a code in the news in some of the columns. I would love to know if they are doing it yet-you said it was in Roly Young's column and you could find out really what he meant. Are they still doing that?

Mr. Berton: No.

Senator Kinnear: You know, like emotion on television when you are signalling for something and so on?

Mr. Berton: No, I think this is an informal thing. Herb Whittaker in the Globe-I sometimes feel I have to translate him to find out whether he likes or dislikes anything, but that is not true of some of his contemporaries.

The Chairman: Mr. Berton, what I am proposing to do if you have the time...

Mr. Berton: I have lots of time.

The Chairman: Well, if you have lots of time, I think what we will do, Senators, is this. There is Royal Assent at five o'clock so we must adjourn then, but I think, we will through to about 4.55 just prior to the Royal Assent when we must adjourn. If that is all right with you?

Mr. Berton: That is fine with me.

The Chairman: Okay. Thank you, we will adjourn for ten minutes.

SHORT ADJOURNMENT

The Chairman: May I call the session back to order. We said we might turn to a discussion of some matters which were'nt raised in the comments you made earlier. From 1946 through 1958, you were with MacLean's?

Mr. Berton: Yes.

The Chairman: You are perhaps aware of the kind of question I am going to ask you. I have said this publicly before so it won't be any great surprise to the people here, but one of the great surprises I have had in this Committee is the attitude of the Canadian magazine industry. We have asked them, whether the exemption which Time and Reader's Digest presently enjoy, should be withdrawn as was recommended in the O'Leary report. To the astonishment of the Committee—I think it is a fair statement—the Canadian magazine industry collectively and individually said no, if that happened, the Canadian magazine industry would disappear. You know a great deal about the Canadian magazine industry so could you comment generally on that?

Mr. Berton: Well, it startled me because when I was at Maclean's, the Maclean-Hunter company was perhaps in the forefront of the move to get some kind of protection against the dumping of editorial copy into Canada. Reader's Digest and Time, I was told at time, had taken a million dollars out of the advertising kitty from magazines. That, together with the impact of television, which hit at almost the same time, hurt the magazine industry in this country very badly and as was predicted at the time several went under and that process is still continuing. Now, as I understand it—and I am not sure I understand it, but I think I understand it-What we are saying now is that they need the money that Reader's Digest and Time contribute into the pool which allows them to take the expensive surveys which they use to convince advertisers where they should advertise.

The Chairman: I think in fairness...

Mr. Berton: Am I wrong there?

The Chairman: That is not my understanding, you may be right. My understanding is that their position is that without Time and Reader's Digest the advertising agencies would not develop budgets for magazines advertising and the medium would disappear.

Mr. Berion: Well, there is some validity in this. It is ironic you see. In the old days there were enough Canadian magazines so it made sense to produce a very expensive advertisement because you could publish it in half a dozen publications and get your production costs back. The entry of Time and Reader's Digest into the field helped kill so many magazines that the pool could be only maintained by the inclusion of the murderers.

21490-5

The Chairman: So you think now their position is probably.... is a few of sand at

Mr. Berion: I guess so. As you know I haven't been involved with magazines for many years.

The Chairman: Last evening our witness was Mr. Ben Bagdikian who has some international reputation in the media field. He was a contributing editor to the Saturday Evening Post and he is now the national editor of the Washington Post and he expressed the opinion that the consumer magazine industry, as we know it, would disappear in five years.

Mr. Berton: I think he is right. I think the day of the mass magazine is over because the day of the mass is over. There are now several masses. There are large numbers of people and they are diverse kinds of people. This is much more so than they were years ago.

We always used to say that the secret was that Playboy found one kind of mass, True magazine found another kind of mass, Esquire and The New Yorker found a third kind of mass, and these are the kind of magazines that are flourishing because the magazine that tried to be all things to all people. just didn't work out.

Now Maclean's was a mass magazine in one sense, but was a specialty magazine in another. Just as Playboy appealed to the young wealthy swinger and just as True appealed to the masculine oriented middle-class male, so Maclean's total effort was spent on the Canadian. To that extent it was a specialty magazine and specialized only in the Canadian point of view. I think if it continued to do that, it might be in better shape than it is, but I notice too many articles about Australia and other places in that magazine.

The Chairman: When the people from Maclean's were here—I think Peter Gzowski in particular—they themselves made the point about magazine specialization and when we asked them what their specialty was, they said it was Canada. I would suggest, judging by their statements, that they would argue that Canada has always been their field of specialty.

Mr. Berton: It was tempered sometimes for commercial reasons in my opinion. I speak only as a reader with some knowledge as to why articles get published. I notice a lot of travel material in that magazine and it is still in there. It has nothing to do with Canada, it isn't even good travel material and I think it The Chairman: We have some news stories is there to just get travel ads.

That could never have happened in the nineteen fifties-if they had sold a single article on the basis of travel ads, the article would have been pulled. I can remember that the most successful issue we ever put out (I was Managing Editor and Ralph Allen was Editor) was an issue on the North called "Maclean's Reports on the North." At a planning meeting of the company Ralph Allen was asked what issue the Northern issue would be, and Allen said, "what do you want to know for?" The guy answered, "because we are going to sell ads for that issue to Northern people" and Ralph Allen said, "if you do that, we will scrap the entire issue. Until that time I will not tell you what issue it is and if I hear that you have sold an ad on the strength of the cover or an article or anything else in Maclean's which would make the people suspect that the editorial material is simply used as fillers for the advertisers—that day we will go out of business."

The Chairman: Well, that I think quite naturally leads to the next question I want to ask you about. We have had a great many publishers and others before us and one of the things we have been most interested in finding out about are specific examples of advertising and other pressures; and I am frank to say that they have been very hard to come by because when you get right down to the fine lettering and ask a person to be specific, most people either can't be or else refuse to be. Now, have you in your experience-because you have been around the Horn in this business-could you offer us any examples of specific editorial pressures either on behalf of advertisers or on behalf of any other vested interest-pressures to which you have been asked to submit?

Mr. Berton: I have never been asked to submit to any pressure because it has been generally known either explicitly or implicitly, that if I was asked I would leave. I have always had fortunately another job I could go to or something else I could do-I don't like pressures. The most famous case involving me is the one I don't have to repeat because it is very well known. I wrote a piece in Maclean's called, "Let's Stop Hoaxing the Kids About Sex"-there was so much pressure on the front office of Maclean-Hunter that I was out. I wrote two more columns which allowed pressure to build up...

on that particular event.

Mr. Berton: So do I.

The Chairman: We have the C.P. dispatch at the time-was it fairly accurate?

Mr. Berton: Possibly, I haven't read it. I couldn't remember and part of this I really don't know, you see. I wasn't really consulted.

The Chairman: The article Mr. Berton is reading is headed "Maclean's Magazine Drops Pierre Berton".

Mr. Berton: Yes. You see, I was not fired by the editor, Ken Lefolii. I was fired by the top brass of the Maclean-Hunter company, but they didn't communicate with me. They communicated with the editor who communicated with me; so I never got a letter saying why I was fired and I really wasn't told much on the telephone. I had no face-to-face meeting with anybody-it was all done on the 'phone-I was out of town for most of the time anyway as I was very busy. He told me that he couldn't withstand the pressure; that what had caused it was my article which he along with a lot of the other editors and the publisher had accepted and there was no way in which I could come back.

I do remember saying, "Well, look, I would like to give you one for free"—at this point I had written my next one and I said, "You can have it for nothing because it deals with this particular article and, therefore, will continue a stimulating controversy—it deals with the reaction to it." I said "I haven't much to say in the article but I thought I would publish the letters I had received" and I said "I know that I am off the staff but you can have this one for nothing", and he said, "My orders are that you cannot write anything. They want you out and they want you out now and they don't want your name in the magazine." This was about two years before they came back pleading with me to write other articles for them.

The Chairman: Do you write for Maclean's now?

Mr. Berton: I have, yes. There is a piece by me in the current issue of Maclean's. I have no grudges against Maclean's or anything.

The Chairman: This is a fairly well-known incident, but in your other experiences in working with the media—are there other experiences that you can tell us about?

Mr. Berton: Let me preface what I have to say by saying this: that the reasons you haven't got specific cases of advertisers causing pressure is because it doesn't work that way. Advertisers don't generally walk into the editor and say, I want this story dropped or this story killed or this man fired, but there is in most publications a kind of implicit understanding on the part of everybody which is never written down about how far you can go and how far you can't go.

Nobody ever writes this up in a code or puts it on a bulletin board or even talks to a reporter, but reporters are very intelligent People. They read the editorial page of the newspaper and they read the front page and they are also, most of them, ambitious. They Want to get ahead, they want to be called a first-class reporter with five years' service, they want to be promoted and they want to get more money and the way you do that is by writing the kind of story that will be featured in the paper and not the kind that Will be buried. The kind of story that will get you a by-line on the front page and not the kind of story that will be hacked to ribbons and put in the back. By a process of osmosis everybody knows what kind of story gets featured and what kind of story doesn't and this is how the newspapers are slanted, when they

It is usually done, at least on the better papers, semi-subconsciously by people who don't even know they are doing it. They would be horrified if they thought that there was any kind of editorial control. Now, at the Toronto Daily Star I wrote a column once which dealt with Eaton's. It was a column in which I said the T. Eaton Company, which controlled the centre of Toronto, was at least partially to blame for the fact that that centre hadn't been developed because they had done nothing. I don't know if I was that blunt but I wrote the column.

Now, I wasn't told not to publish the column; in fact I did publish the column, but I was asked by the editor to make sure that I had my facts correct and to double check it with everybody. There is nothing wrong with that except it was only in the case of the T. Eaton Company, the largest advertiser in the paper, that I was ever asked to be that careful. The only time I was ever asked to check everything twice and three times was that incident. I wouldn't call that a pressure but I would call it special attention.

The Chairman: Did the column appear?

Mr. Berion: The column appeared.

The Chairman: Unchanged?

Mr. Berion: Well, the deal was that my columns appeared unchanged or they couldn't appear at all. Yes, it appeared unchanged.

The Chairman: Speaking of your column, am I correct in recalling that very frequently in your columns, you would turn to humor or satire?

Mr. Berton: That's right.

The Chairman: Didn't you find it necessary after a while, as I recall, to put at the bottom of the column...

Mr. Berton: Please don't believe this?

The Chairman: Is that true?

Mr. Berton: I did it once, partly as a gag and partly because I once wrote a column in which I opposed capital punishment and my point about capital punishment was that if it was a deterrent, they were hanging people in front of very small audiences at odd hours of the day, that what they ought to do was pre-empt the Ed Sullivan Show and hang a guy on television. I did this parable as "the hanging of Roger Casement" and there were two calls that came into the Toronto Star. The first call said that the story had been very remiss not publishing this fact in advance so that they could watch the show on television and the other call came in saying this was the kind of thing that the CBC was doing and they agreed that the CBC ought to have been abolished. After that I started putting stuff at the bottom of my columns saving that this was a parable—a fable.

The Chairman: One of the matters that has interested our Committee most and I am sure you know this because I am sure you have followed the Committee...

Mr. Berton: Yes.

The Chairman: ... is the trend towards the concentration of ownership in all the media. Could you give us the benefit of any views you might have in this area?

Mr. Berton: I think it is a very dangerous trend indeed. I don't think it is necessary. I don't think it is healthy for the business, I don't think it is healthy for the country. I have been in these towns and seen what has happened sometimes when the media was diverse and expressed different points of view

and was in competition and then fell into single hands.

I worked in Vancouver in the hey-day of Vancouver journalism when the newspapers were very alert. I won't say they were the best newspapers in the world, but certainly a great many journalists of stature came out of that period. In my opinion both the Vancouver Sun and the Vancouver Province became palid newspapers as a result of being owned by the same company because they simplyalthough they would deny this vigorouslydidn't spend as much money in competition because they didn't have to. Worse still, I think, it's very tough on a reporter if he gets fired from a newspaper say on a point of principle—not because of incompetence—but reporters are fired because they take stands and they have nowhere else to go. Now, if one chap owns everything in one town that reporter can't get a job anywhere. I can't quote you specifically examples from memory, but I know many cases where this has happened and they were towns like London, Ontario, which would be one of them, and some in the Maritimes under the Irving banner where you know too many outlets for the media, radio and television and the press are controlled by one corporate group or one person.

I have heard the argument made and my colleague, Charles Lynch, made it here for this committee, that a newspaper chain is healthy because it allows them to pool some of their resources and to get better people to write syndicated material, but I don't think that argument holds much water because some of the best syndicated columnists, and certainly Charles is one, but some other very good syndicated columnists have come up from one newspaper-Peter Newman of the Toronto Star, Douglas Fisher of the Telegram—and the fact is that the pool exists without the change. You can hire and buy any columnist you want on a syndicated basis pretty well and thereby split the cost of the coverage. I really think it is very dangerous what is happening and I am glad to see that there are some attempts being made to stop it. I don't think a newspaper publisher should own anything but that newspaper really. I think the more people you have owning the organs of the media, whether it is radio or television or newspapers, the better.

The Chairman: Mr. Fortier?

Mr. Fortier: I don't really have a supplementary, Mr. Chairman.

The Chairman: Senator Smith?

Senator Smith: Just on that point. I was just wondering, Mr. Chairman, whether Mr. Berton has any ideas as to what could be done to stop this trend toward the grouping of ownership in large circles of control. What could you do?

Mr. Berton: Form anti-trust legislation. It is done in the States—they break up G.M. and Dupont and if they can break up Dupont and G.M. in the States, they could probably do the same thing here.

The Chairman: It is done in the States, but newspapers are specifically exempt in the States under legislation passed this session.

Mr. Berton: Because somebody has raised...

The Chairman: The American Daily Newspapers Association has very successfully raised that point.

Senator Smith: We were told for example, Mr. Chairman, on quite a few occasions since we have been having our hearings that due to the horrible estate laws which we have and for other economic reasons it is going to be impossible to continue the family ownership of individual newspapers and there is nothing that can stop this trend that would be an economic way of handling it. You punish someone who owns a family newspaper if he can't sell it to somebody who has got the dough.

The Chairman: Well, I think the witness has answered.

Senator Smith: Well, I thought he might add something to this discussion.

The Chairman: You think anti-trust legislation could be enacted?

Mr. Berion: Yes.

Senator Smith: Yes, I realize he has answered.

Mr. Berton: Well, it is not a question that I have spent much time considering.

The Chairman: Mr. Fortier?

Mr. Fortier: Mr. Berton, what are your views on the disclosure of sources of information by a journalist when required by law

enforcing agencies on the one hand or a court of law on the other?

Mr. Berton: Well, I don't think that a journalist's sources should be sacrosanct. I don't think he should have the same privilege as a priest. I think it is the journalist's responsibility to check his sources and to take the consequences. I think when a journalist gets material from any source he has to consider what the consequences of that material are going to be to him and to his publication. If he makes an agreement to get material from a source and he promises that source he will not reveal them, then he has to go to jail. He has to go to jail if he is going to publish the material and I don't see any other way out for that.

I mean he is going to have to take the consequences of the law. I don't think he can break his promise to his source but I don't think he should get any special protection by reason of being a journalist especially in view of what I said earlier today about there being no ethical standards anyway. I don't think the journalist qualifies. A doctor qualifies and a lawyer qualifies but I don't think a journalist can.

Mr. Fortier: He shouldn't ask the state for special treatment in other words?

Mr. Berion: No.

Mr. Fortier: You have spoken of the power of the journalist and you have spoken of schools of journalism and codes of ethics. What are the essential qualities of a good journalist in 1970 in Canada?

Mr. Berton: Curiosity is the main qualification of a journalist to start with. It is not enough. Education, a very broad mind, a sense of humor and a sense of responsibility and a knowledge of how to be accurate. The last perhaps is the most difficult thing in the world. You know, to this very day my name gets spelled wrong in the newspapers for which I used to work.

The Chairman: Which group was it, Mr. Spears, that came before us?

Mr. Spears: The Professional Journalists.

The Chairman: The Professional Journalists came before us—there was a group of four of them and two of the four, their names were spelled incorrectly.

Mr. Berton: I find that large numbers of people, and I would have included myself years ago, perhaps even today, really don't know how to check material accurately. They listen to hearsay, they listen to other people and they think a fact is a fact because somebody says it. They take far too much for granted. One of the reasons is because of the desire of most publications even today when there is no such thing as a scoop to rush news into print—to get it first rather than to get it right. I really think that a change of philosophy is needed in the press and some people have this; it is to understand that it is better to get it later and get it all rather than to get it suddenly and get part of it.

I learned this writing a daily column. I never really cared about anybody beating me to the gun on something. I figured I could do it better than they could anyway, being arrogant about it and I used to hold stories for months sometimes just to get it all. When you used to go off to get something right, you used to get it better as well. You could always find out something more.

Mr. Fortier: Do you read many newspapers on any given day?

Mr. Berton: I read the three Toronto papers every day of the week, yes. They are the only ones I read regularly.

Mr. Fortier: Would it be fair to ask you which in your mind is the best paper in Toronto?

Mr. Berton: I think the best all round paper is the Daily Star. I think the best editorial page is the Globe and Mail. I think it is by far the most literate—I don't always agree with it, but I think it is the most literate.

The Chairman: Do you ever agree with it?

Mr. Berton: Yes. These days the Globe is taking on an almost heretical change—since the days of George McCullagh there has been an enormous change in the Globe.

Mr. Fortier: Do you think much of this change has been due to the fact that it belongs to a group today?

Mr. Berton: I think the editorial page is always the reflection of one man—the editor. I think a good newspaper is the reflection of one man. I don't think newspapers can be edited by committees or groups or upon the basis of how much money they make or what the balance sheet was in 1969. I think the

great papers of this world from the Calgary Eye Opener to the Winnipeg Free Press under John Dafoe have been the extension of one person's personality. The stamp of that man, his integrity, his outlook and everything else. I don't think it is going to change. I think this is one of the things that is wrong with group journalism, that electric feeling that you have a unique product in your hand—that it is the product of a person's personality is going. The Toronto Telegram is the product of John Bassett whether you like it or not. It is a unique publication because Bassett is stamped all over it.

Senator Smith: He says so himself.

Mr. Berton: Yes, he does. He is very frank about it and I admire him for it. I wish there were more John Bassetts.

Mr. Fortier: It is interesting to note though that in your opinion the *Globe and Mail* editorial page has become a better editorial...

Mr. Berton: Well, with respect, I think that happened really as a result of the demise of Oakley Dalgleish and the arrival of Jimmy Cooper and his present editor under him. I don't think that had anything to do with the group and also the fact that it is the one newspaper which until recently the F.P. people have kept their hands off policy on it—they have not changed the Globe and Mail.

The Chairman: It is not our purpose to put anybody in a corner, but that is a very significant statement. Could you back that up? Could you back it up when you say that that is the one paper that F.P.—that implies that they have...

Mr. Berton: I am not in the business and I know only what is generally common knowledge but I think it is pretty generally agreed in the business that F.P. exerts a fairly tight control, at least financially and to some respect editorially. I don't mean the comment of the editorials but really the major effect is the amount of money that is spent. Everybody talks about the fact that Lord Thomson keeps his hands off his editorial people. He does until they lose money and then his hands go on and they go out and that's as strong a pressure on a newspaper as you can have. If you own your own newspaper, it is up to you if you want to take a chance and maybe spend some money one week.

You don't have to have Lord Thomson's accountants say, well, you can't send the man to Moscow even though the world is coming to an end because you can't afford it, or you can't investigate this situation in your home town because the merchants will get upset and we don't want to rock the boat. That's the kind of thing I think that happens.

The Chairman: We have an estimate, and several people have made it, that children are changing to television and children under ten watch television for let's say a minimum of twelve hours a week. Does this concern you—this enormous amount of television watching by children?

Mr. Berton: No.

The Chairman: Why not?

Mr. Berton: I would hope that television would improve but I wouldn't want to see the viewing go down on the part of children because I think television is a very strong educational medium even when it pretends not to be which is most of the time. I think that the kids that go to school today at the kindergarten or grade one age are far more sophisticated than they were in my day because of television. They can't help but learn from television, even bad television. It doesn't matter whether they watch "The Man From Uncle"-they see Napoleon Solo running around the streets of Vienna or a mockup of Vienna and this is the first time that they ever knew that Vienna even existed.

In my day I never even heard of the countries of the world. Nowadays kids can knock off all the countries of Europe as a result. True, some of it is trash and some of it is muck, but even in that trash and muck, there is something coming out which adds to the sum total of knowledge and experience. I don't know if the schools have caught up with the fact that young children are very sophisticated now and know a lot more about the world than we did.

The Chairman: Certain groups have come before the Committee such as the Parent-Teachers federation, for example, expressing concern about violence on television. Would you make any comment about violence on television?

Mr. Berton: Yes. I really have looked at this and I don't really find any evidence that anybody was driven to a violent act by watching television or reading books or comic books or anything else. Children's fairy sto-

ries for instance have traditionally been violent. I used to read Grimm when I was a kid and was terrified at the macabre stories there. Now, I know the argument is that television is real and the fairy stories are not real, but I don't think that is really true. I don't think television is really very real and even if it were, I think a kid or an adult has to be within himself unbalanced before any trigger from television will drive him into anything.

The Chairman: I would like to ask you a specific question for general reasons. You do a program on CFRB in Toronto with Charles Templeton which is called Dialogue and I think it is on other Canadian stations as well.

Mr. Berion: It is on about twelve other stations.

The Chairman: Twelve other stations, but I hear it mostly on CFRB in Toronto. It is on twice—it is on in the morning, at ten-ten I think it is and in the evening at six fifty. The ratings indicate that you have a huge listenership. Now, and I am not going to ask you about the specifics of Dialogue, but it seems likely if that exact same program were taken off those twelve stations...

Mr. Berton: Yes.

The Chairman: And were put on twelve CBC stations including CBL, the audience—the exact same program, the exact same discussions, the same people, you and Charles Templeton—the audience would be dramatically less. Why?

Mr. Berton: I think that is true.

The Chairman: Why?

Mr. Berton: Because of what precedes and follows that program. People don't any more tune into specific programs as much as they tune into to an over-all type of station. CFRB Over thirty years has built up a certain kind of radio audience which likes the total that CFRB gives them and I think I am right in saying that the evidence indicates that people turn that dial on in the morning and they don't really switch. This is less true of television as you know and used to be less true of radio but it is now true of radio. Radio stations now give themselves an image—as you know the kids of Toronto listen to either CHUM or CKEY. They flip from one to the other because they provide a certain kind of music. Another person might listen to CFRB or CBC, although the two are not compatible. The Richmond Hill station in Toronto gives

ries for instance have traditionally been violent. I used to read Grimm when I was a kid of listener wants that. I really don't think it and was terrified at the macabre stories there. has much to do with Charles and myself.

The Chairman: And yet the dialogue that you and Charles Templeton do must not be all that out of keeping—in other words, it wouldn't be that much away from home if it appeared on CBC.

Mr. Berton: Oh, no it wouldn't, but the CBC because of the nature of its programming which is minority programming just has a smaller listenership.

The Chairman: I guess the more specific question would be, what would you do about CBC radio if you were the President of CBC?

Mr. Berton: Not much, I think it is pretty good.

The Chairman: You think it is pretty good?

Mr. Berton: I think it is fulfilling the exact job—you know, what CBC radio doesn't need to do is give us any rock and roll music. Every city has a station where we get all the rock and roll music and other stations we can get all the country music and other stations where you can get the George Melachrino Strings, etc.

The Chairman: The CBC does have rock and roll music. That is, CBL radio has rock and roll music.

Mr. Berton: Well, in no sense could you call it a rock and roll station.

The Chairman: If you listen to it on Saturday, between nine o'clock in the morning and twelve o'clock at noon you would think it was a rock and roll station.

Mr. Berton: That may be, but as you know, generally the CBC in the mornings when I hear it, from about eight o'clock to noon or to two o'clock in the afternoon, this is the kind of program that you cannot get on any other station. I am talking of Max Ferguson, I am talking about Bruno Gerussi, I am talking of the various magazine programs—the Pat Patterson program and Matinee and so on. I think in that sense CBC radio in the last few years has pulled up its socks because before that it was trying to be all things to all people.

The Chairman: Well, will CBC radio ever attract more audience?

Mr. Berton: I don't know. I really think CBC radio's job is two-fold. One is to be

Canadian and the other is to provide the kind of radio at public expense that no other radio station feels that it can afford to provide.

The Chairman: Your comment about less accent on commercials—several witnesses here have differentiated between CBC radio and television.

Mr. Berton: Right.

The Chairman: They say that CBC television should stay in the commercial business but CBC radio which I understand attracts only about two million dollars actually should...

Mr. Berton: I don't know the figure but probably a case could be made that it would be just as cheap for them to get out of radio, drop their overhead and sales department and everything else.

The Chairman: I think perhaps we only have one last question because unhappily we have to adjourn. I better qualify this for I may be incorrect, but I don't think you have ever been a member of the parliamentary press gallery?

Mr. Berton: No, I never have.

The Chairman: The Committee, I think, would be terribly interested in any comments you might make about the calibre of coverage out of the parliamentary press gallery both in print and in the electronic media.

Mr. Berton: I am not sure I want to do that. It is not my field. As far as the parliamentary press gallery and its work is concerned I am really just another newspaper reader. I am only reading three Toronto newspapers and I am not reading any other newspapers regularly. I sometimes see them when I am out of town, but I am not familiar from a personal point of view—I am not witness to what they are reporting and I would just as soon not pretend to be an expert in an area where I am not.

The Chairman: All right then, I won't make that my final question. My final question, and this I think you are expert on—what comment would you make to the Committee about the calibre of the job being done by the Canadian Press generally?

Mr. Berton: I think it is too bad that they take so much from Associated Press and Reuters. I think in Canada they tend to cover the news rather pallidly, but perhaps that is a

good thing-the colour can come from the individual reporters and individual newspapers and when you are feeding so many papers it is probably difficult to get any kind of colour in your news perhaps that is not important. I do wish Canadian Press presented a Canadian reporter's viewpoint from the major capitals and sometimes the minor capitals of the world, and took less from the other press associations. We are getting all our American news through American eyes with one or two exceptions and we are getting all our British news and so on through British eyes. It would be better if we got it through Canadian eves. There is a difference in approach and a difference in emphasis because only a guy raised and brought up in this country can understand really how to talk to his own people in his own idiom and in fact the Canadian language is a separate and distinct language, albeit the distinctions are subtle, from any other language. We are getting American news in the American idiom and the American language.

The Chairman: Are there other questions? If not, I think I will thank the witness on behalf of the Committee. You have a reputation as I am sure you know for being prodigious in your various literary pursuits. An enormous volume of material-I have heard people say that they are amazed at the consistent quality and I think that those of us who are aware of the things that you do on television and indeed you have done in print in various places always marvel at these qualities. At the same time though we may not admit it to ourselves, we realize that notwithstanding the talent there is an enormous involvement in time and that being so we are particularly pleased that you found the time to come before this Committee. We think this is a very important hearing for us because we think the background and the experience that you have in all phases of the media in Canada is in a sense unique. There aren't too many people like Pierre Berton and we are pleased that he came here. Thank you very much.

Mr. Berton: I would like to thank you for having me. I have enjoyed it and I am one of those who think that this is an important operation. I know some of my colleagues are questioning whether this Committee will have any value or none at all, but I think you will have an immense value. First, I think it is educational and second I think what comes out of this Committee is going to be extremely useful to almost everybody who is con-

Thank you, Senator.

the Senators that there is royal assent at five you and the meeting is adjourned.

cerned about the future of this country. o'clock and may I remind them also that the next meeting of the Committee is on the 14th The Chairman: Thank you. May I remind of April at ten o'clock in the morning. Thank

Queen's Printer for Canada, Ottawa, 1970

outh tests as a southward became bus absoluted that the continuous southward the continuous southward the continuous to the continuous to the continuous tests of the continuo

The ch Assissifies at gathern out bus no

Mr. Berten! Study

Can Chalprough They are that the active out the though the fact that the second of the

An Bertan I drait from the agree by probably a case ontil to make that it would be but as chieve factions to get not of ratio drop their overhead and sales dependent and exceptions, since The Chelproton, I think purhapt we only have one instruction begins findappilly we have to outpoon I better quality this to outpoon I better quality this to outpoon I better quality this to outpoon to be the control of the control outpoon to outpoon the control outpoon the c

Mr. Bertege, No. 1 p. up News.

The Chauthant The Comprises It with profile to the comprise of the property of the relation of the profile manufactor in earliers of the profile mentally given gailery for the print and in the electronic media.

Mr. Berton: Laping rate rate I want to do the it is not my field. As he so the particularity present and its very is conserved I so that particularity is conserved. I so that you have papers much that he adding any other newspapers much may be a season of the sound in the season which I am only dealer to want and it is not the season of the season of

The Continue Att right then I wan I make that my finel quantum My and question, and the my finel question, and the I shick was one expert on what was part water to the Committee that the talling of the 10th being done by the conding Property of the conding the condition of the conding the conding the conding the conding the condition of the conding the condition of the condition

May Mexical Tables Rt is two hast may they done by man they done by man't live has herefalled Press and Resident May May then by they have been another than the manifest of the manifest of the manifest of the same from the same manifest profiledly, each herefalled that is a

denned about the others of the spicion of the spici

O not winded thousage with the special force in the south of a matter so the matter together a south south of a matter so the matter together a south south of a matter so the south of a south so that the south of a south so the south so the south so that the south south south so the south

The Cretmens Are there able queetics if you is the self-self than the partner appropriate appropriate the partner appropriate the partner appropriate the partner appropriate appropriate appropriate appropriate appropriate appropriate appropriate appropriate appropriate appropriate

Mr. Serious I would like to said you for a said with the backgrow of core one part of and i so the said of the sai



Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, Chairman

No. 37

TUESDAY, APRIL 14, 1970

WITNESSES:

Télémedia (Québec) Limitée: Mr. Philippe de Gaspé Beaubien, President; Mr. Jean-Louis Gauthier, President, CHLT Télé 7 Limitée, Sherbrooke; Mr. Maurice Dansereau, Vice-President, Radio Division, Télémedia (Québec) Limitée.

Western Broadcasting Company Ltd.: Mr. Frank Griffiths, C.A., President; Mr. William Hughes, Executive Vice-President; Mr. Warren Barker, News Director, CKNW.

21492-1



MEMBERS OF THE

SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, Chairman The Honourable L. P. Beaubien, Deputy Chairman

Beaubien Bourque Davey Everett Havs

Prowse Kinnear Macdonald (Cape Breton) Quart McElman Petten Teta Phillips (Prince)

Smith Sparrow Welch

(15 members)

Quorum 5

MASS MEDIA

Mr. William Hughes, Executive Vice-President: Mr. Warren Barker, News Director, CKNW.

Matract from the Manual of Corders of Reference Manual Joseph

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

With leave of the Senate, dim a rotense sidem

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period:

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (Cape Breton), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was-Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, December 18th, 1969.

With leave of the Senate. I all to saludid and more partial.

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—1390 it shans of notes in more siding

The question being put on the motion, it was— Resolved in the affirmative, on division.

Extract from the Minutes of the Proceedings of the Senate, Friday, December 19th, 1969. With leave of the Senate, With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Langlois: base of newed synd settlement

That the names of the Honourable Senators Bélisle and Phillips (Prince) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

> The question being put on the motion, it was— Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Langlois:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 10th to 19th February, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—

The question being put on the motion, it was— Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, February 5, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Haig:

That the names of the Honourable Senators Quart and Welch be substituted for those of the Honourable Senators Bélisle and Willis on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 17, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Connolly (Halifax North):

That the name of the Honourable Senator Kinnear be added to the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That the name of the Honourable Senator Langlois be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 4th to 13th March, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, March 19, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media on 24th and 25th March, 1970, and from 14th to 23rd April, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

ROBERT FORTIER, Clerk of the Senate.

ourable Senator Smith:

14th to 23rd April, 1970, both inclusive, and that the Committee nave of the Senate on Mass Media on 24th and 25th March, 1970, and from

After debate, and-

and no sufficient the affirmative, monot no some so remarkable and no second in the affirmative, monot no second so remarkable and no second so se M Mala W The question being put on the motion, it was-

Clerk of the Senate.

MINUTES OF PROCEEDINGS

.WWW. nobseid aw Tuesday, April 14, 1970.

At 6.05 p. (76)ne Committee adjourned to Wednesday,

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 11.15 a.m.

Present: The Honourable Senators: Davey, (Chairman); Beaubien, Kinnear, McElman, Petten and Smith. (6)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses, representing Télémedia (Québec) Limitée, were heard:

Mr. Philippe de Gaspé Beaubien, President;

Mr. Jean-Louis Gauthier, President, CHLT Télé 7 Limitée, Sherbrooke;

Mr. Maurice Dansereau, Vice-President, Radio Division, Télémedia (Québec) Limitée.

The following witnesses were present but were not heard:

Mr. Malcolm G. Scott, Secretary, Télémedia (Québec) Limitée;

Mr. André Lecomte, Vice-President, (Television), Télémedia (Québec) Limitée;

Mr. François Lefebvre, C.A., Treasurer, Télémedia (Québec) Limitée;

Mr. Antoine Desroches, Public Relations Consultant, Desroches, Jasmin et Associés Inc., Montreal.

At 1.00 p.m. the Committee adjourned to 4.00 p.m.

At 4.00 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, (Chairman); Beaubien, Hays, Kinnear, McElman, Petten and Smith. (7)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses, representing Western Broadcasting Company Ltd., were heard:

Mr. Frank Griffiths, C.A., President;

Mr. William Hughes, Executive Vice-President;

Mr. Warren Barker, News Director, CKNW.

At 6.05 p.m. the Committee adjourned to Wednesday, April 15, 1970, at 10.00 a.m.

ATTEST.

In attendance: Miss Marianne Barrie, Director and Administrator; Morden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses, representing Telemedia (Quebec) Limites, were

Mr. Philippe de Gaspé Beaubien, President;

Mr. Jean-Louis Gauthier, President, CHLT Tele 7 Limitée, Sherbrooke,

Mr. Maurice Dansereau, Vice-President, Radio Division, Télémedia (Québec) Limitée.

The following witnesses were present but were not heard:

Mr. Malcolm G. Scott, Secretary, Telemedia (Quebec) Limiter;

Mr. André Leconte. Vice-President, (Television), Télémedia (Québec)

Mr Francois Lelebyra C.A. Treasurer Telemedia (Québer) Limitée

Mr. Antoine Desroches, Public Relations Consultant, Desroches, Jasmiss

At 1.00 p.m. the Committee adjourned to 4.00 p.m.

At 4.00 p.m. the Committee regumed

Present: The Honourable Senators: Dayey, (Chairman); Benablen, Hays, Kinnear, McElman, Petten and Smith. (7)

In attendance; Miss Marianne Barrie, Director and Administrator; Mr. Bordon Speurs, Frecutive Consultant; Mr. Yvos Portier, Counsel.

THE SPECIAL SENATE COMMITTEE ON MASS MEDIA

EVIDENCE

Ottawa, Tuesday, April 14, 1970
The Special Senate Committee on Mass
Media met this day at 11.15 a.m.

Senator Keith Davey (CHAIRMAN) in the Chair.

The Chairman: May I call the session to order. The Senators are probably aware but perhaps I will confirm the fact that the hearing at 2.30 this afternoon, Winnipeg Channel 12 Ltd., has been cancelled because Mr. Johnson, who was to present the brief, is ill. We have received the brief, however, and many of us have read it. A decision will be made subsequently about whether or not we can receive the brief at a public hearing. One of the problems, of course, is that the hearings are scheduled to conclude on the 24th of April. So whether or not we will receive the Channel 12 brief at a public hearing is now open to some question.

We have already received the brief and we are sorry, of course, that Mr. Johnson is ill.

This morning we are going to receive the brief of Télémédia (Québec) Limitée, which is represented here today by its President, Mr. Philippe de Gaspé Beaubien who is on my right.

I would simply say to you, Mr. President, that the brief we requested has been received. It has been circulated to the members of the Committee. It has presumably been studied by them and we are now turning to you for an opening statement of ten, twelve or fifteen minutes in which you may amplify or explain or make any comments you wish or add additional remarks.

Following that the Committee would like to question you on the contents of your brief and perhaps on other matters which may concern them.

I think all the members of the Committee are mindful of the specific position in which you find yourself vis-à-vis the CRTC and I think we are sensitive to the particular problem that this kind of hearing presents for you. With these few short words I think perhaps you could begin by introducing the other members of your team.

Monsieur Philippe de Gaspé Beaubien, President, Télémédia (Québec) Limitée: Thank you, Senator.

[Translation]

I would first like to introduce my associates to you: on my right, the Vice-President (radio division) Mr. Maurice Dansereau; on the Chairman's left, Mr. André Lecomte, vice-president (television division) of our company Télémédia (Québec) Limitée; at the end of the table, to my left, is Mr. Malcolm Scott, our company's secretary and at the extreme right, Mr. Jean-Louis Gauthier who is President of our television station in Sherbrooke, Télé 7.

Mr. Chairman, Honourable Senators, we sent you a description of our company and how we intend to operate it. As the Chairman of this Senate inquiry mentioned, we have still not received the CRTC's decision on the application for transfer of ownership that we made. We wanted to present to you briefly what were, in our opinion, the broadcasting needs in that part of Canada which is mainly French-speaking. We wanted to explain that in certain areas we believe that it is necessary to have co-ordinated efforts in order to meet these needs more efficiently. explained fairly briefly what our company was, what were the principles behind it and how we believe we can meet these various needs.

I believe, Mr. Chairman, that the submission is self-explanatory and the main purpose of our presence here is to answer a few questions that you might ask us about our operation and the needs of the milieu in which we work. We believe that it would be wasting some of your time if we tried to repeat a text which you have already read; consequently it gives us great pleasure to be at your disposal to answer, as frankly as possible, the questions you might have. If you have no objections, I would now like to ask you what are the factors, in particular, that interest you and on which we can enlighten you further.

I thank you very much for receiving us and it is with pleasure that we come here because, I think, it is an opportunity for us to shed light on what our company is, as well as on broadcasting needs in Quebec.

[Text]

The Chairman: Thank you. The only other point I should perhaps add is that if there are any of the questions you feel should be referred to one of your colleagues, then just simply indicate that.

Mr. Beaubien: Thank you, Senator.

The Chairman: I think Mr. Fortier will start the questioning today.

[Translation]

Mr. Fortier: Mr. Beaubien. I accept your invitation. I wish to tell you that one of the topics that I would like to explore with you is one that you dealt with, in detail before the CRTC last month—namely the nature of the interests that you purchased from the Power Corporation group, Corporation Trans-Canada and Télémédia Incorporée, the nature of the rights that Power Corporation still holds through the debenture that you mentioned in your brief. On the other hand, I know that you have already had your fill of answering the questions of the CRTC. I am therefore going to try to be as brief as possible.

My first question is this: in the case of default (you mention it, I think on page 12 or 13 of the French text of your brief) what are the obligations of repayment of principal or interest to Télémédia Incorporée or Trans-Canada Corporation Fund; what are the obligations to Power Corporation which give it, in the case of default, a participation in your Company?

Mr. Beaubien: First, Mr. Chairman, Senators, I appreciate the opportunity to clarify this point. As we indicated in our brief, on page 16—and if I may, I would like to repeat it so that it will be clear: "Power Corp. will not have any role in the operations of Télémédia (Québec) or of its subsidiaries or associates, directly or indirectly, through management personnel or through board representation; nor through its own chief shareholders as individuals nor through its own subsidiaries or affiliates. Power Corp. will not hold any shares of any kind in Télémédia (Québec). As for the debenture, it includes no conversion right."

I wish to tell you that first, Power Corporation finds itself in the position now of being a lender. Its relationship is the same as what a bank or a finance company may have with any company whatever. At a certain point, I had to be able to make a guarantee to the Power Corporation which said: "If you sell this company, we are prepared to make certain

conditions for the first year". I shall explain to you why they made this condition if you are interested, Mr. Fortier.

I had to say, at that time, that I would not sell the control of the company as long as the debenture was outstanding, as long as it was still owing. At that time the company asked whether I was prepared to accept the penalty of paying the full amount of the debenture if ever I lost control of it. I said that in my opinion it was an unnecessary condition and I undertook to take the shares I held and deposit them in trust. Those shares in trust are a pledge that I would not sell control of the company. There is no way in which Power Corporation can get their hands on those shares, except in the event I do not meet a personal obligation that I have undertaken to meet, namely, that if I lose control of the company, I would have to be responsible for paying an indemnity of \$25,000.

Mr. Fortier: \$25,000?

Mr. Beaubien: \$25,000. And secondly, that Télémédia (Québec) Limitée undertook to see to it that the number of voting shares in the company which might be issued in the future would not be issued unless the company was advised that there was a possibility of issuing shares. Therefore, there is no way that I can lose control without a personal indemnity for default of \$25,000, and there is no way that Télémédia (Québec) Limitée will issue other shares in such a way that my portion will be below 50 per cent.

Mr. Fortier: No way?

Mr. Beaubien: At that time, if I do not meet this \$25,000 obligation, well Power Corporation can declare a bankruptcy, or something like that, and at that time, they will have the same rights as the others. But the protection that Canadians have is that no transfer can be made without the CRTC's approval. That is given in the text. I do not have the detailed text with me but those things will have to be done with the CRTC's approval. Therefore, the CRTC is fully protected in this respect.

Senator Beaubien: Philippe, Power Corporation has a first mortgage that is \$7 million?

Mr. Beaubien: That is correct.

Senator Beaubien: Suppose the company cannot meet its obligations—I am not speaking now about you. Does Power Corporation then take over the first mortgage?

Mr. Beaubien: At such time, they are the same transactions that we have with a lender.

Senator Beaubien: The bank could take over?

Mr. Beaubien: Power Corporation has no voting right. There will be a meeting of the Board of Directors and a decision will be made on how it can be refinanced.

Senator Beaubien: But, for example, if you cannot meet your mortgage?

Mr. Beaubien: You see, Senator, the advantage of this transaction is that the first year there is no interest payable to Power Corporation. The payments on the principal are made at the rate of \$500,000 a year, and they are not made before 1973. The first payment is not made until 1973.

Senator Beaubien: Then, you cannot go bankrupt before 1973...!

Mr. Beaubien: I believe that we shall be able, moreover, to sell them. The forecasts show fairly well at the moment that we shall be able to meet our obligations. In Télémédia. It is the first two years that are important.

Senator Beaubien: I have no doubt that you are capable of meeting them.

Mr. Beaubien: As a lender, it has the same responsibilities as a bank or a financial institution and it will have to examine whether it has to continue lending its money or call the loan and, at such a time, they would decide on adopting another method of financing.

Mr. Fortier: Do those rights exist in favour of Trans-Canada, in favour of Trans-Canada Corporation Fund, in favour of Télémédia Incorporée, or in favour of Power Corporation? Who holds the debenture?

Mr. Beaubien: A part of the debentures is held by Trans-Canada; the other part by Télémédia Incorporée and the ownership of Power Corporation.

Mr. Forier: If I understand correctly, Mr. Beaubien, there are two possibilities: either you do not meet on time the repayment of this principal and interest that you have undertaken to meet. At such time you agree to pay, let us therefore say, a \$25,000 penalty; this penalty is a personal commitment on your part. Or then there is a default, and you do not pay the \$25,000, and should this occur, Power Corporation or Trans-Canada can put their finger on Télémédia (Québec) Ltée?

Mr. Beaubien: You are a barrister who is in a much better position to describe the financial procedure. I believe, at such time, that there will be a lawsuit to ascertain whether I can pay or not. And if I cannot pay, there is a judgment, and should there be a negative ruling, in my favour, the CRTC is consulted.

Mr. Fortier: The CRTC will still have a say in it. But theoretically, it may happen that, in case of default on your part, Power Corporation will wake up one morning with control of Télémédia (Québec) Ltée.

Mr. Beaubien: Should I not be able to meet my \$25,000 obligation, on my personal shares, at such time—I think that they will draw up a petition-I do not know the legal term-I will have to go to court. If there is an unfavourable decision, at such time, the shareholders will decide to call a personal bankruptcy, and I will go before the courts which will be called upon to rule, and the CRTC still has the right to determine whether, at such time, the sale will be made. I can tell you that I have no intention of losing control of the company, and that I think that I can meet this \$25,000 obligation, especially in the light of events. The feeling that I want to convey in the answer is one of confidence that we shall be able to meet the conditions that Power Corporation has imposed. The debentures have the same conditions that I would have had from I.A.C. I would have had the same conditions from the bank or some financial institution. They are lenders.

Mr. Fortier: What is the interest rate?

Mr. Beaubien: I can speak about the interest rate, if I may, to conclude this aspect. A good part of the radio and television stations throughout Canada borrow money to finance either a tower or equipment. Those who lend money to them have the same rights as Power Corporation will have where I am concerned. A bank can, at a given moment, say: you have not met your obligations on this tower, therefore, we want to meet with you and set up more detailed procedures for making sure that there is more control in the company. But you know that Canadian banks do not become owners of shares of either radio or television stations across the country because someone is having financial difficuledly there would be other reasons

Mr. Fortier: The CRTC will have to make a decision?

Mr. Beaubien: I simply want to indicate, Mr. Fortier, that the rights of lenders are simply all the same. The interest rates are the same. I could have it with anyone else. I would like to speak about interest, if I may.

Some people are surprised by the fact that we succeeded in negotiating a 6 per cent interest rate. I would like to explain why. When I made an offer to buy from Power Corporation the stations it held, I competed with someone else. I was not the only one to try to get those stations and I was told, at that time, that the offer I had made was not sufficient. In the company's opinion, they had to sell at the price they had paid. At the time, I found it difficult at the start, I found that there might be a way to help myself, and I needed help because it was obvious that money was harder to find. Then they said: very well, we are going to try to help you during the first years, to try to give you a preferential rate—and I had asked for 3 per cent incidentally. I had asked for 3 per cent for this reason: I knew that Power Corporation had a note in the amount of \$6,900,000 bearing no interest which was due in 1980, 1990. Therefore, I was able to negotiate, not my 3 per cent, but 6 per cent for the first five years, which I found the most difficult. At least I came up with a contribution to Power Corporation which was 6 per cent more interest than they had on the note they held at the time. I was able to give them something better than what they had. I think that was an important factor. These first six years are important. Why did Power Corporation agree to such a transaction? I wish to inform you that, except for one of these companies, in all these companies, they were operating at a loss in 1968—in several cases they were standing still. Losses were substantial in a major part of those companies. I wish to tell you that this is a factor that demands of us a great deal of work and a great deal of enterprising spirit—to try to turn the situation around, to improve it. This is the case in several companies, in Quebec, that are having difficulties at the moment. Power Corporation found itself in a situation where it had a series of stations that were not yielding any money. They said: "listen, you can have 6 per cent interest for the first five years, if we are able to arrange for the repayment of a note that bears no interest and we will see our money again. That is enough for us. Undoubtedly there would be other reasons that we cannot disclose to you." This is the reason I was able to get a preferential interest rate for the first five years, those important years, so as to be able to turn those stations around and make them financially more profitable.

Mr. Fortier: You say that those companies, while they were under Mr. Desmarais' guardianship, were standing still—the radio and television stations?

Mr. Beaubien: May I add a point. He was not the owner directly because he had just acquired the Rimouski and Trois-Rivières stations through certain newspapers, you know. I did not want to give the impression that those companies were lagging behind with a change of control. They were under different administrative authorities.

Mr. Fortier: Agreed. You were associated with the Paul Desmarais group in the company Télémédia Incorporée and you tell us today that, to put it simply, you borrowed from Power Corporation. Is that correct?

Mr. Beaubien: Yes, it is.

Mr. Fortier: You are no longer associated with that firm except, as you say, in the capacity of lender or borrower?

Mr. Beaubien: That is correct.

Mr. Fortier: Mr. Beaubien, what was it in the first instance that influenced your offer to Power Corporation (I am not referring to Mr. Desmarais who has in any case already been questioned about this matter)? Did Power Corporation ask you: "Philippe, can you make us an offer?" Or did you start matters moving by saying: "Paul, I would like to make you an offer?"

Mr. Beaubien: I went to see Mr. Jean Parisien, who has already appeared before you and who was the Executive Vice-President with responsibility in the Power Corporation group's communications network. I told him that if there was ever a decision to sell the company, I hoped he would give me the chance to make an offer for that company. I already held ten per cent of the firm Telemédia Incorporée. I had already tried to build up my own interest when one of the partners wanted to sell out, an interest which was bought by Power Corporation; there had previously been three Quebec Télémédia share-holders. I went to look them up about six months before they made the offer, and I repeated the offer at least three times before they told me: "Now we are ready to hear your offer." So it was I who took the initiative in this matter, and I did so because I believe we had a good opportunity to make some headway in the mass media in Quebec. Yes, that is what I thought, even if there was a slowdown, even if they were experiencing problems which have been familiar to many French Canadian firms recently. I would describe the problem as a lack of anyone to take over on the managerial side. The firms were built up by young fellows who took risks and introduced plenty of new ideas. But in too many cases, they had no one to take over from them and manage the company. So that was our job. We were all young, ready to work long hours. We had a bit of capital and we were keen to keep Quebec companies in Quebec hands, make sure that they were not sold outside the province and outside the business circles our operations covered.

Mr. Fortier: At that time, did you really and truly feel worried that Power Corporation was going to dispose of, sell its interests in those various radio and television stations? Were you afraid that it would sell out to foreign owners?

Mr. Beaubien: Well, you would have to define that term. Let us say that I could see the company, which was also interested in other fields, being criticized from all sides, and I let it be known that my associates and myself were interested in acquiring it. We had no information suggesting that it was to be sold to foreign owners. But I knew that there were other people interested in those companies. I knew that other companies across Canada which knew something about the firms in question saw their potential and Were interested, though I do not know whether they made offers. I believe that there was Just one other offer which I had to beat in Order to convince them to sell to me-which I succeeded in doing.

Mr. Fortier: You say we must define our terms; I agree with you entirely. On page 8 of your brief, you state and these are your own words:

"Individual stations have been weakened by poor administration and meagre financing and they may well be ripe for takeover by foreign interests better equipped and better financed."

Have you found the passage, at the top of page 8? When I read your brief, I put a question mark in the margin.

Mr. Beaubien: Well, it should have been put as:

"People who do not come from our own parts."

That is what I wanted to say. I did not mean to suggest that English-speaking Canadians are foreigners. I think you are reading too much into the statement, Mr. Fortier; I did not intend to imply as much. I meant that it would be outside the milieu of our acquaintance.

Mr. Fortier: Because you put the ball in my court by asking me to define the word "foreign" and I am asking you to do the same thing?

Mr. Beaubien: That is right.

Mr. Fortier: Well then, to go on-the moment came when took your decision. Before doing so, as you put it so well in your brief, you went deeply into the problems of Quebec's radio and television stations and, in a more general manner, into problems of communication and the repercussions on the broadcasting industry. Since the question has been raised, I would like to ask: when you were making this study of problems of communication, did you personally or your group as a whole reach the conclusion that it was a rather undesirable situation when individual held interests in a company which puts out both printed and broadcast news, for example?

Mr. Beaubien: Really, I cannot give a straight yes or no. I can only quote some examples. I think that when this sort of common ownership influences public opinion to the point where it may be said that information is being controlled, that is, where there can be control of information because the individual really has a monopoly on information, I think it is a bad thing. In a case of that sort, there are certainly problems, and I think that this is to the disadvantage of most of the ptpulation. However, it has been proved that in certain cases, one communications medium is needed to support another: I think you have already heard an explanation of this theory. In such cases, I think that it is very much in the public interest that there should be communications systems to transmit information attuned to their own environment. So, the answer to your question may be yes or no. In general, I would say that it has been our policy to specialize in the broadcasting media. Those media are complementary from the point of view of news services and equipment, so that the tendency or possibility of having a centre saturated with communications media is automatically avoided by the adoption of such a course of action.

Mr. Fortier: Did any of your studies lead you to suppose that there are areas in Quebec where an individual or a company held this sort of monopoly on information? Obviously, that would be anti-Québec télémédia.

Mr. Beaubien: I would not like to say that; I do not think so. In the region in which we are working, it has already been mentioned that there was a fair amount of concentration of ownership before we came, but I should make this point for the members of the Sena e, if it is of interest to them. In the Sherbrooke region, for example, where we have a radio and a television station, our television station, is just one of eleven. There are 11 television stations which can be picked up in that area. I believe that our radio station is one of 18 serving the area. Of course, someone can still say: you have a radio and a television station in the same area and own a local newspaper too. This was the case with the former owner-he had a newspaper, a radio station and a television station. I think that the decision of whoever is to judge this question should take the existence of other examples of the media which exist in the area in o account. As far as we are concerned, my opinion is that there is no way-no way at all—in which we could be accused of undue concentration or undue influence from the point of view of information.

Mr. Fortier: Am I right in interpreting your answer to mean that this was not one of the reasons which prompted you to offer to buy those radio stations and television stations from Mr. Desmarais?

Mr. Beaubien: First of all, we made the offer because we are businessmen. We were young, we had ambition and we were ready to take a risk to make money—this was our basic motivation. This was not the only factor, however, because this is an interesting line of business. In my lifetime I have had occasion to work for perhaps 50 companies and I can tell you that this is an interesting field because so much is changing in this province right now. We had the chance to be part of this, to offer information, entertain ment, to let people here in on what was hap-

pening—and believe me, they are much more eager to be in the know than is generally supposed.

My experience in Expo opened my eyes in the matter of the educational pavilions with special themes. Before Expo opened, a lot of people were ready to say that we really were not answering any need here, that people went to a world's fair to enjoy themselves, to have fun, and that they would make straight for La Ronde. We were told not to waste our time and money on building theme pavilions for Canadians because ordinary people just did not want them. Well, the guys who said that had a big surprise when they saw that just the opposite was true—people were really eager to know, find out things, compare information from other sources.

The role of radio and of television is very much the same. This is a job which I wanted to try to do. It seems as if we are all aiming for the same thing. It certainly seems a shame, Mr. Fortier, that although we are living in the same world, we did not manage to make the Government agencies and the general public undertstand what we were trying to do. This is why we really welcomed the chance to come and talk to you, Mr. Chairman, and to the senators, because we feel that if we have failed in one of the information fields, it is not because we were negligent of our duty to teach, inform and divert the public, but it is because our methods were perhaps not those in the public's best interest.

I am impressed by the new industry in which I have become involved. But I feel that if we failed somewhere, it was in the task of letting the public in our area of operation and thus also the government authorities know what we were and what we were trying to do; how our outfit operates; what the profits are and how they are invested; what local community needs are; how we try to interest the community and whether that is difficult to do; how we were trying to explain the reason for our existence. We do not share the fears that most of the public has about us and which government authorities seem to have about us. We are told: don't get involved in that, you are trying to show us how to do our job. But no one tried to explain and that is why we are happy to appear before you because we have told ourselves: perhaps this is our chance to give every one a better understanding of what we are doing; perhaps this will be an opportunity for the journalists, here in this room, to see that we really do have problems of our own and that we are

trying to solve them. This is what the public is trying to understand. I feel that there is a lack of trust here—the company and the government need to have confidence in one another, and so do private enterprise and the public, and so do the broadcasters (whom we represent) and the people who control our operations, the governments which see to it that our power is not misused.

Mr. Fortier: Is this lack of mutual confidence due in part to the fact that there are too many government agencies at one time interfering with the broadcasting media?

Mr. Beaubien: I do not think so, Mr. Fortier. I think we realize that we are coming to terms with common ownership. Controls are needed in a field like this. We understand that the government authorities should worry about such matters and in fact, ladies and gentlemen, this is the third major presentation for us. This is the third inquiry into our company's operations in a year. First, there was the presentation which we made to the Commission of the National Assembly in Quebec City; we spent a day and a half appearing before our CRTC agency, and we are only too pleased to be here today; we would make another such appearance if we felt that further explanations would be of use. We feel that controls are needed, then; We think the groups existing already are efficient, but we are worried about the fact that We want to try to create an atmosphere of confidence so that we can work together and try to find solutions to present problems. It is not our impression that this atmosphere pre-Vails at present; we feel that people are worried about us and see us as somebody trying to misuse the authority he has.

Mr. Fortier: Why do you think people have formed this impression—your own opinion?

Mr. Beaubien: I think this spirit of mistrust is general nowadays: this is the general attitude towards businessmen, private companies, which have not, in my opinion taken the trouble to explain what they are or what they are trying to do. Public opinion has turned against them and now favours governments, which they would like to do everything for them, subsidize them at every turn, support them—this is no solution to present-day economic problems, in my opinion. As a businessman, I think that no one has taken the trouble to exp ain things to the public, and I think that the broadcasters have taken it for granted that the public knew what we were

doing and thought we were doing a satisfactory job. There are certainly faults, no doubt about it.

Mr. Fortier: Do you think that this is especially due to the nature of the industry you are working in?

Mr. Beaubien: I don't think so. I think that if the day came when we had a chance to explain what we were doing, if we were allowed to describe how a newsroom works, everyone would see that we are just reporting. Last night the Apollo report came in: the mission was cancelled at 11.15. This morning our newsrooms had university faculty members and other well informed persons to comment on that item of news-scarcely ten hours after the first bulletin. There is action here, organization, concern for the public, yet the public does not seem to realize-looks at us with suspicion. It tells itself that all this is because of industry; it thinks that the broadcasting networks belong to it, and it has a right to that opinion.

[Text]

The Chairman: Is this a problem? Is it a different problem in Quebec than for the rest of the country or does this problem apply in both parts of Canada?

Mr. Beaubien: Senator, I think that problem applies in all Canada today.

The Chairman: Everywhere.

Mr. Beaubien: Yes. I think it is evident as we travel throughout the country and as we try to talk to people that there is a genuine pre-occupation or feeling on the part of the public in general that one who is a capitalist or businessman, or free enterprise is something that is not contributing much to the economy in which we all live. I feel this is unfortunate.

The Chairman: Well, let me ask you a somewhat related question. Perhaps I can preface it by saying that I am sure you understand the interest of this particular study is really less in Télémédia (Québec) as an end unto itself than in its position in the entire spectrum. We are grateful to you for coming and I hope you do not feel we are specifically investigating your organization because we are not. I am sure you appreciate that.

I was interested in the English translation here in the brief at page 4. You talk about "The Challenge" and I think very graphically you describe the challenge which, I presume, is from the United States. This is the indication on page 4 and 5. You talk about the access of American television signals and then you say something on page 5 at the end of that paragraph:

"This threat at present is most real for those Canadians whose mother tongue is French and whose culture is primarily French."

I wonder if the threat is not really more real for those Canadians like myself whose mother tongue is English simply because of the inundation of American television signals, for exgreater appeal for English Canadians than for a great many French Canadians whom, I am sure, are not interested in watching programmes in the English language.

In other words, in developing a real sense of national purpose and national pride I think that Quebec has a distinct advantage in its French language as opposed to the rest of the country. Could you comment on that?

Mr. Beaubien: That is a good question, Senator. This is what we meant. We can see that within the next ten years there are going to be means of being able to capture on a television screen or a radio because of satellites over our country, signals that come directly from other countries.

We feel that if it is difficult for us now in the Province of Quebec to act in a sea of two hundred and fifty million English-speaking people and retain our identity and our personality, it will be doubly difficult when we have the whole world pouring in, and a great many of these are English-speaking countries or countries who will broadcast in a language which is not our mother tongue.

What we wanted to say is that we have got to start becoming confident now in our own market, not only to make the dollar now but to be able to get the benefits of that dollar. So we have to be able to start developing people and men and facilities and programmes and ideas that will permit us to keep our audience and at a time where someone can tune into Czechoslovakia, the Sovient Union and the United States, as they did at Expo where you would go and see the world was right there.

It will be the same thing because of all this and people will not watch us in our markets only because we are French-speaking Canadians. People will not watch us in Canada because we are Canadian. They are going to watch us if we are as good as the others and if we can provide information.

I would agree with you that it may be as difficult for you, although I had not seen it that way because the influx will be even greater from outside.

Our message there was to say: my golly, if there ever was a time in our history where we should not fear the concentration-not the concentration-concentration has a bad connotation-but the co-ordination of efforts, of starting to work together to try to get ready ample, in Toronto. I am sure they have a far for what is coming from other parts of the world.

> It is now. I look at what the Czechs have been doing. They have exhausted their natural resources and they are developing human resources and they are very good at imaginative, creative ways of presenting ideas and concepts. We have got to become equally as good if we want to retain our audience.

> The Chairman: I must confess I was thinking more of the United States and I was going to ask you what you meant when you say, on page 5:

"improve the quality of their productions to meet the standards of a better informed, better educated and more discriminating public."

I was relating that comment in my mind and perhaps thinking back to page 4 because in some way you regard American programming in both television and radio as being of superior quality.

Mr. Beaubien: No. Well, it is not an easy answer, Senator. There is no doubt that as far as quality of message, they are very imaginative people and they are a great country. There is no doubt. They have resources and people.

However, I cannot help but feel that many times, when they have broadcast into my home anyway, the tradition is not necessarily the tradition of my children. The Mason-Dixon line does not mean much in my house.

Therefore, we carry certain of these programmes dubbed in French. It is not much, mind you. Some seventy per cent of our programming is originated in French-speaking Canada by us; but there is no doubt that there are a certain amount of these programmes that are very popular and have a

message. We should not be narrow enough to say because a programme like "Father Knows Best" is not made in our community, that it does not have a message to deliver.

However, this is not exactly what I meant by that.

[Translation]

Mr. Fortier: If I understand right, you say 70 per cent of programming?

Mr. Beaubien: I'd like to ask the President of the Sherbrooke station, if you would allow me, but I think from our last submission to the CRTC that 70 per cent of the programming is of Canadian origin."

Mr. Jean-Louis Gauthier, President CHLT Télé 7 Limitée, Sherbrooke, Québec: We operate 116 hours a week. Of that, 50 hours come from the CBC French network, and we ourselves produce 38 hours of programming in our studio. Only the balance is film. Part of that film is American film dubbed in French. We present also some programmes, some films that are imported from France.

Mr. Fortier: For you, The CRTC's regulations regarding Canadian content present no problems?

Mr. Gauthier: It doesn't affect us because We already exceed them. In fact most of the stations in the Province of Quebec exceed the Canadian content that the CRTC requesting.

Mr. Fortier: I think the members of the Senate Committee would be interested in hearing Mr. Dansereau and knowing just how far the radio stations, for example, are affected by the 30 per cent Canadian content.

Mr. Maurice Dansereau, Vice-President (Radio Division) of Télémédia (Québec) Ltée: Mr. Fortier, especially for French-language radio stations, it isn't a problem of meeting the CRTC standards, the standards that the CRTC is seriously talking of establishing. It isn't a problem at the production end. The only problem it can create is a different kind of enforcement problem in a situation where right now, in the Province of Quebec, you have a tremendous number of radio stations that are in trouble. Business isn't as good as it used to be. So if the CRTC forces us, if you will, to fill out a log in which we're soing to be obliged to put down the length of the record, the time it was played, whether the playing in it was done by Canadian musi-

cians, the singing by Canadian artists, what company it came from, the record number, etc; well, if that means one or two persons more in each station, then for some stations in sparsely populated communities with certain restrictions, you're adding an administrative load that's very hard to carry.

Mr. Fortier: That's the only place where there is a problem?

Mr. Dansereau: Let's say that, in radio broadcasting, especially on the French-speaking side, by the force of circumstance, we've had to develop a record industry. When you think of broadcasting stations in Quebec, it's not with Frank Sinatra in English or things like that, that you're going to interest everybody. At first, French records were imported, which was pretty expensive, and also, they weren't always necessarily of good quality. There were some people who began to work in a small way, who set up small companies. Some of them went bankrupt; others survived. And finally, they succeeded in establishing to use the popular term, "the French Honours List", which is independent of the English or American "Hit Parade". They managed to keep those companies alive. And in French Canada, we already have a record industry that's really very viable, and that can be made use of. Unfortunately, that hasn't perhaps happened on the English side of radio broadcasting.

Mr. Fortier: So what are the problems that a small radio station like CHLN in Trois-Rivières comes up against? What are your major problems?

Mr. Dansereau: If you please, Mr. Fortier, CHLN is not a small radio station.

Mr. Fortier: I'm sorry. Relatively speaking?

Mr. Dansereau: Let's say the problems a small radio station can have are: in the first place, if it's a private station, it has to meet obligations imposed by law, by the government-there's the CRTC. It has to produce a certain number of hours. Very often that little station has the advantage of being affiliated to the CBC, and that's one of the advantages. There are disadvantages to the CBC affiliation, but that is one of the advantages that enables...

Mr. Fortier: Advantages or a disadvantage?

Mr. Dansereau: It's one of the advantages. But I would add that there are some disadvantages also.

Mr. Fortier: I'm going go ask that question of Mr. Gauthier also.

Mr. Dansereau: It's when you operate in a small market and are obliged to meet certain standards. There are places where really, with the competition, where the biggest stations come in, be they radio or television stations, and there are so many of them these days. Let's take the case of Sherbrooke: In Sherbrooke, there are 18 stations, about 18 radio signals coming in it can be 18, 10 or 11,-and even television, and there are some dailies there. In a little center where there are no dailies there are weeklies. But just the same, the merchants in a small center of 5,000, 6,000 or 10,000 persons, they're not people who can afford national advertising budgets. The great mass of national advertising is developed by the metropolitan radio or television stations. There's very little national revenue left that these little stations can count on. They have to count on local revenue.

We can give examples of stations operating in centers where they have a wonderfully big share of the audience, but this share amounts to very little because there are so few people, yet in some cases they reach 80 per cent of their audience. It just isn't worthwhile for a national customer to pay the cost of reaching those people.

Mr. Fortier: It could become so, as you say in your brief, if you can give this group of companies a group of stations, isn't that right?

Mr. Dansereau: Yes, it's one of the points extremely favourable to a group.

Mr. Fortier: First of all, for a station like yours, who is your chief competitor from the point of view, say, of listeners? For CHLN in Trois-Rivières, is it another radio station? A television station? Is it a newspaper? In your mind, as manager of the company, who is the chief competitor?

Mr. Dansereau: I'm tempted to tell you that there isn't any. I'm sincere when I say that. I consider that there isn't any competition. I consider that there are other people doing business, and they are never competitors, because you have to base yourself on the idea that you're better than the others, and if you're better, there's no competition.

Mr. Fortier What proportion of your audience do you reach with CHLN? A little while ago you mentioned 80 per cent, I think. According to the BBM?

Mr. Dansereau: Let's say that in Trois-Rivières, we pretty well divide the audience with the other radio station.

Mr. Fortier: The other station which is independent?

Mr. Dansereau: It's also an independent station. What we call "local coverage", I would say 70 per cent. Well, in this case, look, those are figures off the top of my head. You know that in our group with the FM stations (there are 8 or 9) it's pretty hard to remember all the figures.

Mr. Fortier: From the point of view of advertising, who is your chief competitor? Do you consider it to be the newspaper or television, or another radio station?

Mr. Dansereau: In national advertising it's television; in local advertising it's the newspaper.

[Text]

The Chairman: I wonder if I might ask Mr. Dansereau a question. You did say, as I understand the translation, that the new CRTC Canadian content regulations present no problem for your radio station. Is that correct? You mentioned the problem of keeping track...

Mr. Dansereau: For a French-speaking station, for producing the amount, let us say, percentage wise of what we have to produce of Canadian content, let us say, on records or through talent, no problems. It is only in...

The Chairman: I appreciate your point. I wanted to ask you...

Senator Smith: What is the rest of his sentence? I didn't get that.

The Chairman: Well, the problem he has spoken about at length is that it presents administrative problems.

Mr. Fortier: Manpower.

The Chairman: Manpower, which is not the question I want to pursue, however.

You are, I believe, a director of the Canadian Association of Broadcasters?

Mr. Dansereau: Yes.

The Chairman: Is that correct?

Mr. Dansereau: Yes.

The Chairman: Therefore, this may be a very unfair question and I am not trying to

know what you think of these regulations as they refer to the rest of the stations in Canada outside of Quebec? Are you in favour of those regulations for those stations?

I am asking you in your capacity as a director of CAB I will be guite prepared to accept an answer that you do not want to answer. I do not want to embarrass you. However, I am curious to know what you think of the regulations.

Mr. Dansereau: Well, I would rather not because there is a...

The Chairman: There is a CAB position?

Mr. Dansereau: There is a CAB position and there is my own position and within the CAB position-my own personal view-let us say I would not talk about the CAB position-is that I do not find that these regulations will hurt us but basically I am against regulations.

The Chairman: Period?

Mr. Dansereau: Period because I feel that the tendency of regulations are restrictive and I feel that broadcasting at large, if we Would not have maybe these restrictive decisions or regulations we have to follow, we Would be able to produce better broadcasting.

As an example of that, let us say a lot of people are saying there are too many commercials on radio or television. My own personal view would be, thinking that way, why not let people do whatever they want to do with a licence for a certain number of years. Let us say five years.

The Chairman: Five years?

Mr. Dansereau: Let them operate and if somebody is crazy enough in between eight and nine o'clock in the morning to have forty-five minutes of commercials and two minutes of news, he will be wiped out within a matter of a couple of years as far as his ratings are concerned; no more commercials on his station because he would have had too many commercials and he would not be able to operate the station. Then the CRTC would have been able to say, "Have you been really fulfilling your mandate which is to inform, which is to entertain your people and also the cultural aspect of it?"

But the more restrictive you become the worse it is for us to produce a better product.

The Chairman: Let us take your example. Let us say that CHLN—I would agree this is

put you on the spot but I would be curious to a hypothetical example, you would not do such a thing, I am sure, but suppose you did run forty-five commercials between eight and nine o'clock on yor radio station, would it not be a terrible thing to make the listeners of Troisi-Rivières suffer through five years of that before they would get some redress?

> Mr. Dansereau: They would not have to suffer for five years.

> The Chairman: What would be their alternative?

Mr. Dansereau: Their alternative would be to switch to a more interesting station and we were talking about eighteen of them penetrating in our district.

Senator McElman: Mr. Chairman, according to the CAB, that would increase their listening audience if they had more commercials.

Mr. Dansereau: Sir, if I may be permitted. There is partly some truth in that statement, you know, because basically a commercial is news for a lot of people, for a housewife. When she hears that such and such a store is having its annual sale, it is news to her. When there is a new product that is coming on the air, that is news; and if she does not know, this new product would not be able to be marketed and this company would not be able to produce it and some people would lose their jobs. So I still feel that a commercial is news.

The Chairman: But you would not run forty-five an hour?

Mr. Dansereau: No.

Senator McElman: Of that type of news?

Mr. Dansereau: No, not of that type of news. Maybe I have been talking too long.

The Chairman: No. I am sure you have not. I was not trying to embarrass you. It is another example, Mr. Beaubien, I am sure. where I think broadcasters in Quebec have an advantage in this kind of a regulation.

I think the English language broadcasters are going to have to scramble, or so they tell us, because the proposed regulations present a real hardship for them. I was interested in your views. I noticed in the biography that you were a director of CAB and that is why I asked you.

Senator McElman: Could I have a supplementary. Mr. Chairman?

21492-21

The Chairman: Yes, Senator McElman.

Did you want to add something Mr. Dansereau?

Mr. Dansereau: Just that it was not because I did not really want to talk about the CAB position—but because they possibly will be in front of the CRTC on Thursday morning; so I did not wat to answer that.

The Chairman: Quite.

Senator McElman: Forgetting about CAB for the moment, does the example of Quebec and the broadcasting industry in Quebec not indicate that when people care deeply by enough about the continuation or preservation of a culture, that not only will they in fact do things to protect it and strengthen it but also that the media, reflecting and leading in some cases, will also take action to protect the culture or milieu concerned?

Is this not what we have in truth here, an example of this in action?

Mr. Dansereau: I think I would like to say that you are right.

Senator McElman: Is the media reflecting or leading?

Mr. Beaubien: Interesting...

Senator McElman: My impression is that they are reflecting.

Mr. Dansereau: Also leading. Well, to come back to the example of the record industry in the Province of Quebec, the media has been leading there. Maybe—oh—I am entering on a hot potato.

The Chairman: Well, you can throw it away, if you want to. If you would like to say something, please do.

Mr. Dansereau: Maybe on the political side, the media is reflecting, not leadint but in the development of talent, the media is leading.

The Chairman: I think, Mr. Beaubien wanted to say something on this perhaps before we go on.

Mr. Beaubien: I think it is difficult to say it is an either/or situation. I think that in everything I look at in this industry, there is a bit of both.

In many instances—and I am a newcomer to the industry so I can afford to perhaps say these things and you can chalk them up to ignorance—he has twenty years' experience in the field. When I first arrived in this indus-

try, I had a great idea of coming and maybe perpetuating a little bit of what we had done successfully in the Theme Building, which was to take people with their desire to have knowledge and help them broaden themselves; and help them grow; and help them measure themselves in a dimension that is greater from their day-to-day preoccupation.

I have been constantly frustrated since that day in finding the way to do it; in finding the way to lead and still not lose the audience. There is a level but it must be done very discreetly. Knowledge is very helpful here; and so if you do it too quickly, you lose the ratings. You lose the audience. You lose the advertising. You lose revenue because we are not sponsored by anything in the government.

Therefore, it is a delicate balance to always try to step one step higher, to get them to reach and to keep it interesting and our big challenge is to know that the population has a great need for knowledge and a thirst for knowledge and still find an imaginative, creative, skilled way to present it so they will watch it and they will grow because they want to grow.

Now, that is difficult in what he was saying is an atmosphere of fear. It is difficult to build this industry to the point where it was left to us by people like their fathers who had grown in this industry, who were rugged entrepreneurs and individualists, who moved into this field and took risks and had the imagination and had no bounds and just moved to give us ideas and concepts.

We find it difficult to continue to have that same kind of energy and drive and production and creativity and the educational spirit today when we have three major investigations on the part of the various kinds of government.

We recognize their right to do it. We come here happily and openly and say to you. Thank God, we want to tell you what we think", because maybe we will get to the people of Canada and will tell them to relax a little bit, we are not that bad. We are really animated with as much desire to help you and give you what you want as much as any other profession that we see today, except we have not been able to communicate that and you are a suspicious population because you think we are exploiting you and because you think we are giving you something that you do not know."

I wish now we had more time because we have just invested quite a bit of money in

going into our market and trying to find out what they want, trying to find out how we are reaching them and it is a bit discouraging sometimes.

We have not found the imaginative and creative way to do this. I am sorry I have led off on one end which was the leadership element and, "yes", we see that responsibility of leadership. "Yes", we think about it more than any other single element and do you know something? We do not necessarily think about it because we are fearing the CRTC or we are fearing what you are going to say. We do it because we think that is our mandate and as good businessmen, that is the way we are going to make money, if we succeed in doing it. But I tell you right now I was trying to explain—I didn't explain it too well earlier-what is missing now, is the climate of confidence, where the people of our regions look at us with a feeling that we are really in a sense performing a function and not exploiting them; that we are making a profit but that we are really well deserving of that level of profit.

Mind you, in our company this is the exception because we are not yet. We want to convey the same thing to the Government of Canada and the same thing to the CRTC.

Maybe we are echoing the fact. We realize ti is a common property. We realize that controls are needed. We realize there are investigations that are needed but somewhere, somehow, we are going to have to work more closely together because it is getting so technically complicated and it is getting so expensive in equipment and that equipment is getting so disarrayed or run down. It depreciates so quickly and we are nervous.

We are not now getting ready in our area to play the role that you expect us as French-speaking Canadians to reflect the true image of the French-speaking community in the other parts of the world when the satellites come. We are not ready for that right now. We need more equipment. We need better people. We need training. We have got the artists. But we have a lot to do.

I hate to tell you, Senators, what this has cost us in the past year in energy, in money, in concern and we do not know the solution.

We recognize your right to have us before you today and we have come openly with the hope, however, that by communicating this, you can then come back with a recommendation that will make it easier for us to work so we can find the climate that has built this

industry; the climate of confidence that will permit us to provide the imagination and the creativity and the spark and drive and the things that you would expect of us.

But I tell you now we are not giving because we are so concerned about licence renewals, concerned about the fact, are we abiding by all the regulations? Are we going to be penalized in this element and it is a delicate balance.

It is an awfully difficult thing. So the only conclusion I want to create here, the only contribution I would like to make is that I hope that as a result of coming here, that the dialogue that you have permitted us to engage in today will continue.

I would hope there would be more and better ways that we can start exchanging views with the members of regulatory bodies.

I hope as a private enterprise businessman that I will have the opportunity of working with members of government, that we do not necessarily take our stands on two positions that are different and say: "I am justified in that stand and can justify it in a court of law", and, "the government is justified in that stand and they can justify it in a court of law but we will never get together".

This is the problem that we face. This is why we have come today. This is why we are working with regulatory agencies.

This is why I personally served on two national advisory councils of our country to try and devote time and effort to get these points across. That is why we spend a lot of time having our executives sit on the CAB, on the ACRTF and on any organization or committee that are formed—so that we can dialogue and get our points across.

We have not been able to get it across yet.

The Chairman: In the spirit of dialogue, let me put a question to you which I do put in the spirit of dialogue. There may be an inconsistency in what you say and perhaps you could explain it. You have talked very movingly about the climate of confidence which built the broadcasting industry in Canada.

Would it not also be fair to say, however, that that climate of confidence which built the broadcasting industry in Canada has presumably also built the climate of public distrust which you have also talked about.

Mr. Beaubien: I think at that time it was not so much that it had a climate of confidence. It was a new industry. It had no regulations. It was just starting to mushroom and open up. As it developed and the techniques developed and the competition came from other information media—and there have been problems essentially in the organization where controls were necessary...

We say to you today we do not want to abolish controls. We do not want to abolish investigations. We recognize the right of controls. We recognize the right of being accountable to governmental organizations.

What we are inviting is to do it in a climate of—well, I think Mr. Dansereau had a word—rather than a penalty, an incentive. If we could get back to that level, an incentive to people to do more of the kind of things that you think are right rather than saying you are wrong.

The Chairman: Do you think that the broadcasters are sufficiently self-analytical or self-critical?

Mr. Beaubien: It is difficult for me as a new member of this industry to be critical about this element but I would say that I see, honestly, Senator, more preoccupation on the part of broadcasters to fulfill their mandate and their role than I see in most of the industries and other fields of endeavour I have been exposed to in a relatively short life.

The Chairman: Why? Are the broadcasters more dedicated?

Mr. Beaubien: No, because of what Mr. Fortier said, because they realize that their sole existence is dependent on something that does not belong to them, something that is loaned to them, something that can be taken away just like that.

It is not easy, you know, to raise money and to go to the public and get them to come with you to invest in a company as we are doing now today, when that licence is granted for only a given number of years.

It takes a lot of confidence on the part of people who are waiting to invest in you as a person knowing it is for only a short term.

Now, that is one of the reasons why broadcasters are very much concerned about this.

The second reason I think is that they live in a milieu, as has been mentioned, and they are very much in tune with real life. They cannot escape it.

I am not making apologies. We make mistakes. We are not perfect. We are looking at

ways of improving. We have made our share of mistakes but I see real dedication in the broadcasters I have met—I am new in the arena—but I also feel I am really concerned right now.

We are away off the subject. I am sorry.

The Chairman: No. I think we are very much on the subject. I think Senator McElman, you are on a supplementary question. I am sorry.

Senator McElman: We are certainly on the subject. This is all relevant to our discussion. It has been indicated to us that if people care enough about something they will find the means of strengthening and continuing, and—I realize I am now getting into a very involved subject but it is important, I think—is this not an example to Canadians?

We have had testimony that broadcasters, particularly radio, have been the great protectors of the Canadian identity, of Canadian culture. We have had other testimony that they have swamped Canadians with Americanization which is robbing Canadians of their culture and their identity.

Broadcasters, this is all through the briefs and the CAB have suggested that they have protected the Canadian culture; and here we have surely an example where broadcasters within the community are protecting the culture.

Is there not a lesson to be learned here for broadcasters in Canada as a whole, that if they as broadcasters care enough—and obviously Canadians want to be Canadians, not Americans—that if they as broadcasters care enough about the Canadian identity and Canadian culture, that they could make a much greater contribution than they are already making by developing the mood for French Canadian artists to reach a French Canadian audience and so no.

Are things not happening in Quebec to a degree that are not happening similarly in English Canada to protect the Canadian identity.

Mr. Beaubien: It is awfully difficult for us to answer about a market that we do not know. There is no doubt that, speaking about our market, we have been very fortunate in being able to help our community, we think, in very many ways.

For instance, we have the language that we speak—not at the present time, but our other official language in Canada, is getting a lot

purer and more refined. Influenced by radio and television in our communities, there is a beautiful French that is being spoken which we refer to as "La langue s'est épurée". It is particularly more pleasant and it is particularly more—the adjective is more difficult.

Mr. Fortier: Rarified?

Mr. Beaubien: Rarified. I think that is one objective.

The second point is that I feel that we are really trying to involve the artists and the local management in the community by selecting as Directors, people who are truly representative members of their communities.

I do not know if you have had an opportunity to take a look at the seven or eight last pages in our brief. We have begun to try and get people who are really involved in the community and we meet with them.

We have about ten companies—although we have not received authority from the CRTC to operate now and we must get authority to operate—we are going to leave those companies stronger for our being there, because we have begun a plan to select individuals and we go to meet and talk with them. We travel to Rimouski. We go with Mr. Dansereau and meet with the boards, so we do try to get involved in these television stations.

We have not succeeded yet, but we are still trying to find a way to get more involvement on the part of our people.

I cannot answer for the other market but we are encouraged by what we find in our own part of the world.

The way we have started is to try to interpret that visage of Quebec, that face of Quebec to other parts of Canada, not only to a English speaking Canadians in our community, who are more important to us to learning French and to become familiar with it, but to other parts of Canada.

For instance, through an associated company—we did not discuss it in the brief here because we are a separate company—we supply French-speaking television programmes every week that are played in Hamilton, in the heart of English-speaking Canada and those programmes run once a week. It is called "Bonsoir Copains". It is made in Sherbrooke by Mr. Dansereau and it is a good little programme. They have young-

sters singing French-Canadian songs. We ship it to Hamilton and they put it on, French commercials and all, once a week.

We have got a file of letters not only from French-speaking Canadians but from school teachers, from people in the community who say: "Look, this is a good way to learn and it is quite different."

There are quite a few good songs coming out of Quebec right now.

Well, it is difficult for me to answer about a market I do not know too much about.

Senator McElman: One final question. If the English-speaking Canadian broadcasters were to endeavour to communicate to Canadians, through their programmings that it is important to maintain the Canadian identity and that they, for example, were going to provide some leadership in it, would you expect the Canadian people to give more evidence of their support for such an approach by broadcasters? Or are they too Americanized already?

I do not ask you to answer that as a French-Canadian but just as a Canadian.

Mr. Beaubien: You see, the hesitancy I have in answering, Senator, is because I think that we are doing some of that.

Senator McElman: Some of it?

Mr. Beaubien: Yes. I think that where maybe we have lacked a little bit is to explain to the people what we are doing, when we are doing it and what it takes to do it. I say the cost of doing this because do not kid yourself, it is very expensive to start originating programming. It is costing us an arm and a leg.

Senator McElman: But the French broadcasters have not backed away from that cost, have they?

Mr. Beaubien: Sir, we have had to because let us face it...

The Chairman: Which is back to my original point.

Mr. Beaubien: There is no source of French-speaking programming in other parts of the world that is available to us. We are faced with it and we are doing it.

Mind you, I think it is a good idea that we are doing it. I think we are developing talent. I think it is a question of degree. I think it is a question of...

Senator McElman: You say the broadcasters are doing some of it.

Mr. Beaubien: Yes.

Senator McElman: If they were doing a reasonable amount of it, would there by any need for the content regulations now proposed?

Mr. Beaubien: This is what I am saying. I am just wondering if there are not other ways we can investigate to try and encourage them to do it rather than force them to do it.

I am just wondering if, in our kind of economy or our kind of life today, the incentive is not more appropriate than the penalty. I do not know.

Senator McElman: There has not in fact been much encouragement and the industry has been with us for many years.

Mr. Beaubien: I have not got the competence to answer that question. All I am saying is that I am hoping that this element that I have described, the climate of confidence which you have helped to set up because you have asked us to talk and we have spoken openly, that you will seriously look and think about this.

I think there is good going to come out of this because the recommendations you are going to make are going to be made with more intimate knowledge of all of us and this is what we welcome and the one conclusion we bring back this past year is that we want to go back in our own communities and start to explain to the people of the communities what we are, what we are doing, how we operate, what are our problems.

We want to take cameras and turn them around and show them how a news room works. We want to show them what it takes to make a program, what is the cost? Where did the idea come from?

We want to tell them how we encourage the development of ideas of programmes as a means of explaining and communicating a little bit more and invite dialogue on the part of our people.

The conclusion: the most frustrating thing is too often we find our audience apathetic, not interested and this is our challenge. We have not found out how to overcome that yet so they can come in and explain themselves and talk to us.

The Chairman: Thank you. Mr. Fortier?

[Translation]

Mr. Fortier: Mr. Beaubien, a little while ago you drew a parallel between the theme pavilions at Expo which were, we know, a great success, and what you want to do with Télémédia. I couldn't help turning to page 21 of your brief where you say that one of your objectives is:

"Try to achieve an intelligent and reasonable balance, both in station operation and in programming, in presenting the facts of modern life as it is lived. Create a positive approach, pointing towards the future with optimism."

Is that from Expo? Also, you mention your Board of Directors at Télémédia; and it's "Who's Who at Expo"; Mr. Shaw, Mr. Jasmin and Mr. Beaubien. If you can transplant your success at Expo into Télémédia, well, good for you".

Mr. Beaubien: That's very kind of you.

Mr. Fortier: To get back to this paragraph in your brief, are you talking only about a situation that you have noticed, that you've experienced in Quebec, or are you describing a situation that you find everywhere in America, in English Canada and the United States?

Mr. Beaubien: Today, unfortunately, people think that bad news is news. Happy people don't make a story, they say. And we, as individuals, are surprised at the number of bad news items aimed at us in one day. We got the idea of applying that as a strategy. When one of the men in one of our stations took Thursday night's paper and cut it up, putting the good news items in one pile and the bad news items in another pile, 80 per cent of the weight of the paper, if I remember right, maybe not 80 per cent,...

Mr. Dansereau: Not far from it.

Mr. Fortier: I won't ask you which paper it is because Mr. Dansereau is beside you.

Mr. Beaubien: That was the bad news and 20 per cent was good news. We were surprised, when we listened to our own radio and television stations and realized that it was mainly bad news. We are going to try, wherever we can, to introduce a bit of humour to make people smile, but not to change the news.

In the second place, Mr. Dansereau was telling me yesterday about meeting one of the morning men from our biggest radio station, and he told him that there wasn't only bad

news, that there were things also that were going well in Quebec. There are problems, but there is good news and confidence should be re-instilled in the people. The people are often over-burdened, tired. We have a role to play; you often see the head of the family, the business man who returns home in the evening. He has worked all day, has had problems and worries, and doesn't want to hear only about things that are going badly.

Mr. Fortier: There are some weeklies and even some dailies in Quebec that show that there's a good part of the population that is eager for bad news.

Mr. Beaubien: That's right. I think they are completely satisfied these days. I think we can try to give other elements that a good part of the population needs. You mentioned Expo, and I'm mentioning it again. People wanted to go to a place where there was no pollution, where it was quiet, where there were no cars, Where there were flowers and where there was music. You could rest and watch the people go by. There was never any jostling or fighting. Never once to my knowledge. Man used to dream. Man as we know him has a different attitude. It isn't normal for man to live in air-conditioned buildings where the air is artificial and the light is artificial. We tried to give him back the climate in which he is most human. And then, without influencing the news, we must give him back an element of joviality, enthusiasm and optimism.

Mr. Forier: Isn't that a somewhat utopian climate? Do you want to dissociate him from every-day life, from reality? Because, as has been said here before the Committee, we live in a real world. Does good news capture a television audience?

Mr. Beaubien: I don't think we change the news. What we try to do is to put in an optimistic note, a gay note. It can be in a women's programme. But what there is in the news bulletin, the news, we can't change. I think Mr. Dansereau has a word to say about that, because he is dealing with it at this time.

Mr. Dansereau: If I may; I wanted quite simply to add that it doesn't necessarily affect the news. News per se is news. Although it is bad, it is still news and we should pass it on. Nobody is ever going to deny that. But it's mainly the climate around the programming, the atmosphere created by the station. As Mr. Beaubien said, the morning man instead of saying: "Well; look, the air is polluted, the

traffic is stuck, there were three murders, there's so much of this, there's so much of that", and also "It's raining; it's a Monday; Madam, you have your housework to do, and besides that I'm in a hurry for the programme to end." It's possible to say something else.

Mr. Fortier: Continue your example, and tell us what he should say about the temperature, for example.

Mr. Beaubien: He can announce that tomorrow it's going to be beautiful.

Mr. Fortier: 50,000 cars have made the trip between Montreal and Quebec and there hasn't been any accident. What's he going to say about that subject?

Mr. Dansereau: Do you know that if there's only one weekend accident it's already a record, it's improving? It's much more encouraging. Instead of saying: "There's been an accident, there's been a death, the fellow was plastered, and it was ugly to see."

Mr. Fortier: I agree. Now, what about air pollution?

[Text]

The Chairman: Perhaps I could ask about Les Canadiens missing the playoffs. Is that good news or bad news?

[Translation]

Mr. Dansereau: In Quebec, when Canadiens lose, it is bad news. There is not doubt about it.

Mr. Fortier: I saw a recent news item of Mr. Bourassa in *La Presse* which said that, had he been in power, Canadiens would not have lost.

Mr. Dansereau: This is simply to explain that what counts is the global climate of a station. It is to try to make things more encouraging without wishing to change life as it is—at least to show certain aspects of life. One hears of all kinds of problems; I was just yesterday telling the chap of whom Mr. Beaubien was talking: "Listen, there must have been one good thing that happened yesterday in Montreal." And I added: "Why didn't we try to find it? Why didn't you speak more about it?" Simply this. Let us begin by what we call 'positive thinking'".

Mr. Beaubien: This is not in the news. It is in the commentary, in the way of presenting things. This is the way that creation of a climate of trust among individuals will be I think we do two things. A while ago, I spoke helped along.

I think we do two things. A while ago, I spoke of "leadership", where we must try, most of

Mr. Fortier: Do you think that there is a radio or television station in Canada which does this?

Mr. Dansereau: I think that there are several which try to do this. There are those which more or less succeed.

Mr. Fortier: For the enlightenment of the Committee, without speaking against the others, who are those, in your opinion, who succeed the most, because this positive climate is a point of view, directed towards the future of which you speak so eloquently. Have you tested it?

Mr. Beaubien: I can tell you that CHLN, in Trois-Rivières, started doing this. The other day, I was listening to the news on CHLN, and the announcer said: "Ladies and gentlemen, I regret that the news was not very good, today; we'll try and do better tomorrow." I can tell you that in a specific case, station CKAC which we manage in Montreal, has taken as its attitude to try to have an encouraging element in certain programmes, especially in serious programmes—things like drugs, serious community problems; that it not only be pitfalls, so to speak, that there is hope, that there is a solution to be found for these problems. This is not in the news; it is found in the programmes.

Mr. Fortier: It is still part of information. Is it at the information level?

Mr. Beaubien: No, it is a programme which takes place during the day for the housewife where there are commentaries on the religious point of view, on drugs, where there will be guests invited who speak. It is not in the framework of the news; it is in the framework of what we are doing. There is a kind of fragmented programme, which is a programme directed towards joy and where there are commentaries every week only on good news.

Mr. Fortier: Mr. Beaubien, these serious programmes you were talking about quickly a little while ago; I'd like to return to this subject. These are the serious programmes where you use your influence as broadcasters, where you influence your public, aren't they?

Mr. Beaubien: I think we rather reflect it, Mr. Fortier. This is the point which was brought up a while ago by Senator McElman.

of "leadership", where we must try, most of the time, to reflect the climate. Members of the public are invited to come to our studios, to speak to us themselves. Our task is not to preach to the public. Rather, our role is to create a means whereby different opinions in the community will come to be expressed so that the community speaks to itself. This is what we call the third dimension of the community. Our task is to give the news. We have the duty to listen to you on "open line" programmes. We equally have the duty of inviting you, as business men, and others from the labour movement, so that you hold a discussion while we play the part of moderators. We have the duty to bring students, professors, doctors, nurses, patients, priests and laymen in a community so that they can talk among themselves.

Mr. Fortier: Do you not also have this role of editorializing of which you speak on page 23 of your brief? Do you not also have this role of editorializing and must you not also express the thought of the broadcaster?

Mr. Beaubien: We can come back to this. Mr. Dansereau can speak to you, for example, about what our policy is at the present time. First of all, facts are sacred. All our stations give facts. Secondly, we have information forums where certain men are invited to give their points of view. These are personal comments, and in certain cases, there is the editorial which reflects the editor's thought. I must tell you that, in general, Télémedia is essentially a decentralized company. We do not have a general policy. Our stations oper ate differently from region to region. We wish to continue this as it is. We think that one day when a master company will begin to dictate a point of view, whether it be head office at Place Ville Marie or elsewhere, on information and editorial policy for the different regions, it will no longer reflect the community in which it operates. It will no longer fufill its role. I, therefore, tell you that our policy is essentially decentralized, and that we do not have in Télémedia as such any editorial policy.

Mr. Fortier: But doesn't the management company have to insist up to a certain point that within certain parameters—to use a word which Mr. Desmarais used before this Committee,—...

Mr. Beaubien: Mr. Desmarais!

Mr. Fortier: Paul. Within certain editorial parameters, there was a free hand, but that, in any case, the parameters are set by the owner?

Mr. Dansereau: Listen. I do not know what really is the policy of Mr. Desmarais or of La Presse from an editorial point of view. Besides, I don't think we are here to discuss this.

Mr. Fortier: No, this is not my idea.

Mr. Dansereau: Our own policy is that, basically, Télémedia as such is in fact a management company. Télémedia is a management company only which operates stations Which are real entities, which do not have editorial policies either within parameters or internally. We simply say: "Listen, you have regulations; first you are obliged to follow the Broadcasting Act, you have the CRTC regulations". The rest is done locally, whether it be in matters of programming or in commentaries, or editorials, and it is decided locally, so to speak, where the station is situated. We can even tell you something: I believe that in all our stations, there is only one which really broadcasts what we could call an editorial. In our opinion, an editorial represents the thought of the company. The balance of our stations present commentaries. CKAC can establish alternative suggestions and other things in other places. In this case, it is really the opinion of the person expressing himself. In each case, if people do not agree with us, if they do not agree with the opinions expressed, we try to leave them the opportunity to contradict the one who has just spoken, whether through "open line" broadcasts or through another public forum type of programme.

It therefore is best summarized thus: that Télémedia, as such, has no editorial policy. Where there might be editorial policies, these are strictly determined in their locality by the general manager of the station and the local board of directors. And where there are commentaries, well, as long as the person sticks to the boundaries established by common sense, as long as it does not become libellous, well, it's his opinion.

Mr. Fortier: Yes, this answers my question. [Text]

The Chairman: Thank you, Mr. Dansereau. May I say to the Senators and others I want to adjourn in five minutes. It is now five minutes to one. I would like to adjourn this session at one o'clock.

Do you have other questions, Mr. Fortier? Can you complete them in five minutes?

Mr. Fortier: Yes, well I will attempt to.

The Chairman: I will suggest, Mr. Fortier, you are going to do more than attempt. We really must adjourn at 1.00 p.m.

[Translation]

Mr. Fortier: You see, it is not only from the CRTC that directives are received.

Mr. Beaubien, after your presentation of March 11 before the CRTC, Mr. Claude Ryan published an editorial in *Le Devoir* on Thursday, March 19, 1970. The editorial was entitled: "A public empire for a song." I have reason to believe that you have read it. I wonder if you could,—in fact, during the next five minutes, I am offering you the opportunity to answer more specifically to the third paragraph, centre column, here where Mr. Ryan says, and I quote:

There are within this generous project which is offered to future share subscribers elements which are so staggering that it is doubted that such a project is possible, unless it is submitted that unidentified interests have stated themselves to be disposed to offer considerable guarantees to subscribers.

Could you comment on this?

Mr. Beaubien: In French or in English?

Mr. Fortier: The Senators are aware of this editorial.

Mr. Beaubien: I have tried, sincerely and objectively, to deliver a message with regard to the people of Quebec and Canada, about what the facts were in this situation—I gave them all. I met Mr. Ryan on that same afternoon on which he wrote this editorial. I met him to tell him that I believed that he had not been completely informed about the facts because he had not attended this conference. I must tell you, openly and completely, and perhaps—I ask myself how I can communicate the truth.

The truth is that there is no one, secretly or indirectly, underneath this transaction. The truth is that a group of French Canadians got together, put their capital, also found companies ready to place their money to make a first payment expecting to purchase radio and television stations, which in large part, were losing money last year, which was not interesting. I can tell you that these facts were not reported, that these companies were pressed

for time. And, secondly, that personally, to buy that company, not only must we make certain substantial loans, but we must devote our life, personally, and myself, personally, for at least ten years in this situation, if I do not go to public financing. I must remain there; I must undertake to remain in that company and not take up another career to guarantee it. I can only tell the Honourable Senators that there are subscribers of shares in this company, who are among the prblic; the list is not yet official. Unfortunately, I cannot yet announce them, because my subscription is not yet filled. I can tell you that it will be well received by French Canadian businesses in this field, who are ready to begin again investment in a company such as ours. I can tell you that there are no unidentified interests who have declared themselves willing to guarantee subscribers considerable securities other than those who will be revealed when I have finished completing the number of persons who will be private subscribers. Power Corporation has absolutely no involvement from the management, voting, ownership, or influence point of view in our company. They are in no way interested. I did not even succeed in convincing them that one of them remain on the Board of Directors of our company. If you allow me, gentlemen, I can show as proof of this something which Power Corporation has just published in its last offer of "Consolidated Bathurst", and it says in it—and it will be revealed in its financial statement next month,-and it is stated in three places; allow me to read it. It is found on page 22 of this offer.

"On December 4, 1969, Trans-Canada concluded an agreement with Philippe de Gaspé Beaubien in the name of a company subsequently constituted, Télémédia, (Québec) Limitée, with a view to the purchase by this latter company of all interests of Trans-Canada and Télémédia in matters of radio and television."

This statement is signed by P. Ross, their auditors.

Secondly, I find at page 27 of the same report the portfolio of Power Corporation which is clearly indicated, authorized by the auditor listing participation of Télémédia under a column which is marked: goods and debentures, non-preferred shares, non ordinary shares. On page 28, the following page, where there is the explanation of that matter, there is one paragraph. Allow me:

"In conformity with the terms of an agreement dated December 4, 1969,

Power Corporation agree to sell at its cost price, certain assets in Télémédia Incorporée."

And it is only "some of the assets" because they were not all purchased. They were purchased from Télémédia Incorporée in return for debentures of Télémédia (Québec) Limitée. This transaction is subject to CRTC approval. Therefore, I must frankly and openly tell you that Power Corporation-and perhaps I will not succeed in explaining it—has absolutely no management, no vote, no participation other than as lender to the company. And we are anxious to be able to repay them so as to prove that a group of young men, as we are, are able to do something in our own sphere. I find it a pity that it was not possible to find words to explain this, and I conclude by saying that I believe that all those who think differently are misinformed, and those who express themselves otherwise in informing the public, inform them wrongly. "It's not the truth". That is what I have just told you.

Mr. Fortier: One last question. Allowing for present projections, and supposing that the CRTC grants you the permit you are asking, when do you expect to go to public financing?

Mr. Beaubien: As soon as our financial position allows us to show reasonable enough and interesting enough profits to interest our people to participate,—as soon as it will be interesting to participate in our company. I hope it will be soon, because already in April, the majority of companies which operated at a loss will operate at a profit with the exception of one. And soon the need will be felt inside the companies for additional capital.

[Text]

The Chairman: Thank you, Mr. Beaubien. May I just say to you and your colleagues that I hope we had made it clear by our questioning that the committee is indeed mindful of the very special position you occupy vis-à-vis the CRTC in these days while you are waiting for a decision.

We have tried to be mindful of that in our questioning. As I said earlier we want you to know that our interests in Télémédia (Québec) Limitée is particularly in the way in which it fits into the broad media spectrum not only in Quebec but in all Canada.

I think your presentation has been particularly effective. I would like to congratulate you on what I regard as a most compelling

presentation and I have been impressed particularly by its optimism.

We are grateful to you and in expressing my gratitude to you personally, I hope I can also express it to your colleagues and to the people who are with you here today and I say to the other gentlemen, thank you so much for coming.

May I say to the members of the Committee the next hearing is at four o'clock this afternoon, Western Broadcasting Company Limited. The meeting originally scheduled for 2.30, Winnipeg Channel 12 Ltd., has been cancelled.

Thank you.

-Upon resuming at 4.05 p.m.

The Chairman: May I perhaps begin by reminding the senators that we will meet in this room tonight at 7.30, an *in camera* session for half an hour. The Senate sits at eight o'clock and the committee is not sitting this evening, as I am sure you are aware. If we could meet here at 7.30 p.m. for about half an hour, we will certainly adjourn in time for the Senate at eight o'clock.

The brief we are going to receive this afternoon is from Western Broadcasting Limited. Seated on my immediate right is the President, Mr. Frank Griffiths. On my immediate left, Mr. William Hughes, who is Executive Vice-President; and seated on the extreme right, next to Mr. Griffiths, is Mr. Warren Earl Barker, who is News Director of CKNW.

Mr. Griffiths, the brief which you prepared was received, in compliance with our guidelines, several weeks in advance. It has been circulated to the Senators and it has presumably been studied by them. We would like to call on you now for a brief opening statement. You can talk about the brief or other matters which may be on your mind and following that we would like to ask you questions on your oral statement, on your written brief, or other matters. Any questions we ask that you wish to refer to either of your colleagues, please feel free to do so. Welcome.

Mr. Frank Griffiths, President, Western Broadcasting Limited: Thank you, Senator Davey, and members of the Committee. My first observation is, of course, it is very pleasant to be in Ottawa this week. It is really delightful. Mr. Hughes has been here a few days longer because, as many of you are aware, the CAB had their annual meeting over the past weekend. It looks as though Mr.

Hughes will be here longer because the CRTC meetings appear now to be going into the middle of next week and we have an appearance before them towards the end of their agenda.

The submission which we did file with you speaks particularly of our philosophy; tells you our history and speaks of our philosophy in broadcasting. We are not in any sense in the print media and hence are not so closely involved as many of your groups have been. From a broadcasting point of view I can say to you this: that our overriding principle is commitment to the community in which we are fortunate enough to be privileged to operate, and of course in broadcasting it is a privilege to operate.

The submission which we have filed, I think, sets forth quite generally our views on news and news dissemination and responsibility for news. We are somewhat at a disadvantage in Vancouver at the moment in that the accounts of the appearances before your committee over the past eight or nine weeks have been somewhat limited because we don't seem to have very much in the way of daily newspapers at the moment; so if anybody had said anything very sensational we would be aware, but otherwise perhaps we would not be aware.

With those few remarks I would say that really we are here to answer questions and if we can be of assistance we are pleased to do so. Thank you very much.

The Chairman: Thank you very much, Mr. Griffiths. I think the questioning this afternoon will begin with Senator McElman.

Senator McElman: Mr. Griffiths, you have mentioned the lack of newspapers. In this vacuum of print, what steps have you taken to extend, expand, change your news coverage?

Mr. Griffiths: I would like Mr. Hughes to answer that.

Mr. William Hughes, Executive Vice-president, Western Broadcasting Limited: Senator, I would like to make an opening statement with regard to that and then turn to Warren Barker who is our news director. We anticipated a question like this and that is why we took the time to bring our news director here so he could talk to you from an operational standpoint.

CKNW has, since 15 years ago, maintained probably one of the largest newsroom and

news services in the country. We have the combination of Standard Radio—we have their news service across the country—and our Ottawa correspondent who is here this afternoon, Miss Empringham. This is one of our services.

We have been deeply involved in information news for many years. We have pioneered news every half hour on our station. We are not just a "rip and read" organization. It is compiled and presented on the station each half hour. On the half hour it is usually five minutes, but we have always stayed with long summaries. We do 15 minute summaries at eight o'clock in the morning and a 15 minute summary, including sports, at noon. A half hour summary after six p.m. and ten minutes at 10 p.m. That has not changed over the years because we have been involved in news. The thing we have done has nothing to do with the newspaper strike and...

The Chairman: Excuse me. Is that the same policy at your other station or are you talking only of CKNW?

Mr. Hughes: Because of its size CKNW has an emphasis on news. However, we have encouraged and assisted news development in the Winnipeg operation. They have also joined the Standard Network. For instance, they have a newsroom but because of the size of the market, the Winnipeg operation is not as comprehensive, I don't think, and as large as the Vancouver operation.

The Chairman: I didn't mean to interrupt. Go ahead. I just wanted to be clear on that.

Mr. Hughes: We have also engaged in other activities that radio stations in Canada are becoming more aware of. Mr. Barker now conducts a very fine business report every morning at 8.20. We also have engaged a well known columnist in Vancouver, Mr. Jack Wasserman, on a continuing basis. He comments three times a day. I was talking about 15 minute news blocks and we are now extending into half hour blocks. We were doing this before the newspaper strike.

In addition, we have invested over the years in what I would think is one of the highest paid commentators in the country, and one of the best newsmen in Canada today, Jack Webster. He is on the air from 9 a.m. until 12 noon every day of the week, Monday through Friday. He is on again from 6.30 to 7.15. I also brought in a man who wanted to train and who has a wide background in radio and television in San Fran-

cisco but wished to come to Canada. He is in his second year now; he has been a year and a half with us, he is on a comment program. He is not competing with Webster; it is a different type, more guests and in-depth and is on in the evening from 7.15 until 9 p.m.

Now with that type of coverage we really didn't need to increase our coverage because we felt we were doing a very wide coverage in any event.

With that comment I think Warren could take over and explain some of the features that we have added that we felt we could. For instance, obituaries are a real problem because I don't think it makes for very happy listening. We don't carry obituaries. I know this is a problem because people do have trouble in communicating in that area of births and marriages and other things like that. We feel that just listing off names is not particularly a function of radio.

The Chairman: What is the name of the 7.15 program?

Mr. Hughes: Art Finlay.

The Chairman: Is that a phone-in program as well?

Mr. Hughes: To a degree, except he does much longer interviews with in-depth studies with people rather than just straight phones. His latitude is that we don't want a repetition, say, of what Jack Webster has been doing. He is taking a completely different tack. I have to be careful with this because Webster has some terrific people on.

I know that Don Jamieson was telling me—the Minister of Transport—that he enjoys being on with Webster more than anyone else in the country and he is going to be on this coming Friday. We have had, in recent weeks, Mr. Kierans. We had a lot of unrest in our post office in the Vancouver area and we had Mr. Kierans on a direct line from Ottawa right to Vancouver and this was a very interesting program.

These are things that come to mind quickly because we are doing this kind of information dissemination all the time.

Mr. Fortier: Could I ask a question before we go to Mr. Barker? How did CKNW come to put this emphasis on news? Was this in order to answer a challenge from a competing station or was this because you felt your listeners wanted more news?

Mr. Hughes: Mr. Fortier, my background is news and I think I was orientated to this information dissemination. I gradually felt that when I became manager in 1954—we had pioneered in western music when we came on the air in 1945, but gradually I noticed the emergence of news and I have been a strong advocate of terrific participation in news and in dissemination of information.

We have spent large sums of money. It is too bad we can't take you to our newsroom and show you the electronic advances that we have made so that we can do this. People say to us "How can you put on conference calls and how can you bring in your service from Ottawa to Toronto cleaner than anyone else?" It is because we have taken the time to put the equipment in and because we are in the news business and communication business. Music really is not a too important aspect of our station.

Mr. Fortier: So this emphasis came into being because you felt that there was a void in the news coverage on radio in the community in Vancouver?

Mr. Hughes: No, I didn't feel that. Maybe I was ahead of my time, but I felt that the electronic medium was going to come into its own in communication with people.

Mr. Fortier: Did the advent of television have anything to do with that?

Mr. Hughes: A lot of people waved the flag and said we were going out of business. There was some way we had to fight back. I remember when I first came into the broadcasting business, 40 per cent of the people in Vancouver listened to radio stations in Seattle. No one listens any more because radio is Canadian. Maybe those stars are on television now. We had to survive somehow and survive we did through emphasis in news and information. You have, in our brief, some of the amounts of money we spent. It is by far the most expensive portion of our operation and the one of which we are the proudest.

Mr. Fortier: Do you envisage a day when CKNW may become an all news station?

Mr. Hughes: No, I don't. First, I don't think Vancouver is ready for it. I was in Los Angeles about three or four weeks ago and listened to KCBS and I have heard the news station in New York. I think it is interesting but I don't follow it as a steady diet.

I will tell you my impression of stations in radio. I don't think there is any loyalty to a

television station. I think people take the schedule and go down it and say "I want to see "Laugh-In" tonight, that is where it is. I want to see something else tonight and that is where that is." In radio it is different. We have emphasized our personalities; we have emphasized our news people. We are welcome in the home and we are part of the home. Three of our five people, that we would call key on the air in the entertainment section, have been with the station for 12 years. Warren Barker has been with the station since 1952; Jack Webster has been with us 10 years. We have kept our people and we publicize these people, and they are welcome and known in the home. I think this creates loyalty to radio.

The Chairman: I think we should turn to Mr. Barker.

Mr. Warren Earl Barker, News Director, CKNW: My personal contribution to the vacuum of newspaper news, much to the chagrin of our traffic department, is to run two minutes over in every newscast instead of one. That involves about nine newscasts a day.

But specifically and seriously to answer your question: what have we done to increase our news coverage? We have retained three of the reporters idled by the Sun and Province shut-down, not on a continual basis but a spot basis to cover assignments that have been conflicting with what our own staff have been assigned to, or to give extra coverage as required. They have been out on an average of perhaps five to seven assignments a week, particularly in the evening period which we find the most difficult to staff heavily. Whenever a meeting, or hearing, or function of some sort occurs, that we cannot staff with our own people and which has been drawn to our attention, we have sent the newspaper people out on our behalf.

This has been the gist of our efforts to increase our variety and coverage. Now the type of assignments these have involved—one of the newspapermen spent a week at Chilliwack covering the hearing on the deportation case, a special inquiry. The final report has not come down on that. Increased coverage of municipal councils, and that sort of function. That basically has been the increase in manpower and our endeavour to cover things that our own staff may not be fluid or large enough to handle at that particular moment.

The Chairman: How have you covered as a news story the absence of newspapers?

Mr. Barker: We have not been, shall we say, performing a regular analysis of how the market or the area has been suffering as such. We have endeavoured constantly, at considerable cost and phone charges at least, to keep adrift of any tendency to resume negotiations.

The Chairman: That is what I was referring to.

Mr. Barker: I have spent more money on calls to Colorado Springs, the International Union's headquarters, than I hate to mention. We have been sitting on top as best we can and whenever there is anything that looks like a resumption of negotiations, we have done our best to find out and report it. In other words, we have been treating it as the biggest labour story on the market.

Senator McElman: What has happened to your audience rating?

Mr. Hughes: The rating is due out this afternoon, Senator. I haven't heard. We were asking some of the broadcasters if they had heard. That covers the second and third weeks of March, which will be very interesting. It is due out today. I would like to comment...

Senator McElman: Could you let us have that?

Mr. Hughes: Yes. It is the BBM Service.

I would like to make a comment. Mr. Gray was commissioned to come to Vancouver to make a survey. I found the reports that I read in the Toronto Globe and Mail kind of interesting. Certainly I would like to go on record as saying that Vancouver is not a depressed and is not a breadline situation, or anything like that with the newspaper absence. I think that newspapers are an important part of the community and I think that Vancouver and environs is surviving without the newspapers. I think that this committee should remember that the stringent credit controls, tight money and unemployment can all be cited as reasons for some turn-down in the department store sales in Vancouver. I would refer you also to the City of Victoria, 72 miles away, which is served by two newspapers uninterrupted by the strike. I think any survey will show that their department store sales are down.

I repeat, the newspapers do tend to be an important part of our community but I would

like to say that we can survive and we are not dying out there because the newspapers are not published.

Newspapers do a job and radio and television have done a tremendous job in the Vancouver market in complementing the newspapers and in taking over and communicating with the people. The advertisers—certainly we cannot think of coping with the volume that would be available and this is also actually the time of the year when radio stations traditionally are going into a better time of the year. If they are going to have a strike January is the month to have it for radio. Certainly we are carrying a full log in advertising, and the community is thriving. I am happy to make this point.

The Chairman: Do you feel that Mr. Gray gave the committee an unfair impression of the situation?

Mr. Hughes: I am biased; yes, I thought so. I think he went to advertising agencies and asked them and of course they are going to say "We really feel it" because they are not placing advertising in the newspapers and they are not getting the commission. Of course they are going to feel it. As a working broadcaster we have done a job. If he had gone to Victoria and the research is borne out, it will show that Victoria and other markets are suffering and they do have newspapers.

The Chairman: We might come back to that and talk about it in a few minutes.

Senator McElman: Have you developed any different type of advertising for new customers that have come to you and that perhaps will carry on in consequence of this shut-down?

Mr. Hughes: That is kind of difficult to answer. I think that the major complaint that we have is that broadcasting, radio and television, really are unable to satisfy a very important part of the daily life and that is the want ads, the classifieds. We don't lend ourselves to that type of advertising, and this is the complaint that I hear from advertisers that I have talked to. That is the inability to be able to use classified advertising.

A lot of advertisers felt they were dependent on print to sell, such acts as the Led Zeppelin and other different acts coming to town; they thought they had to depend on newspapers very largely, and of all things not use radio, which is primarily entertainment. I

think these people have found out that radio really does sell people who are coming in to entertain. I have talked to a number of people in Famous Artists, who are the largest promoters in the Vancouver area, and to quote them they are more than pleased and say they are going to be very strong radio advertisers in the future because they have been playing to sold out houses.

I would give you a couple of other examples. The boat show came to Vancouver right at the start of the newspaper strike and they had the largest boat show we have had in the history of Vancouver. One hundred and fortyeight thousand people in ten days. What share of the credit would you give to radio? The share I would give is the substantially higher numbers that turned out. I would like to talk about the du Maurier international ski races that were on from February 26 to March 1. The reaction from the promotors was: "Far better than we ever expected."

The Five-year Plan in Vancouver went through with 60 per cent approval. The mayor was ecstatic. He couldn't believe that it could be done without newspapers. It was done and went through by 60 per cent. At the same time, the same day, I believe, West Vancouver put forth a school board by-law, which We would ordinarily think would automatically pass because anyone who is really interested in schools knows it is on and gets out and votes. The cons in this section maybe Would not know about it and would not get out and vote. The West Vancouver school by-law was defeated because radio, primarily, and television, secondly, were able to explain the issues and the people did get out and vote. I think they had a very large turnout. There was a feeling in the municipality against it and it showed itself.

The Chairman: As a result of what you were saying, do you think that when the newspapers begin publishing, hopefully some day soon, that they will have lost a great deal of advertising ground and there will be advertisers, traditionally newspaper advertisers, who will now remain in radio?

Mr. Hughes: No. I think there will be some advertisers who will remain in broadcasting to a larger extent than they were, but I am sure the department stores will certainly revert.

The Chairman: I was going to ask you specifically about department stores. Are they using radio in a big way?

Mr. Hughes: No. They have been extending over the last five to ten years into radio very gradually. I can remember a few years ago when the T. Eaton Company did not do any radio advertising and now they are substantial radio advertisers. The biggest breakthrough in radio in the last three years has been Simpsons-Sears who formerly used no radio whatsoever. I believe this year they will spend between \$60,000 and \$80,000 with our particular station, and this is an important breakthrough. I don't think that radio, being very honest, can take the place of the newspaper in department store advertising. We can complement it, we can be a last minute reminder, but when the lady gets the 99cents-day sale page she runs her fingers down and this is really shopping by press and I think this will continue.

I think that if the history of the United States is borne out during the newspaper strikes there, I feel that the readership of newspapers and the circulation of the Vancouver Sun and Province will suffer. I think that young adults, young marrieds in the suburbs and urban areas just living outside the downtown core where you cannot pick up a newspaper on the street, I think a lot of these people will not return to purchasing a newspaper every day. I have heard a number of comments along this line. They will still probably take the weekend paper to get the television listings, but I think the newspapers will have to be very energetic to get their circulation back in the suburbs.

Senator McElman: Mr. Hughes, you mentioned a few moments ago that when you began in broadcasting about 40 per cent of the Vancouverites were listening to U.S. stations?

Mr. Hughes: Yes.

Senator McElman: Comparing it today and leaving out your newscasts and your talk programs, Jack Webster, and so on, how do you differ from the American stations?

Mr. Hughes: I think, Senator, we have taken many of the ingredients of the American broadcaster and we have Canadianized them and presented the American expertise and their production and records and whathave-you with a Canadian flavour. It is done by Canadians for Canadians and they appreciate it.

Senator McElman: Could you give us examples of this Canadianization?

Mr. Hughes: Well, all of our people, for instance, the 70 people on our station are all Canadians and our talk of events in Canada and also elsewhere around the world is with a Canadian attitude. I know, I can appreciate that what you are getting at is the music content.

Senator McElman: Broadcasters talk about the sound today.

Mr. Hughes: I think that music is international and I think that the Canadian people now are not as dependent on radio for music as they were a few years ago because we have casettes, we have records, we have tapes, we have cartridges. We have just about everything. The children can tape their own records off the air and play them to their hearts' content on these small Sony recorders. I don't think they are dependent on the Canadian radio stations for music as they once were.

We have used a lot of American ingredients in our programming, but we have Canadianized them.

There has been talk, I notice, in one of the questions here, about the labour unions. They say: "Radio stations have been the chief agents and purveyors of imported programs. They have brought them in because they are cheap, popular, and readily available." I know of no Canadian station that brings in American programs in any large quantity. We certainly don't air any. We have no syndicated American programs on our radio station and I can't remember when we did have. The only one that comes to mind that a number of stations run is "Art Linkletter with the Kids" and I think it is a terrific show. That is what I call a syndicated American program and we have none. They have all but disappeared. Back when the Senator was in broadcasting ...remember when we used to have Ma Perkins, Guiding Light, and Backstage Sally ...

The Chairman: You are dating me! Ma Perkins? I don't remember that at all!

Mr. Hughes: These were American programs that came in on a disc in those days and they have all disappeared.

The Chairman: I wonder if you know, in your experience, of stations which are programmed in the United States, or by people who come here from the United States, or whose music format is established in the

United States; indeed sometimes actually the records are selected in the United States. Is there much of this to your knowledge?

Mr. Hughes: I think everybody goes on those kicks every once in a while. I went into the FM operation just three weeks ago. A year ago I had taken a tour and thought I would maybe use an American program service to get it away and off to the races. I didn't. We produced it all right in our own studio because I found out that our men could relate to the Canadian atmosphere far better and we chopped the service completely. We do all our FM programming right in Vancouver.

The Chairman: Is that true of all radio stations in Vancouver?

Mr. Hughes: I would think so. I think the odd one has brought in an expert—that is a man who goes 75 miles from home. When you cross the border you become a real authority. I don't think it has worked. I know some of them have come from Toronto and Montreal and it doesn't work. We don't try to program our Winnipeg station because their community is different than Vancouver and there are features of the Winnipeg life that have to be presented that don't make sense in Vancouver, and vice versa.

I remember the time I went to Winnipeg and at first I didn't understand why everyone had their Christmas tree up on January 6. We had taken ours down on New Year's Day. It is a different market, there is a high Ukrainian population there and the 6th of January is an important day. You have to relate these things. I give you that as an example.

I don't think the American programmers can come in and program in Canada. I think it happens every once in a while, and it goes like the seasons. It is not something that is happening in any wide degree.

The Chairman: Mr. Fortier, do you have a supplementary?

Mr. Fortier: Yes. Coming back to the music aspect of your program content. You say that music is international in flavour, and I certainly cannot take issue with that, but you know what the CRTC thinks about internationalism of music, and you are well aware of their proposal of a few months ago about 30 per cent Canadian music content on radio. Would CKNW have trouble meeting this Canadian content?

Mr. Hughes: Yes.

Mr. Fortier: Would you expand?

Mr. Hughes: Yes. I am appearing one week from tomorrow and I am going to oppose it.

The Chairman: I think in all fairness to the witness, in view of the fact he is going to appear there and while we would be delighted to know what he is going to say, if you feel you would rather wait and say it then...

Mr. Hughes: Well, I have informed Mr. Juneau ...

The Chairman: He has some idea?

Mr. Hughes: Yes. I think it is nothing original with me. I think it is a fact.

The Chairman: We would be most interested but I don't think you should feel that you have to say something that you are going to say next week.

Mr. Hughes: Well, it is a good chance to rehearse! The thing that bothers me about the 30 per cent rule is this: many Commissions have gone into radio broadcasting industry over the years, starting with the Aird Commission and up through to the last Fowler Commission, and they have had serious complaints, I think justifiable, of the sameness and repetition of music on radio stations. In other words, they used to say that they are just like a big juke box grinding out recorded music. I think that was a complaint and a valid one.

I think that things have changed a great deal in the last few years in Canadian radio. Program experimentation, especially by many of the metropolitan radio stations, has resulted in a wide variety of programming approaches and attempting to supply Canadians with interesting, entertaining and informative brograms. Talk-back programs, news in depth, editorials, commentaries are just a few of the new ingredients put into Canadian radio to take away what I call the juke box sound. In metropolitan markets, specialty type radio stations, satisfying the demands of listeners, have come into being. I am speaking of the top 40, teenage appeal stations, middle of the road concert music stations, classical music stations—each one appealing to a certain segment of the market.

The rule that the CRTC is discussing and considering implementing, I think will require this diverse program development. I think through this forced play music regulation, the

Commission is almost encouraging a return to the juke box. The requirement for all stations to draw from what will be a very limited supply of music to obtain 30 per cent of their music selection will force into existence a sameness of sound, a repetition of selections, that I think will start us back to becoming juke boxes.

The thing that bothers me even more is that if people, Canadians, don't hear what they want—remember Canadians from habit are independent and when they want it they want it—they will go to where it is, no matter how far they have to go. If they want to hear the latest music, a full diet, they have casettes, and they have records, and they have tapes, and most of all they can tune to American stations and go to them, especially in the border areas. Seattle has five 50,000 watt stations beamed right towards Vancouver.

I think there should be, however, an encouragement in the creation of the Canadian music industry, and broadcasters certainly should be involved. But I think that broadcasters should not be saddled with the entire responsibility. I am going to give you just a couple of things that have happened in Vancouver. I want to skip through this.

Tom Jones is coming into Vancouver in about three months and I understand that he will take \$80,000 out of Vancouver after that one night performance. Tonight here in the Ottawa Civic Auditorium Led Zeppelin is here and I imagine, if it is any repetition of what happened in Montreal and Vancouver two weeks ago, the place will be jammed—and rightly so, they are good people—but this money is going right out of our country except for a rather minor tax situation.

I think that if the CRTC is proposing a 30 per cent music quota on the broadcasters that if we really want to get into the Canadian music business, if it is that important, then I think other areas should also be involved, such as the people who bring in these artists who take vast sums from the country. How about one in three have to be Canadian and see how that works? Or 30 per cent of Tom Jones' take has to stay in Canada to encourage the Canadian music industry and the recording industry. I think that if all of us work together we will be able to bring the Canadian music industry into being and it will be one that can compete with the United States.

Mr. Fortier: How would you translate this one... They can go on the English-speaking encouragement into any sort of positive action by radio stations in Canada?

Mr. Hughes: Gradually, Mr. Fortier, but I think by putting a percentage on the whole idea it is wrong.

Mr. Fortier: Well, let us say I agree.

Mr. Hughes: Gradually, even without any percentage or any rule, Canadian stations are playing more records.

Mr. Fortier: Do you have figures on that for CKNW?

Mr. Hughes: We have about 7 per cent of our library that is now Canadian compared to what was even lower. It is gradually coming. Remember the vast majority of the music today published in Canada is by teenage orientated groups, rock groups. We are a modern station but we don't play rock and roll music as such. So this would be doubly hard on us. Most of the product is of teenage orientation.

Now the good music stations-I think CKPM is one here and CHQM in Vancouver and CHQR in Calgary are going to have a very difficult time because the number of selections in their segment, such as good music, is just non-existent. They will not be able to make it. What are they going to have to do? What are we going to do? We will have to play more rock and roll music to satisfy the 30 per cent rule and it is going to create a sameness.

Mr. Fortier: Did I read into the 7 per cent of your library also that 7 per cent of playing time on CKNW is devoted to Canadian records?

Mr. Hughes: It fluctuates. For instance, a well known group called The Poppy Family, who I believe are presently on their way to Japan from Vancouver, they had a hit which was making every chart and in that period, although we don't name them number one or number two, that tune got a lot of play. Gradually we are finding more and more Canadian selections are coming into being.

Mr. Fortier: As I am sure you know, there is a very substantial number of French Canadian records being cut in the Province of Quebec. Do you make any use of them on CKNW?

Mr. Hughes: Yes, we do. I am trying to come up with the name of the most recent stations and even though the people don't understand what is being said, they are very enjoyable.

Mr. Fortier: Even in English sometimes you don't understand the words.

Mr. Hughes: I appreciate that. That is true. There are still an increasing number of those coming and I would say of the Canadian music we play, quite a number are by the French artists but they have been done in English.

Mr. Fortier: Do you make a special effort at CKNW to familiarize your listeners with records that are out of Quebec?

Mr. Hughes: And also that they are Canadian. However, I must also say this, that it doesn't matter whether a record is Canadian or not, we take a view that a record must pass a number of criteria. There was a record brought out by a Canadian group but in my estimation, it condoned the use of marijuana and we didn't play it. It was good, it was very listenable, by a Canadian. In our wisdom we felt it was not correct to do this. It is still illegal by our laws in Canada and so for that reason we eliminated the record.

The Chairman: Setting percentages aside, are you in agreement with the basic objective of the CRTC in the area of Canadian content?

Mr. Hughes: I think the CRTC is correct, but in this I don't think radio needs encouragement because we are so Canadian now. I think the CRTC should examine a radio station as a whole service, not just music, because our news is completely Canadian, all our people are Canadian, and the talent we create in our open line broadcasting and news commentators and business reporters and sports commentators, these are Canadian talent.

Mr. Fortier: What percentage of your listening time on any given day is devoted to music?

Mr. Hughes: We play relatively none between eight in the morning and noon. We play an increasing, fairly large amount of music from noon until six o'clock. We play no music from 6 p.m. until 9 p.m. and then we play music from 9 p.m. until midnight. In that area from nine until midnight we have a chap who has been in the broadcasting business many years and made a hobby of collecting old records and it has been a very lucrative one for him. What we do at night is play a lot of the old radio programs of yesteryear that Senator Davey doesn't remember. I commend him to listen the next time he is out with us because he will hear Dr. Kildare and others. I think all this is a change of pace in radio.

The Chairman: You mean half hour programs?

Mr. Hughes: Yes. 2000 and plants

Senator McElman: Have you got The Shadow mixed in there?

Mr. Hughes: The Shadow, The Green Hornet—I don't want to date anyone here!

Senator Smith: Go back to the crystal days and it will date the rest of us!

Mr. Hughes: If there is an insistence on the 30 per cent Canadian music we will have to take those out.

Mr. Fortier: Let us follow through on the question which the chairman put to you. Forgetting about the percentages, and I take it at its face value that yours is not an entirely music station, you will have to agree with me that there are radio stations in Canada which are devoted nearly entirely to music. Should the CRTC proposals apply to those stations? We will forget CKNW for the time being.

Mr. Hughes: Let us take the segments. The radio stations that play the most music fall into two categories. One—the hit teenage orientated stations-the top 40. Those stations, I feel, will have the easiest time getting in line for the 30 per cent, because most of the music produced, the majority produced in Canada on records today falls into that area. Also, because of the very people they are appealing to, they are able to repeat their selections so much more often and therefore they will get the quota. The stations that will have the most difficult time—they fall into a different category but they are all music-are the stations that have gradually emerged to play adult music, the slower selections, the candlelight and wine ...

The Chairman: Mr. Fortier's music!

Mr. Hughes: They won't be able to comply at all.

The Chairman: Let us take it one at a time. Let's talk about the top 40 stations. Why will they have a more difficult time?

Mr. Hughes: They will have an easier time.

The Chairman: It will be more difficult than it is now.

Mr. Hughes: Oh, yes.

The Chairman: Why?

Mr. Hughes: I am speaking strictly on hearsay at the moment.

The Chairman: It is perhaps unfair.

Mr. Hughes: I am not a rock and roll station. You know the Maple Leaf System music group has been formed and I believe with CHUM and stations that play music like that. Maybe it would be a question to ask Mr. Waters, but I have heard that even with the tremendous encouragement, that they have a great deal of difficulty in selecting even one or two records in a month's time that are produced here in Canada which they feel will be accepted by their audiences as really good listening. I would rather not be tied down any tighter than that because they are in a better position to answer that question.

The Chairman: They are coming on Thursday and we can talk to them. What about the stations which play "elevator" music, if that is a fair phrase for them? Why are they going to have a more difficult time?

Mr. Hughes: For instance, very little of that music is produced in Canada. I believe the only area they can go to is the Canadian Talent Library.

The Chairman: But the point I am trying to make, Mr. Hughes, is that surely, that means the Canadian musicians are going to have to start to make that kind of music to play on Canadian stations; and that is in the interest of the Canadian music industry.

Mr. Hughes: But not necessarily of the public.

The Chairman: Why not of the public?

Mr. Hughes: There are some great problems involved in this. The CAB, I think, has been before this Committee and they are making a presentation to the CRTC in detail. I have it here with me and it involves copyright, it involves mechanical reproduction of music, it involves many, many things. To make a record successful you have to have volume of purchase. In Canada with 20 million people, there is just no way that there will be enough records purchased by the gen-

eral public, even as a best seller, a great hit or anything you want, that will make it possible to sell enough records to make any profit or even pay for the production.

Mr. Fortier: It happened in Quebec with French records. They were faced with the dilemma and they agreed to face up to it and were successful with a much more restricted market. There is such a thing as the top 40 in French Canada, such a thing as a different sound, the ones you have described.

Mr. Hughes: I accept that, Mr. Fortier, but I happen to be living in my part of Canada. I am living across from 200 million English-speaking Americans and their music. They are singing in the music I know and in the language I know. It has a much deeper impact. French Canadians in Quebec probably were fortunate because they did have a locked-in audience that did not have access to Tom Jones and Humperdinck and the other fellows on the American stations.

Senator McElman: Are you not getting to the heart of the problem right now in the American sound?

Mr. Hughes: Humperdinck is not American and neither is Tom Jones.

Senator Smith: It is where they make the big money.

Senator McElman: It is the American sound we are dealing with. This morning we had Telemedia as a witness and we were told that not too long ago the recordings played largely by broadcasters in Quebec came from France. They were in French, but they were not the Canadian sound. They were not the French Canadian sound. They decided to do something about it, and they started their recording industry. I think it is markedly successful and they are meeting the demands of the people of Quebec for Canadian music and developing their culture. Is there any reason why the same sort of thing would not apply?

Mr. Hughes: I think that over the last five to eight years there has been some increase in English Canada—on our part at least. We ourselves invested half a million dollars in new studios and recording equipment last year, and we are now doing more and more recording of musical groups, even to our own commercials and selections. I think it will grow. Yes, I do.

Senator McElman: Let's take the 7 per cent of your current library. Five years ago what percentage was the Canadian content of that library?

Mr. Hughes: Nil. It is growing.

Senator McElman: Over a five year period 7 per cent?

Mr. Hughes: Yes. I think that it fluctuates because music has changed so much too. For instance, we have no music in our library that was produced before 1960. The Glen Miller music and the Tommy Dorsey music, that has gone. People don't want it any more. They don't listen to it.

Senator McElman: Taking into account the cost of production, of sources that might be available to you to get Canadian recordings, relating it to the cost of buying American tapes and plates, and looking ahead ten years, if there were not the CRTC proposals that now face you, what would you say the 7 per cent would have grown to, say, in ten years time?

The Chairman: That is a very hypothetical question.

Mr. Hughes: It is very difficult to answer because I think there are other sources of encouraging the promotion of Canadian music. It is not just by pinning it on the broadcasters. I think other people have to be involved in this. I think the Canadian Government has to be involved in it because the Canadian Government is encouraging, and not very successfully, the start of a motion picture industry. From reading in the Toronto Star a write-up on the new film, it is not very complimentary.

The Chairman: We should say in fairness to that film that the identical coverage in the *Toronto Telegram* was very favourable.

Mr. Hughes: There you are. Those are two people. I am saying that broadcasters need assistance from other aeas, including the Government, to encourage this because it could be helped. The thing that bothers me, in our station, I would not like to see us have to take anything away from our progress in developing a news and communications station, to have to hire extra people to just sit and decide whether a record was made in Canada; and the number; and have to find out whether the fellow who sang the lead was born in Canada but does he now hold a British passport; and where he lives now? We are going to be involved in a tremendous paper war

and we are going to have to be phoning and saying "Hey, take off the next selection. We are one short. Put on a Canadian." That is just creating routine jobs for people. I don't think it is the way to encourage an industry to flourish. I think it should be played if it is good; it should be played if it is worthwhile, but just to have to play it and have people monitoring and writin things down—that is not programming broadcasting stations.

Senator McElman: You asked, Mr. Hughes, why should the broadcast industry be singled out. Would you not agree that the broadcast industry in Canada has been given a rather extensive preferential treatment in licensing? Before any application in a market area can be licensed, the economic viability of the existing broadcasters in the area has to be taken into consideration. They do not issue licences if they are going to, knowledgeably in advance, knock out existing broadcasters. The Canadian law also protects the broadcasters of Canada from substantial take-over by foreigners, particularly Americans.

Now in this gifted situation that broadcasters have, is it so unreasonable, is it unreasonable to say why are you singled out to contribute to Canadian identity, Canadian culture, the Canadian unity—whatever title you may wish to use?

Mr. Hughes: Senator McElman, I also wish to point out that the Canadian radio industry is double taxed. We have some privileges but we are double taxed.

Senator Smith: What do you mean by that?

Mr. Hughes: We have a substantial transmitter tax to pay on top of all our other taxes. We pay a percentage of our gross as transmitter tax. We have an investment in there and we have to meet strong competition. Every market is absolutely served in every area by radio and we have newspaper and we have television stations and we now have cablevision. I don't think that a radio station gets any particularly free ride. He has to compete in the marketplace with a population, for instance, that does not advertise, in comparison to the United States for instance. The advertiser in Canada does not spend as much money as the American advertiser does. We have a number of rules across the country and in British Columbia we have no beer or wine advertising at all, and we have a station across the border in Belingham that takes \$3 million a year out of the market. How about those imbalances?

The Chairman: I think your points are well taken but surely so are those of Senator McElman. If Western Broadcasting Limited decided to divest itself of CKNW in Vancouver, you know very well there would be a great long lineup of applicants wanting to get the franchise. It is very prosperous, lucrative, good business to be in. You have been in it all your life.

Mr. Hughes: Senator Davey, I respect your comments but I disagree violently; because you have a station in Winnipeg that just went bankrupt; and you have another one that appeared at the last hearing from Sydney. Nova Scotia, that is in dire straits; and a number of others around the country. We have stations in our own market that have changed hands and have lost substantial sums of money. I think that we at CKNW have worked very hard, as other broadcasters have, and built our station into a good field of endeavour, but I think there are other broadcasters who have not. They have had the same chance as we. Maybe their result is not as good as ours.

The Chairman: I don't think I disagree with you at all but I don't think it is inconsistent to not disagree with Senator McElman as well. Surely you have a privileged position in the media spectrum. For instance, there are only so many radio stations in Vancouver. It is only technically possible to put so many radio stations in Vancouver.

Mr. Hughes: That is true; except, for instance, we have seven AM and we now have four FM. That is in the last few years and our population has not increased that much. We also have four television stations taking money from the area.

Mr. Fortier: Your privilege has been watered down?

Mr. Hughes: Very, very much so.

Mr. Griffiths: I was going to ask Mr. Hughes if he would like to comment for a moment on the possible effect of unsatisfactory grade Canadian music causing a possible reversion.

The Chairman: We would be most interested in the comments on that.

Mr. Hughes: I think I really covered the fact that if the quality of the Canadian music on the radio stations is not up to what you are presenting for the 70 per cent—we are talking 70-30—if the 70 percent is so superior.

very concerned with the comparison and have to be built over a period of years. I think the danger is in the magic figure of 30, or 20, or 5.

I think the Canadian record industry should be encouraged and gradually come into being and if the records become competitive the stations will play them. We want to play the Canadian music if they compete with what else is in the marketplace.

Senator McElman: Mr. Hughes, you say that you must build over a period of years. How much has it built? Is this not the point?

Mr. Hughes: It is building, it has built. I think the Canadian Talent Library has contributed and is building. It has only been going I think for years.

The Chairman: Would you agree with this? Suppose, following the discussions with the CRTC which are now taking place, suppose the CRTC said "O.K., we will take a rain check on this thing and take another look a year from now." Would you not think that the CRTC, whatever happens, has provided a great stimulus to the Canadian music industry by its initiative?

Mr. Hughes: Not necessarily to the Canadian music industry. I think it has created a stimulus for us broadcasters.

The Chairman: That is what I meant. Do you think they have?

Mr. Hughes: I think a lot of us are really seriously looking at the problem and I know I am very conscious of the Canadian records now, but I don't want to see or hear the general sound of radio that we have created from the jungle of the juke box a few years ago; I would not like to see all the stations having to concentrate on producing a certain number of records and we all have to play them to meet a certain figure. That is what scares me. We have this difference in sound in the radio stations of Canada today and through this, we can give a variety of selection, I think the Canadian people are going to be quite unhappy with the sameness of sound and repetition which I think is forthcoming if a certain percentage rule is put on the broadcasters.

Mr. Fortier: Again leaving the percentage aside and carrying on with the statement of a is Canadian music?

to what you are presenting in the other 30 few minutes ago, that you wished you could per cent, which has to be Canadian, we are play more Canadian music if it were of the calibre or quality which would compare with what does it sound like? All of a sudden we what you are playing today. Surely you must come on and say "Here it is." It is going to have made some listener surveys in Vancouver. Tell me, Mr. Hughes, do your listeners wish to hear more Canadian music?

> Mr. Hughes: We never hear that. We really don't get the demand.

> Mr. Fortier: You never made a study orientated to that?

> Mr. Hughes: No. I will tell you they demand a lot of other things but, as I say, in our type of operation music is not the end-all for us.

> The Chairman: I am going to interrupt you at that point to day that I think we have spent a good deal longer than we should have on the whole question of music content, given the fact and the point that you have made that yours is not a music station, at least primarily a music station. I think we have prevailed on you at great length. I will suggest that we turn to discuss other matters. I don't want to be rude to Mr. Fortier or anyone else, but I think that you have been gracious in allowing us to chew the matter at such length. I think we might now turn back to other matters, if that would suit the convenience of the senators.

Mr. Fortier: He said he wanted a rehearsal and he has had it!

Senator McElman: Could I ask one question in that area?

The Chairman: Yes.

Senator McElman: Looking back, if you can for a moment, to the situation in Quebec where there was an incentive to do something with respect to talent, performers, music; and it happened. They made it happen. Would you believe that in music, as brought to us by the broadcasters, which is a large part of the fare that Canadians get in music today, would you believe in music that we are already so Americanized that lack of demand Canadian music you speak of has not even come to your attention? Are we already so Americanized?

Mr. Hughes: I don't quite

Senator McElman: Without regulation.

Mr. Hughes: I don't quite understand what

Senator McElman: Some people are trying to find that out now.

Mr. Hughes: Oh, I know. Isn't it true that the Canadian performers move right through to the Ed Sullivan program and it comes back. It is really North American music. The Beatles brought the new music of the 1960s and 1970s to the United States from Liverpool, but the American base music is western. Do you know what the base music is of Canada? It is country and western. So Canadian music is country and western, and so is it in the United States, in the heartland of the United States. That is Canadian music too. Red River Valley and Lake Louise—all that, that is Canadian music. It is also international. It is North American music.

Senator McElman: Then culturally we are absorbed music-wise?

Mr. Hughes: It is, I think, international. I think you go to hear the composer Mozart and that is not Canadian music but it is world music. It is international.

The Chairman: Do you want to follow that up?

Senator McElman: No.

The Chairman: I would like to turn the discussion for a few minutes—we don't want to keep you here all evening—but you made a reference in your opening comment that your station is not a "rip and read organization." I wrote down the words as you used them. I think I know what you mean by that, but you might explain what you mean by "a rip and read organization."

Mr. Barker: I think the general connotation of "rip and read" in radio is the station—we all subscribe to the broadcast news wire service, at least almost all stations do, which is a radio version of the Canadian Press. Mr. Hughes' reference to a "rip and read station" is a station, I believe, where someone comes out two or three minutes before the scheduled newscast time and looks at the wire service which handily prepares a five minute summary of nine or ten articles of news, rips it off and rushes back into the control room and reads them.

The Chairman: The question I wanted to put to you, Mr. Hughes, is: Are there any more left anywhere in Canada? Are there any in Canada now?

Mr. Hughes: I think gradually over the years that the standard of radio news cover-

age is increasing, yes. We have a very substantial newsroom organization which is dependent maybe on the Canadian wire service for quite a large percentage of, say, non-British Columbia news; but we have developed stringers and we have correspondents in Victoria and...

The Chairman: As I tried to point out this morning to the Telemedia people, and as I would now point out to you, this particular committee-the last thing in the world we want the people from the Western Broadcasting Limited to feel, or the radio stations to feel, is that we are particularly interested in how your news department operates. We are more interested in the general media spectrum. And so one of the reasons we wanted you people to come before the committee is your reputation as responsible broadcasters. The question I put to you more directly is: Are the high standards at your station, are these the standards in the industry across Canada, or are they the standard in the big urban centres across Canada? In other words, are there any "rip and read stations" left in this country? Perhaps you don't know.

Mr. Hughes: I would think there are in smaller markets and I don't think you can unduly criticize the operators because there are some very marginal operations in Canada. Looking at the Dominion Bureau of Statistics I think you can say that your money is better put in the bank where you can make more interest on your investment. They are faced with great problems because they have to be everybody to everyone in a small community. I think there still would be a number who are, to quite a degree, dependent on the teletype for their news.

The Chairman: Your observation confirms the judgment that has been returning to me throughout the hearings. That is in the question of media service across the country. It is the question of the rich getting richer and the poor getting poorer. I don't mean the publishers and broadcasters, but in terms of service. In this country if you live in Vancouver and Toronto you are well served, but if you live in a small community 150 miles from one of the big cities, you have the kind of service you have been describing.

Mr. Hughes: I would like to comment on that, Senator Davey. I would like to congratulate the Standard Broadcasting people and anything further you could ask them when they appear before you. They have, with our assistance, pioneered the Standard Radio News Network across the country and we are now finished negotiating with them. We are going to extend the Standard Radio News Network with Western Broadcasting Limited augmentation from the Vancouver market to anybody in the Province of British Columbia. All they have to do is pay the line charges. We will give them service. Standard has said "It is your service once it enters the Province of British Columbia." We are planning to add to it and say "Fellows, here it is. You can have a metropolitan service in your market. All you have to do is pay the line charges."

The Chairman: That is first rate. When is that going to start?

Mr. Hughes: It was just okayed on the first of March. We are busy negotiating with them.

The Chairman: Are the smaller broadcasters grabbing at the opportunity?

Mr. Hughes: They are interested. We have run into a problem that we are attempting to overcome with the CN CP Broadband service. That is a very important part of it. We could dial them up and automatically from Vancouver or Toronto excite their recording machines and give them their voice report right from Miss Emprigham here in Ottawa. She can excite our machines!

The Chairman: She can excite some of the Senators!

Mr. Hughes: She can put her announcements or reports of this very hearing right to Vancouver and it will go to the interior of British Columbia. This is really in the pioneering stage and made possible by broadcasters in the metropolitan centres who first banded together in Ottawa, Montreal, Toronto, Winnipeg, Calgary and Vancouver. That started the ball rolling.

The Chairman: I know that at the CAB convention this past weekend a survey was taken of 400 of the radio and television executives, some kind of internal poll was conducted. I saw some of the results in the Saturday April 13th edition of the Toronto Star as recorded by the Ottawa Bureau of the Star. It said that the broadcasters expressed the opinion that:

"Education intelligence levels and pay scales of news gatherers are insufficient to permit them to understand and report on current social issues?"

Would you comment on that, Mr. Hughes? Is that a correct interpretation?

Mr. Hughes: I read that and I heard a broadcast the other night from Montreal where Douglas Fisher was on with Raymond Crépault, the Past President of the CAB. Mr. Fisher said that the news broadcasters he knew made \$60 a week. Now there is just no way they make \$60 a week. I thought it was a very unfair statement. They are well paid in our organization and they are experienced men; and the senior men are in charge of the shifts. I think that the broadcasting industry is gradually, and in its growth with the interconnections, are enmassing a number of good people in the broadcasting business. I hark back to the days in Ottawa and the tremendous development in radio and television of news bureaux here as just one example.

Senator McElman: On the matter of the news presentation, with the new development you have coming up, is there any innovative thought going on now in the broadcasting area? Since yours is a headline type of reporting area? Since yours is a headline type of reporting in broadcasting, rather than indepth, is there any new thought on the presentation of news? We have been told repeatedly that good news is no news. Is that to be the bad news type of presentation? Or is there some change to take place, or taking place, in news presentation in Canada with broadcasters?

Mr. Hughes: That is a very difficult one to answer. Warren, would you comment on that?

Mr. Barker: I would suggest that if you analyze not a single isolated newscast, but the various stories carried by the metropolitan station over a week, or two or three days, or three days selected at random throughout a month, you would find that the death, fire and flood type of news story has—not disappeared but has taken a far less important role than I think a lot of people still ascribe to it in the public mind.

If a newscast is led by a report of a Parliamentary Committee, how do you call that? Good news or bad news? I think that radio in the metropolitan areas is headlining or is leading with this parliamentary news, or space news. The disaster type of spot news, I think, has long since been downgraded as to its relevant position in newscasts. I don't mean we ignore it, but I think that metropolitan radio today generally—I know I would certainly much rather have a crackling good story out of the legislature any day than a spot news story. Does this answer the question in the story of the legislature and the story of the sto

tion? We are not looking for news of personal tragedy.

Senator McElman: Perhaps I could put it another way that you could get more directly at it. You hear increasingly from the older generation "I don't listen to the news any more. It disturbs me, it upsets me, it bothers me." You hear from the younger generation "I don't listen to the news. It is not relevant now."

I am not a broadcaster or not a newsman. Can you tell me what this means?

Mr. Barker: It means, as far as the younger generation goes, it is not going enough into the universities and fields like that. We are trying to increase our coverage in that direction. The response of the older people, I think, is something that is unavoidable. I think it is a backhanded compliment to the media that the media is becoming perhaps more representative of the disturbed society and the conflict and the problems in our society. I would take the criticism from the older people in that way, as perhaps being an indication that we are coming to grips with what are the current trends, current problems in our society.

I will be the first to say that the news media, I believe in general, are having a problem—not just the broadcasting media—in getting to the younger generation.

Senator McElman: Let's get it to all generations over a long period of time. This applies to all of the media, some to a lesser degree. We have got a daily box score on how many Americans and how many South Vietnamese and how many North Vietnamese were killed yesterday, or this morning. Is this assisting society?

Mr. Barker: I haven't heard that type of news story in a month, maybe six months, in Vancouver.

Senator McElman: Then there is some change taking place? That is what I am trying to get at. There is some change taking place, I would assume, because that was the fare for a long time.

Mr. Barker: This may have been in the early days of the war. I cannot recall hearing a radio newscast in Vancouver area for the last six months that has paid any attention to any particular battle or loss of life in Vietnam. Perhaps the only story out of there—and I think it has been covered—is the investigation of the alleged atrocities.

Senator McElman: Is this then because of the play-down in the United States Government that they have changed their tactics and they are not giving the numbers as they did before, or is it a change of attitude or procedure in reporting the news?

Mr. Barker: I think basically it is a change in the Canadian newsrooms and that the news editors are throwing out their reports of how many troops have been killed in battle. I think that is what is happening. In my own case we have concluded it is not significant, so it is going in the wastebasket.

Senator McElman: Let us bring it to the local level of broadcasting. When you turn on the radio in the morning the first item usually is that three people were killed on the freeway this morning, they ran head-on into a truck and three people were wiped out. That is still so often the lead item. Why?

Mr. Barker: I would disagree that it is so often the lead item. In my own case it is the lead item if it has been a very quiet day. That may seem jocular but that is not intended to be.

Mr. Hughes: If there are three people killed on the freeway and the names are available and it has happened it is important.

Senator McElman: The most important?

Mr. Hughes: I think it is important. If it happens to be a relation of yours or a friend, it is the most important thing that happened that day or for a number of days for you.

Senator McElman: Let me take an example in the last 24 hours. The names were not available initially and it was the first item.

Mr. Hughes: In our station if the names are not available... let us say right now it is 5.30 in Vancouver and the names are not available. This accident is a very serious one and is holding up traffic on the freeway. It will be the point of a special news bulletin from our airplane or traffic control that there is a very serious accident there. It might not be on the 6 p.m. news. If the names are not available it is not a story. You could have every housewife in the lower mainland beside herself. "My husband is not home with our two children and we just heard there is an accident on the freeway." We are very careful. It doesn't become a story until there are names of people applied to it. If it occurs we would say "Try and do something about not going near 401 at Willingdon tonight. It is completely blocked off." This is providing a different service, a service to those involved to stay away from that area.

Senator McElman: In your brief in a number of places you refer to your involvement in the community life, that is involvement of your total group, your staff or group. I think at one point you used the terminology that you are totally immersed in the community life. With such immersion, with such direct contact with the community, what proportion of your news in general terms would bear to things that could be called—let us not call it good news as opposed to bad—but positive news.

Mr. Hughes: Well, give me an example of your consideration of a positive news item.

Senator McElman: You are living in the community of Vancouver, I am not. You are involved, I am not.

Mr. Hughes: All right. Let me give you an example. Our commentator Jack Webster pioneered and championed the elimination of a parking lot for a yacht club in the Vancouver harbour on one of the beaches. It was going through and he championed it and the mayor flew back from Hawaii over the fuss that was raised and it has now been stopped. If you were a member of the yacht club that was not positive news, but if you were a member of the general public who goes to the beach it was. It depends what position you are in whether it is positive or negative. These are things we get involved in.

Senator Kinnear: I wonder what percentage is international news? I find that international news is taking up a great deal of the broadcasts.

Mr. Hughes: No.

Senator Kinnear: You don't use it?

Mr. Hughes: No. I am sorry, Senator Kinnear, I don't want to make you think we don't cover international news, but we don't set ourselves up as an international news station. I imagine it is quite heavy today on picking up actualities from Houston, but normally if everything is going well in space we report that. We are heavily involved in British Columbia, and to some extent becoming nationally involved with our bureau here in Ottawa, and the contacts we have in each major city as we grow.

Senator Kinnear: With regard to your other comment, I suppose you would be giving more news on Cambodia rather than Vietnam?

Mr. Barker: Definitely.

Senator McElman: Looking for an example of positive or good news and taking the approach of the now non-producing newspapers, if Mr. Bennett were defeated that would be good news?

Mr. Hughes: No comment!

The Chairman: I think that Mr. Fortier had a supplementary question at this point.

Mr. Hughes: If I may say, Senator McElman, you made an interesting point and there is something to always remember. When people say they don't listen to the radio, don't believe them, because they do.

Senator McElman: I said they don't listen to the news.

Mr. Hughes: When they tell you that don't believe them. I have so many people phone into me, principally on Jack Webster. They will phone in and say "I never listen to that

...Scotsman." I say "I am very sorry but it is tremendous we have freedom of choice." They say "Listen, I never listen to him, but this morning... or last night..." They say "I never listen to him." Don't believe them when they say they never listen to radio because they do.

Mr. Fortier: What do you do to attract people who don't listen to radio?

Mr. Hughes: Last year we spent \$90,000 in exterior advertising to invite people to listen to radio. Let me expand on that a minute. One of the real problems in coming up with the measurement of the audience of radio is the fact that the invention of the transistor has enabled radio to become completely portable. A radio goes wherever you go. That audience, although it is on the move, becomes very difficult to measure. I have always felt this and I know that Senator Davey agrees with this because he had the same problem for many years. It is very difficult to take this now immense audience in cars, that are moving with transistors, that is on the beach, that is going wherever they go with radios, and get a measurement on this. I think that radio over the years has always been underplayed. The vast audience is bigger than that reported because of the vast moving audience that can't be measured.

Mr. Fortier: Given this premise that it is difficult to exactly assess the number of listeners, are you concerned that there is still an inordinately high number of people who "don't turn you on?"

Mr. Hughes: They say "I never turn you on" but when I go to meetings—I have been on the air every day doing a program and everybody knows me and yet they tell me they don't listen. They say they never listen to the radio any more. If they don't, how do they know me? It is the only thing I have ever done. A lot of people come out and say "I don't listen" but they do. They do. They say they don't look at television but I am sure they do. I bet tonight they will be watching the hockey game.

Mr. Fortier: Do you listen to TV yourself?

Mr. Hughes: Yes, I do. I am very interested in it and I enjoy it.

Mr. Fortier: What is your relationship with the television stations which are in the Western group?

Mr. Hughes: None. None whatsoever. We are very competitive.

Mr. Fortier: Do they ever complain about your seemingly unfair competition? I am looking at the Refocus report.

Mr. Hughes: It is very unfair. No.

Mr. Fortier: Which is directed very much against the television Vancouver market and poor old CKNW. I read it with much interest and I must say I could hardly wait to ask you questions on it. Did you get criticism from some members of your Board or CHAN?

Mr. Hughes: We had it out before I presented it to the Board. I didn't expect any criticism. I never have. I happen to be in broadcasting and in the radio section. And we uncovered this and we have taken it to the advertisers. Now Channel 8, that is their problem—they have to fight this one.

Mr. Fortier: It is radio eat television and vice versa?

Mr. Hughes: Yes. We are in the marketplace and this is a very strong weapon for us, the dilution of the Vancouver television market.

Mr. Fortier: We have heard from the radio broadcaster, Mr. Griffiths. How do you feel as one of the principals of Western Broadcasting

Mr. Fortier: Given this premise that it is about the attack on their television holdings difficult to exactly assess the number of lisby CKNW?

Mr. Griffiths: Well, Mr. Fortier, there is just not any question about it. If we ever joined areas of the broadcasting media together, one or the other would die. This is a very basic fact. I think one of the basic reasons for the success—and I do say that CKNW is successful—is it enjoys a fantastically high level of competition from the daily newspapers. So we have learned to compete to the bitter, bitter end for everything. Never do you see reference to CKNW in the daily press as such. You may see reference to a suburban radio station, for example.

The Chairman: They don't carry your call letters?

Mr. Griffiths: No.

The Chairman: Ever?

Mr. Griffiths: Not unless we have a fire.

The Chairman: Do they carry the radio listings?

Mr. Griffiths: No.

The Chairman: They never mention your call letters?

Mr. Griffiths: No.

The Chairman: Do they mention the call letters of ther Vancouver radio stations?

Mr. Griffiths: Yes.

The Chairman: Why do they single you out not to mention your call letters?

Mr. Griffiths: Because we are intense competitors.

The Chairman: Do they mention everybody else?

Mr. Griffiths: Primarily CKWX.

The Chairman: CKLG, would they mention them?

Mr. Griffiths: Not really. The Vancouver Sun, to be fair, has had, I believe, a policy in the last few years of no mention whatsoever of radio stations. However, we have competed with them very strongly in gathering news. So much so that we are must listening in all their editorial rooms.

The Chairman: Do they mention CHAN television?

Mr. Griffiths: Only when the president Mr. Fortier: Do you have any plans at the makes a contentious statement.

The Chairman: Do they carry CHAN ·listings?

Mr. Griffiths: Yes.

The Chairman: Surely CHAN must be as great competition for them, as great as CKNW?

Mr. Griffiths: I think the television listings probably without any close competition is the most widely read section of the newspaper, so it is to their advantage to carry TV listings.

Mr. Fortier: One of your investments, of course, is a 55.1 per cent shareholding in Canastel. Canastel still remains a bit of a mystery to some of us here. Who are your fellow shareholders?

Mr. Griffiths: That is very simple. Canastel was owned by Associated Television in England and amongst other things it owned 25 per cent of the television station in Halifax. That, of course, makes them ineligible for a licence and so as part of a retirement from Canadian broadcasting, Associated Television in England sold their Canadian holding company, Canastel, to a combination of two people, Western and Selkirk. Western bought 55 per cent and Selkirk bought 45 per cent; so through that holding we have the joint investment in Halifax.

Mr. Fortier: You gave Selkirk an equal voice on the board?

Mr. Griffiths: Yes.

Mr. Fortier: Why is that?

Mr. Griffiths: A matter of negotiating.

Mr. Fortier: That is very magnanimous on your part, I would say. Did they have an offer to purchase an equal number of shares?

Mr. Griffiths: No.

Mr. Fortier: Do you leave the management of CJCH in Halifax to the local people?

Mr. Griffiths: Totally. We have no mandatory right to representation on the Board in Halifax but as a matter of good business the other shareholders invite us to have a representative and the representative that comes in and says "Wait, I don't like that Western and Selkirk chose is our television mix. I would like to hear another mix of a

moment to further extend you holdings in eastern Canada?

Mr. Griffiths: No.

Mr. Fortier: Do you have plans to further extend your holdings in western Canada?

Mr. Griffiths: Yes.

Mr. Fortier: Within cable, radio or television fields? h your II soom yas olber out of

Mr. Griffiths: Yes, all three.

Mr. Hughes: Senator, I think to make the record straight, I meant to bring this up at first, I refer you to paragraph 4 on page 1 of the brief. I wish to go on record at this time on behalf of Mr. Griffiths that the purchase of Bentley was approved on the 31st day of March and the closing of our purchase of Bentley took place yesterday afternoon.

Mr. Fortier: Express Cable, you are still awaiting approval on that one?

Mr. Griffiths: Yes.

The Chairman: What does it mean on page 15. section 43:

"The revenues of the radio and television stations are principally derived from the sale of advertising time to local and national advertisers."

I put a query by the word "principally". Are there other ways you derive revenue?

Mr. Hughes: Well, in television, of course, there are substantial revenues derived from producing programs and in radio increasingly so. We in Vancouver now have eight track recording machines and very sophisticated boards, and we are now doing eight track. It is a terminology. You can take an orchestra, a band, and when they can come to your studio you record them and then you can bring in the singer when she is over her cold, or the group, and put them together on the track and let her hear the mix. Then the new technique comes along. We will ask her to do the selection in a key higher. Then you have another track and then you bring in the announcer and put him in. Each track remains alone by itself. Then we start what we call the mix on track five, six, and finally end up with the final product on seven. We have still got eight free in case someone president, Mr. Peters, so he is a director. higher music level and bring that singer

down and make the announcer have a different tone." We can change his tone electronically. This is what we are involved in now. Gradually it is increasing and there is some revenue from this as we make commercials for stations all over western Canada.

The Chairman: Would you do it for national advertising agencies?

Mr. Hughes: Yes, we would.

The Chairman: Are you concerned, Mr. Hughes, about the on-coming trend towards Americanization of the Canadian advertising industry?

Mr. Hughes: No, I am not; because when I first started in the selling part of radio in 1952 we would come to the east for eight weeks and we would spend three weeks in Toronto, two weeks in Montreal, and the rest of the time in New York. I haven't been to New York now for five or six years. Our sales people don't go into New York now at all, so our conection with New York and Chicago, and Los Angeles as an area for getting advertising revenue is just nil. I can't remember the figures, but we don't even go down now.

The Chairman: Why is that?

Mr. Hughes: All the business is done in Toronto.

The Chairman: Because the American agencies are taking over the advertising agencies in Toronto?

Mr. Hughes: Senator, with respect, I feel a lot of the Canadian agencies have developed and they now are handling the accounts in Canada.

The Chairman: We have the ICA coming here on Thursday and we will be talking to them. I was anxious to find if you are concerned about it and you are not. Thank you.

Senator McElman: On the matter of revenues on page 27, section 92, there is reference to refusal to kill. Some items on occasion have cost the station considerable revenue. Would you give us any examples?

Mr. Hughes: I will give you an example, no names, no pack drill. We had a situation where an advertiser of ours was charged with the misdemeanour of having someone in his organization turn a speedometer back. A charge was laid by the RCMP and we reported it as such. We had considerable difficulty with the client who felt we should not have

reported it until it had been heard in court and decided that way. I disputed this with him. We had reported it as fairly as we possibly could but he was going to cancel all his advertising. I said "That really is secondary as far as we are concerned." We would treat ourselves the same way. We were fined last year \$500. It was a situation where I took every precaution possible but one of our commentators made a comment regarding a byelection in Vancouver which was within the 24-hour period. I had a notice stuck up right in front of him and I had a man speak to him the night before, but he forgot and made a one sentence comment. We paid the \$500. We went to court and I pleaded not guilty because it certainly was not intentional. We certainly reported it.

Senator McElman: He is still with you, is he?

Mr. Hughes: No.

Senator McElman: I will not ask for other examples. Would this sort of thing happen very often, the quotation I have given you?

Mr. Hughes: No.

Senator McElman: It is then a very much diminishing thing from what it has been suggested it once was?

Mr. Hughes: I would like to be very fair to the advertisers. Te number of advertisers who have ever phoned me and asked for special consideration of any kind is on one hand.

Senator McElman: Negligible?

Mr. Hughes: Yes, negligible. I feel we have never experienced any pressure from advertisers, "You do this or else." If they don't like it they usually don't buy.

Senator McElman: With your BBM rating, you don't have to be concerned about that sort of thing.

Mr. Hughes: It certainly helps to have it like that.

Mr. Fortier: Your broadcaster infringing the Election act, of course, is a good example of a situation where a station would be charged. A large portion of your broadcasting is given to opinion programs. Does the station stand behind every opinion which is expressed by, say, Jack Webster, or any other opinion commentators?

Mr. Hughes: No, I don't think we necessarily stand behind them. Jack is very conscious

times saying "You have said this. Let's get the other side in." We make available time for anyone who wishes to comment on the position; as we did with the yacht thing that happened the other day. We attempted at great length to have them come in and give their side.

Mr. Fortier: Will he have to clear with management any views which he is going to express?

Mr. Hughes: Well, he has been with us for 11 years and we have meetings every other Tuesday afternoon to discuss aspects of it. If he gets where he feels...he communicates and says "How do you feel about this? Give me some background from your side." We have discussions. We don't attempt to say "Take it easy if you don't like that television program last night." He doesn't phone me and ask, he goes on and says it.

Mr. Fortier: Have there been instances where he has editorialized one way and you felt so strongly about the episode that you or anyone on the Board would have said "No more of this?"

Mr. Hughes: Never "no more." I think that newsmen can be guilty of over-emphasizing a story and maybe getting involved and seeing the trees and forgetting about the forest. I think in a friendly way we would chat with him and say "I think you are playing this story a little high." He says "Yes, maybe; I can see your point." I think it is only an opinion you would get from someone discussing it in a helpful vein.

Mr. Fortier: Whose judgment would you substitute to his? Your own or management?

Mr. Hughes: We would talk about our program. The assistant manager would be involved in it and Warren, probably, and myself, and we would attempt to come to some arrangement, some opinion on that, a consensus of the view.

Mr. Fortier: Is there such a thing as a CKNW editorial policy?

Mr. Hughes: No. We have gone out on a number of crusades. The latest one, which would not be an editorial policy-I wish we had brought it with us-we published a full page ad with regard to pollution to attempt to show the people of British Columbia what a problem it was. We said, that if they felt it was a problem, they should write to the Pre-

of this. We have lengthy discussions at all mier of the province and bring their views, to his attention. We supplied them with a whole page to write on-a blank page of newspaper. Then I went on the air, myself with two minute comments on the pollution problem facing us here in the mainland; and I had the air people, the pilots on tape and they would tell me what they are experiencing from the smoke problem etc. We detached a man from the newsroom for a period and he went and covered the material and we ran that up until February.

> Now we are going to shortly unveil a new program with regard to hospitals. We feel there is a genuine hospital crisis in British Columbia, especially in the lower mainland, where people are waiting and waiting. We are going to attempt to get public opinion and notice of the fact that something more should be done to get more hospitals built.

> The Chairman: Perhaps because it is six o'clock we should terminate the hearing but perhaps I could ask one final question of Mr. Griffiths, with the forbearance of the Senators. I hope you will appreciate the spirit I put the question to you. You and Mr. Hughes have something in common, in that you both come from New Westminster. The discussion here this afternoon for almost two hours has centered substantially on CKNW and that is understandable because it is perhaps the premium station in your organization. Many of the questions we have put to you have been specifically on CKNW. Now the answer you may make is to be critical of us and say that our questions concerned CKNW.

> Are you concerned about the fact that you are really, in terms of Winnipeg operation, an absentee owner; and should I be concerned about absentee ownership when I reflect on the hearing and the fact that we spent all this time talking about CKNW and not at all about Winnipeg?

> Mr. Griffiths: I think the questions that have been asked this afternoon by the committee could equally have been asked of the station manager and the news editor of CJOB. I think, and I am sure, otherwise I would not say so, that the answers would have been practically identical because the approaches are identical. At all times we say to the management that you have got to be of the people of the community, not just in the community. Moving to Calgary, the situation is slightly different. I would like to make a comment on that. Winnipeg goes back many

years, because in Winnipeg we purchased an operation from someone who wished to retire from the business at that time, so there was no continuity except we have the same manager, and the same accountant, and the same news editor that were there that many years ago.

In Calgary we have taken a more up-to-date approach with the approval of our purchase, a series of things come into play. First of all, the principal members of the Board of Directors there continue to be directors. Half the directors are Calgarians and the other half will be from the west side of the mountains. The vendors there become substantial shareholders of Western, and the President of the Calgary company becomes a Western director. So we say, I think, that in every way and properly, the voice of Calgary is equally directly represented.

The Chairman: Thank you. If time allowed, and unhappily it does not, I would like to explore the relationship that you enjoy in Calgary and Winnipeg. I am grateful for the explanation you have given. I am sorry we cannot explore it at greater length.

Mr. Hughes mentioned my own background in broadcasting, and quite aside from that I am always apologetic when broadcasters appear before the committee because we hear in all your brief that you have appeared endlessly, or so it seems, before committees of inquiry—the CRTC, the BBG, the old CBC, and various royal commissions. These points have been made endlessly in the brief that we have received from broadcasters. We take that point, we understnad that point, and we appreciate that problem.

I must say, gentlemen, we do not apologize for asking you here today. Indeed, very much on the contrary. This is a study of the overall media spectrum, and I suggest to you, had we omitted broadcasters, had we failed to include them in a study of this kind, the broadcasters would have been understandably offended. We are grateful to you and thank you.

May I remind the senators that we are going to meet for a few minutes in Camera at 7.30 p.m. The first session tomorrow morning is Countryside Holdings Limited at 10 a.m. in this room.

The committee adjourned.

Queen's Printer for Canada, Ottawa, 1970

the resident two ver foundament serleaff, the series state of the series series of the series series of the series series of the series of the

existed one done observe the maje systematics and the figures report by the figures report by the figures of the system of the report of the system of the report of the system of the s

Pir, Raghest Never "no refill tayetto ghoust neverness can be gighty of over-employables a story and maybe getting involved and seeing the spees and torgetting involved and seeing the spees and torgetting shout the forest. I think in a triendly way we would that with him and say "I think you are playing this sloay a little high." He says "Yes mayber I can see your point." I think it is may apported by the see your point." I think it is may appoint on you would get from sepectors discussing it in historial vers.

Mr. Forther Whole judgment would be

Me. Hughest We'would talk about our proprient. The sanishad menager upuld be neededed for it and Warten, probably, and talyself and we would alternat to come to strate authoroment, some ordinan on that a consensate of the view.

Ma. Translers is stone such a titling as a Chilest ed a

Manual and accession. The latest one, which sends and accession the latest one, which sends that latest one, which and because it said, and exploring policy—1 follows and because it said, and one policy or policy to attain to attain to the lower to be send to be the control of the send to a send the control of the send the control of the send that a server of the control of the

The postdorm on political was precised as the continuous and the conti

The Cheirman Thank, you If time allowed to an interpolity it does not a would the to the spirity that you entry the explosion that you entry the explosion will be a factor of the explosion you have seven I am sorry we explain the explosion to a greater to the explosion.

Sobjective Transfer Continues of the discussion has been this afternoon for aimset two hours the centered subtraction for aimset two hours the centered subtraction for aimset the hours that the independent of the prefer station in your organisation. Many of the questions we have put to you that such see put one make is to be critical of us und say that one questions consorted CENNY.

Are you concerned about the fact that you are really in terms of Winnipag operation as everyone operation, and whould I be understood about observes occasionly when I IS leet on the heating and the fact that Washer at the table that Winnipag about CKNW and not to all this time talling about CKNW and

Mer. Griffisher I think the questions of place been asked this afternoon by the containts of station manager, and the news editor CIOE. I think, and I am sure, otherwise would not see so that the markers with mayor been predictly four that he markers with the been predicted. At all think we to the to the people of the commands, not just to the geogle of the commands, not just to the geogle of the commands, not just to the surecessive in allegaty, the situation of allegaty and like to make the common of the the state of the state of the common of the state of



Second Session—Twenty-eighth Parliament 1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, Chairman

No. 38

WEDNESDAY, APRIL 15, 1970

WITNESSES:

Countryside Holdings Limited: Mr. G. Norris Mackenzie, President; Mr. Roger W. Warren, Director; Mr. Allan Rogers, Secretary.

Radio Futura Limited: Mr. Jack Tietolman, President; Mr. Corey Thomson, Vice-President; Mr. Ronald Carabine, General Manager, CKVN, Vancouver.

Standard Broadcasting Corporation Limited: Mr. W. C. Thornton Cran, President; Mr. Jack Dawson, Vice-President and Station Manager, CFRB Limited, Toronto; Mr. H. T. McCurdy, President, CJAD Limited, Montreal; Mr. J. Lyman Potts, President, Standard Broadcast Productions Limited; Mr. Donald Hartford, President, CFRB Limited, Toronto; Mr. Sidney Margles, Head, Special Events, CJAD Limited.

La Fédération Professionnelle des Journalistes du Québec: Mr. Gilles Gariépy, President of the Fédération, and Reporter, "La Presse"; Mr. Serge Ménard, Counsel; Mr. Claude Piché, Vice-President (Radio and Television), and Reporter, "Présent". Radio-Canada; Mrs. Lysianne Gagnon, Vice-President (Dailies), and Reporter, "La Presse".

21494-1



MEMBERS OF THE

SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, Chairman The Honourable L. P. Beaubien, Deputy Chairman

Beaubien Bourque Davey Everett

Hays

Kinnear

Prowse Macdonald (Cape Breton) Quart

McElman Petten

Sparrow

Phillips (Prince)

Welch

The Honourable (15 members) eldsworth edT Quorum 5

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee:

That the Committee have power to sit during adjournment of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was-Resolved in the affirmative. and to solution and most statical

Extract from the Minutes of the Proceedings of the Senate, Friday, December 19th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Langlois:

That the names of the Honourable Senators Bélisle and Phillips (Prince) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

> The question being put on the motion, it was-Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Langlois:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 10th to 19th February, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and— The question being put on the motion, it was— Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, February 5, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Haig:

That the names of the Honourable Senators Quart and Welch be substituted for those of the Honourable Senators Bélisle and Willis on the list of Senators serving on the Special Committee of the Senate on Mass

The question being put on the motion, it was— Resolved in the affirmative. bas asibeW asaM no etamo? edit Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 17, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Connolly (Halifax North):

That the name of the Honourable Senator Kinnear be added to the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That the name of the Honourable Senator Langlois be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 4th to 13th March, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, March 19, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media on 24th and 25th March, 1970, and from 14th to 23rd April, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

MINUTES OF PROCEEDINGS

WEDNESDAY, April 15, 1970. (38)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, (Chairman); Kinnear, McElman, Petten, Smith and Sparrow. (6)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

Mr. G. Norris Mackenzie, President, Countryside Holdings Limited;

Mr. Roger W. Warren, Director, Countryside Holdings Limited;

Mr. Allan Rogers, Secretary, Countryside Holdings Limited;

Mr. Corey Thomson, Vice-President, Radio Futura Limited;

Mr. Ronald Carabine, General Manager, CKVN, Vancouver;

Mr. Jack Tietolman, President, Radio Futura Limited.

The following witness, representing Radio Futura Limited, was also present, but was not heard:

Mr. Marcel Provost, Programme Director, CKVL—AM and CKVL—FM, Montreal, Que.

At 1.00 p.m. the Committee adjourned to 2.30 p.m.

At 2.30 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, (Chairman); Kinnear, McElman, Petten, Smith and Sparrow. (6)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses, representing Standard Broadcasting Corporation Limited, were heard:

Mr. W. C. Thornton Cran, President, Standard Broadcasting Corporation Limited, Toronto;

Mr. Jack Dawson, Vice-President and Station Manager, CFRB Limited, Toronto;

Mr. H. T. McCurdy, President, CJAD Limited, Montreal;

Mr. J. Lyman Potts, President, Standard Broadcast Productions Limited;

Mr. Donald Hartford, President, CFRB Limited, Toronto;

Mr. Sidney Margles, Head, Special Events, CJAD Limited.

At 5.30 p.m. the Committee adjourned to 8.00 p.m.

At 8.00 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, (Chairman); Hays, Petten, Smith and Sparrow. (5)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses, representing La Fédération Professionnelle des Journalistes du Québec, were heard:

- Mr. Gilles Gariépy, President of the Fédération, and Reporter, "La Presse";
- Mr. Serge Ménard, Counsel:
- Mr. Claude Piché, Vice-President (Radio and Television), and Reporter, "Present", Radio-Canada;
- Mrs. Lysianne Gagnon, Vice-President (Dailies), and Reporter, "La Presse";

The following witnesses were also present but were not heard:

- Mr. Louis Falardeau, General Secretary;
- Mr. Murray Maltais, Regional Director (Outaouais Region), and Reporter, "Le Droit".

At 10.00 p.m. the Committee adjourned to Thursday, April 16, 1970, at 10.00 a.m.

ATTEST.

— IVAO bas MA—IVAO roberio emanare Denis Bouffard, Clerk of the Committee.

THE SPECIAL SENATE COMMITTEE ON MASS MEDIA

EVIDENCE

Ottawa, Wednesday, April 15, 1970.

—The Special Senate Committee on mass media met this day at 10.00 a.m.

Senator Keith Davey (Chairman) In the Chair.

The Chairman: Honourable Senators, if I may call this session to order. This morning we are going to receive two briefs. At 11:30 we will hear from Radio Futura Limited, and their Montreal and Vancouver stations. However the first brief we are going to receive is from Countryside Holdings Limited. Sitting on my immediate right is an old friend of mine, Mr. Norris Mackenzie, who is the President of Countryside Holdings Limited.

I think I might perhaps ask Mr. Mackenzie to introduce his associates, but before I do so, I should simply say to him the procedure here is simple. The brief you were kind enough to send us three weeks in advance, as we requested, has been received by the Senators, it has been circulated and presumably studied by them. We would like you to take a few minutes now to introduce your colleagues and then take ten or twelve or fifteen minutes to comment on your brief or other things that may be on your mind.

Then, following that we would like to question you on your brief and on your oral submissions and other matters as well.

I might say it is not necessary for you to make an introductory statement but the time is yours if you wish to use it.

Mr. G. Norris Mackenzie, President, Countryside Holdings Limited: Are you suggesting I should ad lib?

The Chairman: You are pretty good at ad libing.

Mr. Mackenzie: Ladies and gentlemen, good morning. To my right is Allan Rogers, who is the Secretary of Countryside Holdings Limited and a partner of mine without a cross word for about 13 or 14 years and that is pretty good. He is also a lawyer.

The Chairman: That is especially good if he is a lawyer.

Mr. Mackenzie: And a good lawyer. On my left is Roger Warren, who is with A. E. Ames & Co. Ltd., in Toronto and is also a director of Countryside Holdings Limited. I am the President.

I did not expect, Senator, to have the privilege of addressing this august hearing so early in the morning.

The Chairman: It is not necessary. If you would like to say anything, you may do so but you certainly do not have to.

Mr. Mackenzie: I will be happy to give you a verbal run-down, which is not necessarily in this brief.

We are summer residents of the Muskoka area. Many years ago Allan and myself and our then partner, a Chartered Accountant whose name is Douglas Haig, decided at Huntsville, at least, by merit of some technical reason or the other, we could not get good radio. CFRB is a fine radio station but we could not always get it because it comes and goes.

There are weekly papers in the neighbourhood of Huntsville, Bracebridge and Parry Sound. But there was really no daily form of inter-communication between these areas. This is true. We were thinking of the winter time primarily—and of course, in the summer. Even in those days there was a tremendous influx of tourists. So, not having too many brains, we decided to start a radio station at Huntsville and we did.

In those days we did not really know very much. We applied for 250 watts and we had a very good frequency. It was 590 on the dial. We found to our chagrin this power would not do anything for us so we re-applied and got 1000 watts and then we were still in trouble and had to put up a satellite at Parry Sound.

It may be of some interest to this group to know, I think in all of Canada, CKAR is the only station that has its so-called satellite with the very same call letters which is CKAR at Huntsville and CKAR-1 at Parry Sound.

This is a very small community. Both communities, internally in the Parry Sound area and at Huntsville, represent a very few thousand people but there is this area. There are inter-hockey games and so on.

We found nothing but problems in ground conductivity because the very reason we could not get CFRB was also the reason we could not get our stuff out as well as we wanted to. We have had a nice time in getting this organized and it has been a great education. We have learned a lot. We have had to.

Had it not been for the fact we are all otherwise employed, this being our first station, we probably would have had a lot of trouble keeping it going and we did anyway.

I am very pleased to tell you this year, 1970,—I believe it is our twelfth year of operation or possibly thirteenth—we are budgeting for a very modest profit. In the meantime, this station has, in my honest view, done something of which we are all very proud; it did indeed and does indeed really and truly contribute a great deal to the area in which it operates.

A lot of people, will take a look at any small radio station in any small community and immediately will begin to compare it with the *Toronto Star*, for example, or something in the big city, which is rather flattering.

Our little radio station because we listen to it all the time, it is no CFRB, it cannot be, but it is a very fine locally oriented and I think, nicely programmed station. It is one of those stations that has to be all things to all people with the result we have the normal allowance of the kind of music that probably appeals to this group, which is "Dancing in he Dark," it's my style. We have a little bit of religion which I am sure is the Senator's style, and some sports and things of this nature plus the rock and roll which will drive you right out of your mind, but we have it all. This is the sort of service that we try and operate in Countryside broadly speaking. CKAR was our first one and they are all now healthy, growing babies. In addit I work

I think that really tells you what we are doing.

The Chairman: Thank you very much.

The questioning this morning will beging with Senator Sparrow.

Senator Sparrow: Thank you, Mr. Chairman. Could you give me the listening audience break-down of the stations referred to in your Brief, Huntsville, Parry Sound, Stratford, Woodstock and Orillia? Could you give us an idea of the size of your stations?

Mr. Mackenzie: Well, Senator, in Huntsville, as I have described to you, it is not exactly the Queen Mary in relation to luxury. We do not subscribe to the BBM survey. There is another reason too because of the area itself and because of the nature of the area where tourism represents a tremendous thing. I do not think we can. We have tried to attack that position with advertising agencies too. We can only tell you that in the area we serve, most of the time in most of the area, we are by far the strongest signal and business is good. We get good reaction to it. I cannot give you the numbers.

Huntsville itself has a population of something under 4,000 people. Again, depending, believe it or not, on weather conditions, we can be heard in Bracebridge, in town sometimes and other times not if electrical wires are buzzing, but we can be heard outside and all along the lake resorts. It is an impossible question to answer.

Senator Sparrow: And the other stations?

Mr. Mackenzie: As to Woodstock and Stratford, I have not got the figures. The two areas would represent probably a metropolitan population of a total of around 50,000. Between Stratford and Woodstock, I think you could safely say on the average day and night we would at least have 60 or 65 per cent of the audience overall. This is in town, of course. You also have the farm areas.

The Chairman: I have a supplementary just before you go on, on Huntsville. You mentioned 4,000 population. It must be around three times that number in the summer or four times or even five times. I do not know.

Mr. Mackenzie: We do not know either but the Tourist Association and various other people who are interested in tourism, for instance, take a count at the Algonquin Park gates.

Now, years ago we were looking for 200,000 or 300,000 summertime visitors in the Muskoka-Parry Sound area. This is a great big

carpet. It absorbs people like you can hardly believe. On Saturday mornings or any morning in town parking was a real problem.

We would have to say nowadays there is at least I would guess 300,000 summer visitors right around the Huntsville, Lake of Bays area, and of course with skidoos and the opening of winter activities, the hotels are doing quite a good business up there this last year or so.

The Chairman: I make the point because the Senators are not as familiar with the area as you are and, of course, I am.

One further supplementary question. Do you thereore sell, unlike most radio stations, more national advertising during the summer months?

Mr. Mackenzie: As a matter of fact, yes, that is correct. We have been very fortunate that way inasmuch as everything is not done by a computer. There are some people in the advertising agency, believe it or not, who still believe what they see.

Yes, we did well that way.

Senator Sparrow: You made reference to Huntsville and said you are at least budgeting for a profit this year. The other stations are all profitable?

Mr. Mackenzie: They all show a black figure.

Senator Sparrow: In your brief you show Gordon A. Sinclair as a director, holding one share. That is Gordon Allan Sinclair, I assume, the TV personality?

Mr. Mackenzie: Yes.

Senator Sparrow: Maybe I should ask Gordon Sinclair this question. What value is he to the company as a director and what kind of money would he make as a director?

The Chairman: Answer the second question first.

Mr. Mackenzie: Well, he makes about the same kind of money as the rest of us do but I do not know if we gave him his dollar this year or not. He takes it out at Christmas time occasionally. We do not pay him anything. He is there primarily because this is a small company and Gordon Sinclair was a very good friend to me during the opening of my first company and he has got a good brain. We appreciate him.

The Chairman: You sound surprised.

Mr. Mackenzie: No, he is a good businessman too.

The Chairman: Well, I think it is important that we have it on the record, in view of his well-known questioning on another program, that you do not pay him anything. He performs for...

Mr. Mackenzie: Oh yes, he does, just because I think he enjoys it and he contributes a great deal.

One of the other reasons he is with us is because when we assumed control of CKMP in Midland, he was one of the original investors with the then owner-management and so this lead us into this.

The Chairman: With his son? Was not his son involved in that?

Mr. Mackenzie: No, that was Bruce Armstrong.

Senator McElman: A supplementary Sinclair question would be: Is he worth as much as you pay him?

Mr. Mackenzie: Senator, I will ask him that.

The Chairman: I think we probably have not dealt with the second part of Senator Sparrow's question which is: What does he contribute? Does he give you advice and so on?

Mr. Mackenzie: I think I will ask Allan Rogers to answer that question.

Allan D. Rogers, Secretary, Countryside Holdings Limited: Yes, I think he does. He is quite faithful about attending directors' meetings when they call them. If he can possibly attend he does and he is of course, a long time, well-known summer resident of Bala, which is in the Midland-Muskoka-Orillia area.

Yes, I think he makes a contribution to the general operation of the company.

Senator Sparrow: Mr. Mackenzie, in your biographical sketch I note you have been in the broadcasting business most of your life, commencing with CJCA and then with CKWX, CKOC and All-Canada Toronto. Are you still associated in any way with these other interests?

Mr. Mackenzie: No.

Senator Sparrow: That was just an employment field?

Mr. Mackenzie: That is correct.

Senator Sparrow: So All-Canada at the moment has no connection with you or any of your other interests?

Mr. Mackenzie: No.

Senator Sparrow: What does G. N. Mackenzie Limited do?

Mr. Mackenzie: I am glad you asked, Senator. That company was a program producing and a program distribution company. Primarily it started off as a manufacturers' agency for American-type or Australian or whatever material was available and sellable to our Canadian radio stations fraternity.

It then got into the business of the production of Canadian, both English and French type material which was sponsored, as Senator Davey will remember, by people like Swift's and Chesebrough-Pond's, both English and French. It then became a distributing factor for news. I have sold it but it, broadly speaking, was in the production end of radio for both local and national type clients.

Senator Sparrow: You have since sold the company? And I insmisso

Mr. Mackenzie: Yes sir.

Senator Sparrow: So your only business in the field is with Countryside?

Mr. Mackenzie: That is correct.

The Chairman: Do you make your home in the community now?

Mr. Mackenzie: You mean...?

The Chairman: In Huntsville?

Mr. Mackenzie: No, I live in Toronto. We have a home in Port Sydney.

The Chairman: I see.

Senator Sparrow: On page 2 of your brief you refer to the time you purchased CKAR and later on CJCS. Then you say:

"It is doubtful if CKAR and CKAR-1 could have survived if Countryside had not acquired CJCS in Stratford."

Why?

Mr. Mackenzie: Well, I would defer to Mr. Rogers on this with just one opening comment.

That is that CKAR needed a tremendous amount of financial transfusions and CJCS was a profitable organization and gave us a cash flow that helped us with our bank and so

Maybe Allan can enlarge on that.

Mr. Rogers: Yes. What happened was for the first twelve years or eleven years of its existence. CKAR did not make any money and in fact in a number of years it lost reasonably substantial sums.

When we acquired CJCS, as Mr. Mackenzie has pointed out, it had a good cash flow and it enabled us to obtain bank financing, intercompany loans and this sort of thing which kept CKAR in operation.

Senator Sparrow: Not particularly for efficiency of broadcasting or selling?

Mr. Rogers: No.

Senator Sparrow: It just received a cash insert?

Mr. Rogers: Yes.

Senator Sparrow: You say in the middle of page 3:

"The directors of Countryside are not prepared to express an opinion as to whether or not multiple media ownership is socially desirable."

I do not quite understand that comment. Why are you not prepared to express an opinion? I presume you have one? Why would you not be prepared to express it?

Mr. Mackenzie: Well, Allan, you wrote that part.

Mr. Rogers: Well, I think the reason for that statement was this: that in our opinion small stations such as we have, and especially marginal stations such as CKAR in the earlier days and CKMP, were not economically feasible. They just did not make money. They lost money. It took a number of years to get them going so they are accepted by the people and have good ratings and so on. I think to that extent if any one wants to open a radio station today, he must either have a very large financial backing to suffer through the first three or four or five years of if he has a group of stations, he can use the economically sound ones to help along the lame ones.

To that extent I think that multiple media owneship is desirable. Whether it is socially desirable I am not quite sure.

What does multiple media ownership mean? I can see, for example, dangers in the so-called cross media ownership, newspapers, radio stations and all these things. It may not be desirable if someone has too much, too many types of media in one certain area.

The Chairman: Well, Mr. Rogers, you say "It may not be". Is it or is it not?

Mr. Rogers: I do not know. We have never had cross media ownership.

The Chairman: I think that the way Senator Sparrow puts his question to you is a good way. It is very important for broadcasters who come before this Committee to realize that, as I am sure you do, this is not a CRTC hearing. No one has been on trial here and certainly CKAR and Countryside is not on trial here.

We are particularly interested in where Countryside fits into the broad spectrum of things and what you think about the over-all media picture. Some of the questions you are answering by saying "if" or "maybe". Please do not feel you need to be so diplomatic. Say what you think.

Mr. Rogers: Well, let me put it this way. I think that it is socially desirable so far as small radio stations are concerned and that is what we are. That is what we know about.

The Chairman: Well, I think it is interesting for us to know that.

Mr. Rogers: I think it results in a better financial base. I think it results in some programming pluses because the good stations can program better than poorer ones. They can hire better personnel and we can have an interchange of managers. They meet and discuss things. We think this results in our stations having better programs and doing a better job than if they were just very small stations that were not properly financed.

So, to that extent I think it is socially desirable.

On the other hand—I speak personally—I can see that multiple media ownership may not be socially desirable if one person owns all forms of media in one particular market. Now, we do not do that.

The Chairman: Or if one person owns all the radio stations in Canada, for example?

Mr. Rogers: Yes, exactly, so I cannot say "Yes" or "No". Obviously I think what we are doing is socially desirable but I do not think

it would be socially desirable perhaps if in any one area we owned the newspaper, the radio station and the television station and so on.

The Chairman: Do you wish to add something, Mr. Mackenzie?

Mr. MacKenzie: Yes. Well, if I might add one thing. I believe an awful lot of this gets right down to human relationships. You say and you are right that this is not the CRTC but we all have to have an opinion.

I believe you will agree with me that Canada, as a nation, has been fortunate in the type of entrepreneur who has invested his time and his money in private operational broadcasting of both areas. We are lucky to have the type of people we have who are running this. Of course in the progress of growing, as our country did, an opportunity comes along in a given market and the gentleman says "Well, this is part of our thing".

I, broadly speaking, think we have been fortunate so far.

Mr. Fortier: Supplementary?

The Chairman: Yes, Mr. Fortier.

Mr. Fortier: Referring back to what Mr. Rogers just said about the advantages of multiple ownership, I find it difficult to reconcile what he has just uttered to the Committee with what I see on page 3 of the Company's Brief in the first paragraph, the last sentence there.

Maybe Mr. Rogers is going to say now that Mr. Mackenzie wrote this one but he said: "...otherwise there appears to be little advantage, at least insofar as Countryside is concerned" and that is from owning or controlling a number of stations.

I think you have just put your finger on a number of advantages, some very substantial ones, as I understood you. How would you reconcile this?

Mr. Rogers: Well, I think what I am saying is that the advantages, in my mind, boil down to really two things. One, economics and two, if you have four or five managers who have different ideas and hold managers' meetings and so on, they meet and come up with new programming ideas. This is what we are doing in Orillia and it is working and what we do in Woodstock, but apart from that, I do not see any great advantages.

Mr. Fortier: I thought in your first statement that you were indicating that there were rather substantial advantages flowing from owning more than one radio station. Now you are sort of soft-pedalling a little.

Mr. Rogers: No, I did not mean to. I think I am saying and I will say again that without multiple ownership I do not think CKAR could have survived and I think it is important that it did.

Mr. Fortier: Yes, that point is made in the brief, I agree.

Senator Smith: Why would that be so?

Mr. Rogers: Because CKAR lost money for ten or eleven years and CJCS made money and we were able to finance CKAR with our profits from Stratford.

The Chairman: May I ask a question? On this CKAR losing money for the first ten years, frankly, Mr. Mackenzie, that was a great surprise to me. You planned the station and you thought you would make money obviously. What went wrong? Why did you not make money? Where were your...

Mr. Mackenzie: Errors?

The Chairman: No, I will not say "errors". Why did it take you ten years? I am sure you did not think it would.

Mr. Mackenzie: No. It is like anything else. It is not always planned that way. We bumped into a situation of straight ordinary mechanical problems. Frankly today, I do not think any of the gentlemen in our Board know how to plug in a toaster in relation to getting a transmitter going and the government comes along with readings on conductivity which read thus, and the Engineering Department say on that basis it will go this far.

It developed there were errors right on the ground so when we started our first transmitter it didn't work. We therefore had to get a second transmitter to literally cover the area.

The business of capital investment in literally two radio stations instead of one, the cost of transportation of the signal between Huntsville and Parry Sound on a common carrier was a continuing monthly expense.

Then you have the situation, Senator, that you are aware of and that is that any new radio station starts up this way, which ours did, it cools down and then has that long

hopeful climb up. This is precisely what happened.

The Chairman: A particularly helpful question that I could ask because we are interested in similar stations everywhere in Canada: Was the market too small for a radio station? How small can a market be to support a radio station?

Mr. Mackenzie: I suppose that depends entirely on the economic situation involved. I think broadly speaking we did not feel the market was too small because we made comparisons, for example, with Peterborough County.

We took a look at the then population and I remember it was a static population of about 60,000 people in the Muskoka-Parry Sound area, not in the cities; but over in Peterborough they had 90,000 or 95,000, but their situation was well down. In those days they had only one radio station. I believe they had a television station and they had two daily newspapers.

In the area we were serving, as I pointed out, there was no daily form of intercommunication in those areas. We therefore felt that with the combination of what has happened, which with the population explosion, the fact that tourism is there, yes, we were right but it was a long time being right.

It was not a quick dollar or a quick situation.

The Chairman: In your opinion—I know you know the country well because you have travelled extensively, are there many communities left in Canada which are potential areas for new radio stations?

Mr. Mackenzie: In my opinion I hope we do not. This is not because of our small involvement but I sincerely hope that our governing authorities here recognize the errors, in my opinion, that have been made by the FCC in giving too many licences to too many people. Frankly, I do not believe this country needs a single more radio station that I can think of.

Senator Sparrow: Getting back to your comments on CJCS and CKAR and CKAR-1 not being able to survive; they could have survived just every bit as well had there been an insertion of personal capital or capital from another corporation outside the broadcasting field?

Mr. Mackenzie: Oh yes.

Senator Sparrow: There is not a direct connection. Is that what you are saying?

Mr. Rogers: I am saying that except to perhaps qualify it to this extent. I think if the then directors or entrepreneurs who established CKAR had not put in their own money, I believe no one else would have. After you have suffered through four or five years and you keep taking money out of your pocket, unless you can get it reasonably painlessly, it becomes a little humdrum.

Senator Sparrow: A related industry paying the shot, in other words.

Mr. Rogers: Right.

Senator Sparrow: Rather than some other industry?

Mr. Rogers: Right.

Senator Sparrow: I am not sure I know the Value of this question to the Committee but it will be interesting for me to know at least and I hope to the Committee.

You have referred to the fact you have a management arrangement or you have management control of the two stations in which you own 50 per cent. What type of management arrangements do you have? Simply what would that management arrangement be?

Mr. Rogers: It is very simple. Both of those stations are owned 50 per cent by Countryside and 50 per cent by one other shareholder. It is as simple as that. We have a letter of arrangement between us and it simply says that Countryside shall have the management control of the stations. That is all it says.

Senator Sparrow: And you charge a management fee?

Mr. Mackenzie: Yes.

Mr. Rogers: Mr. Mackenzie charges a management fee.

Senator Sparrow: As an individual.

Mr. Rogers: As an individual.

Senator Sparrow: Then Countryside themselves do not charge?

Mr. Rogers: No, Countryside does not charge.

The Chairman: Mr. Fortier has a supplementary on this, Senator Sparrow.

Senator Sparrow: Yes.

Mr. Fortier: If we may deal with Orillia for a second. Your partners there are MacLean-Hunter?

Mr. Rogers: That is right.

Mr. Fortier: Do they provide you with any know-how at all, given, of course, their involvement in the field of communication, or do they disinterest themselves entirely from their investment in CFOR?

Mr. Rogers: I think it is fair to say that when we went into that organization that it was our know-how that they required.

Mr. Fortier: Were they already there, Mr. Rogers, when you went in?

Mr. Rogers: It was owned by another subsidiary of Maclean-Hunter's and two other persons.

Mr. Fortier: Did you buy your 50 per cent from MacLean-Hunter?

Mr. Rogers: No, we bought it from a company called Great Lakes Broadcasting.

Mr. Fortier: So that MacLean-Hunter were already there with their 50 per cent?

Mr. Rogers: In effect what happened was that we incorporated Orillia Broadcasting Limited which bought the assets of CFOR Orillia from Great Lakes and then Maclean-Hunter and Countryside each owned half the stock of the new company.

Mr. Fortier: Do you have meetings of the Board of Directors of Orillia Broadcasting Limited?

Mr. Rogers: There are ...

Mr. Fortier: Maybe I should have asked my first question. Are there any of MacLean-Hunter's representatives on the Board?

Mr. Rogers: No. Very infrequently; they are furnished weekly with sales reports and that sort of thing but they leave the management of the station to us.

Mr. Fortier: And they do not give you any tip as to how a communications company should be run?

Mr. Mackenzie: It was the reverse, Mr. Fortier.

Mr. Fortier: Have you ever sought in recent years their advice on anything and been met with a refusal to provide it?

Mr. Mackenie: We asked them for a couple of million dollars and they hesitated.

Mr. Rogers: We have not asked them.

Mr. Fortier: You have not.

Mr. Rogers: I am sure they would give us whatever information they could if we had asked them.

Mr. Fortier: Do you find it an advantage or a hindrance to be in equal partnership with Maclean-Hunter in the ownership of a radio station in Ontario?

Mr. Rogers: I think I can honestly say so far as both Oxford and Orillia are concerned we operate the stations. We furnish our partners with financial statements and that is the way it has been and there has been no problem.

Mr. Fortier: No problem at all, but you would be just as well off—again with no reference to the particular problems that you have in any station—if you owned 100 per cent of the shares. Is that correct?

You do not get anything from your association.

Mr. Rogers: Frankly except for tax reasons we would be as well off.

Mr. Fortier: Except for the tax reasons which you go into in your brief?

Mr. Rogers: Yes, right.

Mr. Fortier: Who are your partners in Midland in CKMP?

Mr. Rogers: I could give you a run down of the shareholders of all of them, if you wish.

The Chairman: Do you wish to have them tabled or would you rather discuss them?

Mr. Fortier: Unless there is one substantial shareholder, I think we should have them just tabled.

The Chairman: I think it would be quite sensible to table those with us. If there are any major shareholders, as Mr. Fortier mentioned, perhaps you would like to mention them.

Mr. Rogers: Perhaps I could give you the major shareholders. In Huntsville there are really none. In Midland the only major shareholders are Bruce Armstrong who is the President and Manager and Gordon Sinclair has a minority interest. He was an original shareholder in that station. CJCS we own outright. Orillia, as you know, is 50 per cent between ourselves and Maclean-Hunter. Woodstock is 50-50 between ourselves and Ferris Agencies Ltd. That is Gordon Ferris & Company.

The Chairman: Would you table a copy of that with us, please.

Mr. Rogers: I can send it. I just scratched it out on a copy.

The Chairman: Thank you.

Mr. Fortier: So you own—whether it is 100 per cent or 50-50 or 53 per cent—and manage all those stations?

Mr. Rogers: That is correct.

The Chairman: Yes, Senator Sparrow.

Senator Sparrow: On page 3 of your brief at the bottom paragraph you refer to the income and estate tax laws.

What is your recommendation as far as estate taxes are concerned? I ask this question in two ways really; Is it that there should be no estate taxes or the rate is too high? Should there be special provision for the broadcasting media in particular?

Mr. Rogers: If I may answer the last question first. I do not think there should be special provisions for broadcasters as opposed to any other undertaking.

We are all residents of Ontario and the difficulty, frankly, in Ontario is that at the moment the federal Estate Tax provisions work pretty much in conflict with the Ontario Succession Duty provisions. The Ontario Government, in its most recent budget, has, of course, quite substantially increased the exemption for widows but the difficulty frankly is this: that if any one of us were to die shortly and if the taxing authorities valued these personal holdings on what we think they are probably worth, frankly it would mean we would probably have to dispose of everything we have to pay our duties if we wanted to hold the Countryside stock. If we wanted to sell the Countryside stock, then we would have to find a buyer who vould have to come in in a minority position and it all would be subject to the requirements of the CRTC that they qualify and so on. So if you ask me what my opinion is about our Estate taxes and Succession Duties, my opinion is that if we are to have a capital gains tax we ought not to have Estate taxes and Succession Duties.

Mr. Fortier: But you are not asking for special treatment for broadcasters?

Mr. Rogers: No.

Senator Sparrow: Well at the moment we have not got capital gains. If it did come, capital gains would be another problem to be faced.

Mr. Rogers: Yes. If a capital gain is to be imposed on estates, on persons who have enjoyed a capital gain at the time of death, then that tax must be paid, the federal estate tax must be paid and the Ontario succession duties must be paid. Then for a small private company or a reasonably substantial private company, it seems to me, you have to be liquid before you die. You can do one of two things. You can sell out or you can go public. It is, of course, just as simple as that.

Senator Sparrow: You refer to that again on page 4.

Mr. Rogers: Yes.

Senator Sparrow: Are any of your stations for sale?

Mr. Rogers: No sir.

Mr. Mackenzie: Well, just a moment; how much?

Mr. Rogers: Well, how much?

Senator Sparrow: I believe you have had offers to purchase these radio stations and I ask this particularly of the bigger companies in the broadcasting field.

Mr. Rogers: We are constantly receiving offers but as far as I am aware they always come from a broker so we do not really know who is making the offers. I do not think we have had...

Mr. Mackenzie: We have never entertained one of these with any seriousness because we feel people shop, a lot of them, so we really seriously have not looked at any specific offer in any serious way at all.

Senator Sparrow: You have a salable corporation.

Mr. Rogers: We believe so.

Mr. Mackenzie: Under normal conditions.

Mr. Fortier: May I ask a supplementary?

The Chairman: Yes.

Mr. Fortier: On this question of going public—maybe I should direct this question to Mr. Warren, he has an interest in any corporation going public. When I ask this ques-

tion I bear in mind the public trust nature of a communications company. Mr. Warren, is there any difference between a broadcasting firm and any other service industry in the arranging of capital by public financing that makes it more difficult in the case of a broadcasting company than in the case of any other corporation?

Roger W. Warren, Director, Countryside Holdings Limited: Well, basically speaking I am going to approach it slightly differently. First of all, as far as I am concerned, Countryside is too small at this stage to go public.

Mr. Fortier: Certainly it does not have a history of profit which would be a necessary ingredient.

Mr. Warren: I was going to get in to that. To start with I think size is important. I think we have had too many public issues which have been too small, with lack of marketability. This is a very, very important factor as far as an investor is concerned.

If there are not enough shares available, this means that any institutional investor probably will reject the issue simply because he has not got marketability. If he buys he has to buy too big a percentage and if he wants to sell it there is not a big enough market to take care of it.

The second point is the one you touched on, Mr. Fortier, the profit. In other words you have got to have good financial statistics in order to have a successful issue. Certainly any house, such as Ames and Co. Ltd. with which I am associated, wants a company with a good record and this is all important because when you sell something you want the selling party to be satisfied and also the buying party. The deal is only good if both sides are satisfied.

I myself would like to see more public issues in the communication field. I think I probably should add more issues. I feel our markets in Canada have not got enough issues of quality type stocks available. This is one of the major problems, particularly once again for institutional investors, that there is just not enough selection, not enough variety.

You take somebody like the Investors Group in Winnipeg. They own practically anything they can own. They could be getting into a controlling position in many of these companies which, of course, they should not get into and do not want to get into. Therefore they are forced to look to other countries for diversification within their portfolio.

Therefore I would like to see a situation created where it is advantageous for the communication field to go public. Granted there are problems with Canadian control and so on but we could get over that problem with the Bank Act, something along that line could be incorporated in legislation that would be passed.

Mr. Fortier: That is a very good general answer. I appreciate it but my question really was: Is it harder in your experience as a stockbroker for a broadcasting company to go public than for any other form of company?

Mr. Warren: I would say certainly in the last year it has not been because the broadcasting industry has caught the imagination of the investing public.

Right at the moment I would say it would be very difficult, the main reason being the uncertainties that have been created by recent statements brought down by the CRTC.

In fact, I have been out of the country for the last three weeks so I am not in a position to comment on this but I understand there is a doubt on exactly what is going on and that would make a public issue very difficult at this stage.

Mr. Fortier: Mr. Mackenzie, have you considered, prior to Mr. Benson tabling his White Paper, going public with Countryside?

Mr. Mackenzie: I feel we have probably always had the objective of becoming broader in the base and proceeding in this way. I do not think Mr. Benson's White Paper's comment was timed one way or the other in relation to this.

Mr. Fortier: Do you think it is a good thing or a bad thing in your mind for communication companies to become public concerns?

Mr. Mackenzie: That is a real tough one. It all depends where you are, I think.

Mr. Fortier: Well, say you are in your shoes today.

Mr. Mackenzie: Well, on the same basis that Mr. Rogers pointed out, I believe that everything is getting more and more competitive, more and more costly.

The sevices that are demanded or will be demanded in the '70's or '80's are going to be more extreme than they were in the '40's or '50's and in order to accomplish this, we are going to have to have more money.

Mr. Fortier: I think your case is a very natural one for this sort of question because in fact what you did twelve or thirteen years ago is, as a member of the public of the community during the summer, which was lacking in communications, you decided to start one so that there was part of the public which invested some money.

Do you think ideally that public should be involved and that the base should be extended?

Mr. Mackenzie: I think it would be advantageous to anyone concerned because first of all, of course, there would be a higher rate of local interest if you have a financial interest to a point and local responsibility.

I think it would be a healthy situation, yes.

Mr. Fortier: Do you think that government or government agencies or quasi-judicial agencies such as the CRTC, should encourage a broader base of ownership within the communications field?

Mr. Mackenzie: Well, Mr. Fortier, the way it is going I have to say that this is about the only route we have left to follow.

I have to assume that from what appears to be the guidelines, this is going to be the only answer.

Mr. Fortier: Unless you have terribly wealthy investors who will be paid to invest their money.

Mr. Mackenzie: I would guess that even that would be difficult in the years to come.

Mr. Fortier: I think I have to ask this question. You say "This appears to be where we are going". So I come back to my first question: Is this good or is this bad? Is the CRTC encouraging motherhood or it is encouraging vice?

Mr. Mackenzie: That is a very good question. I think that probably it is a good idea for people to get together. It follows the concept of the city and the town.

Everybody cannot afford to have their own car. You have to have a pool service occasionally. I think this is what you are discussing. The answer, I think and I expect it is the opinion of my partners, is that Yes, in the longer-run, we are heading for more of a community effort, not only in broadcasting but in many other things.

Mr. Fortier: This Committee is dealing with mass media. And my question was framed so

you would apply your mind exclusively to the nature of the industry in which you are involved. Is it a good or a bad thing that mass media belong to the masses?

Mr. Mackenzie: With proper direction I think it is a good thing.

The Chairman: Mr. Rogers wants to comment.

Mr. Rogers: I would agree I think that it is desirable that the public have an interest in the mass media. Certainly if you take the historic situation of CFRB, which has been a public company for many years. It is an excellent radio station and certainly I do not think anyone can be critical of CFRB having been a public company. There would have to be proper direction and management. Obviously you would hold shareholders' meetings but you cannot call in all of your shareholders and discuss programming with them. I think it again boils down to the people who manage the station but yes, I think it is desirable.

The Chairman: Did you wish to add something, Mr. Mackenzie?

Mr. Mackenzie: Just to the effect where in a city like Toronto you have four or five radio stations and the public has a wide choice as to which particular station they want to become part of.

Senator Sparrow: Your brief stated that the reason necessitating going public was brimarily taxation and succession duties or estate taxes. Two other things have come up now, a broader base of ownership which you indicated you think was socially of value and then you made a statement that perhaps additional capital may be acquired by going public.

Is the company you now have not financially viable enough to look after its own operation and inter-expansion for the future or are you saying that by going public, you would extend into the broader field of broadcasting or media in local area as well as others; or do you need this capital just for the people you serve at the present time?

Mr. Rogers: No. I think we would need capital if we proposed to broaden our base. If we wanted to buy another radio station today, prices are extremely high and certainly we would not have the resources within our organization to acquire additional properties.

21494-21

We do not need it for our operations.

Senator Sparrow: As such.

Mr. Rogers: That is right.

Senator Sparrow: You say somewhere in your brief that cable television would be your greatest problem.

Mr. Rogers: Yes.

Senator Sparrow: Where is that in your brief?

Senator Smith: Page 4.

Senator Sparrow: That seems to be your greatest concern at the moment apart from the regulations of the CRTC and so on. It appears, as well, I think somewhere there, that you are interested in going into the cable business yourself. Is that right?

Mr. Rogers: Right.

Senator Sparrow: You say:

"It appears to be only a matter of time before cable companies will be allowed to sell their time commercially...."

and so on.

How long do you think it will be—when you say this—that it is going to affect you drastically financially as you have indicated?

Mr. Rogers: I think our concern is that in the United States, the FCC is now permitting cable companies to sell advertising locally. It seems to us that if a cable company in Huntsville could go to the local car dealer and do a one-minute commercial with a hand held Brownie camera, it would not cost him much more than it would cost us to put on a one-minute commercial over the radio and that a cable company could go conceivably into the local advertising market quite substantially, but that I do not know.

Senator Sparrow: I am sorry. I do not mean to interrupt you. Is there cable in all of the centres now?

Mr. Rogers: Yes.

Senator Sparrow: There is. It is in all of them?

Mr. Rogers: Yes.

Senator Sparrow: Including Huntsville?

Mr. Rogers: Yes. I was going to add when you asked me when this might happen, I cannot answer that.

The Chairman: Do you think it will happen? Do you think there is a possibility?

Mr. Rogers: I think if cable companies are required to do some local programming, they will have to have additional revenues and I do not know where else it would come from.

The Chairman: So you confidently expect to see the cable companies selling local advertising.

Mr. Rogers: I think probably. Yes, I think so.

Mr. Mackenzie: It is the logical way it happens.

Senator Sparrow: I will change the subject if there are no further questions. At the top paragraph of page 5 you mention a rather disturbing thing. You say:

"It would be a brave broadcaster indeed who undertook to promote an unpopular cause. The result is that we do the best we can".

Further down you say:

"Under the existing rules no radio station, large or small, will do anything that may jeopardize its licence."

That is a disturbing statement and it should be of concern, I suppose, to all of us. Perhaps you might explain that further, in the light of what you are not doing that you could perhaps do if there wasn't some fear that it wouldn't be considered in the public interest?

The Chairman: Perhaps a supplementary question before you answer that: Are you not a brave broadcaster?

Mr. Mackenzie: Right up to my eyebrows.

Mr. Rogers: I can only think of some examples. I can think of the example when a radio station in Vancouver, CJOR did not have its licence renewed because of some open line program. I heard the programming and I am the first to admit it was in extremely bad taste. It was something that certainly we would not broadcast over our station facilities. The fact of the matter is that they lost their licence and frankly whatever was said over that station is being said every night on a lot of stages at least in Toronto.

The Chairman: Is there not a difference between singing on the stage and singing on a radio station? Mr. Rogers: I think perhaps there is but the fact of the matter is that the licence was not renewed. Nothing was done there. I am certainly not trying to uphold what they did. I think it was very bad broadcasting.

On the other hand in other forms of entertainment, if you will, it is being done every day on the stage and motion pictures and so on.

Frankly the situation is that we know we are being monitored all the time. We know our licences are going to be renewed every two years. We are collared down to account for what we have done. We must account if we have done anything that the regulatory body does not want us to do.

The Chairman: Mr. Rogers, excuse me. You say "you are monitored all the time." Do you mean that literally the CRTC is listening to your station all the time?

Mr. Rogers: Well, as I understand it ...

The Chairman: Is there somebody sitting at Huntsville listening to your radio station?

Mr. Rogers: No, that is not true, but there are monitoring stations, as I understand it, which do air checks.

The Chairman: They do air checks?

Mr. Rogers: That is right.

The Chairman: But that is not monitoring all the time.

Mr. Rogers: They do have monitors going in every day or once a week and so on. I think what I am saying in this respect is that if we do not have a licence we have nothing and I think it is as simple as that.

The Chairman: Could you give us an example of something that you would like to do which would be good broadcasting in the interest of your community and which you feel inhibited from doing?

Mr. Mackenzie: Well, I think, Senator, that anybody here is aware that CAB has just finished its closed session and because they are closed and because we are members of it, I am just trying to intimate what the newspapers are now saying or will be carrying.

I think that most of the people in our business have got a conscience. I believe they are mostly intelligent. Historically, radio has never had as realistic an editorial opinion as the newspapers and I think the reason for it

historically is because of the fact they are indeed utilizing a public frequency or channel and they are subject to—whether you like it or not—governmental scrutiny of one type or another. Mr. Rogers says it would be a brave broadcaster indeed who does. Well, there are a few of them. However, I believe that what we are really saying is that we would like to have a feeling of no Big Brother on our shoulders.

The Chairman: Well, you really have not answered the question. I would like still to have an example of something that you would like to do, something that you think would be good broadcasting and in the interests of your community, which you would like to do but which you feel inhibited from doing?

Let me offer an example. This question is not facetious. I want to know what you think. Do you think if your station aired regularly an announcement or if you editorialized clearly—saying this is an editorial comment—but suggesting that the Trudeau Government should be defeated and replaced by either the Stanfield Party or the New Democrats, let us say the Stanfield Government—do you think you would lose your licence?

Mr. Mackenzie: Well now, Senator, I am sure we would not lose our licence in that situation, nor would any other radio station in the country. I am simply pointing out to you historically that this sort of editorial approach has not been done to any effective degree across our whole country. Now, I have to leave to your imagination why not.

The newspapers are not under any form of governmental regulations such as we are. I think the time is coming when the broadcasting fraternity has got to stand up and say: "Look, we have a responsibility that goes with this authority"; but to answer your question, historically this is true.

Mr. Fortier: There are radio stations, Mr. Mackenzie, in the large cities—I cannot speak for Toronto but I can speak for Montreal—which editorialize on topics be they political or otherwise.

Mr. Mackenzie: You are thinking of the "Roberts' Report".

The Chairman: The "Roberts' Report" is a case in point.

Mr. Mackenzie: There is not enough of that and I think Mr. Roberts' point is that there is

not enough of that in relation to the 100 per cent of our population.

Mr. Fortier: Do you think the reason for that, consciously or unconsciously, is the fact that Big Brother, the CRTC is looking over you?

Mr. Mackenzie: There is another reason, Mr. Fortier, and again we get back to our specific situation.

Number one is, as you have read in our brief, none of the gentlemen here with me or myself have gone in to one of our radio stations and said "Now, look do it this way. I believe the White Paper is no good or I believe it is good", whatever it might be. We have never done that.

Mr. Fortier: Except as far as "going to hell" is concerned.

Mr. Mackenzie: Well, that is different. But you see, we do not have that right of interference.

I happen to think that Mr. Leslie Roberts has got a great brain. Whether you agree or not does not matter, but he works in a major centre like Montreal.

Mr. Gordon Sinclair, a director of ours, whether you like him or not, has got something to say and he says it. But you take a look around, take the different areas in the Maritimes or the West...

The Chairman: You have used the example of Gordon Sinclair because he is a director of your station. I cannot think of any broadcaster in Canada who says consistently, more outrageous and controversial things. Sometimes I agree with him and sometimes I do not agree with him but he tells you what he thinks and so do Pierre Berton and Charles Templeton on their program "Dialogue" which I understand is syndicated across the country.

Please believe me, gentlemen, I am not trying to back you into a corner and I am not trying to embarrass you. I would be grateful if you could give me one example of—to quote the paper—an unpopular cause that you think would be (a) good broadcasting and (b) in the interests of your community—something you would really like to do that you feel you are afraid to do.

Mr. Mackenzie: I do not think, Senator, that we really have a specific in mind.

The Chairman: It is general?

Mr. Mackenzie: I believe Mr. Rogers was ence on them for having done this. Now, is pointing out a historical situation which anybody, such as you, who has been in this industry long enough to know-it is a broad fact in history.

I believe now we are coming to a point where we should and are in the major areas, coming out with specifics of "I do" or "I do not like". I hope that we are capable certainly politically, in our little way to do our best to make sure that the Conservative, the Liberal and whoever, has equal time.

This is as far as we have gone but we should improve it.

Senator Sparrow: Have you had occasion to discuss this with your individual managers saying that "I do not think we should do this on this station because of this fear of Big Brother"?

Mr. Mackenzie: No sir. We have never ever, Senator Sparrow, gone along on these lines. Our efforts as top management, if this be the word, is simply to run the best thing we know with the available information that we know is correct, be it coming from Canadian Press or whatever, and present it in the best possible way and do our job as good and local citizens.

We have never instructed management-if you happened to be a Liberal and I a Conservative or whatever-along these lines.

Senator Sparrow: Well, I do not understand that statement in that paragraph. You still have not got through to me:

"Under the existing rules no radio station, large or small, will do anything that may jeopardize its licence."

I am assuming you are talking about yourselves as well as other radio stations, but you have given us, at least me, nothing to indicate that that has happened.

Mr. Mackenzie: I tried, sir, to point out the fact that this is an historical situation in relation to editorial comment that you have read over your lifetime in newspapers and it is true that way.

Senator Sparrow: It seems to me that this is a programming matter rather than a fear matter. We have made reference to broadcasters who do editorialize and, to people who are involved in broadcasting who have not lost their licences and who have not lost their jobs and apparently no one put undue influthat not a good enough example?

Mr. Mackenzie: It is an example, Senator Sparrow, but it is an example of a small proportion in relation to the number of licences in the country.

If you pick out CFRB, as I have, and CHAD, which are excellent; and they have brainpower with them; right? To me, they are leaders of our industry. I think we need more of them, as Mr. Rogers has said, and I hate to repeat it for the fourth time but the fact is that historically it has not been done for the reasons I have tried to outline.

Senator Sparrow: Is there undue influence or are you influenced in your station then by the fear of losing government advertising?

Mr. Mackenzie: No.

Sparrow: Are you unduly Senator influenced by other advertisers?

Mr. Mackenzie: No sir. This has nothing to do with advertising.

Senator Sparrow: No. I am opening up a different field.

Mr. Mackenzie: No, the facts of the matter are simple. Number one, in Huntsville we have not got a Leslie Roberts. That is for openers. Number two, historically the industry itself is now just developing sound or intelligent editorial policies. Number three, the leadership has been taken by the big leaders of our community which are the stations we have described. Number four. It is our hope that in future we will (a) develop the intelligence, and (b) start editorializing in a full way.

We cannot take too many sides because in our communities, we are all things to all people.

Senator Smith: Mr. Chairman, just on this point, just before we move on to something a little different. A little while ago you were on this same phase and you started to make some reference to the Maritime Provinces. Now, will you go back and say it again?

I think what you are trying to arrive at is that you could not expect the small stations to provide the kind of talent, with the knowledge to editorialize, and make those programs meaningful. Is that what you meant?

Mr. Mackenzie: Well, you see, my point in looking at your history or geography is because my father comes from Parrsboro and I have a built-in interest in it.

I think what I was talking about was the size of the community, whether ex-Toronto or ex-Montreal.

Senator Smith: I have the feeling, for example, that size does not necessarily mean the quality is not good enough for the big time.

I was delighted when I started to turn on a certain station in Ottawa a few years ago and I heard this little—Don Jamieson from a rather small city in Newfoundland, who was one of the best commentators on the air, in my opinion.

The Chairman: Finlay MacDonald from Halifax.

Senator Smith: ... And had a wonderful voice and so on.

There may be other Don Jamiesons.

Mr. Mackenzie: There are, sir. I am sure, as you are aware in our brief, we say our radio stations, small as they may be, we think they are good. We think they compare very favourably with any other local operation from the point of view of the weekly newspapers and so on.

They are also an excellent training ground for some of the people that you are discussing. We could list off one or two names you would know. Lloyd Robertson, who was on the air last night, is one of our Stratford alumni. This sort of thing, yes, but you do not find too many Don Jamiesons.

The Chairman: No, but in the brief you have not indicated that this is the reason you do not do these things; the fact that there are not too many Don Jamiesons. You have implied it is because Big Brother is watching you.

Mr. Mackenzie: That is right.

Mr. Fortier: May I suggest, Mr. Chairman, that Mr. Mackenzie put is finger on the real answer a few minutes ago. What their concern really is, I suggest, at the small broadcasting level, relatively speaking, is not your fear of losing a licence but rather your fear of losing an important segment of your audience.

Mr. Mackenzie: Or being unfair to them, Mr. Fortier.

Mr. Fortier: Being unfair to them in not telling them what they want to be told.

Mr. Mackenzie: On both sides of the question.

Mr. Fortier: Yes, exactly.

Mr. Mackenzie: I have also pointed out to you the fact that we do not have the Leslie Roberts type of analyst in Stratford or Woodstock and you can make an awful idiot of yourself if you go on the air with something that is improperly done.

Senator Sparrow: But that paragraph does not say that.

Mr. Fortier: Exactly.

Mr. Mackenzie: Perhaps it does not, sir, but I hope you know what we are thinking.

Mr. Rogers: I think it is as simple as this. Historically newspapers have editorized for hundreds of years. Canadian radio stations, until the last ten years, never have. There has got to be a reason for it, in my humble opinion.

Mr. Fortier: You go much further than that. This is a supplementary, Mr. Chairman. In your brief on page 7 and at the top of page 8, you speak of the number of investigations and the frequency of scrutinies.

You say:

"We think that to a degree the investigations and certainly the continuing scrutiny can only result in radio stations doing those things the various governmental bodies think the stations ought to do."

Now, I think you ought to be given a chance to explain what you mean here: that the governmental bodies are getting you to do the things that they wish to do.

This may be good in a certain area. This may be very bad—very bad if you mean they are doctoring your programs, of course.

Mr. Rogers: No, no. I did not mean that. I am sorry if that was the inference. I have more in mind, such things as the requirement as to commercial content, the requirement as to Canadian content.

Two of our radio stations are affiliated to the Canadian Broadcasting Corporation so we carry 26½ hours of CBC programming a week whether we like it or not. These are all...

Mr. Fortier: You are not criticizing those policies, are you? I mean the maximum times

to be devoted to commercials, the proposal with respect to Canadian music content. Are you criticizing those?

Mr. Mackenzie: I do not know whether you are but I am. We think these things have been propelled too quickly. We do not believe the theory is incorrect.

Mr. Fortier: Let us forget about the music content, although, if we have time I would like to get back to it.

Did the government regulations, emanating from the CRTC or emanating from the old BBG, by and large only serve to keep broadcasters in line, as you say at the end of your brief, or keeping them within certain boundaries or did they really prevent broadcasting from becoming "a vital industry", again quoting from your brief?

Mr. Rogers: May I answer one of those questions? The CRTC, so far, has taken the attitude that—I am subject to correction—we are only going to renew your licence for two years because we want to see how you are doing.

Mr. Fortier: Is that good or bad?

Mr. Mackenzie: It is pretty difficult.

Mr. Rogers: It is pretty difficult because...

Mr. Fortier: ...because of the sword which is hanging...

Mr. Mackenzie: No, because you need a big investment. If you owned a departmental store and you knew that everything you had was subject to going out the window in two years, and assuming you felt you were operating your departmental store as well as you knew how and it still could happen in this theory, this is worrisome.

Mr. Fortier: Of course, you know you are renting public property.

Mr. Mackenzie: We are renting it?

Mr. Fortier: In the broadcasting field.

Mr. Mackenzie: In effect then you can use that word, sir. I would suggest that it might be fairer to say that we are utilizing it to the benefit of the public.

Senator Sparrow: You want a longer term lease?

Mr. Mackenzie: Yes sir, within reason.

Mr. Rogers: If we break the law then all right, the CRTC or whatever the governmental body may be, should certainly have the power to call us down and warn us or cancel our licence or whatever; but what they are saying now, as I understand it, is that we are only going to renew your licence for two years because we want to see how you fellows are performing.

We know that and we are conscious of it. It makes financing extremely difficult. It cannot help in my personal view but have some effect on what you do with your station.

The Chairman: Senator Sparrow, are there other questions? We have another witness at 11:30. I have only one other question I would like to put to this witness.

Mr. Fortier: I have only one too.

Senator McElman: I have a supplementary.

The Chairman: We will have Senator McElman's supplementary and then Mr. Fortier and perhas mine and then perhaps we can adjourn for a few minutes, until 11.30.

Senator McElman: I would like to get this matter of the sheer aspect of things down to a case in point.

I am sure, Mr. Mackenzie, you are familiar with Jack Fenety.

Mr. Mackenzie: I should say.

Senator McElman: The Immediate Past Vice-President of the CAB?

Mr. Mackenzie: A very old friend of mine.

Senator McElman: And an old timer, as you say. He is the top man at CFNB Fredericton, the oldest and strongest signal in the Maritimes.

I believe very recently, within the past ten days, Jack was interviewed on his own station with respect to the proposals by the CRTC for content and so on. He was—I think I am being totally fair to him, I would not want to be unfair—we are friends—critical in the extreme of not only the proposed regulations but I think he backed up a bit...

Mr. Mackenzie: I beg your pardon?

Senator McElman: I think he backed up a bit on the current regulations as well.

In any event he was extremely critical of the CRTC. Would this fall into the category of what you referred to as an unpopular cause and secondly, would you think that would in any sense jeopardize the likelihood of a renewal of licence?

Mr. Mackenzie: The last question, Senator, I just cannot answer because it is sort of a silly situation. The fact of the matter are that our whole industry at this particular pointand I have not had a chance to read this headline which says "The CRTC Hangman is over", which the Senator has, Broadly speaking I think that our industry feels that it has done its very best as an industry. I believe it feels it has been subject to scrutiny that might promote a fear complex because of the nature of its business which indeed is a public franchise; and therefore with this feeling around your neck, you are really not playing hockey as well as you could if you did not have that approach.

I did not hear Jack's comments, but I imagine they were pretty straightforward. I am sure I would vote with him without even having heard it.

Senator McElman: To get back to my question, would you consider—let me say—the attack upon CRTC that that would possibly jeopardize one's chances for renewal of licence?

Mr. Mackenzie: That is a real dandy, is it not?

Senator McElman: It is meant to be.

Mr. Mackenzie: I think anything is possible.

I will hide behind that one.

Senator McElman: There is a reference here to a fear.

Mr. Mackenzie: That is right.

Senator McElman: A very explicit and clear-cut reference. Would such a fear accompany such an attack?

Mr. Mackenzie: Would such a fear accompany such an attack?

Senator McElman: Such an attack upon the CRTC and their proposals?

Mr. Mackenzie: I think the Association as such, during its meeting this week will probably come out with the fact in an "United We Stand" approach.

Senator McElman: This is why I am asking; not in the 'united' situation, but I am asking in the case of an individual broadcaster?

Mr. Mackenzie: I believe he would have to be a man of great fortitude.

Senator McElman: In other words this is a courageous man of whom you are speaking who would, on his own, without the back-up of CAB would say "Here, I think this is bloody nonsense".

Mr. Mackenzie: Exactment, Monsieur.

Senator McElman: This is the heart of what we have been talking about?

Mr. Mackenzie: Right.

The Chairman: Mr. Fortier?

Mr. Fortier: Given your history, Mr. Mackenzie, in this program producing and distributing company, in which you do not have an interest anymore, I find it surprising that you do not have some common programming in your stations. Why is that?

Mr. Mackenzie: I think I understand you but what do you mean exactly: Do you mean the same programming here?

Mr. Fortier: You do not have some syndicated programs in your group?

Mr. Mackenzie: Once again you get down to the business, sir, of local management, local situations and local appeals. Sometimes what is popular in Stratford is not as popular as it might be in, I will say, Orillia.

Mr. Fortier: I grant you that, but is that so all the way across the spectrum of programming?

Mr. Mackenzie: No. As a matter of fact we have unified policies on programming not specifically in relation to—we will say—this performance of a music format. It could be possible for a radio station at Huntsville, if it was surrounded by cowboys, to be playing T and C all the time.

The only policies that we have that are in decency and good business, as Mr. Rogers pointed out.

It is my pleasure to go up all the time to the radio station. We have one man at the present time who we think is good who is taking our over-all policies in relation to—in this case—entertainment presentations, and applying them here, there and you.

We have also found things that are bad that we throw out.

The Chairman: That is substantially the endeavour to answer any questions to the area that I wanted to discuss so I think perhaps we have dealt with that.

We could perhaps conclude by making a reference to page 7 of your brief where you

"No other industry is "investigated" as frequently...".

You have "investigated" in quotes.

I hope you will realize that this morning you have not been "investigated". You are here because any Committee such as this must direct at least part of its interests to local broadcasters and in particular local broadcasters in the smaller communities. You have things to say which are of value to us in our deliberations and we are grateful to you for coming.

I think we are mindful of the traditional broadcasting hostility to government boards, agencies and committees but as I said yesterday I think perhaps the broadcasters might be aggrieved if any reference to broadcasting was omitted from a study of this type which is looking at the over-all media spectrum in Canada.

So, gentlemen, thank you very much. We will adjourn. We will re-convene right at 11:30.

Thank you.

-Whereupon the Committee recessed until 11:30 a.m.—Upon resuming.

The Chairman: Honourable Senators, I call this session to order. The witness, whose brief we are going to receive now, is the Radio Futura Limited. Sitting on my immediate right is the Vice-President, Mr. Corey Thomson. It is my understanding that Mr. Thomson will introduce the other members of the delegation and perhaps you have an opening comment or two you may wish to make.

It has been suggested to me that questions be put through me to Mr. Thomson and Mr. Thomson will in turn refer them to some of his colleagues.

Mr. Corey Thomson, Vice-President, Radio Futura Limited: Thank you. Mr. Chairman and Senators, I think all of you probably have done your homework and probably have read the brief. In the essence of brevity, I know the brief is such it is probably a little innocuous, we stand prepared to discuss any one of the answers as given in the brief or any additional information that you would care to

best of our ability and I think probably the best way is our answer to the first question. Are there any questions in connection with it, number 1?

Senator Smith: In connection with what?

Mr. Thomson: With our first answer.

The Chairman: I think we will just let the Senators fire away, if that is all right with

Mr. Thomson: That is much better.

The Chairman: I think it is. So, Senators, if you will put your questions to Mr. Thomson who in turn will hand them off.

Senator Smith: Mr. Chairman, I would like to just say there is some value perhaps in having a short brief like yours because you can be sure we have all read it in the first place. There are the bare bones. We would like to ask you a few questions to fill them out.

The first one I would like to get cleared up-you mentioned particularly the Montreal Station CKVL, and I want to come back to that in a minute-would you please tell me what is the present situation with regard to the other station in Vancouver, CKVN?

Mr. Thomson: Senator, with your permission, we have brought with us, at the end of the line, Mr. Ronald Carabine, who is the General Manager and Station Manager. We did not put too much reference to CKVN in there because I think, as you are quite aware, it is in a fluid state at the present time. At the present time I would suggest the entire operation has not been finally crystallized. I would like to ask Mr. Carabine to answer your question for you.

Mr. Ronald Carabine, General Manager and Station Manager, CKVN: I did not quite understand your question.

Senator Smith: My question was: What is the operational status, for example, of that station or, is that a very good question for you to answer?

Mr. Carabine: You mean programme-wise?

The Chairman: I think before you answer that it might be useful, Mr. Thomson, if I asked you to introduce the balance of the put to us in the form of questions. We will team you have here. We ought to do that first.

Mr. Thomson: Mr. Jack Tietolman, Presi- We ran this for over a year. Not only was it Marcel Provost who is the Programme Director CKVL-AM and FM. Mr. Ronald Carabine, who is General Manager of Radio Station CKVN in Vancouver.

The Chairman: Mr. Carabine, Senator Smith's question is simply: What is happening at CKVN.

Senator Smith: Let me add something to the question so you will understand what I am looking for. It is my information that you attempted some time ago to develop that station into what is known as a news station?

Mr. Carabine: That is right.

Senator Smith: In conformance with a technique which is presently known in some large cities in the United States?

Mr. Carabine: That is right.

Senator Smith: I am also led to believe that that was not considered to be a success. Now, are you operating this as a pop station today, as the original station perhaps used to be referred to?

Mr. Carabine: Not quite as the original station was referred to. I will give you more information perhaps on the total news concept that we had. We started this just over a Year ago. As a matter of fact it continued approximately one year.

I might add that we had one of the largest total news stations in Canada and probably on the North American Continent.

The Chairman: Was that not the only total news station?

Mr. Carabine: The only total news station to my knowledge and as a private station was probably one of the largest in North America. We had our own representatives in Ottawa. In Victoria we covered the Parliamentary Sessions and so on and so forth.

The cost of running an all-news station is Very much higher than running the regular disc-jockey or music or talk type of operation. promoted it. We publicized it. We obtained the best personnel possible. We had more news services supplied to us than even any American station because we had the advantage of being able to subscribe to not Only the Broadcast News Voice service but to practically all of the American news services.

dent, CKVL-AM and FM and CKVN. Mr. not a success financially-which was not our main concern at the time-but rating-wise and public acceptance was gradually decreasing and decreasing to the point where it became economically impossible.

> We supported the station I think due to the fact that Mr. Tietolman is a private broadcaster and had a firm belief in this. I do not think any other company, private or public, would have continued with the heavy losses that we sustained, if he had not been the radio man that he is. It was an unfortunate thing that—I think the City of Vancouver population probably was not large enough to support such an undertaking and regretfully we had to cancel the all news format.

> Senator Smith: And then since that time, since you have had to give up the idea of making it a total news station, you are running what you refer to as a standard type of programming?

> Mr. Carabine: At the time we are running a standard type of programming. We are aiming right now to the young adult approach, youth and young adults where we are featuring some programs at the moment. We hope to enlarge on these as we go along.

> One of the features we have is a French School of the Air where we have two young high school students—it just started this past Sunday—who are in the process of learning French in an informative and an entertaining way, not just the classroom affair. It is just being prepared. We have production on that. We have a talented French-Canadian boy out there who is instructing these girls on how they would travel from Vancouver to Quebec, how they would get around the Province of Quebec and the City of Montreal, and learning French this way.

> We have a garden show where we feature a well-known horticulturist on an open line format. As you know, Vancouver is a pretty big centre for gardening practically all year round. This is another feature that we have.

> We also started this past Sunday at the Vancouver School Board with one of the directors of the School Board. We are running a program that is run entirely with the students. This is a sort of current event type of program where the high school and university students participate. We are going more for this type all along where there is actual participation by the public.

Senator Smith: Mr. Carabine, it seems to me it was a very interesting thing for you to try and the kind of substitution, you are now making for that, is also interesting to me particularly the example of the young high school couple engaging in a French program.

Mr. Carabine: Right.

Senator Smith: It is very interesting indeed and I wish more parts of the country would try out things of that nature.

Now, if you had to do it all over again, would you have postponed that decision with regard to the continuing of a total news station concept if you had known that the newspapers were not going to be in existence?

Mr. Carabine: No. As a matter of fact we terminated the news on March the 6th and the newspaper strike actually took place on February 15th. We did not cut our news entirely. We still run our half hour and our hourly regular newscasts.

It was just a matter, actually, of financing-the amount of money that was lost in that operation, the number of people that we had to employ to maintain it—the well was just about running dry, as far as I was concerned.

It is a seven market station and there is a good news service in that area there. I do not think that an all news station is a feasibility.

Senator Smith: Even in the absence of a daily newspaper?

Mr. Carabine: Even in the absence of a daily newspaper because many of the people I spoke to since we terminated it and long before we terminated it, were aware of it. They would listen to you as they would listen to any other radio station for 15 or 20 minutes to obtain the news and they were not too much interested after that in what you were doing.

In other words, they knew you were a news station and perhaps they would or would not listen because they were getting good news from other radio stations; except we gave it with definitely more news to give and definitely a better service.

The Chairman: I think, Mr. Thomson we would be most interested in Mr. Tietolman's comments on this.

Mr. Thomson: I was going to go into that,

anybody else in Canada that would have pioneered a concept like this which had been going in the United States for a little while.

The answer had to be obtained as to how effective this particular type of programming would be in Canada because it had never been tried here. Of course, you do not get the answers until you try but I think even after it had proven that it was not going to be an immediate success, that my associate Jack Tietolman should go down as one of the most courageous men in Canadian radio, to have continued this, Senator, in the face of deficits which amounted to \$30,000 or \$40,000 a month for a staff of 70 people.

I think that a tremendous amount of credit should be given to him. I mean I do not consider it a failure. I think that Jack Tietolman's pioneering of this and his taking of a loss of many hundreds of thousands of dollars and the way he kept tenaciously at it, is something that is one of the most creditable personal acts on behalf of a private broadcaster in Canada because this was a personal thing with Jack Tietolman. It was not a corporate thing. It was a personal thing with Jack Tietolman, those losses at that time.

I would like to ask, with that introduction, Jack Tietolman to comment.

The Chairman: A glowing introduction, 1 might say.

Mr. Thomson: Well, I have been with him a long time, Senator.

Mr. Jack Tietolman, President, Radio Futura Limited: Senators and ladies and gentlemen, I was going to say this. I am a stubborn individual and I tried to make a tree grow in Vancouver. You know, we did every thing we possibly could. We had a little bit of sunshine. We had a little bit of smog and sometimes we didn't see the mountains for the trees and sometimes we didn't see the mountain for the sky but the real problem was-I would call it-the unappreciativeness of the public. This is something I cannot fight.

You know, I was saying to Ron Carabine we were fortunate that the ratings came out showing that we had no acceptance. If we had had acceptance we would probably have had to continue to lose because advertisers are very hard headed businessmen and today, I would say, we have to bow down to the youth. They have a computer and you feed in Senator, because I would like to go on the the information to the computer and you are record as saying that I do not think there is dead in a minute or you are alive. You know

the awful truth immediately, whether you are going to get a budget or whether you are going to be left out.

What happened to us was something that probably happened to many people who did not know the strength or the opposition or what you have to fight to get through. As Ron Carabine mentioned, there is sufficient news in Vancouver and I agree.

One of the things that Ron mentioned to me, which hurt me immensely, was after we had discontinued this service, we did not have too many complaints. Now, you know very well, it is almost like when we had our FM station originally opened and the station went off the air, and I did not know about it because we had no complaints. Nobody called up and said the station was off the air. That gives you a rough idea of what I felt like finding the awful truth at the end. You added up your total. You say "Now we are off the air and we will have thousands of people complaining". It just did not happen.

As a matter of fact I sometimes I think people are not even complaining about the newspaper situation. You know, Vancouver is a playground city. A lot of people, I used to say, would go there to retire and die. Other people would go there to grow things. Other people would go out for boating and there are one hundred thousand boats.

I sometimes think in an area of this sort there are cities to live in and there are cities to do business in. When I went down to the Islands I thought this is an awfully nice place to live in and I would like to be in business but I found you couln't make any money in the Islands. You can spend it.

This would be my opinion of Vancouver, even though it is a very progressive area. There are lumbering interests and mining interests that are very great. There are even broadcasting stations that are doing very well but being low man on the totem pole, we tried to develop a new concept in broadcasting. To our great regret, even to this day, it hurts me to come before you ladies and gentlemen to tell you about the news because we were very proud of the news.

In fact, we were told by people like Metro Media, American people like people from Westinghouse Broadcasting—we were told by outstanding people that this was a real good news operation. I even told some of the members of the CRTC at our last renewal in Vancouver that I thought that our news was not the best in Canada, it was the best in Ameri-

ca. But after you write the poem, or you write the symphony, you maybe don't get recognition until after you are dead.

Senator Smith: Long live King CKVN.

The Chairman: May I ask you: Would an all news service be successful in Toronto or Montreal?

Mr. Tietolman: Montreal, I don't think so, because of the bilingual aspect. We know we are in a bilingual market.

In Toronto it might be successful but I would say this. We Canadians are too quiet and too much rested. We are not like the Americans, running here and there and looking for news.

I know some of you may tune in the 11:00 o'clock television program to get the news or you may pick up the morning paper and that is it. You don't get excited about it and you certainly do not have a radio playing on your desk wanting to know if somebody was shot down in Vietnam.

It is a matter of temperament. I have found that the temperament is faster in Montreal than Vancouver and it may be just as fast in Toronto, but the problem with a news station is strictly the people. Do they want news?

Now, you have an example. I have heard and read that some of the newspapers have been quoted as saying that business is down in Vancouver because of the newspaper strike. I have heard one of our confreres in broadcasting saying business is not down. I was telling some of our people we have many advertisers on our station that do not use newspapers to any great extent.

I say that every case is different. There are people who look to the newspapers. There are people who look to radio. There are people who look for news. There are people who want music.

It seems to me that most of the people look to radio for entertainment not as much for information—this may surprise you—unless they hear of some shocking thing happening or the Prime Minister has a special message or there'll be an increase in the budget or the income tax. Everybody will tune in at that particular moment but ten minutes later they would have been satisfied.

The Chairman: I do not want to prolong the discussion on newspapers but before you established the news format in Vancouver, did you engage in a period of research to decide whether or not it was a feasible idea?

Mr. Tietolman: Well, quite frankly I think the research would have cost as much as our experiment. You know, I often go along on research. Research is too few and too far apart. You know, like three hundred samples will decide the whole country. I say you need three million samples. It is not something like the back of your watch. If it is solid gold it is stamped 14 carat but if it was not stamped, you would have to take it into a lab. We could not afford to take it into the lab.

Senator Smith: I would like to ask Mr. Tietolman to give us the secret, if he has one, or at least give us a dissertation with as much enthusiasm as he did with his great experiment out West, in respect of his successful attempt to change the concept of broadcasting in Montreal; because my understanding is that you pioneered something which other people have told us is impossible to do in economic terms; that is to use a relatively large amount of Canadian talent and Canadian programming on your station in Montreal, CKVL.

Mr. Tietolman: Well, if I can answer this: I want to tell you that basically money is not everything.

Now, I cannot say this if I am a public company. If I were a public company I would have to answer to the shareholders. I think this would stifle my ambition in a way. I often said that you have to be prepared to lose your own money to make experiments. It is unwise and unfair to make experiments with other people's money. And there are many of those going around in various parts of this country, but the fact remains that I believe in the Canadian entity. I believe that we may be the little boys.

I was saying to some people the other day that unfortunately we in Canada have developed people like Oscar Peterson, who became a great star like Norman Brooks, who is south of the border today, a star. I could go on and mention other amateurs who became stars in the Metropolitan Opera. I could go on and on-in fact my memory does not suffice to tell you this but I was saying we have always been the farm team for the Americans and as soon as we develop this talent-the Americans are always on the lookout, whether it be from Canada, from Italy, from Britain-they take all the great talent and pay them three to four times as much as we can afford and we lose the talented people. I could reminisce and look back and say I started this person off or that person off.

The fact remains that this is where I got my kick, developing something from nothing, growing that tree. As a matter of fact we are doing it today. We are always on the lookout for new talent and we are proud but somehow or other we cannot seem to hold on to them because we are too close to the United States. I was suggesting we move a little further away but unfortunately this is not physically possible.

Mr. Thomson: Senator Smith, I think that you were asking Jack Tietolman to give a little success story on Jack Tietolman and I know that I would feel a little better if maybe I told you the success story of Jack Tietolman.

Senator Smith: Yes, I would be glad to have something. I would like to ask this question, by the way, in the framework of the protests, almost, that are now being made, that it is almost impossible financially to use Canadian talent. You do not even quarrel with what the CRTC proposes to make other stations do, as compulsory.

Mr. Thomson: Senator, I think if I understand the first part of your question, I think the answer you are trying to get is: Why was CKVL such a success? I think that is probably one of the questions.

Senator Smith: Yes.

Mr. Thomson: The other one was why did we use such a tremendous amount of Canadian talent that we have more Ohio State Awards and more international awards and things of that nature than all the other private radio stations in Canada put together; what started that policy; what ended that policy and why is it not continued?

Is that the context of your question?

Senator Smith: Yes.

Mr. Thomson: In the first place I do not believe that the story of CKVL can be repeated again today. There was a timing element here. When Jack Tietolman and his associates, who are here, started in a barn, the concept of a station, it was in 1944. I think at that particular time you will have to find out what French radio was like in the City of Montreal.

Number 1, there was absolutely no radio in the City of Montreal after 12:00 o'clock. Now, the original concept of the Verdun radio station was to broadcast at the time when all the munition workers were working on their shifts and things of that nature. There was a complete and utter radio and music entertainment blackout there fom 12:00 o'clock midnight. So the thought was maybe these people should be heard. Maybe a small radio station could serve them. Therefore the timing was excellent for CKVL. CKVL provided the services that the other stations were not providing, one of which only was the all night program. We were the first station to go all night.

The other one, with the exception of Canadian Marconi-let us develop a little bit further. Marconi had, of course, ulterior motives for their FM programming which at that time was transit radios, to put radios in buses and streetcars and things of that nature.

We did a bit of FM programming and the team that sparked that naturally—I think it probably is an exposé of Mr. Tietolman's genius in the programming field and the timing was right. There was a need for another French or bilingual radio station in the City of Montreal.

Today, you see, you always have to ask Yourself the question before you go into an enterprise of the intricacy of a radio station: What can we provide that the other stations are not already providing in this area, because thereby lies the secret of your success.

Now, Mr. Tietolman took a tremendous percentage of the growth. A French radio station is not like an English radio station because on an English radio station you have a pool of talent syndicated out of the whole English-speaking continent to draw on.

In French-Canada—I will make this statement because I firmly believe it—there is more genuine talent in French-Canada than there is in English-Canada because of the fact that much of the French talent that is there has a linguistic barrier, a cultural barrier or maybe even an acceptance barrier and in the City of Montreal and surrounding districts of Montreal. It was just purely a question of having enough courage to tap this tremendous source of talent that is there.

You also make an allusion, Senator Smith, to Canadian content. Well now, if you are running a French station, a good French station private operator is running a percentage of Canadiana which far exceeds the present regulations or any future regulations unless they have got to be completely 100 per cent, Which is ridiculous.

There was the time that Mr. Tietolman and Mr. Provost were running more live Canadian talent, non-staff programming, than the French network of the CBC. We kept this up for a long, long time It was accepted. It was acceptable. Then things changed. Things changed in radio. You find, for instance, that maybe people do not want them anymore, maybe a competing station is playing the top 50. You go through phases, just like the difference in suits. My suit now is out-dated. My tie is out-dated. Senator Davey has the latest in a tie. These things change and listening habits change.

Mr. Fortier: You should have been here yesterday!

Mr. Thomson: I was here yesterday. Yes, I was. I want to tell you I regretted not having my dark glasses!!

But anyway to get back to your question, Senator. I think that Mr. Tietolman put it right on the nose when he said that it is awfully hard to understand the enthusiasm that he creates and the loyalty he creates in his associates because of his vision and because of his dedication.

I will leave these photographs with you. This is not only a combination of the awards CKVL has won down through the years but also some special honours that have been heaped upon Mr. Jack Tietolman in person. You have to know the man to understand the operation.

Senator Smith: Mr. Thomson, to what extent is that station a bilingual station?

Mr. Thomson: It is a bilingual station to this extent. We started out hour by hour. We started out one hour of English and one hour of French. We found to our dismay that the English-Canadian would tune out when he heard French but the French-Canadian would stay with us through the English but not completely and therefore it was a question of who you try to serve.

In other words, you try to serve the people that are listening to you or that want to listen to you. So as a result of the in-depth telephone surveys, which, of course, were available to us at that time on a month-to-month basis, we re-programmed. We found apparently more people were listening to us in French and less in English and if we were going to serve, we had better serve our audience, not the people that were not listening to us. So little by little throughout the years we

have used larger and larger blocks of French and smaller and smaller blocks of English; until at the present time most of our English is public service—almost 100 per cent is public service.

But again you must realize that many times, not in our case, but an FM station could be considered a radio operator's conscience. He may not be completely happy with what he is playing on the AM operation so he plays fine music on his FM operation. Our FM operation is bilingual and so therefore we are able to discharge quite a number of our obligations or commitments—if you wish to call them obligations or commitments—with our FM operation.

One thing that may be rather interesting, as far as the English part of our FM operation is concerned, is that most of the other stations, going to the complex on the top of Mount Royal, are limited to a power which must not be greater than 50,000 watts. To give you another idea of Mr. Tietolman's vision, Mr. Tietolman spent almost \$300,000 to put an antenna at the top of the Canadian Imperial Bank of Commerce building with one object in view, that of being able to have a powerful enough FM station, although the power was technically limited to 50,000 watts.

Now, with this power that we have, which is actually unique in North America—you do not climb up the outside of the building, your tower is big enough for a man to climb up inside—it allows us at the present time to run 307,000 watts of horizontal polarization, which reaches the average antenna, plus 307,000 watts of vertical polarization which gets into the whip antenna on the average car radio.

You see, Mr. Tietolman is not affected by any corporation stockholders' requirements. He can do what he wants. I think it is to his credit that what he has done with the gross revenues down through the years at CKVL, I think, is exemplary; and that is the story of CKVL.

Senator Smith: I would like to ask Mr. Tietolman a question. I suppose it is fair. In view of the extra expenses he permits his people to undertake in the field of programming and making sure the signal is an adequate signal and so on, do you still make a reasonable profit in that CKVL operation?

Mr. Tiefolman: Let me answer that question, Senator Smith. It is the story of radio. We did terrific until television came in and gradually the eyes took over where the ears

left off and a description of a beautiful girl by word of mouth is one thing but seeing her on television is another. That is it.

What has happened recently to the radio industry is that there has been a continuation of advertisers who have changed gods. Before, radio was their god. Today, a lot of advertisers are paying \$700 an announcement on television where they probably think twice; and they say they have not got enough money to even fulfil their obligation for the television budget, they leave out some of the radio stations.

Now, profits are measured by this phenomena, the buying of advertising and the advertisers have no—what you call—faithfulness or loyalty to radio. He buys wherever he can and they buy only in numbers. Now, you asked a question. Our statements are available to you.

We have had, I might say, a little bit of a shocker, starting about three or four months ago where all of a sudden it seems all of the advertisers are dropping out of radio nationally. We had a drop of about 40 to 50 per cent in our national business in the last four or five months. Now, this is no secret.

I met somebody else the other day I think he was up before, one of the people from Telemedia. He told me the same thing. You see, these are things that we in the radio business—all of a sudden a lot of the boys are a little bit shocked by the new regulations because they were coasting easily. They were coasting easily. And money was coming in and all of a sudden we have run into what you might call a little bit of objectivity and the dollars are not as available as before and all of a sudden there are new laws and bylaws and restrictions.

I would say I, for one, have nothing against Canadiana. In fact I believe that is why we call this country Canada. I mentioned to the Chairman only yesterday that in order to solve these arguments we should buy the United States and all it "Canada South".

Senator Smith: Mr. Chairman, I think I will pass. Thank you very much.

The Chairman: Mr. Fortier?

Mr. Fortier: Mr. Tietolman, you said earlier, or Mr. Thomson put words in your mouth, if your company had been a public one your ambition would have been stifled?

Mr. Tietolman: I believe that.

all television and radio braodcasting compaelectronic mass media to become successful, it was necessary to have pioneers who had money to invest, money to lose or money to gain and that the concept of the public company in the broadcasting field is one which we can look at today but we could not look at yesterday?

Mr. Tietolman: Well, I will answer that simple ques ion. All of us some time or ano her make an investment. We wish to look at the financial statements and if we buy, we are not particularly interested in the company. We buy to make a little money. We hope the White Paper will not take it away but it gives you an idea that basically there is a motive for profit.

When there is a motive for profit, you get into a kind of position where I have been, that personally I would have been the first one to be fired, if I headed up a public company, because maybe my enthusiasm runs away and I forget the profit motive. This happens very often. In fact it happens today. It just happened in Vancouver.

As a matter of fact The Chairman said "Did you make a survey?" You know very Well that when you want to get out of a Position, you make a survey and then you say: "Well, the people don't want it and so we do not go ahead." We do not even start.

Now, how much pioneering would have been done in Canada if everybody made a survey before they started? There would have been nothing done in Canada. We would still have the Indians running the country and I honestly believe that it takes what you might call enthusiastic fools, that is me, enthusiastic fools and believers in something that go right to the heart, or let us say with the love of accomplishment, to be able to be a pioneer?

It takes more than money. It takes more than blood. It takes everything.

Mr. Fortier: Given your Vancouver experience, and putting it behind you, if that is possible, for the next few minutes, do you still consider yourself a pioneer in the broadcasting field?

Mr. Tietolman: Oh yes. I would like to tell you, ladies and gentlemen, that one of the agency people called me up after there had been an article on the front page of Marketing saying we lost so much money and Jack Tie olman gave up the news. He said "Jack,

Mr. Fortier: Does that statement apply to do you wash your laundry in public?" I said "This is the only way to turn a defeat into a nies in Canada? In your opinion, that for the victory" because some of the agencies did not know we existed before they read this article.

> Mr. Fortier: Now that they know you do exist ...

Mr. Tietolman: We hope that they will have sympathetic feelings for us and try to let us recuperate a little.

Mr. Fortier: You have washed your laundry in public. Would you say in public what your intentions are with respect to the future? Where do you see the future of radio broadcas ing in Canada?

Mr. Tietolman: I honestly see the future as a little bit divided. We have divisions. We have what we call satellites. Yesterday The Chairman mentioned absentee ownership. I said to The Chairman "What about satellites? Would the owner have to be up there with the satellite?"

We have satellites coming in. We have cable coming in. We have-God knows what. We might have mental telepathy.

Mr. Fortier: What is that going to do with radio?

Mr. Tietolman: There is a division. You know, in some countries, if you remember France before the stable governments, there were umpteen parties. We have a few in Canada, but as we get smarter everybody wants to be a king. Everybody has his own idea. Everybody would like to see his own favourite program.

It means roughly with the division of the cable, there will be more selectivity. We will have people wanting to watch how to save coins. Somebody else will want to watch programs on how to do your laundry. Other people, how to cook. Other people, how to be a good husband and so forth and so on.

I can foresee a time when you will get a practical education from just opening the cable. You will not have to go to school.

Mr. Fortier: Would you agree your comments apply mostly to television rather than radio?

Mr. Tietolman: I want to tell you: There is a division and yet there is no division. What I am trying to say is cables will carry sound programs as well and so will satellites, but I

21494_3

was going to say that if you people had any influence to reward me, all I want is a satellite transmission.

You know instead of worrying about one market, surely there are enough people that will like your programs across the country. You see, take the news element. We probably would have been in a good position on a satellite because there surely are enoup people liking the news across the country without worrying about an individual market where we did not succeed.

In other words, we are in a small country, 22 million people. We have one-tenth of what you might call the action of the Americans and ten times the problems.

Mr. Fortier: You said earlier that you were hurt by television?

Mr. Tietolman: Oh yes.

Mr. Fortier: Have you been hurt by the advent of cable?

Mr. Tietolman: Not yet.

Mr. Fortier: In Montreal?

Mr. Tietolman: Not as yet. I would like to say that on cable in Montreal there is one FM station, which is not our FM station, and under the new regulations of the CRTC, they say every FM station will be on and that is a good thing. You have probably read the regulations.

I would like to say that a lot of decisions are being made without the public being asked about it. In other words, it is like writing laws in the Bible, nobody asked the public before the Bible was written. You know what I am trying to say, the laws are made and the public is asked to get used to the laws and regulations.

So far, I am fortunate. I have been thinking in the right direction but it took us 22 years before Commissions to tell them we needed Canadiana. If you live long enough and you have enough patience, you will see things happen.

Mr. Fortier: You were ahead of the CRTC?

Mr. Tietolman: Well, we were. I think the first time we were before the Aird Commission, as a matter of fact, I was told by some other broadcasters I was crazy, sinking all this money into Canadiana and there would be no thankfulness. As a matter of fact one

fellow said "you will be crucified". I said I was born on Christmas and I hope I will not be.

Mr. Fortier: If you had started a station, Mr. Tietolman, in any other city but Metropolitan Montreal, Verdun, would you have sought to put the same accent on Canadiana as you have done with such success in Montreal?

Mr. Tietolman: I would. As a matter of fact I will tell you. You will remember perhaps that one of the people we had working for us was the late Billy Munro who wrote "When My Baby Smiles At Me", and there was a boy by the name of Norman Brooks who did not even speak French. We were more or less a French station. And Brooks used to sing like Al Jolson; he had a voice just like Al Jolson. We actually trained him to sing in French. He didn't understand a word. He was just like anybody else, you gave him a copy of a French song we had in English with a translation.

I want to tell you, the people who are happy are those who do what they like to do. You know, I think you Senators are happy being Senators. I like what I am doing. I want to tell you I look forward to going to work and I do not consider it an effort. I consider it a pleasure. Some of the people play hockey. I play radio and that is it.

Mr. Fortier: May I suggest to you that what you have just said very eloquently amounts to criticism of some of your fellow broadcasters in Canada. Is that correct?

Mr. Tietolman: No, I do not criticize. I want to tell you this. You know, as I have repeated often, many people are in positions where they cannot help themselves. In some areas there is not sufficient talent. In other areas the talent becomes very independent. I was telling a story to the boys this morning. I said you know Wayne and Shuster. They are wonderful Canadian talent. Now, I do not know exactly the cost but let us say they were built up by Canada. After they are built up they are offered a tremendous amount of money and they have an agent after this and the agent is getting paid an awful lot of money for American programs.

Then Canada wants to bring her sons and daughters back on the air. So then they call the agent and the agent says "That will be \$20,000 or something like this"; so I want to say this to you: You know, a lot of people do

not realize that after you have built them up, there is no thankfulness. I have seen it. Mind you, I think all you people are little children, just like Jesus said, you know, but nevertheless there is a lot of truth in that.

What are we building? We are a farm team for the Americans and if we do not realize it, the Americans do. As a matter of fact, they are looking for resources in materials and in talent and Canada is just the farm team so if you are a good hockey player, they will buy you down south. If you are a good baseball player, down south. There are very few people like Jack Tietolman who would not move down south for a good deal because "I like it in Canada". There are very few. I would say about 2 per cent.

The Chairman: What can we do about it?

Mr. Tietolman: There is only one remedy. Either they buy us or we buy them, I would say, to be quite frank about it. I like our temperament, our way of life. I like the idea that we have no axe to grind in the international world. I like being a Canadian.

Mr. Fortier: You have made it big being a Canadian.

Mr. Tietolman: That is right.

Mr. Fortier: With CKVL. I bear in mind your words and I repeat them proudly that maybe there is more talent in French Canada than in English Canada.

Mr. Tietolman: Yes, there is.

Mr. Fortier: But still all things are relevant. Why is it that there have not been broadcasters like you in English Canada who have tapped local talent and made it big by using Canadian talent.

Mr. Tietolman: I want to correct that impression. There have been broadcasters—I do not know all of them—I knew the late Ken Soble. He did a lot of this work. He was in Hamilton and Toronto. No, do not let us say that. There are very good broadcasters today, very fine broadcasters.

Mr. Fortier: By and large the people who said you were stupid 15 years ago, today are screaming blue murder at the CRTC proposals in saying "We cannot do it"?

Mr. Tietolman: Well, I want to correct one little thing. You see, this is a little bit one sided, ladies and gentlemen. You see, to bring a law in—if you said to me I have got to use 21494—31

more bodies and there are no bodies, this is unfair. This is like the story of the Israelites in Egypt when they had to find the straw to make the bricks.

Do you know what I am trying to say? I think the right way would be for you ladies and gentlemen to recommend a subsidy of \$3,000 for each long playing record so that private industry could go into records without the fear of losing their shirts and develop a Canadian entity. There should be what we may call a music jury that could recommend which records or which songs are worthy of playing on the station.

Now, to say that something is Canadian, is not sufficient. We Canadians are more fussy than the Americans—I think so—so therefore I do not even accept all the American talent and programming. I am a very fussy individual. Why would I accept all the Canadian talents and programming? Now, we used to run auditions and may run through 100 people to get one talent. Now, that is a good average, I want you to know. We have 22,000,000 people and that gives you an idea there is still a lot of talent but the fact remains, in order to make the CRTC regulations work, we have got to supply it or have it available.

Now, I know that there has been a subsidy for Canadian films, and I might say, again we have not been too successful from a Canadian point of view, although, recently, there have been some French Canadian films that have been a very huge success. I think one of them that spent \$80,000 will probably make a million dollars and this is very, very rewarding. But I think the time will come shortly. I will repeat what I said again, when we develop the records and good talent, do not think that they are going to stay with us.

You know what will happen? It will not take long. They will get a copy of our records and those boys or girls will get an offer and they will disappear from the Canadian scene so fast, in a few years, we will not remember they were Canadian and this is the unfortunate element. It is purely money.

The Chairman said "What do we do?". I think we should raise the standard of living higher than the Americans and attract Americans. You know, when we pay more interest, we get the money; when we pay less, they get the money.

The Chairman: Mr. Carabine and Mr. Thomson have both indicated they would like to comment on that.

Mr. Carabine: I think perhaps I can give you some information on your question as to why Canadian talent is not used in English markets. Speaking from the very short time that I have lived in Vancouver, which is just under two years...

Mr. Fortier: You were a Montrealer?

Mr. Carabine: I was previously in Montreal. I have learned quite a bit from Mr. Tietolman's way of doing things and his interest in radio. We tried to follow the same philosophy out there to some extent.

One of these, of course, was to develop local talent. No other station has been doing it out there for some time from what I could gather when I enquired. Therefore, we put on a half hour live talent show every night. This is a very expensive proposition. The unfortunate part was we did not get enough talent turning out to even keep that program going. We had to fill in with the orchestra that was there to accompany any singer or musician.

Now, here is a market that has a lot of talent and we publicized it. We gave prizes to every contestant. The Grand Prize was a one year guaranteed recording contract from Polydor Records Canada Ltd. with distribution in the States, Canada and Europe. We did not get enough talent to support it. Again the same thing with the younger children's Saturday Morning Talent Show," not enough talent turned out.

Mr. Fortier: So what is the answer in Vancouver?

Mr. Carabine: I think the answer in Vancouver is that eventually there would have to be a joint effort, on the part of all broadcasters, to combine, to run one show to get them to turn out. I do not know how to get people to come out to something that they say they want, because if they do not want to participate themselves, what are you going to do?

Mr. Fortier: Is this not one of these things that indirectly the CRTC is trying to do with these proposals? They are trying to do what you have sought to do unsuccessfully. They are trying to force more radio stations in Canada to do this sort of thing and maybe Canadian talent will wake up to the fact that by gosh, there is a market for my talent.

Mr. Carabine: Well, I do not think I am qualified to say what the Canadian Radio Television Commission is trying to do. Mr. Thomson: I would like to comment on that. I think, Mr. Fortier you are asking a question that we can only offer our opinions on.

Mr. Fortier: That is why you are here.

Mr. Thomson: Exactly—our opinions. I think if you ask us our opinions on why can the same pattern not be applied in English Canada as applied in French Canada, I think my first observation was extremely relevant; that English talent has the whole Continent whereas French talent has a tendency to be in a cell, which is a French-speaking world, where French-speaking acceptance of their end product is in one fairly small localized place, as opposed to the country.

Also I wonder if you realize the complete ramifications of trying to get Canadian talent out. This is an old story over our history which goes back almost 25 years. It is the problem of getting them out. That is only one problem. We say, "Look, we want to get you out. We want to get you exposed. We want to use you." As amateurs you are supposed maybe, whether above the table or below the table, to pay their so-called expenses. Even that is not always sufficient incentive to get them out.

There is another problem also. I think that you probably realize that the media are very heavily unionized. In other words, they are unionized by the Federation of Musicians and there you have the situation where an amateur is allowed for a certain length of time and after that he must become a professional. Now, I am not saying whether that is good or bad. I am just simply telling you the problem you are up against if you want to continue exposing Canadian talent on an amateur basis of some kind.

Now, if we are willing to admit that there has to be some slight monetary consideration for somebody—I mean the man with a piccolo, he can stick it in his pocket and come down to the station; but what about the man with a big string bass, when he comes down? It is as simple as that. Now, he is allowed a certain number of performances on a subsidized or an expenses-paid amateur basis. This is right where you come into the situation—if this man is going to play as an amateur or is going to play as a non-member of the union concerned, then you come up against a completely different problem.

Let us go into the recording business as such—the physical end of the recording busi-

ness. I know because I happen to hold personally through one of my companies long before—this dates back to 1954—a recording licence. I wonder if you have any idea of the cost that is involved in producing a tape, let us call it, for an eventual recording? It is fantastic. You get into pension funds for musicians. You get into for so much, you can put it on one time. For the next time, you can put it on for a year. Then the question of what might be called universal rights comes in. Then after that, the cost of most of the young talent. I am taking a group, for example. They cannot read music. They can play music but they cannot read it.

Then you come to the other question which I think is a very valid question, Mr. Fortier, to answer a question with a question. What is Canadiana as far as music is concerned? What is Canadiana? I have fought this thing down through Senate Committees and before the old Boards and everything else like that. What the devil is Canadiana? What are we looking for in Canadiana?

The only United States music, which you could call United States, as opposed to the Whole English world, is probably Dixieland. Now, what is the only Canadian music; even today, what is it? It is old French-Canadian songs personified by "Alouette" that the Voyageurs used to keep their paddles going in Unison.

Mr. Fortier: We said yesterday we are speaking more of Canadian performers rather than Canadian music.

Mr. Thomson: Yes. That is my next development, Canadian performers. Now, what is it we are looking for? Are we looking for a Canadian concept, typically Canadian music, a typically Canadian dish of some kind or are we looking to develop Canadian talent? Or are we going to insist that that Canadian talent play exclusively Canadian source music?

For instance, let us take an FM station, which is going to suffer tremendously from this. Let us take any great opera that you want. What is the difference if it is played by the Berlin Philharmonic or if it is played by the St. Louis Orchestra or must it be played by the Toronto Symphony Orchestra or the Montreal Symphony Orchestra or another Canadian orchestra? Because the differences between the renditions, the end product of these ten orchestras that are available—it takes certainly a dilettante to distinguish between them. So what are we looking for?

The Chairman: If that is the case, what is wrong with having it played by the Toronto Symphony orchestra then?

Mr. Thomson: They do not record.

The Chairman: Well, why should they not start recording?

Mr. Thomson: It is a question of costs.

The Chairman: Well, you have been putting a lot of questions to Mr. Fortier which have been rhetorical. Let me put the question back to you.

Mr. Thomson: Yes.

The Chairman: Mr. Tietolman a few minutes ago said we are faced with one of two alternatives. He was not being altogether facetious.

Mr. Thomson: No.

The Chairman: One alternative is that the United States buys us and he mentioned a second alternative which was that we buy the United States. He suggested that we buy them and call it Canada South. He knows very well that is an impractical suggestion.

Therefore am I to conclude from what he said and from what you say that the only thing that either of you foresee for this country is to become the 51st member of the United States?

Mr. Thomson: No, I do not agree with that at all.

The Chairman: Well, what would you do?

Mr. Thomson: What would I do? Well, I think I would do pretty well what I think most dedicated broadcasters—I speak of the industry—are trying to do right now. I think many of us are very pro-Canadian. I think in our particular case, and I think I can probably speak for the rest of them, we have demonstrated the fact that we are extremely pro-Canadian but it is the old story, Senator Davey, of General Motors. They make mould which costs \$100,000 to make one fender for an automobile. Let us say that they decide they are going to produce a thousand fenders for Canadian consumption only. All right. Then they cost \$100 per fender.

If, by the same token, that same fender price is the same in the United States and they turn out a million fenders, then the cost, of course, becomes considerably less.

The same thing is true with a recording. I wonder if you have any idea—and I suggest this probably may be a very interesting comparison. Let us take a specific example. What would it cost to make one recording of the Montreal Symphony Orchestra playing Stravinsky and where would the market be?

The Chairman: Mr. Thomson, again you are posing problems and I agree they are enormous.

Mr. Thomson: They are.

The Chairman: But we are more interested in solutions. What are the solutions?

Mr. Thomson: In my considered judgment I think there is a solution to giving the amount of Canadiana that the public should be exposed to and I believe-I advanced this before the CAB. Let us make it very ridiculous. If you gear it to time only, you could get a piano player playing 20 hours a week; but if you geared it to a combination maybe of time plus a certain amount of the gross, plus a subsidy, then I think you get a far better type of thing than you are going to get if you just gear it to playing a certain percentage of your time. I do not think it is a question of time; I think it is a question of quality. In other words if a man was committed with subsidies, etcetera, to spend an amount, let us say \$50,000, maybe we would have a symphony orchestra playing.

The Chairman: Mr. Crépault is reported as having said at the CAB meeting—and I was interested to hear this morning that Norris Mackenzie said it was a closed meeting...

Mr. Thomson: Yes.

The Chairman: Therefore I do not know whether this statement is correct. Mr. Crépault is quoted as saying at the meeting and I quote him:

"One superb and masterful 90 minute production a week will do more for Canada and Canadian identity."

This is in a column written by Patrick Scott of the *Toronto Star* and then he observed—and I would like you to comment on it...

"Ninety minutes of anything good is better than 60 hours of anything bad—but where have all those "superb and masterful" 90 minute productions been hiding up till now?

The broadcasters have had several generations to show what they can do without regulations, and it is precisely because they have shown so little that the regulations are here".

Would you comment on that?

Mr. Thomson: I would not like to comment on it because in the first place I do not believe it. I think one of the things that will probably evolve from the broadcasters themselves is the fact—and I think this is extremely interesting—that in the past we have been in a position where the print media have not always expressed our feelings nor the situation exactly factually. They take a very small extract from something—for example they may go out from here and you may read in the paper that Jack Tietolman suggests Canada buy the United States. You know what I mean?

So, we are taking steps right now and I am going to tell you—and this has been advanced very vigorously—that I think it is about time we used our own media on a national basis to express ourselves, by our own reporters, by our own radio oriented and television oriented use, because of something like that, which I suggest is not the fact. That is one man's opinion and it is the opinion, remember, Senator, of one man who is paid and who represents one of our greatest medium of competition, the newspapers.

I do not think that in all honesty if I were a city editor—and this has been the story of radio since 1919—if it is a competing medium, I do not expect too much to be said that is good for a competitor. And not always factual.

I want to go on record. I will not buy that story.

The Chairman: Mr. Tietolman, do you want to comment on this?

Mr. Tietolman: I was going to say, and this is no reference, this was said and many people have heard it. "Fools rush in where angels fear to tread". This gives you a rough idea. The Bible said that King Salomon said this. He said "Don't judge the other man until you are in his actual position where you can appreciate his problems".

I say if we had less critics and more people who would pioneer new ideas and development—in other words, let us talk less and do more. Let us get people—instead of writing articles, let them go out and write master-

put them on.

Mr. Thomson: That is right.

Mr. Fortier: Would you like to apply that reasoning to the CRTC?

Mr. Tietolman: In which way?

Mr. Fortier: Let us talk less and do more?

Mr. Tietolman: Well, I want to say that government bodies too may be in the same spot; but nevertheless I would say that when the government bodies are looking for information-and I may say in the case of the CRTC-it has not been what you would call an easy job.

Canadiana is a long, long whisper into the Wilderness, you know. I do hope Canadiana will develop. I think there are many problems and instead of asking you gentlemen questions I will say this. I just want to leave one thought with you. We subsidize certain of our exports. We subsidize certain of our universities so let us subsidize our talent. Let us get a very constructive sort of meeting out of this meeting.

I would like to see you people recommend a \$3,000 subsidy to anything that would appeal to the government. In other words, not to every long play record because somebody may have a foolish idea but there should be a committee and that money should be available. And I do not mean one record, I mean 10,000 long play records a year.

If you want to make Canadiana popular, make it available. If you want me to eat any favourite food, you have to make it available. If you want me to look at Canadian pictures, you have to have Canadian pictures and that is the story in a nutshell.

There is your answer. There is your simple answer. Instead of just asking a lot of questions you can get more results by putting up the money on the line.

Mr. Fortier: Indeed, these are good answers but unfortunately come from a man who has proved that the questions can be answered in the affirmative.

Mr. Thomson: In French-Canada.

Mr. Tietolman: If I may say this to you. You know, we have had private institutions, private universities and private this and pri-Vate that. Until the government really wants to face the fact this becomes a national problem and not a local problem. You cannot

pieces, books, documents, plays. And we will depend on advertisers who may not want to buy a medium and then who will come to the station and say "Look, why do you not put out the record at your own cost?"

> My dear friends, I am willing to change jobs. I am willing to take the revenue from the government and let them have the station.

> I would say this in all honesty. That one problem is very deep. If I had more money to play with, if I had more money to develop, you would have more Canadiana.

> I think the time is arriving in order to help the CRTC and to osffet all the criticism, give us the records or give us the tools and we will finish the job. "V for victory!!!" How is

> The Chairman: Let me put the same question I put a minute ago to Mr. Thomson. You seem to despair that this country has any independent future, independent of United States?

Mr. Tietolman: I say this in all honesty. We are going about it the wrong way. You know, nobody is going to pay for anything they get free unless somebody supplies it. In other words, you have got an established market. You have got the New York Stock Exchange. You know very well in order for us to develop a Canadian entity and financing, we have to develop our own Stock Exchange. We have to develop our own markets.

The same thing happens with talent. We have to develop a market for that talent which does not exist because right here, you bring Americans down and you pay them umpteen dollars and they walk out with the money. Then you are telling us about Canadian records. Are you kidding or something?

The Chairman: Is this a suggestion you have made before?

Mr. Tietolman: Oh, sure.

The Chairman: When did you first make this suggestion?

Mr. Tietolman: Oh, about 20 years ago.

The Chairman: No one has listened to you?

Mr. Tietolman: I want to tell you, as I said before, some of the great operas and some of the great works were not recognized until their creators had passed on and then they looked at them. I hope I live a little bit longer. I hope I see the realization that Canada is just not an Indian name.

Let us be honest. You see the problem—on all these Committees you hear a lot of stories. I hope with this suggestion, we can hit the jackpot. We want money. We want the money to develop Canadiana. We think we deserve it. And if Canada is to be an entity it, is not enough, you know, to go out and pay farmers for not growing wheat. It is more important to grow talent.

The Chairman: Do you really believe what you said a few minutes ago that only 2 per cent of Canadians care about Canada retaining its identity?

Mr. Tietolman: No, I did not say that.

The Chairman: I thought you did.

Mr. Tietolman: No, I did not say that. I would say this that the listener is very critical; that the listener may not accept all the American programs, will not accept all the American records, will not accept all the American books or periodicals.

The individual is independent. I said this to one fellow today. He is a separatist individual. He is separate unto himself. He likes what he likes. He hates what he hates and that is it; so therefore you cannot force your will on anyone. You know, it is hard enough to lead a horse to water but really to lead a human being to water, it is even worse. You cannot force people to accept your thinking. You have got to make it available and as the gentle rain falls down and penetrates, it is better than the bucket of water where you have to duck.

The Chairman: That may be a good point to cut off the questioning. I have only one other question I would like to put to you.

This Committee, Mr. Tietolman, I am sure you know, is interested in the broad media spectrum.

As such, because you are a pioneer communicator in this country, because you have been interested in communications for a long time and have been around, I would like to put a question to you. I may say we put the reverse question to a great many newspaper publishers. We have asked them to discuss your industry. I would like to know what you think about newspapers in Canada generally? Perhaps you may wish to confine your remarks to Montreal. If you wish to generalize—what do you think of the newspapers in this country?

Mr. Tietolman: Well, I think we have some very good newspapers. I really do. I would like to say that I always say, "To be a good newspaper it has to be constructive." The articles I pay more attention to are constructive articles and not merely what you call people throwing stones at people.

I have always felt that anybody who criticizes someone else should be ready to be criticized himself or examined under a microscope. In other words, before a person opens his mouth to say something about somebody else, he should be ready to be examined personally.

In other words, "Do unto others as you would want others to do unto you," and if you want others to do well, give them constructive criticism and advice and give them a chance to develop.

You ask me about newspapers? I think we have some very good newspapers. The only thing is, I like to see the news reported. We at CKVL or CKVN do not cut out any news. We do not hide any news. We do not distort any news. We give it as it is given to us. We do not control the news agency, unfortunately, but we give the news as it is, without any opinions on news. We have editorials. That is a different thing, but the news is given clearly and concisely, for which I originally used to admire *Time Magazine*—just the facts, no comment on it.

Mr. Fortier: But you do editorialize?

Mr. Tietolman: Well, we have editorials. Actually, I want to say it is a necessary evil to editorialize but I don't editorialize. We have editors.

Mr. Fortier: But does the station editorialize as such, or do you have individuals?

Mr. Tietolman: We have individuals who are qualified to editorialize and we have no axe to grind.

I want to say to you that I read recently some articles in the paper where people went pro and con and on examination they were found to own shares in the pro and not own shares in the con. In other words, as I say again and as my confrere, our Vice-President, Mr. Thomson said, you have to examine where it comes from. You know, the word of God is the word of God but individuals are not angels.

Mr. Fortier: Do you have any intentions. Mr. Tietolman, of acquiring other radio stations in Canada?

Mr. Tietolman: Well, I will tell you, from our past experience I am a little bit leery. I would like to say-I said one time to the Commission that I would like to get into the picture end, you know, picture tubes.

Mr. Fortier: Yes, I am with you.

Mr. Tietolman: Because you know, I have heard it said that "a television station is a licence to print money". You see, this is where the mistake occurs. You know, a responsible broadcaster does not consider it a licence to print money. They consider it a licence of great responsibility. It is like becoming President of a Committee. It is a responsibility you cannot take too lightly. I say that every individual licensee—we have some very good people among the radio and television operators. I certainly may not agree with every one but I would say that our industry, comparable to other industries, including newspapers, are ahead of all the other industries.

We have got the best brains and the most talented people in our industry.

Mr. Fortier: Would you like to get into the print picture.

Mr. Tietolman: I was in the print picture too. I used to own a newspaper Radio-Monde. We were the pioneer in a radio paper, that is right. I probably would do a good job because I think I have got a little ink in my veins too. You see, I like news, big news and a newspaper prints news.

You know, what a newspaper is? It is a mirror, just like the news-it is a mirror of what is happening.

[Translation]

Mr. Fortier: What happened to Radio-Monde?

Mr. Tietolman: Radio-Monde was sold, Mr. Fortier. And you know, personally, I like all newspapers; I like television.

[Text] We only have one life and I say make something of it and that is why as I look back, I say to myself I am not sorry for my losses. It is a good thing to be a good loser, but you always have to learn. Like the fellow who had no experience and a million dollars

and then he had no money and he had a lot of experience. This is happening to us.

The Chairman: Perhaps on that note I can terminate this hearing and in so doing perhaps I could address my remarks to you, Mr. Thomson, because you gave the opening statement. We are grateful to have had your organization before the Committee because yours is one of the pioneer broadcasting organizations in the country and of course, we are particularly grateful that you brought Mr. Tietolman or allowed him to come.

We are thankful to him but I think Mr. Tietolman will be the first person to admit that the organization has been built so well because it has been a team effort and so we are grateful that you have brought the other people with you.

Mr. Tietolman, unlike a great many pioneers you continue innovation and experiment and we hope you always will. We have been thankful that you have found the time to come. I think you were here earlier this morning when I said we are as interested in finding out the success of your own station, as we are in having your views on the over-all media spectrum.

I think a study like this, and I know Mr. Tietolman would agree, has to include an analysis...

Mr. Thomson: Would you like my analysis of what I think is wrong with the media?

The Chairman: By all means.

Mr. Thomson: I think this may come as a bit of a shock to a lot of people. You know, we look sometimes at the generations below us and we say to ourselves "What is the matter with these kids?" Sometimes we are a little bit concerned about their attitudes and we sometimes try very hard to understand them across this gap. And what exactly is the gap? I think the answer to it is that they understand us probably a lot better than we understand them.

I think that one of the troubles is that in the news—I have already expressed this view. by the way, at one of the forums-is that when we give the news of rebellion, of riots and of demonstrations and of things of that nature, the media-and I am talking generally, probably with the exception of billboards—the media generally are giving exposure to the end result, and possibly the results of its own activities.

The greatest rebellions in history, I think, can be resolved down to pretty well dissatisfaction where the population growth has gotten bigger than the valley and they have to move because there is not enough food—tyranny, despotism or whatever it is; but then there is another great cause and that is the basic cause today—there are others—I mean they look at it and they say "Well, you are not sincere." They look at it and say "You are hypocritical". They say "You have false values". They will look at even the media and say "It is not truthful. What do you think we are? Do you think we are crazy?"

We may put on a commercial to preserve teeth and the girl obviously is wearing a denture with an X marked on it. That is not completely honest advertising.

Then there is the question of pronunciation when a great Canadian chocolate company comes along and says this chocolate bar has maraschino cherries in it. I am a little concerned because I happen to know "Maraschino" has been pronounced incorrectly and I am a little bit concerned about it.

But I think that one of the troubles today is the fact of inequality. I think the exposure of inequality today by the media is just a little more responsible for some of the unrest and dissatisfaction than we might be willing to admit.

I think that when there are so many poor people that the exposure, in living colour yet, of steaks being sliced and the world's goods coming in and the freezers and the things of that nature, the younger generation says "What is the matter with a system which will not allow us to have that which is being exposed to us?"—the tremendous exposure of capital goods, the tremendous exposure of a life which is no reflection or in no way comparable to the life that they particularly are leading, the idealization of many things, the fallacy of it sometimes and the hypocrisy of it sometimes.

I sometimes say to myself, should the media generally explore the other facet of it? In other words, not necessarily Madame Jones with her diamonds and pearls at the St. Andrew's Ball but what about Mrs. average John Jones, and so forth and so on; are we paying for the exposure of inequality in the media generally without a sufficient amount of exposure of the other side of life?

Now, I am going to leave you with just one thing that happened while I was down in Florida about two months ago. I think Miami Beach probably represents the epitome of what might be called gracious living. People from all over North America go down there and pay fabulous amounts of money to sit out in the sun and do nothing but complain about the food and their \$150 a day suites.

A television station had enough courage to get out into the shadow of these big ho'els and it singled out three or four families that were living in the most abject poverty that you ever saw in your life, in the shadows of Miami Beach residents. They took a picture of this very little old man sleeping in bags, the window with things stuck in it, the lighting fixtures hanging from the wall so you got a shot of one 25-watt bulb there—what he was eating—the fact he had to get up early in the morning and went around and prowled around among the garbage cans of the big hotels in order to keep himself going. This exposure was given and what was the result? My, it was just as if you dropped a bomb. The mayor was down. The governor was down. Everybody was down. How could this exist? How could this exist?

Now, there was a television station that had given exposure, whether they wanted to or whether they did not want to, of only one fact of life, the inequalities; the inequalities of the levelling out had never been given the proper amount of exposure.

I would suggest that the media—not the medium—but the media have not done enough to alert the Canadian man, the Canadian dollar, the Canadian consciousness to the inequalities that exist in our present society. It is a challenge to the media right now—to the media, all of them, to do something about the inequalities that exist right here.

We hear about Canadiana and giving work to artists. I think an in-depth exposure of exactly what is going on here in our own country is the responsibility of all the media; and if they do that right now, they will be accomplishing—let us almost call it—one of their purposes and in my considered judgment one of their responsibilities.

The Chairman: Thank you very much, Mr. Thomson, for this very compelling statement. We are grateful to have it on the record.

This session will now be adjourned. May I say to the Senators—I would again thank you gentlemen for coming—we are meeting at 2:30 to receive the brief from Standard Broadcasting.

Mr. Tietolman: May I say, ladies and gentlemen of the Senate, I want to thank you very much for your nice reception and I do hope that my suggestions are not just put into the libraries. I saw a lot of the libraries. They have a lot of these buildings where they put all the books in, you know. I hope they go on the forefront and I do hope to see the realization of the \$3,000 per long play record.

I want to leave this thought with you before I go. We have already started to do Canadian dubbing on films. This is a little thing we are going into on the side. We have done some from the National Film Board and we are going to do some foreign films, using Canadian artists on the voice track, to make Canadiana possible.

We are ready to proceed on records as well, if you co-operate.

The Chairman: Thank you very much, Mr. Tietolman. We will adjourn until 2:30.

Upon resuming at 2:30 p.m.

The Chairman: Honourable Senators, if I may call the session to order. The brief we are receiving this afternoon is from the Standard Broadcasting Corporation Limited. Seated on my immediate right is Mr. W. C. Thornton Cran, who is the President of Standard Broadcasting Corporation Limited. I am going to ask Mr. Cran to introduce the rest of the people who are here with him.

If I may just say to you Mr. Cran that the brief, which we requested, was received in compliance with our guidelines some three weeks in advance. It has been circulated to the senators and studied by them. We would like to ask you some questions on the brief, but before doing that we would like to put time at your disposal to make a brief oral statement; following that we would like to ask you some questions on your oral comments and on your written brief and perhaps on other matters as well. So on behalf of the Committee, welcome, and perhaps you could, first of all, introduce the rest of the people who are here with you.

Mr. W. C. Thornton Cran, President of Standard Broadcasting Corporation Limited: Thank you very much, Senator Davey. I have with me to-day Mr. Donald Hartford Vice-President and General Manager of CFRB Limited, Mr. H. T. McCurdy, President of CJAD Limited in Montreal, on my right, Mr. J. Lyman Potts, President of Standard Broad-

cast Productions Limited, on the far left Mr. Jack Dawson, Vice-President and Station Manager of CFRB Limited, Toronto on the right, and Mr. Sidney Margles Deputy News Director of CJAD News.

For several years I have been a Member of the Board of Directors of the Argus Corporation, which is the largest single shareholder in Standard Broadcasting Company, of which I have been President and Chief Executive since 1959.

We are here to support the written brief which you were kind enough to invite us to make and to answer any questions, or add any further information, which you may desire from us.

Perhaps I should mention that amongst the reporters present at the reporters' desk is Miss Leslie Empringham of our Ottawa Bureau who will be reporting on these proceedings. Whilst she is a valued member of our staff and of the press gallery she has failed, as yet to be admitted to membership of the National Press Club, due to some form of a discrimination. Perhaps your Committee can assist her in this matter!

A brief history of our Company.

On May 30th, 1925 Standard Radio Manufacturing Company was incorporated under Dominion Charter and its business was the manufacture of radio receivers for the Canadian market. Subsequently on February 19, 1927, it obtained a license and commenced to operate Radio Station CFRB in Toronto. On September 3, 1929, the name was changed to Rogers-Majestic Corporation Limited and it manufactured and marketed radio receivers under the brand names Rogers-Majestic, Rogers Majestic, DeForest and Crossley. Through a wholly owned subsidiary, it also manufactured radio tubes. In October, 1929, shares of the Company where sold to the public-a long time ago.

On September 24, 1934, the operations of this radio station were transferred to a wholly owned subsidiary under the name of Rogers Radio Broadcasting Company Limited. In 1941 the whole of the manufacturing operation was sold and the parent company changed its name to Standard Radio Limited, whose only asset for a number of years was the shares of its subsidiary company Rogers Radio Broadcasting Company Limited. In 1947, shortly after the incorporation of the

Argus Corporation, 49 per cent of the issued and outstanding common shares of Standard Radio were acquired by Argus, which holdings have been maintained to the present day.

On January 3, 1962, the broadcasting company changed its name to CFRB Limited and the parent company is today operating under the title of Standard Broadcasting Corporation Limited. The shares of this company are today held by some 2,400 individual shareholders and as a result of stock having been issued to employees under stock option schemes. the ownership of Argus Corporation has been reduced to 46.7 per cent. Because of the number of Canadian pension funds. mutual funds, Insurance companies and investment companies which are shareholders, I estimate that the total number of Canadians beneficially interested as investors must exceed 500,000 people.

The present operation of the Company can be described as follows: (1) CFRB Limited—Operating AM Radio Station CFRB at 1010 kilohertz in Toronto with a weekly cumulative audience, according to the last BBM report, of 1,377,600 persons, by far the largest audience of any radio station in Canada.

The programs of CFRB are simulcast on a low power short wave station CFRX, which original and prime purpose was to cover parts of the Canadian Arctic, but still would appear from the mail it receives, to enjoy quite a substantial audience in many parts of the world, due to the vagaries of short wave transmission. However, the audience of CFRX is not considered to be of any value from a point of view of commercial advertising.

An experimental FM license was granted at 46.4 mHz and operation began in October, 1940 until January 1941. After the War, operation resumed as CFRB-FM until the FM band was reallocated. Then on April 18, 1949 the operation continued at 99.9 on the FM dial and in July, 1961 it increased its power considerably and commenced programming separately from CFRB. The present call letters CKFM, were adopted in April, 1963. It was the first Canadian station to broadcast in stereo and today commands a weekly cumulative audience of 232,000 persons with the exception of a few newscasts that are similcast. Both CFRB

and CKFM broadcast entirely separate programs 24 hours a day but rely upon common facilities for Accounting, Engineering and News Departments. These two stations compete, not only with the many other AM and FM stations in the market area, but also with themselves, for a share of the audience.

(2) CJAD Limited—In 1960 Standard purchased the Montreal Station CJAD from the late Mr. J. Arthur Dupont, who had pioneered that station in 1945. The original 10 kilowatt transmitter plant was replaced with a new 50 kilowatt one at a new site on May 6, 1964. CJAD, at 800 on the dial, broadcasts 24 hours a day to a weekly cumulative audience of 492,000 persons. At certain times it attracts the largest audience in the Montreal market, amongst all radio stations French and English.

In October, 1962, its sister frequency modulation station was commenced with the call sign CJFM-FM and now has a weekly cumulative audience of 146,000 persons. Both CJAD and CJFM operate from the same premises with a separate programming but also share the facilities of Accounting, Engineering and News.

(3) Standard Broadcast Sales Company Limited: On December 1, 1962, Standard Broadcast Sales Company Limited was formed as a wholly owned subsidiary to carry on the sale of air-time to national advertisers in Canada. This business is commonly known as a "rep" house. The present roster of stations represented by Standard Broadcast Sales is as follows:

Vancouver—CKNW and CFMI-FM.
Calgary—CHQR
Winnipeg—CJOB-AM and FM
London—CKSL
Hamilton—CHML-AM and CKDS-FM
Toronto—CFRB-AM and CKFM-FM
Montreal—CJAD-AM and CJFM-FM
Halifax—CHNS and CHFX-FM

(4) Canadian Standard Broadcast Sales Inc.—Although, in recent years, the dollar volume of radio and television broadcastring revenue from the United States has not been large, on January 12, 1966, the Company—Canadian Standard Broadcast Sales Inc., was formed as a wholly owned subsidiary and operates with a small staff with an office in New York City with representatives in other major markets of the United States. Currently Canadian

Standard Broadcast Sales represents 56
Canadian radio and 12 Canadian television stations in the United States market.
This includes three CBC French language television stations. The sales for this company for the month of March, 1970 were at an all time high.

(5) Standard Broadcast Productions Limited: This further wholly owned subsidiary was formed on June 1 1966, and is one of the pioneers of a cross-country news service intended for private radio stations. 16 stations, ranging from Vancouver to St. John's Newfoundland, currently subscribe to Standard Broadcast News Service which transmits voice clips and news actualities on an hourly basis and more frequently if required. The subscribing stations across Canada all act as "pick-up" stations for news in their respective areas and the Ottawa Bureau is staffed by three full time representatives. The majority of the International News is obtained through the National Broadcasting Company, which is able to afford to maintain full time representa ives in the principal news centres of the world."

I might add to here that we also have some of our own staff. We have someone down at Cape Canaveral and Houston and now one in Montreal to cover things from a Canadian angle.

"Standard Broadcast Productions also syndicates, to other Canadian stations, a number of programs prepared by Canadian artists and commentators. Some are distributed by wire—others by tape.

The management of Standard Productions has, for a number of years, devoted considerable time and effort to the creation and maintenance of the Canadian Talent Library, which is now subscribed to by 172 other Canadian radio stations. Canadian Talent Library is, in fact, operated as a non-profit trust with the Crown Trust Company as the Trustees. All the subscriptions of other stations, together with substantial subsidies made by CFRB and CJAD are reinvested in further Canadian recordings.

The Canadian Talent Library of records is leased out to any Canadian Station. There is no exclusivity in any market. In addition, it is being leased to the British Broadcasting Corporation in England and incorporated in a broadcast-

ing tape service in the United States.

Many of CTL's recordings have been put on the Canadian and International markets under various recognized record labels. Recently the CTL has agreed to provide Air Canada with background music tapes for its fleet of planes so that Canadians can enjoy music played by Canadians rather than the U.S. tapes they have been using up to now.

(6) Standard Sound Systems Company Limited: This company was formed as a wholly owned subsidiary on December 7, 1966, and originally started a background music service utilizing the facilities of a sub-carrier of CJFM in the Montreal area. After this had been successfully built up over a three year period a similar service was started in Toronto.

However, in September, 1968, the opportunity arose to purchase the Muzak franchise and business for the Provinces of Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland. The bulk of the subscribers of this service were located in Montreal, Quebec City and Halifax. Acquisition of this Muzak franchise forced Standard to dispose of its Toronto Background Music operation to Associated Broadcasting Company Limited who held the Muzak franchise for Ontario. The Toronto Branch of Standard Sound Systems then changed over to a contracting business, concentrating upon schools and hospitals and its two principal lines of equipment are the Dukane (audio communications) and Philips (for closed circuit purposes.)"

Well, Senator Davey and your colleagues—that, I think, describes who we are. You have our written brief in front of you. We shall endeavour to answer any questions that you may have.

The Chairman: Thank you very much, Mr. Cran. The procedure we follow here is very simple. The Senators will put their questions to you and if you wish in turn to hand them off to your colleagues, please feel free to do so and indeed I think the Senators should feel free to put some questions to some of your colleagues, but they will certainly begin by putting them to you and you, if you wish can hand them off.

I believe that questioning this afternoon is going to start with Senator McElman.

we heard from Countryside Holdings. In their casting station, as all broadcasters do, I am brief and in the course of discussions, it became evident that they hold, as an individual part of the broadcasting industry, a concern and I think it could be even expressed as a fear, that if they enter into certain areas, which they refer to as unpopular causes, they would have reason to fear what action might come upon them from the CRTC, because of such controversial broadcasting. Your station, CFRB, employs a stable of people who cover controversial subjects in their talk programs, such as Gordon Sinclair. Apparently you hold no such fear, so which of these attitudes...

Mr. Cran: Excuse me, Senator for interrupting you but his son is sitting right behind you.

Senator McElman: Is he as tough as his father! What do they pay you Mr. Sinclair?

As between these two approaches to the regulatory body, which is more indicative of the general broadcasters approach?

The Chairman: It just might be helpful for anybody who has the brief from this morning here, to actually read that quote.

Senator McElman: It reads as follows, Mr. Chairman:

"...the Stations performance is subject to minute and continuing scrutiny by the CRTC. It would be a brave broadcaster indeed who undertook to promote an unpopular cause"—and then further on "...no radio station, large or small, will do anything that might jeopardize its license."

In the questioning-I don't think I misrepresented the answers we got, there appeared to be even more than a concern-I think perhaps a fear that if a broadcaster entered into a controversial or as they termed them "unpopular areas of discussions" that they might have reason to fear whether they would have a renewal of license. Does your organization hold any such fears?

Mr. Cran: May I ask Jack Dawson to answer that question.

The Chairman: Mr. Dawson?

Mr. Jack Dawson, Vice-President and Station Manager of CFRB Limited, Toronto: Mr. McElman, I think placing a station's license in jeopardy is one thing-I mean we know the

Senator McElman: Mr. Cran, this morning rules by which we must operate our broadsure.

> However, in the area of controversial broadcasting. I honestly think that a great deal of it depends on who it is or who is being controversial. If it is a young lad who is new to the news media or new to the industry-and most of us found ourselves in that position at one time-I think that there is a tendency for some young broadcasters to try to emulate those outspoken individuals of a good number of years experience in the industry in order to gain some form-I hesitate to say "notoriety"—but perhaps that is the word I mean.

> I truly believe that as far as our station is concerned we are rather fortunate in being able to attract to our stable, as you refer to them, of broadcasters, very experienced individuals who have been around a long time. They have their own considered opinions on a subject and they are not adverse to expressing them. Does that answer your question, sir?

Senator McElman: To a degree. Are there are strictures put upon the broadcas'er who have or do enter these controversial fields such as Mr. Sinclair. Do they have a consultation before they develop a subject or do they have a free-wheeling approach?

Mr. Dawson: I believe in the main, Senator McElman, they have a free-wheeling approach. I cannot think of the last time, qui'e frankly, that Gordon Sinclair has consulted me on a given approach that he was going to take to a subject. However, I know that it happens very occasionally, and by "very occasionally", I do mean probably once in a two-year period.

Senator McElman: After these then, have there been occasions, and if so in what frequency, where it has been necessary for management to discuss with one of your s'aff that perhaps may have gone too far along on a given subject and that they might take a different approach or a less direct approach or a less controversial approach?

Mr. Dawson: I really can't think of one, Senator McElman. I believe that in the area of good taste, that this is in the eye of all of us. We all have various views on matters of good taste, of course, and we are subject to the laws of the land and I don't believe, and to mention Mr. Sinclair's name again, he has ever been sued. We have had a couple of threats but I don't know of one in my association with the radio station that ever reached the Examination for Discovery. Is that the proper phrase?

Mr. Fortier: Yes.

Mr. Dawson: Is that good enough?

Mr. Fortier: Yes.

Mr. Cran: May I add to Mr. Dawson's answer?

The Chairman: By all means.

Mr. Cran: We do have a problem, occasionally, with a younger and less experienced announcer who may try to emulate the people who are so very successful, like Gordon Sinclair or Pierre Berton or somebody like that and who say things which are out of place. Then we have to speak to them to put them in line.

Senator McElman: But not with the ...

Mr. Cran: Not with the experienced ones, no.

Senator McElman: In the utmost good humour this morning, since Mr. Sinclair has an association with Countryside we asked what they were paying him and we prefaced this with saying that we were going to ask Sinclair-type of questions. The answer we got was nil—they paid him nothing. We then asked if he was delivering as much value as he was being paid. What are you paying Gordon Sinclair?

Mr. Cran: No comment.

Mr. Dawson: There is another department on the Hill than can tell exactly.

Mr. Cran: If you listen to the station often enough, he will tell you!

The Chairman: Mr. Fortier?

Mr. Fortier: Do your stations, Mr. Cran, stand behind your commentators such as Leslie Roberts and Rod Blaker and Gordon Sinclair? What I'm trying to get at is I have heard in Montreal for example, over station CJAD the statement on occasion "that this is Mr. Roberts' view and it does not necessarily represent the view of the station", but correct me if I am wrong, on other occasions, I haven't heard it. It seems to depend on the nature of the editorial or the comment?

Mr. H. T. McCurdy, President, CJAD Limited, Montreal: I think the actual statement, Mr. Fortier, is "the freely expressed opinions of—," and we don't add the phrase that you quoted.

Mr. Fortier: Did you not at one time add that phrase?

Mr. McCurdy: Yes it may have been but it was a long time ago because all we try to point out, in any of these introductions or closings to commentaries, is to clearly establish in the ears of the listeners, that they do not necessarily reflect our views because we do not have an editorial stand as a station.

Mr. Forier: Well, that was going to be my next question.

Mr. McCurdy: We have a variety of commentators and I think we probably do as much controversial commentary as our big brother in Toronto; but we try, in the course of a given day or week, to air a variety of views on any given topic; I suppose as a means of informing the public so that they may be bet'er able from all sources of information to draw their own conclusions. If you have listened you may have heard Blaker disagree with Roberts or agree or disagree with both.

Mr. Fortier: Should radio stations have an editorial stand—take an editorial policy?

The Chairman: Mr. Cran?

Mr. Cran: We have considered the matter from time to time and I am afraid we have rejected it. We have decided that having these various views, many of which are conflicting, on different aspects of a subject was a better policy. Management, in any way, are inclined to be involved in playing down the views of station.

Mr. Fortier: Can you envisage a situation in Canada where you would feel compelled as a broadcas er to take a company view, as a newspaper would at the time of an election, for example, and recommend that people vote for Mr. X or party Y?

Mr. Cran: No.

Mr. Fortier: You don't think that this is . . .

Mr. Cran: I can't envisage it myself.

Mr. Fortier: You don't think that this is really within the perview of a radio station, is that correct?

Mr. Cran: No.

Mr. McCurdy: In the field of politics I would hesitate but I think there are other issues in which we would take a stand. We have taken stands on things like crime and pollution and various things that are in the community or of national interest.

The Chairman: Have you taken any stand on issues which you perhaps might regard as unpopular causes? You know, it is very "in" to be against pollution these days but are there other examples of causes you have found which may not be broadly popular in the community.

Mr. Jack Dawson: I can think of one, Senator Davey, that we issued as a direct station editorial and by that I mean placing it at a specific time—prime time. We repeated it three times, I believe, in the course of a 24 hour period. That was a number of years ago—it was probably 8 or 10 years ago now and even maybe longer than that. I have forgotten the exact issue but there was some controversey about the CBC being responsible to the Government rather than to Parliament. There was some controversey at that time in the public press and we took the view: "please, hands off the CBC".

The Chairman: Probably concerning the program "Preview Commentary" in the morning?

Mr. Dawson: It may well have been, senator, that is the only editorial that I can ever remember...

The Chairman: We should perhaps return to Senator McElman but if I can just ask one final supplementary question on your opening question. The witness this morning—I think some of us were astonished, and I don't think Senator McElman has over-stated the case, that they were fearful that controversial programming—not bad broadcasting—but controversial programming might cost them their license. Do you fellows live in that kind of fear at all?

Mr. Cran: No, we don't live in any fear at all.

Mr. Fortier: Would the size of your organization have anything to do with that?

Mr. Cran: Well, I suppose that helps but we don't fear any sponsor, we don't fear the attitudes of any shareholders.

The Chairman: They were referring specifically to the CRTC.

Mr. Cran: A small station which has a very small number of sponsors in one small community probably has to be afraid of what they might say about some of the local people.

The Chairman: That wasn't the context—it was a fear of a government agency. However, I think in fairness to the people who were here this morning we perhaps at this point may be guilty of saying things...

Mr. Cran: We may fear the CRTC if they lift our license.

The Chairman: Well, their point—they were afraid of having their license lifted on the basis of controversial programming. That is precisely what their fear was.

Mr. Fortier: For example they said they would never criticize the CRTC in answer to a question from Senator McElman.

Mr. Cran: We frequently have to send tapes up to the CRTC because complaints go to a Member of Parliament or something like that. Gordon Sinclair—you mentioned Gordon Sinclair—half of his audience love him and the other half hate him and the same thing with Berton and Templeton.

The Chairman: Which half are you in, Mr. Cran?

Mr. Cran: No comment.

The Chairman: Senator McElman?

Senator McElman: This morning following this line of questioning, I gave the example of the station and manager in Fredericton, Jack Fenety who is the immediate Past President or Vice-President of CAB.

Mr. Cran: Right.

Senator McElman: Mr. Fenety is a very straight forward fellow and he was interviewed for a half hour by one of his own staff on the new CRTC proposals and he was his usual out-spoken self. He said many unkind things in that context about the proposals and by experience against the CRTC and their regulations in general, and I ask "Would this be the sort of thing that would give you cause for fear?" and the answer was "Yes".

Out of your experience in broadcasting do you feel that any broadcaster in Canada

should hold such a fear of the regulatory body? Is there any basis for such a fear out of your experience?

The Chairman: Mr. Cran?

Mr. Cran: There is, I suppose, a fear that broadcasters might well hold when it comes—if there is going to be an extension by the CRTC in to what types of programs to give by regulation, and with the rules we have worked under up to now, that might become very fearful and I hope it would never occur.

Senator McElman: But out of the rules that you have been operating under up to now, today, and taking this into consideration...

Mr. Cran: We have no cause for concern. As a matter of fact with the proposed regulation which is being debated now across the road and will be for the next few days, about the 30 per cent Canadian music content-I was dragooned by Gordon Sinclair to go on his show one evening and he interviewed me for the whole show. I welcomed it because we had been working towards that for many years with the creation of the Canadian Talent Library. We felt that with the position We held in these two predominantly large markets, it was incumbant upon us to employ musicians and to get them exposure as Canadian musicians throughout the country. We felt that just followed along the line of our own thinking; but we haven't got any fear at the moment.

Senator McElman: Unless there are supplementaries on that perhaps I could change the subject.

Senator Smith: Let me ask a question on that.

The Chairman: Senator Smith?

Senator Smith: Mr. Cran, I wonder if you personally have held views opposite to the ones you have just expressed with regards to this 30 per cent Canadian content. Would you have felt quite free from fear of any kind of repercussion if you had expressed those views in strong language on that program?

Mr. Cran: Sure.

Senator Smith: On that program?

Mr. Cran: Sure.

Senator Smith: You would have gone right ahead just the same?

Mr. Cran: Yes.

The Chairman: Senator McElman?

Senator McElman: Perhaps at this point it would be a good time to move to the provision of 30 per cent...

The Chairman: Fine.

Senator McElman: Would you let us have your views on this?

Mr. Cran: Well, as I say we have been working towards this and I think that currently we are running around 17 per cent Canadian music on our station. We are getting it up now so that we can produce more by the deadline and I believe we will do it—the 30 per cent by then. However, I will repeat what I said before that I don't think it is right for people like us in our position to take large amounts of money out of the market, like Toronto or Montreal, in advertising and to depend upon music as a substantial portion of our program content, and not involve in someway or the other the employment of local Canadian musicians.

It is impractical today to have it live. That is why we did it on a recorded basis and those recordings, we make available to any other station in the country.

Senator McElman: You feel that your station will be able to meet this requirement by the proposed date?

Mr. Cran: Yes.

The Chairman: May I ask Mr. Hartford a supplementary question on this.

Senator McElman: Well, I have a supplementary on this too. Do you feel that other broadcasters throughout the country will be able to meet the requirement without measureable difficulty?

Mr. Cran: I am not sufficiently aware of other broadcasters. Perhaps Mr. Potts would care to answer you.

The Chairman: Mr. Potts?

Mr. J. Lyman Potts, President, Standard Broadcast Productions Limited: Senator, I think it will vary across the country depending upon the foremat of the station. I was interviewed on the CBC coast to coast program "As it Happens" the other night and they had many of the same questions, but I think it will vary. Some stations will follow a rural appeal or country music and this kind of thing, but the question is: is there enough

country music in this country to satisfy the need of that station or will the station have to go half-classical or into a more popular field in order to find the right amount of music, which will distort the image of that station in the mind of the listener.

It may vary from station to station across the country depending on how they are appealing to the public. This will also vary too from station to station as to the supply. Everybody feels that the fellow who is doing something else is going to be all right. The rock station thinks they are going to be hit hard and so the middle of the road is all right: the middle of the road says "who is going to record those big orchestras that we need by Canadians? Certainly no recording company is going to because they must have their money back in Canada and you need an international release." The people are wondering where the André Kostelanetz records are coming from for "Candlelight and Wine" and so forth.

But just what records are going to be made? There is a feeling that, as a result of this regulation, a lot of people are going to get into the recording act and start making records. Now, what kind of records are going to be made by these people? Who are going to risk their money on the records remains to be seen; but some stations are waiting to see whether the supply is going to be there or not.

In producing the Canadian Talent Library, we had endeavoured to demonstrate that in this country we have excellent musicians and singers of all types and we have tried to put forth a representative group of recordings that covers the complete spectrum of music. We have tried to plan against this particular day for one thing, but secondly because we want to do this and we have tried to make things of lasting value because there was so little of the Canadian. So we have recorded a lot of our material down the middle, steering right or left from time to time. We had hoped by our example to suggest to other broadcasters that if it agreed with us in our concept, they start their own show and do something similar. But if everybody did something, there would be no need for a regulation today. The regulation comes as a result of the minority not doing some'hing, or not living up to the public expectations of the broadcasters—that is where most of our regulations come from.

Regulations are made to cover minority operators not the majority of stations. This is

why we have this today. Some stations, to answer your question, will have some difficulty, I think, but it varies as to the market.

Mr. Cran: Senator, if I may interrupt and add to Mr. Potts answer. If I was operating a station, on which I was using all classical music, like some FM stations have done in the past, I would be extremely concerned because there just is not that amount of classical music available in Canada. We have made an investment in it ourselves, because we have a particular program which we have been doing for 25 years of two hours of classical music in the evening and only a tiny percentage of that is available from Canadian sources. If you were doing that all day long you would be in an awful bind.

The Chairman: Mr. Hartford?

Mr. Donald Hartford, President, CRFB Limited: Well, yes, it has been said that we feel we can live with the 30 per cent, and one has to sympathize with what the CRTC are trying to do, but the thing that I am some concerned with is the entry by the CRTC into the matters of programming a station. It is unfortunate that this has to be the way we have to get our 30 per cent, because when you get into the entertainment area of programming, that becomes another matter altogether; quite apart from the 30 per cent which motivates that agency. In the long run-you know, governments change, people change and if others say: "Well, that was one way to go. Perhaps we can rely on some guidelines for news and other things".

I personally feel that the listener is probably the best censor of the whole thing. If you put on something they don't like, they go away in great droves. You don't have an audience, you can't sell it and you are out of business. So the most desirable effect would be to have free access to the type of audience that you could get; but some broadcasters feel differently and I guess that is why we have such forms of program control in a way.

Now, the thing Mr. Cran just mentioned—I don't think they are programs they wish to inhibit but if it does go through in these cases it will. In our case, "Starlight Serenade", two hours each evening of classical music, there is very little Canadian and it is very expensive to produce. And adjacent to that, we have another hour with Ray Sonin who plays songs from the past and on Saturday evening plays songs from England. It is pretty difficult to make these Canadian; but if you put them

back to back you can average over four hours—so that you couldn't really comply if that came into effect. There is absolutely no way to move on it at all in any direction, there is no latitude in that you could average it some other way, so those programs would probably have to go. There aren't that many doing this kind of programming any more and I'm sure there are aspects of this which they would look at.

The Chairman: There has been indications, I believe, that the CRTC will offer some latitude in these various areas. I have heard discussions where obviously a program of opera would be an enormous problem. So assuming they give that kind of latitude, isn't it unfair to suggest that it is program control? That is really what you are talking about-music content? They are not saying that CFRB, for example, has to run any music at all and they are not indicating the kind of music that you have to run. You could become an all news station if you wanted to.

Mr. Hartford: That is so, but I think what I really said was I hoped that it is a move in the direction...

The Chairman: Fine.

Mr. Hartford: That if we start to think in the terms of should we have 30 per cent of any kind of music-well, then perhaps should We have a percentage of Canadian content in news and should we relate it to other things. Then you are really getting into a programming area. I didn't mean to be unfair because I said I hoped we really don't, to any great extent get into that kind of thing. Perhaps the broadcasters as such—and I know it is difficult for some—will do a little self-analysis and maybe it will become a little less necessary in the future.

The Chairman: Senator McElman?

Senator McElman: What you are saying in effect, Mr. Hartford, is that if some stations Want to put on four hours of music in the Cantonese-style, it is up to him if he can stay alive...

Mr. Hartford: I wish he could.

Senator McElman: If he could survive.

Mr. Hartford: I wish we didn't have to get into a control because if he feels four hours of Cantonese music is for him, if he feels he can live on it and some people enjoy it, I wish he could have the right to do that. I haven't you believe that to be a proper terminology to 21494 41

any good answer to that, but it is unfortunate that we have to get into an area where this will prohibit it.

Senator McElman: Alright, let us just forget the mechanics for a moment—the principal and the objective that is imprinted in the CRTC proposals-do you support the objectives?

Mr. Hariford: Yes.

Senator McElman: Of greater Canadianization?

Mr. Hartford: Yes, I believe I started by saying that one really can't quarrel with the objectives-that it well might be there may be some modifications yet, there often are on these things.

Senator McElman: Yes, you are right. It is only a proposal so far.

Mr. Hartford: Yes.

Senator McElman: In light of it being a proposal only and thus far we are only having opinions on it, I take it from what has been said that you don't support entirely the extreme and generalized approach taken the CAB thus far?

Mr. Hartford: We don't fully support some of these things the CAB does. We are members and we basically support the idea of the CAB but we don't always. We don't support them for example, in release of rate card data and such things. Often we go at odds with them and sometimes we are the only station. I guess it may create problems for them and we sympathize with what they are doing as well but we have a large audience to think about and a large station of which we are proud and we go our own way in a great many instances.

Senator McElman: In the current situation as I understand it, CAB says that the proposal for 30 per cent in music is impractical and unattainable. You would not subscribe to that, I take it?

Mr. Hartford: No, we don't personally but you must remember they are speaking for a group of stations and they are perhaps talking for stations that are perhaps going to find it that difficult-I don't know.

Senator McElman: Well, looking at the broadcasting industry across the country, and I'm sure you have a good view of it, could be used for the industry as a whole? That is that it is impractical and unobtainable?

Mr. Hartford: I find it pretty difficult to comment on that statement because I wouldn't like to discuss the operation of a radio station run by someone else really.

The Chairman: I think that is an acceptable answer. I think if a witness can only talk about CFRB, in fairness...

Mr. Fortier: This really flows from something that Mr. Hartford has said. Laudible though the objectives may be, which is not exemplified by these proposals, you spoke a few minutes earlier of what I suppose is your most important commodity—your listeners. Do you have reason to believe that your listeners want more Canadian music?

Mr. Hartford: Music is only a part of a mix, you know. If you listen to a morning run which a few years ago-we call it a morning run...

Mr. Fortier: Yes.

Mr. Hartford: Which a few years ago might have had one announcer on it and perhaps a newsman coming and the rest was music. Well, now you have all sorts of ingredients that have been added. On most stations, you have helicopter reports, for road and traffic reports and weather reports; all sorts of things have been added—sports, for example.

Music on AM radio-and AM and FM are two different things in my view—is still a very important commodity but it isn't as important as it was; and indeed, you don't hear as much of it on many AM stations as you did at one time. There is more talk and so there is more of a mix. Now, it also has to do with how they are inserted in a run. We have a radio station that will play a great many numbers off of the hit-parade. If somebody asks you how do they sound, "you say, sort of middle-of-the-road" and we do play a great many of the numbers of a rock type station would play. They are very good stations too, but with a different philosophy. However, it is in the way you insert the music, really, and that involves the people that chose it as well as the operator and the announcer and how they put it together.

Mr. Fortier: Well, I will just repeat my question.

question?

Mr. Fortier: By all means.

Mr. Potts: Listeners don't phone and ask me "Can I hear some Canadian records".

Mr. Fortier: No.

Mr. Potts: But what we do find is that when you play Canadian artists on the air, they phone and say "Where can I buy it-I like what I hear, where can I buy it?" That is our next stumbling block. There should be a 30 per cent Canadian content in some sort of role in Canadian record stores coast to coast because that is where we are hitting the road block right now.

Mr. Fortier: Yes, I understand.

Mr. Potts: A lady wrote me from Montreal the other day and said: "I am trying to buy the Boss Brass, how can I get this?" This is repeated thousands of times over. I have had it up to here! I wrote back to her and said: "The company that released that record to us is a few blocks from your home, I will write to the President and see that you get a copy." Now, I have done that thing many times over. It is our greatest frustration, that we cannot get these fine Canadian records—and many of them are exceedingly fine-into stores where the public can get at them. If they are in the stores, they are under the counter; they are not up near the cash register and that sort of thing. Canadians if they are given opportunity to hear Canadian artists-comparable to what Americans have been doing and the British have been doing—will show reaction.

Mr. Fortier: So that you have sensed a demand for Canadian performers?

Mr. Potts: Yes.

The Chairman: Mr. Hartford?

Mr. Hartford: I would like to just add one to that, Mr. Fortier. The way that we treat it is that we don't identify them as Canadian. We feel that you either like it or don't like it the way it is, and we just don't say: "this is a Canadian record" or "this person is a Canadian."

Mr. Cran: We don't apologize for it.

Mr. Hartford: No, we mix them in and the quality we find is up-grading and very acceptable.

Mr. Fortier: What has been your experience in Montreal, Mr. McCurdy, with respect Mr. Poits: May I just take a crack at your to what your listeners are longing for insofar as music is concerned?

Mr. McCurdy: Well, that is a very difficult question. No one ever calls up and says "Why don't you play more Canadian".

Recording released—that is the English recording. They were trying for an American release but no American company would take

Mr. Fortier: But you do make studies, don't you, as to what your listening public likes or it has not liked? I mean, you obviously try to cater to your public.

Mr. McCurdy: Well, it is a trial and error business to a great degree, when you have 19 stations in the market and when we are dealing with Mr. Sinclair on one hand and a market mix is there. You have access from a variety of sources—whether it is research or phone call reactions or letters. We talk at length with the record companies. You distill all of these sources of information into what you think is the will of the people, the desire of the people, and decide on your group and put the ingredients together—the music mix that is within company policy and you hope you can attract a sufficient number.

We have the added ingredients, the added aspect of programming in Montreal which is the French-Canadian thing and we find there is a growing demand for some of the more popular French-Canadian singers and instrumentalists.

Mr. Fortier: And there is an increasing use of those records on CJAD?

Mr. McCurdy: That's right.

The Chairman: But the brief says you use them more on the FM stations than on the AM. Why is that?

Mr. McCurdy: Well, of course they have more music for one thing and it is a music medium, so that we have to program 18 or 20 tunes an hour on FM.

The Chairman: On a percentage basis do you play as many French artists on CJAD as CJAD-FM?

Mr. McCurdy: No, probably not. The music policy is different so we don't have the sources.

The Chairman: Do you play French artists on CFRB at all?

Mr. Potts: Well, Mr. Dawson could speak on this, but I had an experience the other day that came to me through CAPAC. They had made a French recording and an English recording of pretty well the same thing. They found great success with this in the French market and they wanted to get the Canadian

Recording released—that is the English recording. They were trying for an American release but no American company would take it and the Canadian company has deigned to take it—lets put it that way. They brought it in to me and I referred it to Mr. Dawson and his Music Director, Mr. Arthur Collins to listen to it. He listened to the French and the English and he said: "I will play the French, but I don't like the English record—it doesn't appeal to me, I will play the French".

We recorded for CTL, a group called "Les Contre Temps" a young folk singing group from a college in Montreal. One side was French and the other side was English. Of course, they sing better in French than they do in English and strangely enough it was the French side that got the play on CFRB, not the English side. In other words, the music was international. They had won the International Folk Singing competition among college groups at the CNE just the previous summer for that matter and thrilled a great many people who couldn't even understand French.

However, to add to what Mr. McCurdy said and again to what you say about asking people what they want to hear—I know Mr. McCurdy's station has conducted surveys and he let me read them. People write in in answer to the question "What do you want to hear on FM" and they answer "Well, Tom Jones, Roger Williams"—they name all the American and all the British and I think perhaps there was one or two Canadian names among them but they were the same names over and over and over again. How are you going to make the public want Canadians? It is going to take more than radio to do this.

Mr. McCurdy: Well, surveys and news are terribly hard to read. We did a survey not long ago and one question we asked was: "What is your favorite kind of music?"—and they put down "Popular" in answer to the question: "Who is your favorite singer?" and they put down "Paul Robson". Now what you get out of a thing like that I don't know.

Mr. Fortier: Do you see the day, Mr. McCurdy, where CJAD will broadcast partly in French and partly in English?

Mr. Cran: We are only licensed to broadcast in English.

Mr. Fortier: As opposed to CKVL-FM, for example?

Mr. McCurdy: They have a bilingual license.

my question, do you foresee the day where you will apply for a bilingual license?

Mr. McCurdy: No.

Mr. Fortier: You are essentially an Englishspeaking radio broadcasting station?

Mr. McCurdy: Yes.

Mr. Cran: If I may interject?

The Chairman: By all means.

Mr. Cran: CJAD-FM the call signs are rather hard to identify to French speaking people, and we instituted a practice a couple of years ago where once an hour we give the station break announcement in French as well as in English and we got some rude letters from the CRTC about this.

Mr. Fortier: Did you?

Mr. Cran: Yes.

Mr. Fortier: I heard it on CJAD-your call letters in French on occasion.

Mr. McCurdy: That is just a courtesy.

Mr. Fortier: Just the announcer's whim?

Mr. McCurdy: That's right.

Mr. Potts: Mr. Cran, was it not the BBG the rude letter came from, not the CRTC?

Mr. Cran: No, from the CRTC.

Mr. Sydney Margles, CJAD Limited: I might add, Mr. Fortier, that we do at times carry some French in news, particularly in news conferences which we are carrying live and what we are endeavouring to do-if we carry for instance a city hall news conference with the mayor and Mr. Saulnier, the Executive Committee Chairman speaking in French and do simultaneous translations, I get calls from our French listeners saying: "Why don't you keep off and let them speak", and if I do summary translations every three or four paragraphs I get calls from listeners saying "Hey, we didn't understand what you are saying and why are you running so much French" so it is damned if you do and damned if you don't but it is still our policy if it is an important news story, regardless of letters, we are going to carry it and we are going to do translations for the benefit of English-speaking audiences which doesn't understand French and unfortunately there

Mr. Fortier: Well, alright. Let me rephrase are Montrealers who do not speak or understand French.

> The Chairman: May I just ask, Mr. Cran, a question. You as the head of Standard Broadcasting sit in a very predominant position in Canada and in Canadian Broadcasting. One of your stations is the most listened to station in Canada and the most listened to station in the second largest city in Canada. The other station, the brother station, to use the words of one of your colleagues, is the most listened to English language station in Montreal. Aside from the French fact in Montreal, what difficulty is there in running a station in Toronto than running the station in Montreal?

> Mr. Cran: Well, how many days do we have here

> The Chairman: Well, what are some of the basic differences, setting the language aside?

> Mr. Cran: There is a difference I think, Senator Davey, in operating a station between any one city and any other city and it is our policy, it has been my policy, to ensure that we have the best station managers and program directors and other staff in any one area -like Montreal or in Toronto-and just let them run the station as they see fit in a proper way. Outside of that, we don't—I mean CFRB bought CJAD back in 1961 and they have never tried to tell them what to do with regard to programming. It was left to the local people who had the feel of what the public wants.

> The Chairman: Well, then what advantages are there to the listeners in Montreal in CJAD being owned by Standard as opposed to being owned by someone else?

> Mr. Cran: Only the assurance that they will continue good management and it would have access to any of the facilities of the group. They are all available to them and Mac can take Berton and Templeton if he wants to and if he doesn't want to, I don't tell him he has to.

Mr. Fortier: Why doesn't he take them?

Mr. Cran: Because he doesn't like them.

Mr. McCurdy: We tried them and they didn't work.

The Chairman: Why wouldn't they work in Montreal?

Mr. McCurdy: Well, I think every market has a characteristic and I was talking to a French broadcaster in Montreal the other day that owned a station in Montreal and one in Quebec City and they are working very hard to try and find the way to win out in Quebec City. The formula they are using in four other Quebec province markets won't even work in Quebec City; and so they are then leaving it up to their staff and assessing that market in trying to find out what the formula should be in that one market.

Mr. Fortier: Maybe the question should be now what formula do you use to appeal, as you obviously do, both to the French and to the English on CJAD?

Mr. McCurdy: I sometimes wish we knew but I couldn't write a brief to tell you this.

The Chairman: Well, for example, you don't have a woman editor, I gather?

Mr. McCurdy: Yes, we do but not in the same format as Betty Kennedy.

The Chairman: I see. What does your woman's editor do?

Mr. McCurdy: She does certain limited broadcasting, certain commercial work and she is primarily now in the field of public relations.

The Chairman: Would Betty Kennedy be popular in Montreal on your station?

Mr. McCurdy: You mean if we carried her Toronto show?

The Chairman: Either way. If you carried her Toronto show or if she moved to Montreal and did a program like that in Montreal?

Mr. McCurdy: Well, I think Betty is such a professionally competent broadcaster that she could probably carve out quite a following in any market. But we just happen to feel that that type of programming is passe in our particular market; so we did have a program of that nature and we changed the format. We no longer do block programming of that nature to a select audience. We do a more general audience type of programming.

Mr. Hartford: I was just going to suggest that Jack Dawson has so much experience and such strong views on programming that if you could spare the time I would like you to hear him.

The Chairman: Fine.

Mr. Jack Dawson: I wanted to differ with Mr. McCurdy—not quite differ because we have to present a common front here...

Mr. Fortier: Is that what Mr. Cran told you!

Mr. Dawson: In connection with that Mr. Fortier, I believe this is somewhat of a privileged conversation, is it not?

The Chairman: It is indeed.

Mr. Dawson: There are many occasions when I wished Mr. Cran was domiciled in the city of Montreal. However, I seriously believe with regards to Betty Kennedy doing her broadcast on CJAD, the Montreal station, I think it would inhibit her. Anyone like a Betty Kennedy, or say Pierre Berton or Charles Templeton—if he can gear himself to one transmitter, one community, he can speak more freely and he is speaking about things that many people in that community are interested in. If Betty Kennedy were to be on the Montreal transmitter doing the same program, I believe she would have to be doing a totally separate kind of program to be on down there. Otherwise she would have to make the decision everytime she did an interview: "Will this stand up in Montreal, or is this of interest to the Montreal audience"? I think this is one of the reasons why network radio is pretty well dead.

The Chairman: Senator McElman?

Senator McElman: How then does your syndicated programs—you list some of them here on Page 11 and 12 and the names of Templeton, Berton, Hesketh, Needham, Belanger, McVean, Coleman and Trueman, now, this is a pretty well Toronto-oriented type of syndication. How does this sell in Canada?

Mr. Potts: Not very well. It is not a business to make money at the present time. As we said in the brief, syndicated programming years ago came from the United States and Canada was virtually a nothing ground. It is very difficult to carry on syndicated programming in Canada. In network radio, someone in Toronto at the CBC makes a decision and they say "This program is going to be heard coast to coast". As Mr. Dawson says this really doesn't work any more. But the beauty of private radio is that the decision is in the hands of all the local operators; these people know their communities and they try to get what is best for their community.

"Dialogue" started in Winnipeg and ran two years then the station felt as far as they were concerned it was wearing out, it didn't do the job in their community. We never did place it in Vancouver. It has been popular in Alberta, its been running in Calgary and in Edmonton, Red Deer had it for awhile and dropped it. It is still running in Calgary and Edmonton I might add. It has never run in Saskatchewan and has run in various places in Ontario but it seems to wear out. While it continues to do an excellent job for CFRB in Toronto, this is because, as Mr. Dawson says, it is more a tuned to this situation even though I'm sure Templeton and Berton every once in awhile say: "Well, that happens on Yonge Street and I'm sure it happens on 11th Street in Regina and so forth." However, this isn't quite the same thing. But it is still now running in several markets across the country but they are stations with a small market getting big names across the country at a relatively small cost.

The "Man and Woman" thing which Richard Needham is doing very well on CFRB is also running in Belleville I think, but that was it. There was no response across the country at all. So it does vary as to the needs of the station and that sort of thing.

Senator McElman: You don't see a syndication of this nature entering the needs for Canadian content across the country?

Mr. Potts: Talk radio mostly is of a local nature relating to local needs and one man who is very popular is Bob Hesketh. This is in about 30 markets across the country and it has been running solidly now for over three years. He has become, as a result of this, a national name and makes frequent tours across the country as a guest speaker. So in his case it has worked but it is sort of a fun-kind of thing and a sort of fun-look at life which seems to strike a responsive cord in many areas.

Mr. Dawson: Senator, if I may, the reference is only to music so far in the 30 per cent and really not to this type of programming.

Senator McElman: That's right.

The Chairman: Thank you.

Senator McElman: Mr. McCurdy, I see in paragraph 107 you say:

"Because of our unique market, CJAD uses more French Canadian talent and acts as advisor to the Canadian Talent

Library on French Canadian artists of interest to the rest of Canada."

Now, with the great build-up of exciting and outstanding artists and performers in Quebec province, is the advice being given that more of these artists be picked up by CTL and that more extensive distribution of their work go out across Canada?

Mr. McCurdy: What is really meant by that is that we are one of the subsidiaries and clients of Canadian Talent Library and Mr. Potts endeavours to spend our money in our market in producing recordings. In other words there are Montreal recording sessions as well as Toronto recording sessions and there have been a few others in other centres across Canada. So what usually happens is that Mr. Potts calls and we have a little conference with our Music Librarian and Programme Directors and anyone else who can contribute to the meetings. We say: "Is there any new talent, or can you recommend the people we should use in our next recording session in Montreal?" If we have come across or been made aware of some French-Canadian talent, that isn't already under contract with some of the major recording companies, we will pass it on to Mr. Potts to make the arrangements to do this. This is the form of consultation that goes on and our X number of thousands a year is usually spent on more recording in Montreal.

Mr. Potts: I might add that when we state that we record in Toronto and Montreal—we say Toronto and Montreal, but the musicians from all over Canada gather in these two centres because this is where the work is done. It is not unusual to have the Frenchhorn player in the orchestra from Victoria and the piano player from Sydney, Nova Scotia; but here again it is very difficult.

As Mr. McCurdy just touched upon, there is such a flourishing French recording industry that all of the good artists are tied up by all of the record producers in Quebec and a broadcaster can virtually get those records for nothing. They can get it either as a complimentary "45" or they can buy it for \$1.25 as an LP. But when we produce a record in Montreal, through the subscriptions, through CTL, it is tantamount to saying a station is paying \$60.00 for that kind of LP because he is helping to pay the full cost of that record made in Montreal. We do try to get French songs by French Canadian composers that we can do instrumentally; and we would like

very much to get the French song and to get English translations of the French songs. We have done some where we have done one chorus English and one chorus French and so on. But we would like very much to get successful French songs, get an English lyric written—which has been done on songs out of France by the way, which have been heard throughout Canada. This gives the song that much more exposure because it would help the writer and the publisher and the singer.

Senator McElman: Mr. Cran, one of our witnesses this morning in his brief suggested that the return profit in broadcasting should be no less than 15 per cent. Would you consider that a reasonable figure as a minimum?

Mr. Cran: 15 per cent of the investment?

Senator McElman: Yes.

Mr. Cran: Broadcasting is a service type of business, in which in my own opinion, it is not very relevant to look at the return on the investment; that is if you are starting a broadcasting station with the capital invested in the equipment and the working capital, etc. We never look at it from a point of view of return on the investment. What does happen, of course, is the question of how much you keep out of the gross revenue. Let me put it that way around which may bear no relation to the investment.

The Chairman: Senator Sparrow?

Senator Sparrow: However, in the final analysis it must bear the relationship to the investment?

Mr. Cran: I suppose it does. If we would take into consideration—if we were buying an existing station—we would expect a return of 12 or 15 per cent on the investment that we were putting out, but with our own established operation, the capital cost is written way down and the return bears no relation to that. That may sound like an evasive answer but it is not meant to be.

Senator McElman: What would be a realistic percentage on the gross revenue?

Mr. Cran: Well, the bigger the market gets, the larger of the proportion can be profit. That is speaking generally, but you have a lot of elements that are controllable and that is where you have to use judgement. The amount, which you can spend on programming and talent and other facilities in order to maintain or increase your audience, is in

your hands. I mean, you can build a circulation up to a certain figure and you could then cut expenses and flog it profit-wise for a few years but then you start to go down. I mean, this has been done before in this country. But to maintain it, with a lot of competition, you have to keep putting money in and ideas and experience in additional quantities or the time to make it better and better and better because it is quite simple—you first of all have to get a good enough program to attract an audience and then you get some business.

Senator McElman: Taking all of that into account, is there any minimum percentage return of gross revenue that you would consider reasonable below which no one should safely fall?

Mr. Cran: Well, not in our case and I just hope that they all make a profit. We have built the FM stations in both cities by quite deliberately going out and investing the money in them in the form of capital construction and investing the money into the operation at a loss for a period of years—so the budget in a few years time will reach the break-even point and after that you will become a profitable venture, which means to say that Mr. Benson pays 53 per cent of the losses. He isn't in the room today, I hope!

The Chairman: No, but he reads the transcripts every day! I would like to ask Mr. Hartford what he considered to be the second-best AM station in Toronto?

Mr. Hartford: To me it is just like asking what should be the return on your investment: because a transmitter for one city is the same transmitter as for another and it is what happens on it, that attracts the audience. Most of your investments are in people. after you have depreciated the hardware. So you put up the two transmitters, each costing the same amount of money so does all the hardware-and one attracts the larger audience and one will get a larger return on the investment. When you ask: "What is the second-best station", I don't know whether you want to know the second-best western station or the second-best rock station, or what. I don't really know-do you mean from an income standpoint or from an audience standpoint or the way it is managed?

Senator Sparrow: I am still concerned about the answer on return on sales. I am sure that I don't know of any industry which doesn't have a financial statement which has a return on sales and relates it to investment.

I don't know how else you operate an industry. Surely an industry looks at a statement at the end of the year and the return on sales has been 1.5 per cent and another industry might be 1.8 per cent and a food industry might run 4.7 per cent and so on. The broadcasting industry must have the figures, do they not?

Mr. Hartford: My own answer would be that you shouldn't expect less than you can get in the market place by just taking your money and investing it. By taking your money and investing it in the market place you can get 10 per cent today and I believe you should try to at least get that because for the other you don't even have to work.

Senator Sparrow: So that answers the question then of Senator McElman.

Mr. Hartford: Well, that is my own view, but I don't know about Mr. Cran.

The Chairman: Do you wish to add anything, Mr. Cran?

Mr. Cran: No, I have nothing to add.

Senator Sparrow: There must be relatively the same return in sales?

Mr. Cran: We are a service company. We are not selling automobiles or anything like that—we are a service operation. We are a service institution like a lawyer's firm or something like that and we are dealing with people. Now, you talk about capital investment—we are a public company with a public set of values of some fifty or sixty million dollars on the operation—that is not represented by hardware or anything it is represented by record of earning capacity over a period of years.

The Chairman: Senator McElman?

Senator McElman: Let's put it another way. You have the largest single BBM rating in Canada—at CFRB, that is correct, isn't it?

Mr. Cran: Yes.

Senator McElman: And you also have the highest rates I believe also, which follows.

Mr. Cran: Yes.

Senator McElman: Would those rates be established on the basis of bringing in X return or on what the market will bear?

Mr. Cran: I think Mr. Hartford could answer that one better.

The Chairman: Mr. Hartford?

Mr. Hartford: Well, most rates are based on what we call a costs per thousand. I know you people have heard many submissions but do you know what a costs per thousand is?

The Chairman: Yes.

Mr. Hartford: Well, most rates are based on a cost per thousand. We charge the highest rate in this country and we have a new rate card going in that is \$150.00 per announcement in the mornings. It is also the lowest cost per thousand in Canada. It is far from what the traffic will bear. At a dollar a thousand in the morning we should be getting over \$200.00, but a comparable station in the United States would probably be getting \$300.00 in New York for what we charge \$150.00 for, I mean, when you talk about rates you talk about your class Double A one minute because that is the rate and then it goes down from there. So, that is really not what the traffic will bear that we are charging. This is based on a cost per thousand. It has always been low.

Senator McElman: If you went up to \$200.00 do you think the market would bear it?

Mr. Hariford: Well, if they are truly buying a cost per thousand which is what an agency tells me at \$1.00 a thousand it is cheap.

Mr. Cran: We are somewhat inhibited, sir, by moves in this city to limit price increases.

Mr. Hartford: And we have taken that into account, incidentally.

Mr. McCurdy: There is another factor in this cost per thousand, and that is that every station in Toronto obviously uses the same barometer. You ask if we put it up to \$200.00 would the market bear it; I would suggest that it might not because if I were Don's competitor I would come in and say: "You can buy my audience at a better cost per thousand. It isn't the same audience as CFRB but you get the same value because you get just as many people for every dollar you spend." So I could sell against him because his rate would then be too high because he prices himself in price per thousand, which is relevant to mine.

Senator McElman: Even though the advertising wouldn't reach the same people?

Mr. McCurdy: It would reach them for the same price per customer.

return to my question to Mr. Hartford with their role and there is very much a place for regards to the second-best AM station in it. Toronto.

Mr. Cran: We have at least two representatives here from other stations and this could be rather embarrassing.

The Chairman: Well, Mr. Hartford is a fairly courageous fellow. Which station do you think has the second-best programming in Toronto, or to be fair do you feel that that question, given the nature of broadcasting, is so flexible depending on what the listener wants that you can't answer?

Mr. Hartford: Well, Senator, I would say that if you are asking which is the best format station next to ours—probably CHUM. If you say which is the best station that plays good music, possibly CHFI and CKEY would run equal because as you know, it is a difficult definition. You are either talking about billings or audiences or what have you-just from a management standpoint I couldn't comment.

The Chairman: Well, that is a very interesting answer that you have given us because we had put that question to many newspaper publishers and they immediately named a newspaper. I think it is interesting that you have made this point. I wonder if I might just ask two additional questions and then we will take a break for a few minutes and then come back. Perhaps before we do take the break I could ask you a question about the CBC. Do you thnk there is a place for the CBC in Canada?

Mr. Hartford: Very definitely.

The Chairman: Do you feel that the CBC is presently fulfilling its mandate?

Mr. Hartford: Well, that is a bit of a difficult question as far as I am concerned but I do feel strongly that there should be a CBC. I believe that, because they are supported by the public purse, they can afford, to a better extent than we can, to program to minority audiences and I believe someone in this country should do it. We have to try and get an audience so that we can sell it in the best way we can and run the most efficient operation that we can and make a profit. We do program what one might call minority type programs. We are fortunate in the fact that they attract a large audience. The CBC, doesn't have to totally rely on revenue—that

The Chairman: I wonder if I may just is advertising revenue. I believe this is partly

The Chairman: The question we have asked other witnesses and I think it is an appropriate question to put to you is this. If you take a specific CBC program on radio—and the example we have chosen several times is "The World at Eight". The reason we have chosen that is because it has had independent opinions and opinions expressed by witnesses to the effect that that is a pretty good news cast. You have a pretty good news cast on your station at 8 o'clock, but opposite you on the CBC is an equally good news cast. But the fact is of course that more people at 8 o'clock in the morning listen to CFRB than listen to all the CBC stations put together at 8 o'clock in the morning. Why is that?

Mr. Hartford: One of the advantages we have over the network stations is that they must be thinking about an audience that extends from Victoria to Newfoundland. Normally, a local station can always beat such a station because often a person that is in our own city is more interested in what happens at City Hall or whatever than they are in what happened in Victoria or St. John's, Newfoundland. The network of course, has to think about this in order to please everyone.

Now, most network stations will come in with some local news, but no network in my view can ever beat a local station that goes about its programming in a proper fashion and takes you around the world. It has to be a pretty earth shaking event in St. John's, Newfoundland before we will cover it and even perhaps in Montreal. You know, you have a great advantage over a network by being very local in your character and even taking a national story and relating it to a local situation.

The Chairman: Mr. Cran, would you like to comment on this?

Mr. Cran: It is not only because Jack Dennett has such a wonderful newscast but also because our programming beforehand, right from 5 o'clock in the morning, has such a loyal following of listeners; so they would sooner listen to Jack Dennett. The CBC-I don't listen to it, but they do have some differences.

The Chairman: Well, perhaps I will put the question to you, Mr. Potts, but the answer I would make to both Mr. Cran and Mr. Harttheir lead because they have such an overwhelming lead.

Mr. Potts: The same thing applies in the United States where the free enterprise system is rampant. The network stations are losing out to the local stations down there. The radio networks in the United States are not what they used to be in the days of Jack Benny and Fred Allen many years ago. They maintain these networks right across the country but they are now devoid of programming for at least 50 or 55 minutes out of each hour. They exist only to sell commercials around the newscasts which occur on the hour and these keep these radio networks viable and alive. They have to then, as Mr. Hartford has said, write news of general interest across the United States. In markets across the country, there has been a tremendous proliferation of stations and the local stations lead with "The mayor has been shot on the City Hall steps", or something like that and that is of importance to the people in Cincinnati. They do of course include news of national and international interest which they get from various other services. So the nonnetwork stations in the United States can beat the pants off the NBC's, the CBS's, and ABC's and Mutual and so forth. I predict that these networks are going to fold as they are today and they will become in essence voice news services providing the ingredients to local stations and they will be doing virtually what we in Canada are doing to help a local station get news reports from outside.

The Chairman: May I just ask you a supplementary question. I think many people who are interested in the news and living in Toronto, at night watch either the CBC or CTV national news on television on either Channel 9 or Channel 6 but that one gets more national, international and local news by listening to CFRB's radio news program at 11 o'clock at night. How can you explain that, Mr. Potts?

Mr. Potts: Well, I am glad you said that because I sometimes find myself-I have a television set in my room apart from the radio and if I am stretched out and taking things easy, I'm just too darn lazy to get up and turn the radio on. But I agree with you that if anybody wants to see at 11 o'clock what took place, let's say it took place 12 hours earlier, they would just have to watch the 11 o'clock news at night. But if they want

ford is that perhaps their answer explains to know what is going on in this world at the present time and be updated, they would tune in the radio newscast at 11 o'clock.

> The Chairman: But in this case it is not just local news?

> Mr. Hartford: I believe, but I can't be absolutely sure, that CFRB—and I was so pleased to find it when I came there-is the only station in Canada that really takes the 11 o'clock news seriously. It is the biggest thing that television has, you know-everybody understands and watches the 11 o'clock news on television. But apparently at some stage, and I think some of the people who have preceded me should comment on this-CFRB decided that they just wouldn't accept this. They went to work on "The World Tonight" and produced a half-hour news against television which has a fantastic and substantial audience. Jack, you were there, probably through all of this.

> Mr. Jack Dawson: Yes. I also think that there is something of history in the time of 11 o'clock at night. Again, the CBC's national news-it is a logical hour for a late wrap-up, but CFRB over many years—going back to John Collinwood Reade during the last days of the war I honestly believe put countlessly thousands of Canadians peacefully to bed fully assured that there was going to be a tomorrow. However, I would like, Senator, to give my impression of the difference between these AM newscasts on CBL and CFRB.

> The Chairman: Well, may I ask you a supplementary question before you do.

Mr. Dawson: Yes.

The Chairman: This ties right in to what you have been saying. Mr. Hartford has said that he thinks that there is a place for the CBC in the broadcasting system. Other witnesses have said that and certainly I believe it myself. I don't think you have to be hostile towards private broadcasting to think that there is a place for the CBC and yet if we took over "The World Tonight" which we have been talking about on your station and we transferred it holus bolus completely and put it on CBL at 11 o'clock every night. Nobody would miss it. Why?

Mr. Dawson: I don't think, Senator Davey, that you could put it on CBL. I think again it goes back to the 8 a.m. on the two stations and I think the word "personality" really has to enter into this thing. I think that the CBC unfortunately—and this is one of the controversies which rage internally but any newscaster has to read what the writer writes for him. Consequently, I believe he becomes almost a sterile individual reading exactly those words that he has been told he has to read. He has been told that he can't add a sentence to it, nor a word. Whereas with Dennett, he is permitted a great deal of license here and it is some of the personality of the man being injected into his newscast. The corporation I believe, are against the star system.

Mr. Sydney Margles: I think, Senator Davey, this applies to any market against the CBC if we are talking specifically about news. With station CJAD, news is just part of the total information picture. And if you are taking the tune-in time, let us assume that it is roughly 20 minutes in the morning before an individual leaves his home, in the ten minutes before the news cast he has probably had sports, editorial, traffic reports, weather conditions, which he may not be getting on the CBC station, which I know for sure he is not getting in Montreal. He is receiving a different type of programming. So in the morning, as Mr. Hartford referred to earlier, Where music used to dominate, it still does on the CBC; it is old-fashioned radio.

The Chairman: Well, Mr. Margles, my answer to that would be simply this. I happen to be a radio listener and I listen to all of the radio stations in Toronto on quite a regular basis and I think CBL does give us that information.

Mr. Margles: They don't in Montreal.

The Chairman: Well, I am also aware of that, but in Toronto I think they do.

Mr. Margles: It may be a matter of building an audience which takes promotion, time and effort.

Mr. Potts: Senator Davey raised an interesting point. He said if you take the 11 o'clock news off CFRB and put it on CBL—would it work?

Mr. Margles: Well, the government tried that experiment some years ago. They took CFRB completely off 860 and put it on 1010; and they took CJBC completely off 1010 and put it on 860; and it so ended up that the CFRB had more audience on the move to 1010 than they had on 860. In other words, they beat a path to CFRB's door.

The Chairman: Well, I think what we might do now is take a break for a few minutes and then we will come back. We will have a 5 minute adjournment to give our reporter a break and we will reconvene at about 11 or 12 minutes after 4.00.

SHORT ADJOURNMENT.

The Chairman: Honourable Senators, if I may call this session back to order. I believe Mr. Fortier is going to begin the questioning.

Mr. Fortier: Mr. Cran, yours is a public company albeit owned or controlled by Argus Corporation. Do you feel as a broadcaster, as a head of a broadcasting concern, that in 1970, broadcasting companies should belong to the people as opposed to a select group of individuals?

Mr. Cran: Mr. Fortier, I feel that with the growth of broadcasting, the growth of the value of larger broadcasting operations in larger cities, that it is inevitable that they belong to the public by means of a stock issue and that sort of thing, I mean, have you any indication of the station that we bought back from J. A. Dupont-CJAD in 1961 in Montreal. He reached a state where he felt it was worrying him-the station would have been on the hook if he had died owning CJAD, with inheritance taxes and all these sort of things and so he had to go public. There must be hundreds of small stations in the country in which one can have a living working in it with a very small staff. But once you get into the bigger leagues, in the bigger cities, I think they have to go public.

Mr. Fortier: Well, when you answer in this way, do you attach any importance at all to the nature of the industry as the service industry as you referred to earlier, the public trust concept of the mass media? Does this weigh at all in your mind when you say, at least in the big cities that the broadcasting operation should belong to a broad base of people?

Mr. Cran: I was really giving you an answer based on what I would call economic facts of life.

Mr. Fortier: I understood that but I am putting it on another plane now.

Mr. Cran: I think it is preferable. We claim that there are some 500,000 people benefitting from one form or another. We are in a fortu-

nate position where we have one group of stockholders, namely the Argus one, so therefore you have somebody that you can talk to which is really the stockholders...

Mr. Fortier: Yes.

Mr. Cran: So, if you haven't got them you might be dealing with 10,000 people and nobody having any real control over the thing, so management would have to be entirely on its own.

Mr. Fortier: Well, in the first half of the question period this afternoon, you were asked about unpopular causes. I wanted to ask you a question at that time but I didn't really get a chance. Supposing that Mr. Leslie Roberts or Rod Blaker or Gordon Sinclair or anyone of your people comment on one or another of your radio stations against one of the interests belonging to the Argus Corporation, the 47 or 48 per cent shareholders whom you represent. Would you feel that this is something you should become interested in or Argus should become interested in?

Mr. Cran: Not at all.

Mr. Fortier: Has it ever happened in fact?

Mr. Cran: No, it has never happened.

Mr. Fortier: Has there ever been comment by one of your broadcasters on either CFRB or CJAD which affected...

Mr. Cran: Oh, definitely.

Mr. Fortier: The rest of the Argus Corporation?

Mr. Hariford: Oh, yes. Most recently with a lead item about a plant controlled by Domtar polluting the sky which is a pretty unpopular cause in these days. We use it as a lead item.

Mr. Fortier: Domtar?

Mr. Harford: Yes. angled blunde

Mr. Fortier: You don't edit it in any way?

Mr. Hartford: Well, we haven't heard anything about it.

Mr. McCurdy: If I could go one further and say in our anti-pollution campaign, CJAD won an award and Mr. Beaudry, who happens to be a Director of Domtar didn't say two words except the fact that it was costing him money because we had won the award.

Mr. Potts: And at the same time this was happening, Bob Hesketh was on the air advocating people who polluted the water be taken to court and have it really "socked to them". Certainly freedom of expression.

Mr. Fortier: You have heard, I am certain, even if you have not followed day by day the deliberations of this committee, Mr. Cran, that in New Brunswick, the fact that KC Irving was at the head of a conglomerate and that this was reflected in the news coverage of some of his newspapers; more specifically in the absence of news coverage of certain stories.

Mr. Cran: Right.

Mr. Fortier: Would these considerations not apply also to broadcasting?

Mr. Cran: Well, they definitely applied to New Brunswick but not with us.

Mr. Fortier: They don't with you?

Mr. Cran: They don't.

Mr. Fortier: You don't see any disadvantage, Mr. Cran.

Mr. Cran: I have never been asked to suppress the news.

Mr. Fortier: Do you consider your operation a big city operation—in other words, a Toron'o station or a Montreal station as opposed to a small station. Supposing, there was a radio station for sale in Cornwall. Would you be interested in purchasing a radio station in a relatively smaller city than Toronto or Montreal or are you only interested in the big markets?

Mr. Cran: It depends what is for sale really. As I said before, the radio stations in the bigger centres are usually much more profitable than the smaller areas and we are not ideally geared to handle the smaller operations. On the other hand, they can be quite a help if you use the term "farm stations" for bringing up announcers and talent which can then move to the larger cities. No, we wouldn't really rule it out.

Mr. Fortier: You say in your brief that you have been for some years in the market for a television station in Toronto.

Mr. Cran: Historically. I think it was probably before you were born!

Mr. Fortier: Thank you for the compliment! However, you don't speak of your purchasing other radio stations. Are you in the market for them as well?

Mr. Cran: We have just entered into a contract to purchase two stations in Hamilton. Ontario. That has been announced for about two weeks now.

The Chairman: And which two stations are they?

Mr. Cran: CHML and CKOS.

Mr. Fortier: What about cable?

Mr. Cran: I had experiences with cable in Montreal-starting rediffusion cable which I think was the best one in the country. All I can say at the present is that I am very glad I am not in cable today with the present regulations.

Mr. Fortier: Do you think the ever-increasing importance of cable will affect the radio station to-morrow?

Mr. Cran: No.

Mr. Fortier: In any way comparable to the effect which the advent of television had on radio in 1952?

Mr. Cran: No.

Mr. Fortier: You don't think that cable will harm radio stations as we know them today?

Mr. Cran: I don't think so.

Mr. Margles: Not in the foreseeable future.

The Chairman: Mr. Potts?

Mr. Potts: In the smaller market, if the cable operator is offering the only second oral Service in a smaller market, yes, he could become quite a competitor to the radio stations providing there was wide distribution of the cable service, and bearing in mind that he has very small overhead and the broadcast Operator has a tremendous investment in staff, programming news, and otherwise. If there was wide cable distribution, I believe even a very small area, it could pose a severe problem or threat to the broadcasters. That is just my philosophy—it may not be a corporate one, but it is mine.

Mr. Hariford: I really feel that radio stands to suffer the least with all the new innova-

and satellites and all-one of the best reasons being that nobody has figured out how to drive a car and watch TV.

Mr. Cran: And handle the cable!

Mr. Fortier: What technological changes do you foresee in the near future that would affect the radio stations as we know them? What is going to happen to-morrow? You speak in your brief for example, at Paragraph 176 and you say:

"We are in the process of experimenting with a different sort of approach to our listeners and we hope that our studies will be given some practical expression in the near future."

Where are we, the listening public, going, compliments of Standard Broadcasting?

The Chairman: Mr. Cran?

Mr. Cran: Well, may I ask Mr. Dawson to answer that question?

The Chairman: Yes. Mr. Dawson?

Mr. Jack Dawson: Would Mr. Waters leave the room please!

The Chairman: Mr. Hartford?

Mr. Hartford: Well, we do have some plans and we wondered about that question, Jack I am sure, can speak to us but...

The Chairman: Well, I am quite aware that there are competitors of yours in the room and if you would feel inhibited about answering the questions in front of competitors perhaps you could send us something in confidence in writing. Would you feel better about that, Mr. Dawson?

Mr. Jack Dawson: May I give an answer as far as I wish to go then if you wish any further elaboration I could make sure that you have it?

The Chairman: Fine.

Mr. Dawson: I believe that the right of reply is something that is inherent and I think that probably—and I am as much to blame as anyone—we are not giving as good a service as we might and we propose to remedy that.

Mr. McCurdy: Speaking in more general terms I think most broadcasters-I don't know about the other gentlemen in the room tions that are taking place, cable television here—would agree that AM broadcasting would appear to be heading toward a service industry if you like, a news, public affairs commentary and all types of services, with FM taking up more of a role in the music medium giving a cross-section of music from the underground to the classical. There are those who say that it will all be radio and every station will be fine once it finds its own niche in the market. But at this moment in time it would appear that AM will find more a service role and FM will be more a music medium.

Mr. Fortier: Mr. Chairman I wonder if we cannot accept the offer that was made to be further informed in writing of the plans of CFRB.

The Chairman: Yes, and I can assure the members of your team Mr. Cran, that the information which you send to the Committee will be kept in strict confidence.

Senator McElman: On that same line, Mr. Chairman, without trying to delve into any confidentiality of what you have when you say "right of reply" you have something in mind similar to what they have in legislation now in the United States—of "right of access" and "right of reply"?

Mr. Dawson: Well, in a broad general sense, yes.

The Chairman: I wonder if I might turn to some other matter. Section 155, Mr. Cran, of your brief you talk about the advantages of a multiple ownership and you say:

"Standard Broadcasting Corporation believes that the present degree of concentration of ownership in the Canadian media is almost totally the result of prevailing economic forces. It is likely that these forces will lead to even greater concentration of ownership in the future."

You say in the next paragraph:

"In theory excessive concentration is not socially desirable..."

Mr. Cran: We have various administrative boards, whether it was the BBG or the CBC Board and now the CRTC, they have never made any specific regulations regarding the number of stations which can be owned by one group.

The Chairman: Should there be specific regulations?

Mr. Cran: Well, in countries where there are, such as the United States and Australia,

they seem to work. What happened in the United States is that these groups—about half a dozen of them that have a maximum number of TV and AM and FM stations, spend their time trading up. They buy a more profitable one in a larger city and dispose of the smaller ones. That is what it amounts to.

The Chairman: Well, do you feel that some kind of guidelines are necessary.

Mr. Cran: I don't know. It is kind of a different kettle of fish, really, but certainly there is a considerable degree of uncertainty without any guidelines.

The Chairman: The question we put to many witnesses and I now put to you I put it to you as a broadcaster but also as a Canadian: how much concentration is too much? Is there a point reached at which concentration becomes acceptable?

Mr. Cran: I think there must be.

The Chairman: In other words, you don't think it would be in the public interest for Standard to own every radio station in Canada, for example?

Mr. Cran: No, I don't believe it would be in Standard's interest. It is a very debatable thing, Senator. These various government regulatory bodies have tried to grapple with this for a number of years and have not come up with an answer.

The Chairman: Well, I know a number of people have come before this Committee, including government agencies, and said they might look to Parliament for some guidelines, I am wondering if you might agree what guidelines would be useful and if you have any views on what they should be?

Mr. Cran: I would think that some guidelines would be useful but I wouldn't presume to say that they should be.

The Chairman: I would like to take you to Paragraph 129 in your brief where you say:

"Standard Broadcasting Corporation Limited believes there should be no extension of foreign ownership of the electronic mass media. In our view, there is no reason a newspaper owner should not participate in radio, television or cable. We believe it invidious if all instruments of mass communication in one city are owned by one individual or company."

Did you have any specific city or cities in mind when you wrote that sentence.

Mr. Cran: Oh, yes. I mean, there was a situation in Kingston and Peterborough where you had newspaper, TV and radio all in one hand, but then Roy Thomson decided that he should get out of radio and television because it was against public interest in the present element of thinking.

The Chairman: Are there any situations at the present time which alarm you?

Mr. Cran: No, I don't think so.

The Chairman: You had nothing specific in mind when you wrote that sentence?

Mr. Cran: Only the ones that I mentioned.

The Chairman: Only Kingston and Peterborough?

Mr. Cran: Yes.

The Chairman: Did anybody else have anything else in mind when that sentence appeared in the brief.

Mr. Hartford: Well, I think if it should happen through purchase or anything else if you find yourself in any one market where all media is controlled by one person—it probably isn't a very good idea.

Mr. Cran: I should include, in spite of Mr. Murray Brown that London, Ontario is another situation.

The Chairman: Well, this Committee has talked a great deal about London and I think I should be frank to say that I was wondering Whether or not you had London in mind?

Mr. Cran: Yes, that was another one.

The Chairman: The fact that I asked question won't be a great shocker to Mr. Brown, I'm sure.

Mr. Potts: It depends whether or not there are other radio statons, or television stations in that town. As long as there is another voice or two for reply, this is important. I believe Mr. Cran referred to Kingston and Peterborough, but there are other stations in those areas where another point of view can be expressed.

Mr. Hartford: You also said in terms that Would cause you great concern, but I don't think there is anything in those terms.

21494-5

The Chairman: Fine. The CRTC has recently indicated that they are considering a regulation which would not allow common ownership of newspapers or any electronic medium. Do you think such a regulation—you obviously do not feel that such a regulation is necessary in Canada, is that right?

Mr. Cran: Well, you take a situation in Toronto where there is a common ownership between the Telegram and CFTO, I think that puts the Toronto Star at a potential disadvantage. However, you could cure that by having the Star ...

The Chairman: Well, that was my next question.

Mr. Cran: Well, do two wrongs make a right, or what?

The Chairman: Well ,you tell me. That was my next question. In the Toronto situation would you prefer to see the Toronto Star have a television station or would you prefer to see the Telegram not have a television station?

Mr. Cran: I would prefer the Telegram not have a television station because you have these problems of overseas correspondents and all kinds of things.

The Chairman: And presumably back to your point, Mr. Hartford, you would then feel in London, for example, that there is sufficient competition for CFPL?

Mr. Hartford: Yes. If there was no other station there I think it would be morally wrong but there is competition there and in really every other market that I am aware of.

Mr. Potts: I might add, Senator, that I have had experience in London and I think in one election, with a staff 20 some, we were well ahead in election results beating the combined resources of the television station, the newspaper and the radio stations, but sometimes you can make up in initiative what you lack in numbers.

The Chairman: Thank you, are there supplementary questions in this area? If not, then perhaps then I could move on to another area I would like to ask you about. I will put this question to Mr. Hartford. In the brief at Paragraph 122 you said:

"We voluntarily restrict the number of commercials which we will accept to a figure lower than that permitted by the regulations of the CRTC."

I recall from the early part of the brief that you make that reference also about the FM modate more advertising and still stay within station in Toronto. Did the reference in Paragraph 122 apply to CFRB as well?

Mr. Hartford: Yes. We are allowed as you know 1500 commercials a week. We run a total of 1485 but in addition you talk about the numbers you run per day or even per hour or per grouping. The BBG at one time suggested there be some experimental program in Canada and the experimental programming would be with reduced number of commercials. As a matter of fact that never did become a regulation, but CFRB chose to experiment and there is a one hour program in the afternoon and two hours in the evening that is still run that way with limited commercials. This system receives a good audience. In FM we run 900 commercials a week and that is less than the allowable number.

The Chairman: On both AM and FM I assume you could sell out totally, could you

Mr. Hartford: One can never really completely sell out a radio station in my view.

The Chairman: To your allowable number of commercials?

Mr. Hartford: For a period of time; but there is always some time for sale on any radio station. I believe; it is either all night or some time but to be totally sold out and maintain it, I believe is rather difficult.

The Chairman: Well, I am putting that in contrast to your statement here where you sav:

"We voluntarily restrict the number of commercials."

Mr. Hariford: Oh, we do.

The Chairman: You voluntarily turn down some of it?

Mr. Hartford: Sure.

The Chairman: I am relating this to Paragraph 122 and the question I am trying to drive at is this. Are you turning business away?

Mr. Hartford: We do on occasion.

The Chairman: Because of this?

Mr. Hartford: Yes, there are many weeks when we have to do that.

The Chairman: But when you could accomthe CRTC regulations?

Mr. Hartford: Yes.

The Chairman: And you turn it away?

Mr. Hartford: Yes.

The Chairman: What is your philosophy in turning it away?

Mr. Hartford: One good reason is that we just don't wish to violate that 1500 minutes a week.

The Chairman: But if you are running 1500 you are not violating it?

Mr. Hariford: No, but you have to watch very carefully if you run the maximum on a regular basis. You time them out and some fellow reads them slower than another; you know this from experience. One can read a live commercial and take one minute and ten, or whatever, and if you are running a full 1500 you can quite easily violate that regulation.

The Chairman: When Mr. Bill McGregor was here and I believe he is now the new President-elect of the CAB, he said commercials attracted audiences and even went further and said that they were Canadian content. In a story in Marketing, he was interviewed; they said: "Did you say this" and he said "Yes" and he said: "I really jolted some of the Senators because I could tell the way they reacted" and that's right, he did.

Senator McElman: There is no question about that!

The Chairman: Do you agree with that contention by Mr. MacGregor?

Mr. Hariford: Well, I don't know that commercials are necessarily Canadian, but some commercials are very entertaining and do attract an audience. I think part of it has to do with the fact that our ear is geared to the commercial inserted in programs. We are so used to it that if you don't get it you all of a sudden become startled.

I can remember some years ago when some very senior head of state would pass away and, you know, you would have a whole day at one time with no commercials. It had everything else, they just took the commercials out—and you know, it was pretty dull radio.

The Chairman: Well, why then do you only run eight per hour on CKFM?

Mr. Hariford: Well, for one reason that was our commitment when the license was granted. I know we could go over that because there is a further maximum allowable but we just chose to stick to that because that was our commitment. We just don't chose to argue the point.

The Chairman: But why if it makes for better radio, why not have more commercials?

Mr. Hartford: I didn't say that more commercials necessarily make for better radio but then again I believe FM is a different situation from AM.

The Chairman: Mr. Tietolman, who I am sure you know—was here this morning—I am not sure if it was Mr. Tietolman or Mr. Thomson but one of them said an FM station is an AM station operator's conscience. Would you agree with that?

Mr. Hartford: No.

The Chairman: Which one of them said that this morning?

Senator McElman: Mr. Tietolman.

Mr. Hartford: I think an FM frequency is another frequency like an AM frequency and I think you try to attract an audience on either one. It is another broadcast station but you just get it by a different means of transmission.

The Chairman: What is the purpose, Mr. Hartford of CFRX? Why does it exist?

Mr. Hartford: I think you would have to ask Mr. Cran.

Mr. Cran: It existed from away way back—I don't know how many years—in order to cover certain parts of Northern Canada and the Arctic. That was its prime purpose.

The Chairman: And what is its purpose today?

Mr. Cran: Well, we have continued it and we have a loyal audience in places like Goose Bay and Frobisher, places like that. They get news from Toronto and if the Toronto people are up there and they get this every day. We

21494-51

just let it run. I can get this in Bermuda occasionally, which causes a certain amount of embarrassment!

The Chairman: You mean you can listen and then phone the station and complain!

Mr. Cran: Yes.

The Chairman: Speaking of Goose Bay—well not quite Goose Bay, I received a letter this morning from a gentlemen in Perth, Ontario which I am going to ask you to reply to for me. You might be interested in this and he says:

"Since there has been so much interest spoken of recent date regarding the news medium, particularly the television and radio, and since I've lived most of my life in Toronto and only recently took up residence here in Perth, I am more than surprised at the limited number of AM stations we can get, since there are 9 American stations to every one Canadian station on the dial.

For example, CFRB in Toronto is only 208 road miles from our door and a much shorter distance by way of the crow, reaches us every clearly at night between 6 p.m. and 6 a.m. and then as I understand it, they change their pattern and beam down to the States.

I would appreciate to be corrected if this is not so."

The question is, if I turn this letter over to you, would you reply to it for me?

Mr. Hartford: Certainly.

The Chairman: I wanted to ask also about Standard Broadcast News, who should I direct that question to, Mr. Cran?

Mr. Cran: I believe Mr. Potts.

The Chairman: We were interested yesterday when Western Broadcasting were here in their response to question I put to them. I suggested, Mr. Potts, that with the various means of communications in Canada, that it occurred to some of the members of the Committee and certainly to me, that the major markets were fairly well served by the various media but that in some of the smaller communities, some of the more hinter-land communities if you will, perhaps they were not as well served; and that as a Canadian, a person who lives in Perth is just as important as a person who lives in Toronto. I asked what could be done. Western said and I hope

I am quoting them correctly, that they are going to make available at cost Standard Broadcast News Service to all of the stations in the interior of British Columbia.

Mr. Cran: If I may interrupt.

The Chairman: Yes.

Mr. Cran: We have about 16 stations as we mentioned subscribing to Standard Broadcast News. The lines across Canada are very onerous as you know. What we have done is to say to each main station in the area—we have broken the country up into areas—saying you can sub-contract this supply to other smaller stations in your own area if you want to. In other words, we can't afford to sign Prince George or places like that, however, the local station can supply it if they want to.

The Chairman: But Western indicated they are doing precisely this in British Columbia.

Mr. Cran: Yes, they could.

The Chairman: Well, are you doing this in Ontario?

Mr. Potts: Well, we made it possible for Western, we made it possible for all of the stations. We have the key stations across the country and we were the first voice service of this type and we approached them a little while ago and said...

The Chairman: I would like to remind you that Mr. Waters and his group have equal time!

Mr. Potts: I'm afraid that by the time this is over, he will get on the phone and say "Beat these guys up"! Nevertheless, there has been a very strong desire, certainly on behalf of CFRB and Mr. Dawson down on the end, in finding some way to help the stations further in the small market.

Mr. Dawson, if I may speak for him, raised the point with me that we have done this with music, the Canadian Talent Library, so why can't we do this with news. We have been struggling with it and we figured, using the ingenuity that I referred to a little while ago, that the stations in certain geographic areas could harness this material in somewhere and by hook or by crook or fence post or something like this, short-wave or some means, get this material out to stations out in areas at very low cost and we are exploring this. I had an interesting talk with the Minister of Transport the other night for the Province of Ontario and I pointed out the high

cost of lines in Ontario and the need for some form of virtually subsidized communication services, so that broadcasters at distance points, could have the same advantages as the broadcasters who live near the larger centres or live near Queen's Park and the likessomething similar to the advantages which were given the Canadian Press and other services years ago. They could send wires and stories and still can I believe, at cheaper rates than broadcasters can. The newspaper industry has been well subsidized but the broadcasters have not in this regards and I struck a very responsive cord. This comes within the province of that Minister and he was quite interested. We are formulating a policy in this regard right now and anything we can do to make these services available at virtually cost, or at cost, we will do.

The Chairman: Senator McElman?

Senator McElman: You have no subscriber stations in either Prince Edward Island or New Brunswick. Is there any particular reason?

Mr. Potts: We had one at one time, sir, in Saint John-CHSJ was a subscriber at one point. We talked about this on future systems in broadcasting and they saw certain things in front of them like supplying additional television services and the like and it was my understanding at the time that it was a prob-lem of economics. This is a sort of an ad hoc kind of service. It is a rich service in a way, because as Mr. Cran said, the high cost of transmission is not something that every station really can afford. So we did approach other stations in New Brunswick but they figured that they were well served by Canadian Press Voice Service; and since there was no competition in the town-if there were two stations in town perhaps we would have a customer, but since they were the only stations, there was no need to perhaps take on something that was more expensive.

The Chairman: Mr. Fortier, do you have a supplementary?

Mr. Fortier: Yes, Mr. Chairman. Mr. Potts, stations which you say in your brief subscribe to SBN also serve as bureaux for their regions.

Mr. Potts: Yes.

Mr. Fortier: What is going to happen now with this new concept of, for example, Western sending a service to a small station in British Columbia? Would those small stations
also feed you?

Office being in Montreal, back to work orders
were given by their union leaders, some here

Mr. Potts: Yes.

Mr. Fortier: Would they feed you through Western, or would they feed you direct?

Mr. Potis: We developed this broad band thing, we kept talking to the line companies saying "Is there any way we can develop service across the country so we could communicate one with the other. We have always had this difficulty" and they said "Something is coming, something is coming" so they came up with broad band. Our engineer, Mr. East-Wood is at the back of the room and he was in on the idea when we conceived it—that you could dial up a network. In other words, What you do is push three buttons and instantly you are connected to 16 stations and tape-recorders. You start it turning, you say What you have to say, you hang up and that is all you pay for; unlike the American systems in the States where they are paying the high cost of high quality lines 18 hours a day When they are using them for 5 minutes each hour. The rates keep going up and this is just insane.

Mr. Fortier: I mean—any subscribing member station will get all the news that it wants?

Mr. Potts: That's right, and it also has the right to reject; but then a station in Prince George would call into CKNW and CKNW will call us on broad band and say "Here is a hot one from Prince George". But the thing is this: if something happens in Vancouver right now it could be heard instantly within minutes all across Canada.

I might mention something and maybe Mr. Margles might speak to it. It was during the railroad strike; the railroad started to move together again and we found that our service was instrumental across the country in communicating the word from the head of the brotherhood of railway unions or the heads of these various unions that it is "all right fellows go back to work." CN started to get reports in on the resumption of operations and finally they scrapped their own system and merely tuned in CJAD because the reports were coming in very fast from all across the country. The same has been true...

Mr. Margles: The Air Canada one has been most significant. With Air Canada's Head

Office being in Montreal, back to work orders were given by their union leaders, some here in Ottawa and some in Montreal, and some of these orders were heard on the stations. In the case of the field stations, where you actually hear the voice of the union leaders, the union members take it therefore as being instructions.

The Chairman: Mr. Fortier?

Mr. Fortier: On what basis do you the member stations pay a fee to SBN?

Mr. Potts: It is on the basis of their rate card. It is actually a rate that is worked out on the basis of their rate card. There is a certain amount that we say or so many minutes of transmition in a day plus a certain figure which I would work out based upon their rates, and we establish the rate.

Mr. Fortier: It is not on the basis of the news that they use?

Mr. Potts: No.

Mr. Fortier: It is a fee which is calculated and they can use it or not?

Mr. Potts: That is correct.

Mr. Fortier: As they see fit?

Mr. Potts: That's right, that is correct.

Mr. Fortier: Supposing one of your member stations put a story on the broad band, to use the term that was uttered before this Committee yesterday, and it was repeated over one or another of the member stations and it turned out to be false information. What would you do?

Mr. Potts: Well, first of all we receive it at the station and tape record it first. We have senior news personnel on duty in our news room in Toronto and they would very much weigh that story.

Mr. Fortier: What verification would go into a story from say Prince George?

Mr. Potts: Well Prince George is a problem because I am not too familiar with the operations there but certainly anything that comes out of CKNW, let us say, I would accept holus bolus.

Mr. Fortier: Well, let us not refer to any specific station, but would you please tell us what verification you make at SBN Headquarters?

Mr. Potts: We don't make any more verifications than a reporter from the Star. A Star reporter goes to a council meeting, sits here at this meeting and sends the story in on it. They don't phone you back and say did this man report this properly—if he did we will print it in the paper.

Mr. Fortier: We have heard it said there are such things as re-write...

Mr. Potts: Certainly.

Mr. Fortier: At the newspapers and in certain newspapers there are some people who doublecheck stories.

Mr. Margles: Mr. Fortier, I might point out that I don't think that the individual stations do any more verification than on items that come in on the Canadian Press or Broadcast News wire because we have a reputation for reliability.

Mr. Fortier: Well, that is what I wanted to get at.

Mr. Margles: Perhaps this is at the core of the whole thing. If we go on live in Montreal on nation wide broadcast, I think the stations know-when we alerted them that the chairman of the Montreal Executive Committee said he had a statement to make of national interest, that we were going live and it was provided to all stations on a live basis, with a countdown in order to alert them. CKCK Regina deemed fit, the only station I might point out of the owned and operated stations which carried it—the 15 minute statement in which Mr. Saulnier denounced the Company of Young Canadians. I would say that I believe we are dealing with mature personnel in every station which subscribes to the network. Therefore I can't see why we would have to back-check everything every time on the reliability of it. In all my experience I haven't heard one complaint of erroneous information being sent out. The Canadian Press, with all due respect, have sent out erroneous information and unlike broadcast transmissions, that perhaps might come in three or four hours later after having been used in three, four or five newscasts.

Mr. Potts: I might add that we have written into our contract—and the BBG questioned this for what they thought were other motives—we wrote into our contract that they must receive a directive from us before they put something on the air—that they would not use it and this allowed for an

erroneous story being sent at a given time to be included in a later newscast. The BBG at that time questioned it on the basis of censorship or something like that. It was not that at all and merely that there might be an erroneous story sent out, so we took that precaution in our contracts. But as Mr. Margles says, I can't recall running into this experience at all. We work with some pretty good people; we have meetings once a year with all of them; and we have very good people in to talk to them like Senator Davey and others.

Mr. Fortier: Have you any views, Mr. Cran, or anyone else through you, on the use of four-letter words on radio broadcasts?

Mr. Cran: Well, I don't think they would fit the image of our station.

Mr. Fortier: On the open line shows, for example, I do realize that you have some screening that takes place, but still the people come on live.

Mr. McCurdy: There is a delay.

Mr. Fortier: There is a delay?

Mr. McCurdy: Yes.

Mr. Fortier: Even on Encounter, for example?

Mr. McCurdy: Yes.

Mr. Fortier: On Sunday nights?

Mr. McCurdy: Yes, five seconds. This is adequate for the person on the control board to listen to the incoming calls and cut it if necessary but fortunately it has never happened.

Mr. Potts: There are very few four letter words which last longer than 5 seconds.

The Chairman: You have a section in here, Paragraph 137, which I would like to ask you about—the threats to Canadian advertising agencies. I will just quote it in part:

"The degree to which our advertising industry borrows from foreign culture and attempts to persuade listeners or viewers to alter attitudes and habits unique to Canada should be of concern in the preservation of our own way of life. To the greatest possible extent, such agencies should be controlled by citizens of this country."

Would you care to comment on that, Mr. Hartford? Do you have anything specifically in mind on how this could be achieved?

late. I can't be absolutely specific but of the major agencies I think there are probably no more than three of that total in Canadian hands. Some of them tell me-at least one, says "I keep getting offers from the United States, I try to hold out but what do you do When they wave money around". The other thing is that I think some of them are considering going public, which of course gives them the opportunity for the Canadian public to participate in that particular business. I still believe it would be desirable if they were Canadian-owned.

The Chairman: Well, to quote you: "It is almost too late." Do you think it is that way?

Mr. Hartford: Well, I don't know how you rehabilitate various agencies. Many of them are branches of large American, world-wide agencies in many countries and I don't know if there is a particular stigma in that except that to say that with all the things that the government is trying to do and the regulatory bodies, it would be one other way of making it easier to have more Canadian content, in that they would use more Canadian people to produce commercials, jingles, films and other items.

The Chairman: You mentioned at the end of that section those attitudes which distinguish Canadians from other inhabitants of the North American continent. What are some of those attitudes that you had in mind and I will put the question to anyone who would like to answer it?

Mr. Potts: I think we are a better class of people myself.

Mr. Hartford: Well, I wouldn't make that comment at all. I don't think being anti-American should be considered to be an "in" thing. I am not talking about Lyman here but I don't think that is a good thing for us to talk about. I think being a pro-Canadian...

The Chairman: What are the attitudes that distinguish us from Americans?

Mr. Hartford: Well, I think some of them are the fact that we appear to be almost ashamed of the various things that we should be proud of. We don't really wave the flag to the extent that we should and you know, we seem to make apologies in many areas for being Canadian. We get confused with Americans when we travel elsewhere in the world

Mr. Hartford: We feel that it would be and I find it a bit humiliating to find that I desirable, but unfortunately it is almost too have to have American money. There is nothing wrong with it but we really don't have a very strong Canadian identity in the whole world scene, I believe. They have been much more successful at it I believe. You can get in a plane here on our own airline, Air Canada, and land in a foreign country and it would be a very good idea to have a Canadian flag there, for example. You will see this within American Airlines in other countries, but that is only one small example.

> Mr. Margles: I think you will find that the melting pot philosophy in the United States has not occurred in Canada for one. People here are more strongly identified with their past and perhaps this is leading to some of the problems that exist today; but there is nothing wrong with it, it is a better way of life because each can contribute to the other in attitudes and outlooks and contribute to the culture. Perhaps that is the greatest difference, where a second generation United States citizen and a second generation Canadians are not at all alike.

> Mr. Hartford: Another thing that crossed my mind is that I am sure if we were American broadcasters, before your counterpart in United States, we might view it slightly differently because the Senators are elected. Here, our process is that they are appointed-I think that is a great thing. I think Canadians are concerned about things like this. Our banking system—we learn in school that banks don't fold as rapidly as American banks were prone to in the depression times. Our police force and Crown Law enforcement comes from the Crown on down and not from elected vigilantes, if you will, up. There are a number of differences.

> Mr. Fortier: Mr. Cran, which is the most important-I realize that you offer a package to your listeners, a sound as they say in the trade, and within that sound, which is the most important service which you seek to provide to your listeners? Is it education, entertainment or information?

Mr. Cran: Information and or news, which ever you would like to put the emphasize on.

Mr. Fortier: Information to you is the most important?

Mr. Cran: For AM.

Mr. Hartford: It is a combination of all these things. We have often been accused of being a very square station but we are proud of the fact that we are so square because we have a larger audience than all but five or six American stations have. But we still do, on a station of our size, various things like looking for lost dogs and things of that nature. Announcements such as that are only of interest to people who have lost pets. We have a lot of good luck with that; it is perhaps a very small thing but we have found that things as small as that are important.

Mr. Cran: If I may interject, our philosophy is based on the fact that to be successful you have to have total involvement in the community you are serving. This is the one ingredient that leads to success. It doesn't matter about your power or the type of program or anything else—you must have total involvement. All of our personnel are involved in various local activities and it is this total involvement that produces the success.

Mr. Fortier: And in order to attain this total involvement you should strive for as total a listening audience as possible.

Mr. Cran: Yes.

Mr. Fortier: Hence my question. What do you do to get people to turn on radio—those people who do not listen to radio?

The Chairman: Perhaps before he enters that I have a question which is perhaps supplementary which I would like to put before yours. We would be interested in knowing the dimension of the audience who do not listen to radio in Toronto? Which one of your people here, Mr. Cran, is a rating expert?

Mr. Jack Dawson: At 6 o'clock in the morning there are only 6 out of every 100 people listening to all radio in the central Toronto area. At 8 o'clock I believe it reaches 32 per cent and those are figures from memory, Senator.

The Chairman: Well, let us from memory take it at 5.05 p.m. How many people of every 100 citizens in Toronto would be listening to all the radio stations put together?

Mr. Dawson: Probably 26.

The Chairman: Would be listening?

Mr. Dawson: Out of every 100 people.

The Chairman: That still means that 74 people out of 100 are not listening.

Mr. Hartford: That's right.

The Chairman: Well, that being the case I have two questions. One being a question which Mr. Fortier asked and that is what do you do to attract them and why are three-quarters of the people not listening to radio?

Mr. Dawson: That is at any given time, Mr. Chairman.

The Chairman: Yes, I appreciate that.

Mr. Dawson: At a given time in a metropolitan centre people are doing many different things.

The Chairman: What is your peak time?

Mr. Dawson: Well, between 7:30 and 8.

The Chairman: In the morning?

Mr. Dawson: Yes.

The Chairman: In Toronto what percentage would be listening at 8 o'clock in the morning to all stations?

Mr. Dawson: 32 per cent.

The Chairman: Well, that still leaves 68 per cent who are not listening.

Mr. Dawson: Yes, but one more point, that I think you must consider, is that there is also a circulation figure which says how many people are listening 1 or more times per week. Where you have a peak of some 32 per cent for all stations, we alone can show a circulation figure of 1,325,000 depending on the survey.

The Chairman: Well, one million three was mentioned here earlier today.

Mr. Dawson: Yes, and it has been up and down from there. CHUM and other stations which have a large circulation figure so that a person can be listening to a station but not every day and you know, they are catching it sporadically.

The Chairman: Let us put the question into perspective. We are not, I hope you realize, being critical of private radio because we are talking of radio in total but there is an enormous audience which listens to radio and on a cost per thousand basis you are competitive with every other medium, or more than competitive; you perhaps cost less money. However, at the same point, it must concern you as a broadcaster that there is an enormous

group of people that don't listen to radio. So why don't they listen and what are you doing to make them listen?

Mr. Hartford: Well, I think others should speak to this as well.

The Chairman: Alright.

Mr. Hartford: This concerns us a lot and we have talked about it a lot in such organizations as the Radio Sales Bureau. They have asked us what we should do and we have said that all broadcasters should get busy on that. For any one station—you can try and we certainly have tried, but for any one station to do it, you go out and you are working away, talking to a small group of people. You may as well not use your own facilities to talk to the same people you already have, so You have to get billboards and newspapers and various other things to do it. It becomes a problem for all broadcasters to cope with. It really is an astounding figure and one which gets very discouraging if you look at it one Way and yet it is a very expensive cost per thousand. We don't have a fast answer as to how you correct it.

Mr. Poits: I think, Senator, that people are occupied in various pastimes. The people in this room are obviously not listening to the radio and there are many of thousands that are riding the subway and out of reach of a radio completely. There are those in hospitals and just leaving offices and the like. You will never get total listening at any one time.

However, I think statistics will show that in the course of a day, nearly everybody listens to the radio. I think pretty well it is 100 per cent in one way or another. Some people listen all the time, and I have seen surveys where some people just listen to news on the hour and then turn it off. People write "Sorry, we didn't listen this week because we were away on vacation" and it just breaks your heart but it is one of your stations that they might listen to you know, and that ballot might get counted for several thousand people in a projection.

I have addressed myself to this. I once did a survey in a town and the surrounding area—I believe it was served by two stations—and a woman said that she liked to listen to the radio but the radio in her town was not good enough for her to waste her batteries on and so she didn't listen at all.

Mr. Margles: If I might add one point. Can you show me any newspaper that claims 100 per cent readership in the area that it circulates to.

The Chairman: Well, I am not arguing for newspapers against radio.

Mr. Margles: But the exact same situation applies. An individual in Montreal may subscribe to the *Gazette* as I did, and yet I didn't read it today because I didn't have time to read it this morning. The same applies to any other individual subscriber so this could be erroneous in that sense. It might get to 100,000 homes and yet it may not be read by even 100,000 people, of say 6,000 people in those homes.

The Chairman: Would anyone else like to comment on this general area?

Mr. Dawson: I think we all know that it is physically impossible to reach all of the people all of the time. I think that if we could, I'm sure we would have a good deal more close to 100 per cent of the available audience without radio on. But it is an amazing thing, when you have letters from listeners requesting such a thing as a simple tune of some kind, if somebody doesn't like it—boom—the radio has gone off. The answer I suppose is to try and perform a better service.

Mr. Cran: There are hundreds of thousands of people in the Toronto area that I know and who have talked to me that only listen to the radio in their cars and as such don't appear on the survey.

The Chairman: My question as I said earlier wasn't meant to be critical.

I would like to say to the witnesses and the Senators that it is now 5.20; perhaps we could adjourn by 5:30 or a few minutes before.

Is there anyone who has any other questions—I have only one. I have a question about the CRTC in regards to a couple of quotations which appeared in the Toronto papers yesterday which would be of interest to you and I am wondering if you could comment on them.

Patrick Scott writing in the Star said yesterday and I am quoting him...

"Except that the relationship never was sanctified, let alone natural, it could truthfully be said today that the honeymoon between Canada's broadcasters and their regulators is over."

Canada's broadcasters and the regulators that you were aware of, Mr. Hartford?

Mr. Hartford: Well, I would say that there was a time when there was a better rapport between the governing bodies and broadcasters, it goes back to the days, first of all, of the CBC and the BBG. I know that they used to come along and wrap our knuckles and we would accept that and then they would come and enjoy themselves with us. Perhaps it wasn't a good idea from a regulatory standpoint-I have no comment on that. The fact is that if there wasn't a "honeymoon", there was a closer relationship between the broadcasters and the government body than there appears to be at this time.

The Chairman: Well, you say in your brief that you say:

"Change enforced by regulation is the enemy of spontaneity and variety and the friend of dull-gray uniformity. Though motivated by the best intentions in the world, we hold the view that no agency of government should assume the impossible task of legislating public taste or the content of radio programs."

Am I to conclude from that that you would argue that the content of the radio program should be left totally to the broadcasters themselves?

Mr. Hartford: Again, my own view-and we did talk about this earlier, the point being made by the Senator that if some station wanted to put four hours of mandarin music...

The Chairman: Cantonese.

Mr. Hartford: Cantonese or whatever if he wants to do it-I feel he should be allowed to do it. If he feels that he can get an audience and sell it, I think he should be allowed to do it; because when you get into a program area, it is quite a different thing when you start to suggest certain changes in program format. At the same time, we did go through that fully realizing what the CRTC was intending to do, and you can't condemn the fact that they would like to have more Canadian music played.

The Chairman: The other column that I wanted to ask you about was one which appeared in the Telegram last-night by Bob Blackburn who is a television critic for the Telegram. His column is headed "Who's going

Was there ever a "honeymoon" between to Bell the Cat?" The whole message is surely that some group of broadcasters are going to call the bluff of the CRTC and appeal what the CRTC is doing to the courts. So who will "bell the cat". Can you think of anyone who will "bell the cat"?

> Mr. Hartford: Well, senator to use your expression "bell the cat" I don't think we could be associated with that, Senator.

> The Chairman: Fine, I am delighted you couldn't be.

> Mr. Hartford: When one has the authority to issue or cancel your license, I am sure that there is an inhibiting factor that newspapers and some other media don't have to contend with and this probably effects the thinking of some stations. I don't fully believe-I asked another station operator in the intermissionthat many broadcasters, unless they are not running a very good station, really go to bed at night worried about the fact that they are going to lose their station tomorrow or lose their license. We certainly don't-it has to be an inhibiting factor however. I believe that we should have a regulatory body as well.

> The Chairman: Well, Mr. Blackburn saidif I could quote the end of the column-he says:

"So, it would seem, anyone who thinks the CRTC is exceeding its mandate and misinterpreting the existing broadcasting legislation should, as a matter of a public duty, challenge it in the courts. Perhaps that would lead to a clarification the CRTC would welcome.'

Mr. Hartford: Well, one station has suggested doing that now-one station here in Ottawa.

The Chairman: Well, there are going to court, yes. That is CKPM.

Mr. Hartford: The CAB is considering such things but I don't know of individual operators. If they feel that the regulations reach the point that they become difficult to live with they can refer the matter to the courts. They have discussed this quite openly-it is no secret, but I don't think there has been any decision made on this.

SBN has Mr. Fortier: Mr. Potts. arrangement with NBC which also works in reverse. Have you any indication to what extent American stations use Canadian news?

Mr. Potts: I would think generally very little. I think we have made some inroads, definitely, over the past few years, but bear in mind that anything that is said over one NBC station, goes over all of them. They have no ability to reject a story, as our stations have the ability to reject any story which is not considered good. Once it gets on the NBC network, it goes coast to coast and we are getting increased coverage from Canada in the United States. You see fewer and fewer people coming up here with snowshoes in the summer time now.

Mr. Margles: If I might add one point. It is rather unfortunate that the majority of people south of the border are extremely ignorant of Canada. We even found that within the NBC organization at the outset of our association. We have broken down walls but then, once again what is news? So far as the American networks are concerned, and this applies to them all, it has to something like a Montreal police strike where you would get seven or eight reports in a day from Montreal and then Montreal is on the map for a day.

Mr. Fortier: Have you any record for example, as to how many NBC associates on October the 7th, used your broadcast?

Mr. Margles: Well, I am not too sure of their obligations but I believe they would all have used the reports because we know when we get the transmission back. We don't have any binding arrangements to use their news casts. We acquire a service. But in the United States it is the sale of a newscast to a station and presumably every station on the NBC uses those reports.

Mr. Poits: On the coverage of the Canadian election, for example, we set it up with NBC ahead of time that we would feed them things so that the Canadians visiting or ex-Canadians living in the States could hear the result of the Canadian election. When Mr. Diefenbaker went to the United States on his first visit with Kennedy we phoned them to say "You are pronouncing it "Diefenbacker", instead of "Diefenbaker" and so we corrected that. We have a little trouble in this regard you know, getting our names known in the United States but they will take remedial action immediately to try to correct something which affects us.

Mr. Margles: From time to time, Mr. Fortier, as well, Canadian government news does get aired on NBC—Mr. Lawrence of our

Ottawa Bureau is here—I don't know how many reports they have done of late but I do know where it involved a controversy between Canada and the United States, of course, they become interested. The same thing applies when there is something of significance, for instance, during the 10th anniversary of the Seaway which was celebrated last year we saw a lot of coverage.

Mr. Fortier: Such important matters also as a date with the Prime Minister by a famous American citizen!

Mr. Margles: Yes.

The Chairman: Perhaps at this point I could terminate this discussion. Mr. Cran I would say to you and your colleagues, as has been mentioned here several times in the last few days, that I spent some few years in broadcasting and while I did, I could hardly lay claim to being a broadcaster. However, I was there long enough to realize, however, that in your industry, Standard Broadcasting, is certainly one of the "blue ribbon" operations. I would say that with no disrespect to your competitors or to other people in the industry who have been before us or who are yet to come before us-but I think in the discussion today you have maintained that standard—with high certainly no intended.

Your brief at Page 46, Paragraph 130 says:

"This spring, the industry is under inquiry by a Committee of the Senate and by the Department of Communications."

I don't take exception to the statement but I hope I can disagree. I don't believe the industry is under inquiry by a Committee of the Senate and I hope you don't. We are trying to take a broad look at the media spectrum and I suggest, as a former broadcaster, and having enough friends left in broadcasting to know, that you would have been infuriated if our study had presumed to analyse the overall media spectrum in Canada without a reference to broadcasting.

For our part we feel that our reference to broadcasting would not be totally in focus if we did not have you come before this Committee, so on behalf of the Committee thank you all.

May I say to the Senators that we are meeting this evening at 8 o'clock in this room.

Thank you very much. The meeting is adjourned.

April 15, 1970.

The Chairman: Honourable Senators, ladies and gentlemen. If I might call the session to order. This evening we are receiving a brief from the La Fédéra ion Professionnelle des Journalistes du Québec. The President of the organization, Mr. Gilles Gariépy, is sitting on my immediate right. I think I will ask you, sir, before you do anything else to introduce the other members of your group who are here and I think we would be interested in their executive position in your organization and also perhaps in their professional occupation, that is their association with the media.

Unhappily for me at least, I have not seen the brief which you have prepared. I apologize that my French is not really adequate so I must work from a translation. I have a translation only of one document and I know you are presenting several, including a copy of the memoir to the Quebec Committee on Freedom of the Press.

I usually say to our witnesses that the Senators are familiar with the material presented but in this case although some may be I think most of us are not. I don't think it is an insurmountable handicap. What I would like you to do now, if you would, is perhaps make an opening statement of ten to fifteen minutes in which you are free to talk about the contents of your brief. If you would prefer to talk about other matters that would be acceptable as well. Then we would like to question you and the members of your delegation on the contents of your brief; we would like to question you on your oral comment and perhaps there may be additional matters as well that we would like to ask you about.

We are terribly grateful that you have come because yours is the kind of organization whose opinions the Committee values. We have had several similar Federations but we are particularly pleased that you have come. Thank you for coming. Why don't you just proceed?

[Translation]

Mr. Gilles Gariépy, Président, la Fédération professionnelle des journalistes du Québec: Thank you. I shall begin by introducing the members of the Executive I have with me. First we have Lysiane Gagnon, educational reporter for La Presse, who is Vice-President, Daily Newspapers of the Federation. In the feeling that some legislation affecting

Upon resuming at 8:00 o'clock p.m. on CBC program, Présent, our Vice-President, Broadcasting, and Mr. Murray Maltais, arts editor of Le Droit and Regional Director for the Ottawa area. With him is our full-time Secretary, Mr. Louis Falardeau; immediately to my right, and our legal adviser, Mr. Serge Ménard.

> I was sorry to learn that the material you have before you this evening was not sent sufficiently early to the members of the Committee, and we apologize for this. It might be said in our defence that, firstly, we are right in the middle of organizing our annual convention, and secondly, the Quebec election campaign for a number of us took up much of our free time. Having said that, we are providing you this evening with a few pages that define the scope and the meaning of this brief. With your permission, Mr. Chairman, I shall read it—it is quite short.

> La Fédération professionnelle des journalistes du Québec was founded in February, 1969 at a meeting attended by representatives of about twenty journalists' associations or unions in Quebec. The organizations affiliated to the Federation at that time had a combined membership of about 600 journalists.

The Federation is incorporated under Part III of the Quebec Companies Act. It is neither organization—though there unions affiliated to it-nor a closed professional body designed to regulate profession.

The Federation is essentially a tool for research and study and at the same time a representative body appointed by journalists' associations and unions to co-ordinate their efforts in areas of common professional interest.

The Federation is the practical successor to the old Canadian Union of French-language Journalists, although it differs from it in at least two respects: first, it is a Quebec body, not a French Canadian one; secondly, its membership consists of organizations, individuals.

The Federation was the product of an awareness in journalistic circles of their collective inability to confront changes that present new challenges for the profession as a whole. Among these changes we could cite the concentration of ownership in both the written and the spoken press; the entry of universities and colleges into the training of journalists and communication experts; middle, to my right, is Claude Piché of the press should be reviewed; the growing support for the idea of a press council; and case. We also did this for the brief we subdevelopments in the information media gen- mitted to the National Assembly committee. erally.

Not let us consider the aim of this brief. We are aware that the terms of reference of this Special Senate Committee are broad, and We know that the Committee is interested in all problems affecting the press. We would have liked to be able to submit a very comprehensive brief covering all the issues that concern us in our work. Unfortunately, this was not possible at this particular time, because the Federation has not been in existence very long and has had to devote all its energies to consideration of a few specific problems.

With regard to concentration of ownership, We have already prepared a brief; it was presented to the National Assembly's Committee on press freedom in Quebec City last September, and we have appended a copy of It to the brief.

We decided to limit our remarks and recommendations before the Senate Committee to a single field-relations between journalists and the courts, or police authorities. This is a problem that has arisen with disturbing frequency and severity in Quebec in recent years, particularly during 1969. We have made representations to the Quebec Justice Department on this point, and we intend to renew these representations in the near future. However, we believe that the problem concerns more than just the application of the law, and that it casts doubt on the validity of some legislation—the relevant federal Acts, in particular. We are therefore submitting to you today a file containing the facts in support of our position, together with a number of specific recommendations.

In accordance with the rules and regulations of our organization, we have been authorized by the representatives of our member associations to speak on behalf of the Federation in making these recommendations. Here I should point out that since we are a federation of duly constituted bodies, we are quite severely restricted in the representations we can make to third parties. We can speak on behalf of Quebec journalists only on those matters concerning which we have received a clear mandate from our annual convention. Without such a mandate, we cannot make any declaration binding on the Federation until we have submitted a draft of it to the representatives of our association, and we must consult them before making it public. This is what we have done in this

And so, Mr. Chairman, it is principally this specific legal problem that we should like to discuss with you this evening, and we have appended the brief on concentration of ownership in the press industry. We put it in the appendix not because the problem has lost its importance or its immediacy, but simply because our position on it has not varied in its essentials; it is a position we have already expressed. The new matter we have to discuss is, we feel, more important at this particular time-I refer to the legal problem surrounding our relations with the police and the courts. With your permission, Mr. Chairman, I shall ask my Vice-President, Lysiane Gagnon, to begin with a short summary of the source of our concern.

Mrs. Lysiane Gagnon, Vice-President, La Fédération professionnelle des journalistes du Québec: With regard to the facts you will find in the appendix to our brief, which are all related to dealings that Quebec journalists, particularly in Montreal, have had during the last two years with police or judicial authorities, always in connection with events or demonstrations of a political or quasi-political nature, or union disputes-with regard to all these, five kinds of problem have been distinguished.

Firstly, insofar as professional secrecy is concerned, it has not happened very often, but it can happen—and there was at least one fairly blatant case of it last year-that journalists are forced to reveal their privileged sources of information to the courts or to commissions of inquiry.

The second type of problem: sometimes, while in the very act of reporting, that is, of exercising their profession, journalists are subjected to police brutality, and this can on occasion go as far as detention without explanation. This has happened-specific cases of this kind of police intervention are reported in our appendix. We have selected only those cases in which the police were well aware that the people involved were journalists, photographers or cameramen. These were not accidents in the midst of a scuffle, but deliberate intervention by the police.

The third type of problem: sometimes, with or without a warrant, the police obtain news material belonging to journalists-tapes, films or photographs-in order to use it for their own investigations or to gather evidence for the Crown in trials that are often held at a later date. And it is then that the problem becomes rather more serious. This is unpublished or undistributed material, such as photographs that have been taken but not published, or tapes that have been edited, or edited films. The police then seize the parts that have been cut—in other words, the unpublished news material.

The fourth type of problem: in order that such material may be identified in court, so that it can be admitted as Crown evidence, journalists—especially cameramen, photographers and radio or television reporters—are sometimes forced to appear in court as witnesses for the prosecution.

The fifth problem is related—the abuses, also noted in the appendix, that surround the accrediting of journalists. These journalists are called in to cover certain demonstrations or important political conventions. First, the police reserve the right to seize a reporter's identity card without giving any reason. Again, it sometimes happens that police officers are duly identified as journalists. There was a case of this fairly recently at Harrison Hot Springs, where R.C.M.P. officers were identified as journalists at the request of the hotel concerned.

I have merely given you a very brief description of the five types of problem we have tackled and sought to analyse. Individual cases are given in the appendix to our brief.

Mr. Gariepy: If I might interrupt briefly before handing over to our legal adviser-the growing number of such incidents has caused concern among journalists in Quebec, especially in Montreal. More or less concealed at first, this concern is becoming more and more apparent since, as a result of being summoned into court to testify for the prosecution against demonstrators, strikers and informants to whom they have promised absolute secrecy, journalists are in the process-it has already begun, unfortunately-of losing their credibility with the public, something they have and must retain in order to carry out their work. For example, if a picket line is set up, it is normal for reporters from the print and broadcast media to be in attendance in order to inform the public of what is going on. Of course, if we are seen as journalists, as assistants-voluntary or not-then it does not greatly matter; but if we are regarded as assisting the courts or the police, if people learn that the photographs that are taken are

used to identify demonstrators, when anything that is told us in confidence or otherwise can be revealed on the pain of being found in contempt of court, it is clear that the growing frequency of such cases tends to compromise journalists' reputation independence and objectivity. Last September, for example, we submitted a declaration by the Executive to the Quebec Minister of Justice, Mr. Rémi Paul, asking him to do all in his power to bring such practices to an end-particularly the use of journalists' testimony, which is often useless anyway, in trials where the police should really be doing their work themselves. With regard to the seizure of news material, it is even more serious, as Lysiane Gagnon has said, when the material in question has not even been released. Following this public declaration, we were received by the Quebec Justice Minister last October, and we described the various aspects of the problem to him. He agreed with us that there really was a problem and that we should investigate it thoroughly. Mr. Paul asked us to prepare a file on the facts pertaining to our remarks, and he also suggested that since the legislation in question was not solely under provincial jurisdiction, but was in most cases under federal jurisdiction, we should make representations both in Quebec City and in Ottawa. As you know, present circumstances make it impossible for us to meet the Minister of Justice or other Quebec politicians, and we are therefore postponing the representations we had initiated to the Quebec Government. However, in the light of this Committee's hearings here, we believe that the problem that concerns journalists most, and exemplifies best the curious non-recognition that society extends to them, is indeed the problem that has just been explained to you.

Consequently, after a great many meetings of our Executive and with representatives of our associations, we are today submitting a few recommendations. Naturally we are not about to draft a bill—we are not legislators but we nevertheless wish to inform you of what we feel are the objectives to be reached in order to preserve effective freedom of the press.

In that connection, I should like to ask Mr. Serge Ménard to explain briefly the Executive recommendations.

Mr. Serge Ménard, Legal Adviser, la Fédération professionnelle des journalistes du Québec: You will note that the first sugges

nized in practice by the various public bodies. But after all, it is the growing incidence of non-recognition of these rights in Quebec in recent years that leads us to believe that the best protection for these rights—which the Canadian public, through its journalists, has always enjoyed-would be statutory recognition. We did think of suggesting specific laws to you, and we thought there were three kinds of suggestion we could make on this point: a law governing the press and containing provisions to protect journalistic secrecy and limit the right of seizure of news material; or amendments to the existing laws, either the Criminal Code or the Evidence Act. We could have come before you with specific texts, but we thought it much more important on this occasion to present the principles that guide us and avoid discussions of solutions that might be less than perfect, so as to leave to the legislators the job of enacting laws to recognize the principles we wished to outline today.

In essence, we feel that the choice confronting the Canadian public is as follows: the Systematic use of journalists to supply Crown evidence will inevitably lead, in my opinion, to journalists' being identified with the police structure. Obviously, one could always say in reply that it would be ridiculous to have a situation where everyone had been made aware of certain misdeeds through the journalists, but proving them before the courts was not possible because journalists had the right to refuse to testify as to their sources. We feel this is a false objection because if journalists are now able to obtain information that enforcement agencies cannot obtain, the reason is that they enjoy a certain confidence that such agencies do not. If, as time goes by, they become identified with enforcement agencies, they will lose that position of trust. Ultimately, we will have crimes that people do not know about instead of crimes of which they are aware. We feel that the present situation in which crimes are known but cannot be punished is preferable in the long run to having crimes of which people are not aware, and which could not therefore be punished either.

The three provisions we suggest are that

tion in our brief is that public bodies be made think there is any such recognition in legislaaware of the problems of the press. We tion, though I think professional secrecy is believe that Canadian jurisprudence offers recognized in jurisprudence. I think the only evidence that the rights for which we seek secrecy recognized in legislation is with legislative recognition have long been recog- regard to certain offences between husband and wife. New legislation would obviously be required, but this is something that has been recognized in jurisprudence for lawyers, at least, in a way that leaves no room for dispute, and in a way that is a little more disputable, or rather disputed, for confessors. This would be new legislation, then, and it could either be part of an Act covering all the problems of the press, forming a section devoted to this particular problem, or be tacked on to those sections of the Evidence Act that concern witnesses.

> There could also be a section covering search warrants, either in an Act covering the press or added to the Criminal Code sections respecting searches. I would draw your attention to the fact that the Criminal Code has always distinguished between objects that are used in the commission of a criminal act and those that are used in evidence. This distinction is already established in the Criminal Code—for example, if it is not stated in their warrant, police officers cannot seize objects to be used as evidence of a crime. It is obvious, at present, that journalistic material falls into the latter category, concerning which the law already requires a more complex procedure. We believe that in the case of journalistic material, the procedure should be even more complex. We have thought of a number of procedures, once again, but we do not wish to discuss solutions here—we wish rather to discuss the objectives and principles that lead us to propose such solutions. However, there would obviously be some difficulties to begin with in defining "journalistic material", especially with respect to its origin. We believe that this is probably the direction in which a solution should be sought, since I believe there is legislation providing for the registration of newspapers that could be made available to the magistrates who have the power to issue warrants.

We have suggested measures with respect to journalistic material, and here again, I think there are two sides to the problem. The police can use journalistic material out of laziness, since it is easier to use journalists paid by press enterprises, who will be covering events in any case, than to send one's own spies. I feel that in such a case, it is certainly the journalist's right to professional secrecy preferable that the police pay their own be recognized in the law of Canada. I do not informants, and that journalists be completely free to do their work. After all, that is not a summed up as follows: journalists should journalist's job. I feel that the problem arises enjoy special status before the courts—is that only where journalists obtain information correct? that police officers cannot obtain, and it is here, I think, that we meet the first problem of professional secrecy that we referred to earlier, and it is the same principle and the same choice confronting society. We feel that in the final analysis it is a choice that does not arise; it may do so in the short term, but in the long term, it does not, because we are eventually going to have a society that will not be able to combat more crimes than before, and will also be uninformed of them. I am now ready for your questions, particularly regarding the solutions that have occurred to

Mr. Gariépy: To conclude, gentlemen, you undoubtedly will have noticed that our recommendations concern only the problem we referred to, the legal problem that journalists have to deal with. We are naturally open to any questions you wish to ask regarding the Federation's function, its constitution, its membership and the work it has accomplished in its first year. We are also open to questions on the substance of the brief we submitted to the Quebec National Assembly Committee, or on our participation in the press council proposal on which I believe you have already heard the views of Quebec press employers' associations. Nevertheless, with you, we would like to have the most candid explanation possible of the specific problem we have raised.

[Text]

The Chairman: You would like our discussion to centre primarily on the matters you have dealt with tonight but you will accept questions on other matters as well. I think that is fair. Mr. Fortier.

[Translation]

Mr. Fortier: Thank you, Mr. Chairman. As Mr. Ménard was saying a few minutes agothis forum is definitely better suited to a discussion of objectives and principles than to a legal debate—I am grateful that no formal text has been submitted. I shall direct my questions to Mr. Gariépy as President, but you may, if you wish, ask one of your colleagues to answer.

I shall take up your invitation and begin by considering your brief, "Journalists and the Administration of Justice". Again, as Mr. Ménard said a few minutes ago, I think the their testimony and their confidential substance of your recommendations may be information.

Mr. Gariépy: That is an essential part of what we are asking, yes.

Mr. Ménard: We feel that there has long been such a special status before the courtsperhaps not before the courts, but at least in the minds of public bodies with the power to summon journalists before the courts.

Mr. Fortier: As you say in your brief, it is only recently that events have occurred, particularly in Quebec, that have led you to make the representations that you have summarized for us today, is that not so? How do you explain the fact that until a few months-or perhaps years-ago, the problem had never arisen, at least in your experience and that of your colleagues?

Mr. Gariépy: There certainly is an explanation; I shall attempt to give it, and my colleagues will add their comments. Firstly, the social climate was not the same. It is obvious that the problems we have raised are real. They arise more often during a mass demonstration than during a peaceful indoor meeting of an association, or a conference, where everything is always very quiet. When the social climate is more peaceful, and there is no alarm among the police or among those responsible for the administration of justice, there is certainly an effort to grant more respect to the gentlemen's agreement with the press; in other words, there will not be frequent visits to newspaper offices for photographs taken by press photographers, complete negatives and so on. The police will try to do their own work. If problems arise at the scene of a demonstration or a strike, and people are committing offences, well, if the police arrest people they should normally find their own sources of evidence. Obviously, the social climate has changed on the labour, educational and political fronts, and in a number of other areas we have seen rather more troubled situations in recent years, and in response to these, we have seen growing use-by the police in their investigations and those responsible for the administration of justice who summon people to court-of materials belonging to journalists, their work,

Mr. Claude Piché, Vice-Président, La Fédération Professionnelle des Journalistes du Québec: With your permission, perhaps we can draw a parallel with the situation in the United States, and consider the social aspects of public demonstrations. A few weeks ago in the United States, we heard the national Vice-President of the NBC news network and the publisher of the New York Times complaining that the police were seizing both published and unpublished material. In that sense, I believe there is a parallel to be drawn between what they were talking about in the United States and the situation in Quebec, and one of the causes, obviously, is the use of public demonstration techniques.

Mr. Fortier: About two or three weeks ago we had before us the national editor of the Washington Post, a journalist from the United States, who spoke to us on this topic. His personal opinion was that the journalistic privilege of professional secrecy should not be sanctioned by law. This would make the journalist indebted to the State for the privilege which the State has conferred upon him.

The journalist voiced the opinion that he would prefer that the individual, the journalist decides for himself, in each particular case, whether or not to run the risk of being sentenced for contempt of court; or, in the case of the owner of the newspaper being subpeonaed, let him decide whether or not to reply to the police officer's polite or impolite invitation and, if he fails to do so, likewise run the risk of being sentenced for contempt of court. Do you have any comments to make on the matter?

Mr. Gariépy: This is an opinion which does not surprise me at all because about two years ago in journalistic circles in Quebec, it was quite widely held and expounded in writing, over television, in panel discussions and so forth. There is a tendency to react when Isolated cases spring up, when it becomes a system, and when protest seems to be of little use. People are beginning to feel that basing an important aspect of freedom of the press on the heroism of individuals on occasion, is not a satisfactory solution. We believe that the matter of the professional secret, or the Journalist's privilege to conceal either his information sources or the confidential portion of a given piece of information, the source of which may be known, is one problem, but not necessarily the most frequent one. Among the most frequent problems which crop up there is, for example, the use

made of the evidence given by the journalists. To take an example—there are many quoted in the appendix—a politician before 2,000 persons in a public hall makes statements which later are considered to be seditious; if, during the same meeting, there are 20 police officers in uniform in the hall and some half-dozen plain-clothes men, do you feel it conceivable that in order to bring evidence against the accused it is necessary to summon journalists before the Court?

Mr. Fortier: This is a specific case presently being debated.

Mr. Gariépy: However, when these problems do not arise, there is a tendency to believe that protection or special privilege is not necessary. When they do crop up, one wonders, even after a campaign to arouse public feeling, whether the danger is still there. Taking into account the importance of freedom of the press, recognized, I believe, by the Canadian Bill of Rights, we see no objection in principle to the adoption of very definite provisions for preventing the credibility or freedom of movement of the journalists being compromised by any use which the courts may make of their evidence.

Mr. Ménard: There is perhaps one answer which one could add to the opinion of the Washington journalist. I have the impression that it is not so much a journalist's opinion, bu rather an opinion of penal philosophy, if I may put it in these words.

Mr. Fortier: Believe me, he criticized the attitude of the police officers without reservation.

Mr. Ménard: To recognize that professional secrecy for journalists is a desirable thing and not to legally sanction it and, as a result, leave it up to people—I feel that the state prisons should not be places where people must display their heroism; they must show it elsewhere than in the state prisons. How should we feel about a society which states: "We agree that secrecy is important and that there are some people who must recognize this fact and defend it, but we hope that such persons will have the courage to defend it even in the face of possible imprisonment." There seems to me to be a contradiction there.

Mr. Fortier: I follow your reasoning and shall not engage in polemics on this particular point, but I should like to return to one of Mr. Gariépy's comments. Obviously, I am some-

thing of the devil's advocate—this is my role here. If we create this privilege to meet a very definite, very particular situation which is just now developing, do you not feel that the solution may become more drastic than the problem itself?

Mr. Gariépy: Discussing in abstracts like that, one could believe that yes, it may, or, it may not. I feel that in practice, when we attempt to determine what the requested type of protection or legal recognition may mean, I do not feel that it will lead to abuses. If you will allow me to cite one example: journalists themselves state, or have often stated, when speaking of protecting the professional secret. that if one is authorized not to disclose one's sources of information, there will be terrible abuses. Any sort of news would be invented. An unscrupulous journalist would concoct any piece of news and once brought before the courts could simple state: "Ah, professional secret."

It is felt—and Mr. Ménard can clarify this point—that such a problem does not arise. For example, it is felt that if a journalist writes something clearly defamatory and, when prosecuted, hides behind his professional secret, he will simply be sentenced. He will not have proven the truth of his information, and will not have proven it to the satisfaction of the Court.

We therefore feel that it is sufficient protection. It will be noted that even in a situation perhaps less volatile than the one we have now in Quebec but one which is found throughout the continent if not the world in a quieter period, such problems arise less often, but do, nevertheless arise, and each time there is a lack of legal arguments and definite knowledge. It is our opinion that what is said in confidence to a journalist by anyone whatsoever presupposes that the person identified as a journalist has expressly agreed not to divulge the identity of his informant and to keep his information confidential. If such a promise of confidence has been given, we feel it normal, whatever disadvantages it may cause in gathering evidence against the accused. We believe, as our lawyer has explained, that over the long term it is a better way for society to protect itself and remain informed.

Let us overlook the protests, if you will, to take an example which could occur during any peaceful period. Let us suppose that in a given City Council, a civil servant continually points to flagrant cases of corruption among certain politicians. Through a sense of civic duty, the official puts a journalist on the track, informs him of certain incidents of corruption or the squandering of public funds. The civil servant risks his job, of course, but does not consider that he will be compromised in the trial. Now if the journalist can promise that no-one will know his identity, that the journalist will examine his photostat copies and so forth and denounce a situation publicly in the newspaper, then the official concerned will likely give him his information. If the journalist cannot guarantee this, and, as frequently happens, the journalists are forced by the courts to break their promises and disclose the names of their informants, it is obvious that this type of information given by informants, will disappear.

We feel that in a democratic society, the citizen's right to information is an important principle of justice and a social duty of primary importance. I feel that the dilemma suggested by our legal advisor as a long-term possibility is the only way of looking at the matter.

Mr. Fortier: On the other hand, you will agree with me that the example you give is precisely one in which an abuse may occur, that is, the government employee who wishes to attack a councillor, an alderman or a mayor. He may suggest an item of news to a journalist who does not take the trouble to verify it, and the news is published. Obviously, some people could be wronged very seriously.

Mr. Gariepy: If some persons are wronged, they can sue the newspaper and journalist for libel.

Mr. Fortier: Yes, of course.

Mr. Gariepy: Then, if it is not true, what evidence can the journalist give to defend himself?

Mr. Fortier: I shall reply to your question. The journalist is called upon to give evidence and states: "Someone gave me the information, but I refuse to divulge his name." Could this not be the case?

Mr. Gariepy: Yes.

Mr. Fortier: Then, what happens at this point?

Mr. Menard: Well, we believe that such a situation will not crop up as one must understand the limit of what we are asking. We are

also aware, in coming here, of the respective jurisdictions of the federal and provincial government.

We feel that the second problem you raise is a problem of civil law, a problem of private rights which comes under provincial jurisdiction. That it to say, the politician injured through some false accusation spread through a journalist, will seek action against him; he will have recourse to civil law.

Mr. Fortier: There will be penal recourse, as well?

Mr. Ménard: He will also have penal recourse for defamatory libel. We are not requesting protection up to that point-just to the point that the journalist is accused of libel. As we made very clear, we are obviously not requesting protection which may lead to the sentencing of an innocent person.

Mr. Fortier: Then, please answer my question. What happens at that point? Let us suppose that the mayor is accused unjustly, as he feels, and prosecutes the journalist in question for defamatory libel under the Criminal Code. I feel that we must limit ourselves to definite cases. This is what you suggested, anyway.

Mr. Gariepy: It is the journalist who loses, because he has no proof.

Mr. Fortier: Under the Criminal Code, the Owner of the newspaper as well?

Mr. Gariepy: Yes, but publishing information within a newspaper is an integrated activity. In other words, to my knowledge it is fairly uncommon in a press company for the reporter to be able to publish anything at all, just like that, without the supervision of the management.

Mr. Fortier: You knew it and I knew it as Well.

Mr. Gariepy: In any event, the fact remains that whether it is the organization or the editorial rooms which publish it, obviously the journalist signing the article and the company itself are both partly responsible. In such cases, we feel that the best protection against possible abuses lies precisely in the fact that the journalist has no evidence to present in support of his allegations or statements. Under civil and, possibly, criminal law, he will be sentenced for gratuitous and defamatory statements.

21494-61

Mr. Fortier: But have we not made a complete circle? The journalist you would wish to protect will possibly be sentenced for defamatory libel because he will not divulge the source of his information?

Mr. Menard: He will have published the news solely on the word of this source. We feel that in ordinary newspaper work, all that the journalist wishes to protect is the source, which will enable him to obtain the proof of what he publishes.

If the journalist lacks professional integrity and bases his article solely on what could be hearsay from a government official wishing to remain anonymous, and then publishes libel, he must bear the full force of the law. Do not forget that in a libel suit, if the journalist decides to exercise his privilege, the only evidence which will remain before the court will be the evidence that he published an item of news, apparently without foundation, injurious to a person, for which he is to be sentenced.

We feel that the journalist should undertake his own defence as he does normally in public, by producing the evidence he has obtained of the action for which he reproaches the politician in question and he may still protect his source, or the person who put him on the track.

Mr. Fortier: I would suggest that you have just introduced another related problem, essential to the suggestion you have just made, a problem you touched on, moreover, in the brief you presented to the National Assembly. The journalist should have a thorough professional training before the state confers this privilege upon him. Do you agree with me?

Mr. Ménard: We are also convinced that if the journalist does not have this advanced training, he is in danger of being sentenced. As we have seen, if a journalist is well grounded in his profession, it is most probable that if a scandal is divulged to him, before revealing it to the general public, he will seek to obtain independent proof which he may present to the public. At this point, what the journalist seeks to protect is the person who enabled him to obtain such independent evidence.

Mr. Fortier: And whose identity he cannot disclose?

Mr. Ménard: Exactly, because he has obtained the information under the seal of secrecy. However, if the journalist does not have this training, he will lose his libel suit because he will be unable to present independent evidence of what he advanced.

Mr. Fortier: Mr. Ménard, I know that Mrs. Gagnon would like to speak, but I wish to add just one more comment. Do you believe that a law which would recognize professional secrecy—or rather, let me phrase it in another manner—which did not recognize professional secrecy, would force the journalist to delve further into the truth or falsity of a rumour? This is the question I am raising. Now, if he enjoys this immunity, he will say up to a certain point: "I can write what I want and no one can prosecute me."

Mr. Ménard: On the contrary.

The Chairman: I think Madame Gagnon wanted to say something. I think also you want to say something, the three of you!

[Translation]

Mrs. Lysiane Gagnon, Vice-President, The Professional Federation of Journalists of Quebec: It is simply a parenthesis. Mr. Fortier, you spoke of the privilege granted to journalists and you also quoted the editor of the Washington Post as saying that the journalist was indebted to the state for this privilege. I feel that it must be regarded not as a privilege, but merely as a kind of instrument that a community can bestow upon itself in order to be sure of being better and more fully informed, since it obviously goes without saying that the journalist, as a citizen, has the same rights and duties as other citizens. It applies only to the exercise of his professional functions, and I imagine that any legislation in this field would call for a definition of what the exercise of a journalist's functions involves. In this case, the journalist is simply a communicator of information, a connecting device—and I do not think we should look upon this as a privilege granted to a class of people, or an individual, or a profession.

Mr. Fortier: You will agree with me that it is difficult to avoid the word "privilege" in this context?

Mr. Gariepy: Well, if you want to speak of a privilege, at least acknowledge that it is one granted not so much to the journalist as to his informant—the privilege of not being named, of remaining anonymous, because after all, if it were merely a question of protecting the peace of mind of a journalist who does not wish to be put to the trouble of a court appearance, then it would not be worth all the fuss that is being made.

Ultimately, it is for his ability to acquire information that the journalist seeks protection. This is in the public interest, and in the interest of those who inform him. So clearly, the case of the journalist who goes to court and is forced to reveal a name or identify the author of confidential information, though typical, is not necessarily the most frequent. There are other instances that bring out the same problem, but in a different way. For example, you are sent to cover some event, you take some pictures, and if you are working for the written press, you fill up notebooks and you write an article, after making the most honest judgment of what you have seen and, as happens fairly often, after comparing your impressions with those of your colleagues. Then you print a report, and if arrests have been made, you are summoned to court to identify this or that person, and confirm that you wrote such-and-such, and so on, and you are officially instructed to "bring your notebooks with you" and the like. The journalist's reaction, therefore, when this sort of thing becomes frequent, is not to take any more notes, and to destroy his negatives.

Mr. Fortier: They can be destroyed very quickly.

Mr. Gariepy: Yes indeed. So you see, when you reach that stage, you no longer dare to publish anything that might imply that "perhaps...", and the result is incomplete news. This is a perfectly understandable tendency, and if you co-operate fully, if you play along with the system: "Here, gentlemen, here are all our films, tapes and manuscripts"—and identify people—than you are "persona non grata" at the next demonstration, the demonstration is not reported, and the public does not know what is going on.

No facts are given in the file, because we do not wish to complain about physical danger. But I would, nevertheless, like to point out that during the last year, a large number of journalists have been injured some of them seriously—while exercising their profession in Montreal.

The Chairman: Mr. Ménard?

Mr. Ménard: One thing we wanted to make quite clear is the limits of what we want. We are not asking for professional secrecy as a

Ultimately, the person we seek to protect is not the journalist, but his informant, and we were very careful in our brief not to state that we wanted the right to professional secrecy as a privilege we could claim if accused of libel, or that we could claim in a civil matter of a libel suit—that is not what We are after at all. To put it simply, what journalists wish to claim is the right for Which we feel they have always had "de facto" recognition, that of not revealing the source of information obtained in confidence. We also feel that in the past, the confidence placed in journalists has made it possible to expose many scandals, thus enabling the Wheels of justice to turn and punish a number of crimes, or at least discover them.

Mr. Fortier: If professional secrecy is recognized, say, in a federal statute such as the Criminal Code, I think you will agree with me that even in the civil courts, it will be bound to be recognized too? We must be logical, must we not?

Mr. Ménard: To the extent that the civil courts apply the Evidence Act.

Mr. Fortier: Even where there is no question of applying federal legislation, I think, you either recognize secrecy or you do not. I think Mr. Gariépy agrees with me.

Mr. Gariepy: I agree. We intend to make specific approaches, at least to the Government of Quebec, with respect to matters under its jurisdiction.

[Text]

The Chairman: For some time now Senator Hays has wanted to ask a question. Senator Hays.

Senator Hays: I have heard a great deal tonight about "Mr. Source" and the information that you get from these people. Do you buy it or is there a warm friendship between the person, the source?

[Translation]

Mr. Gariepy: Speaking for myself, to the best of my personal knowledge, I have never bought information. It is possible that such things do happen. I don't think reporters do it, as they certainly do not have large enough personal budgets to enable them to buy information. You would have to look into the

means whereby a journalist can defend himself against an accusation made against him. level, something with which I am not Ultimately, the person we seek to protect is

There may be some instances in which newspapers buy information of that kind. It is also possible for ties of friendship to bind a journalist to a civil servant or a person in a position to supply him with information in private. But from personal experience, I would say that I have used confidential information, and a number of my colleagues often do so as well. In most cases, money is not involved; nor is there any question of doing a journalist a favour in return for something—friendship or special treatment. The people involved generally have a genuine concern for the public interest.

I do not have a lifetime of experience as a reporter; I have been one for seven or eight years, and from what I have seen, this is the kind of motive most often encountered.

[Text]

Senator Hays: Do I understand that you get this information and then you publish it because if there is a secret between you and the source; nobody knows about it until you publish it and then having published it the police want to know where you got this information. Is that correct?

[Translation]

Mr. Gariepy: It can happen in that way. but the fact remains that we do not automatically publish everything that unknown callers tell us over the telephone. When serious information, accompanied by supporting documents or photocopies or precise evidence. is submitted to us in exchange for secrecy as to its source, and when the documents we receive, in addition to our own investigation. give us reason to believe that the facts of the case are absolutely authentic, then we can certainly publish it. I have never personally been summoned to court to explain the source of such documents-never. However, this has happened to others, and I therefore feel it might well happen to me, and if this were to continue, or even if it were to occur as often as it did last year, it would be only fair for me to warn people who give me information that I am prepared to say nothing, but that I cannot prevent the issuing of a search warrant, nor my being dragged before the courts and forced to reveal my source.

[Text]

Senator Hays: So you did not publish it? You did not publish this particular... [Translation] valended assumed to septioning

Mr. Gariepy: Yes, there have been cases in which I have written copy based on such information.

[Text]

Senator Hays: I cannot understand newspaper men keeping secrets. This is a new twist to me.

[Translation]

Mr. Gariepy: I may have misunderstood your question to begin with. Do you mean keeping information confidential, or keeping a source confidential?

[Text]

Senator Hays: I would like to hear an example.

[Translation]

Mr. Piche: You must have heard about the case of John Smith, who is freelance reporter for the English CBC network, and who interviewed someone who said he was connected with a terrorist movement in Quebec. The Fire Commissioner asked Mr. Smith to appear in court, but the latter refused to testify or reveal his source of information, i.e. the name of the man, even though the matter, or the interview, had not been aired over the CBC. For refusing to testify, John Smith was sentenced to seven days in prison by the Fire Commissioner, and all because he promised the man he would not reveal his name in order to get the interview. That was the condition for obtaining the interview—not to reveal his name.

[Text]

Senator Hays: In the meantime he might have killed 50 people or something.

Mr. Ménard: A case like this I think is a good illustration. I can use this case as an illustration of what I was saying before. What would you have if you didn't allow John Smith to have professional secrecy? You would know about the terrorist camp anyway so is it preferable to know but not to be able to do anything because the only witness is John Smith? Is it preferable not to know about it and not to be able to do anything about it?

I think that is the choice we have. I think it is preferable to have a situation where at least we know about it and we cannot do anything for the moment but I think if we do not preserve this secret of John Smith in a

case like that, in about six months John Smith will be unable to obtain other information like this and we won't be able to stop that person from killing fifty or more persons. Maybe we will be able to organize something.

Senator Sparrow: Should this privilege be extended to every citizen? Why just news men? Why not every citizen?

Mr. Gariepy: The reason is simply because in practice, there is a difference between someone who may accidentally be a witness to something and who has a duty to co-operate with the law, and a reporter who by virtue of his profession, frequently finds himself in this kind of situation.

I realize that in theory,—I know that the basic philosophy behind existing legislation is that, in the final analysis, the reporter is simply an extension of the right of the people to the freedom of speech, the freedom to witness, to learn the facts, and so on. However, this is not how it works in practice. In practice, it is the reporters who go to the scene of the demonstrations and who go to the press conferences where certain things are said. It is to the reporters that confidential documents are handed over, and information given, in exchange for the promise of secrecy. This is how it works in practice.

Thus, it does make a difference, and remember one thing: we are talking about a reporter on the job. That is to say, for example, that if I were to go into a bar after working hours and a murder was committed there, I would have the right to remain silent about what I had seen because I was a reporter. And if, on the other hand, I were assigned by a newspaper or a broadcasting company to cover certain activities or events which were open to the public, and which even the police had access to, as is often the case, I think that if the reporter's testimony were used-not just once every hundred years, that would not make any difference—but frequently, the people would get the impression that reporters were an extension of the law and order forces, and as a result, they would lose their credibility as observers.

It is worth noting, I think, that this recent exchange is very significant with regard to private interviews. But remember—in an open demonstration or street brawl, both the police and the demonstrators—it is happening over and over again—leave the reporters to their work of taking pictures, making observations, and so forth.

If we were to become identified with those who are going to appear in Court the following morning, with our photographs, notebooks and so on, we would cease to be independent observers and would become known, if you like, under the same name as those whose duty it is to keep law and order. The same thing would happen in all circumstances and this is important, not from any sympathy on our part for the demonstrators; we have nothing to protect on that account. The same goes for the police. If for example, the photographs taken by press photographers, the film shot by cameramen and the notes written by journalists were to be used in disciplinary action by the law enforcement in order to sentence agents who might have exaggerated, our reputation would be finished as far as those agents are concerned.

As I understand it, you were asking; "Why just the journalists and not the others?" In theory, reporters are citizens just like everyone else, and for several hours a day, that is what they are. However, in the course of their work, due to the frequency of situations or elements in which they may be implicated, they need to retain their independence, that is to have freedom of movement and the greatest amount of credibility possible, in order to be able to inform the public—which is a social function of primary importance in a democracy.

The Chairman: Do you want to comment on this, Mr. Piché?

Mr. Piché: It happens practically every day—it is part of a reporter's work—to ask for or gain the confidence of someone.

Let's take a concrete example which does not have any criminal implications: if I were to write an article on this Committee, I would come to you for background information on the work of the Committee, outside these open meetings, and ask you to speak in confidence. There are things that you could tell me off the record, that you could tell me by saying

The Chairman: I can't imagine what.

Mr. Piché: It is part of the journalist's daily work to go out and get information by asking people to speak in confidence, and by promising that if they do not wish to be quoted, they won't be—and it could happen, by accident, that this would include criminal acts.

Mr. Fortier: That depends on how much you offer the Senators!

Senator Sparrow: If this in fact is a point where you can prevent further crime, as an example, or dig out crime as such and it is useful to assist, why then are you objecting to this privilege being extended to all citizens? Would you object to that?

Mr. Gariepy: I would have to see what form this would take in practice, and in what circumstances and under what conditions people who had given confidential information would be prepared to go to Court. But unless I am mistaken, the police usually have their own informants, individuals who are rarely brought to Court-and this practice is not according to the law, but it happens. The police, for example, in order to get certain information, sometimes make those persons talk who are implicated in the matter themselves, and they use this information, if not as evidence in Court, at least as an instrument in the police investigation. It is obvious that if these informants were required to appear in Court and identify themselves—for those who had betrayed their gangs, etc.—each time, well, no one would want to be a police informant any more. Thus, in actuality, without legal protection—the comparison is very shaky, I admit, but it may already exist.

Now, you are asking if we would object to similar privileges being accorded to journalists if they were extended to all citizens. My answer: I would have to see what kind of a privilege could be offered in this manner, under what conditions and so forth. In theory we have no great objection. We do not wish to be distinguished from other citizens—not to that extent. What we are after is not something for ourselves, but rather something which will enable us to inform society about what is happening and how it is happening.

Chairman: Mr. Ménard?

Mr. Ménard: We are not asking that this privilege be extended to the entire population because we feel that the population would not be any better informed for it—that is, I think there would be no advantage in it for the public in general, while we are convinced that in the past, the fact that the reporter's right to obtain information in confidence was recognized in practice, by not summoning them to Court, enabled them to get information which otherwise would have been inaccessible. I do not think that extending this privilege to the general public will enable them to be more informed on things they do not already know.

Senator Hays: A lot of them are anonymous calls. People phone up and say: "There is a bomb on an airplane". Sometimes there is and sometimes there isn't. I appreciate your point but I think you labour it pretty hard. The source that you get information from, all newspapers-you can pick them up and they say "from a reliable source", and then they write a story on it. Probably they have received the information from a reliable source but they never disclose it.

Mr. Ménard: We don't want professional secrecy as a defence against a libel suit. If actually the newspaper is using this supposedly reliable source to discredit somebody that feels hurt in some way we are not asking the journalist can use his professional secrecy and say: "I got it from a reliable source". Any journalist who takes this position should bear the consequences. What we are trying to protect is an individual like John Smith who obtains some information that we feel is in the best interest of the public to know, and we think that if he obtained this information it is because he in practice enjoyed a right of secrecy.

The Chairman: I wonder if I could put a question to you, Mr. Gariépy. Perhaps I could preface the question by saying two things: Number one, the basic points that you have made here this evening, speaking only for myself and not for the Committee, I am basically in sympathy with this position. I have only one trouble, one thing which concerns me, and this may be a point which you have discussed and I have missed because of the translation. I hope not. This is an awful responsibility for a journalist. What kind of information would the journalist receive and act upon to prevent some dreadful event from happening? Is there any such instance in which that would be the case? There are all kinds of examples, I am sure. If you found out that some group or person was going to do some terrible thing which would involve the death of a number of women and children, for example, what does the journalist do to prevent that or does he do anything? That is the only thing that troubles me.

Mr. Gariepy: Then, if such a situation should happen—and it may very well happen and possibly did happen in the past ...

[Text]

[Translation]

Mr. Gariepy: No, I do not think that we did discuss it. Certainly, whatever the legal system, the case of conscience will remain and will be recognized in the law. Some persons now enjoy certain privileges before the courts. I am thinking, for example, of lawyers and confessors who may know terrible things but, by virtue of their oath of secrecy, are incapable of divulging such information to anyone.

Now, take the case of journalists. Someone mentioned earlier that a journalist could receive an anonymous call stating that a bomb would go off in an airplane. I do not see what professional secret would prevent us from warning the authorities. After all, the informer was anonymous, we made no promise to him and we do not even know his name. I believe that this type of thing is fairly frequent, that newspapers are informed that a bomb has been planted at a given place or that a certain child has been kidnapped, that a child has been released for ransom, that he is at a given place and so forth.

It is not my view that it should be established that a journalist or newspaper should never co-operate in any way towards justice or public protection. It is possible, once again, that whatever legal system is established around the activity of the journalist, whether the present system or the system we are seeking, cases of conscience certainly will remain.

You mention information which a journalist might possess and which, revealed in time to the authorities, could prevent massacres or tragedies. Obviously, we are not asking that the law prevent journalists from telephoning the police. That is not what we are saying. We believe that having agreed under certain very definite circumstances and in the context of his functions to keep certain matters confidential, the journalist should not be forced by the courts to divulge such information, and there is a difference between that and the case...

Mr. Fortier: A further question.

Mr. Menard: All the more so as in making public the information he has received, the is automatically informing iournalist authorities.

Mr. Fortier: There may be a question of delay. However, a further question. In your brief presented to the Parliamentary Commit-The Chairman: I apologize if you discussed tee of the National Assembly, you recomthis earlier. I don't think that you did. mended the creation of a commission for freeYou mentioned some of the roles which such a diction over ownership and would approve commission could perform. To prevent certain transfers of ownership between press firms, abuses mentioned over the past hour, perhaps even the latter circumstance suggested by the chairman, would you agree, Mr. Gariépy, to the commission's being responsible for decreeing whether something is secret or not? Would you agree to that?

Mr. Gariepy: No, a body having all sorts of powers over the press is not the sort of commission we proposed to the National Assembly.

Mr. Fortier: Call it a press commission or an ombudsman, if you will, of the written or electronic press-would you agree to a person, insofar as possible an impartial person rather than the journalist himself, acting as a judge of whether or not the information communicated should remain secret?

Mr. Cariepy: First I should like to point out that in the spirit of what we recommend, the journalist would not be the final judge or, in any case, the only judge of the secret, that is, Whether professional secrecy applies or not. Let us say that a journalist is summoned to court to explain the meaning of an article he has written. He is questioned by the Crown or the judge and at a certain point in the proceedings a legal provision is invoked...

Mr. Fortier: Then, this information was obtained against the formal promise not to reveal...

Mr. Gariepy: Exactly. First of all, the journalist's statement may be contradicted.

Mr. Fortier: Of course—by the informant.

Mr. Gariepy: And the judge may decide whether the provision—perhaps Mr. Ménard can fill us in on this—whether the provision of the law applies or not. Therefore...

Mr. Fortier: Let us suppose that it does apply just for the purposes of my question.

Mr. Gariepy: If it does apply, I do not see Why a State board or commission would have to intervene in such an area which is strictly the responsibility of justice. We therefore feel and I do not know whether we shall have the time this evening to make distinctions that a commission should be created in Quebec which would be at least partly modelled on what exists at the federal level in the field of radio and television, the CRTC.

dom of the press, and on page 18 of the brief, The commission would have provincial jurisamalgamations of purchasing, printing or delivery firms and so forth. If such a commission did exist, it would have certain provincial powers over ownership. We do not feel that a commission whose functions would be very limited and restricted could, without becoming something quite different from what we are considering, interfere and state whether a journalist is entitled to claim professional secrecy or not.

> Mr. Fortier: It would be an absolute professional secrecy once the bases had been established in a protective code; in your brief, you are asking for an absolute professional secrecy.

> Mr. Gariepy: Which the journalist may invoke.

Mr. Fortier: Which the journalist may or must invoke?

Mr. Menard: Must. I feel that he must invoke it, but not as a means of defence.

Mr. Fortier: No. no.

Mr. Menard: When accused of libel.

Mr. Fortier: I understand very well.

Mr. Menard: However, in the theory which you advanced of allowing one person to judge whether or not the journalist must exercise the professional secrecy, you are supposing that there will be cases in which the professional secrecy of the journalist should not be protected. In other cases, you say that this should be protected. Therefore, it must be stipulated in the law what directives such a person must follow. In such cases, then, where the journalist may not invoke his professional secrecy, he will still find himself in the same dilemma which we raised earlier. That is to say, if individuals are aware of what categories of secrets are or are not recognized in law or in practice, people who may give information to journalists in confidence will not do so. For this category which you have eliminated we shall not only be unable to check it, we shall no longer know

Mr. Fortier: I attempted to stress the idea of public interest because, as you so aptly stated in your initial remarks, the public's right to information is more important than the administration of justice in such cases.

repressive aspect.

Mr. Fortier: We can define these terms ad nauseam but it amounts to that.

Mr. Menard: Over the long term, that is. It is not an option we present because, over the long term, we do not have to choose between information and repression. Over the short term...

Mr. Fortier: The text of the law would choose it. The text of the law would have this

Mr. Menard: But it would permit greater information. If the text of the law did not choose it, it would allow less information, but it would not allow greater repression.

Mr. Fortier: That is your suggestion, yes.

Mr. Menard: At least, this is how we look at the problem. And if you wish to create categories of secrecy...

Mr. Fortier: Agreed. I feel it has been well summarized.

[Text]

The Chairman: I am going to suggest that we perhaps might change the subject somewhat for a few minutes. I think the two lawyers may want to meet together privately later.

Mr. Fortier: If I had a choice I would not meet with the lawyer!

The Chairman: I won't ask you who you would meet with, Mr. Fortier!

In the fullness of time, Mr. Gariépy, I will have a translation of your submission to the Quebec Freedom of the Press Committee and I promise you I will study your submission. I wonder if for a few minutes I could ask you about some of your comments. I think the Committee would be interested. I don't think we require a long discussion. Can you summarize for us briefly what position the Federation took on the concentration of media in Quebec?

Mr. Gariepy: Certainly, in trying to do so both as briefly and as completely as possible, let us say, first of all, that the Federation is not opposed to concentration as being a necessarily bad phenomenon. On the contrary, we are prepared to recognize that to improve the quality of information, several forms of concentration are useful. However, we note

Mr. Menard: Yes, but administration in its for the most part that as such concentration is presently occurring, and particularly as it could continue to occur in Quebec, it is not without danger. We see it as a danger in itself if you will. We feel that allowing a small group of men to own most of the daily newspapers, most of the weekly newspapers and, at the time that we presented this brief, also all sorts of related enterprises such as radio and television stations, leads to a very dangerous situation.

> We have not claimed, and we do not claim today, that the groups now in control of the press firms in Quebec are using them to slant information, to oppose some ideas or citizens, or to obtain information. We are simply stating that there is a potential danger. And, whatever the guarantee contained in collective agreements, whatever the integrity of the men working as journalists or managers, when interference occurs, it is too late to prevent it.

> In any case, we feel that it is unhealthy in a democratic society to allow too great a portion of the mass media to fall into the hands of a small group of men and from this standpoint, in summary, we raise a principle with regard to the term "freedom of the press" which is often used in very different ways. In the initial stages of the press, of course, freedom of the press applied more to the editor than to anyone else. The right to express or publish one's opinions or information is an extension of individual freedom. We feel that the idea of freedom of the press, of allowing anyone at all to found a newspaper, is no longer an acceptable concept today, or, in any case, certainly not in such a limited way. It is our opinion that if freedom of the press consists solely in the right of any individual to found a newspaper without requesting permission, to manage and sell it without being subjected to any form of control, it is a very impractical freedom reserved for a very restricted number of millionaires or firms.

> We feel that as press companies grew in size and diminished in number, the journalists sent by such firms demanded another form of freedom of the press: the right to their work according to certain perform professional standards without the interfer, ence of the press company for commercial reasons, the right of announcers to be protected for political reasons and so forth. But fundamentally, we feel that freedom of the press today is above all the right of the public to honest, complete and high quality information. If we say that freedom of the press

means that Mr. Smith, who has many millions, has the right to have as many newspapers as he wants and fails to take into account the public's right to balanced information, I feel that we have a very limited concept of freedom. Now, having at great length propounded the idea of freedom of the press, we feel that in preventing the creation of a monopoly or a concentration which could prove very dangerous, the State has a role to play. And, having examined the various ways in which the State can perform this role ways such as legislating against trusts or coalitions and so forth-although Canadian laws do not have the force or give the same latitude to the government as do the equivalent American laws, we feel that the State should be able to intervene more positively. In any case, this is the formula we suggest be studied. It can be achieved through a board or commission, "mutatis mutandis". It could be somewhat similar to the setup in radio and television. I am aware, of course, that historically the press and the journalists themselves have always resisted any State intervention like the plague. We ourselves, not just the directors of the Federation, have had to discuss this matter at great length. We were unable to even reach unanimity among our members with regard to recommending to the State the possibility of creating in the Province of Quebec a government agency or commission to approve transfers of ownership of the mass media and other matters just as important as the ownership of the press companies themselves, the ownership, for example, of delivery or distributing agencies, advertising agreements or pools. Through an agreement among several newspapers, group of individuals may secure a monopoly of almost all of a given form of advertising and thus bring about the bankruptcy or disappearance of other firms.

We feel that this is a possible method, a democratic method which should be taken into consideration even if the media, the technique and the historical context of radio and television are opposed. We feel that what is accepted as a normal and democratic formula in the case of radio and television cannot be absolutely inadmissible in the case of the Written press. Obviously, in such a situation, many precautions and restrictions would have to be introduced. As you pointed out, Mr. Fortier, we have not proposed the exact composition and all the possible powers of a commission for freedom of the press in Quebec. We mentioned to the Parliamentary Committee that in our opinion a reasonable and

democratic solution to the problem of the concentration of press companies could be found in just such a board rather than in recourse to the courts over the issue of a monopoly, coalition or trust. This is the major recommendation we made to the Parliamentary Committee.

Mr. Fortier: The committee has not published a report, has it? It became defunct which the dissolution of the Assembly.

Mr. Gariepy: Which is extremely deceiving.

Mr. Fortier: No comment.

The Chairman: The Committee never reported?

Mr. Fortier: No.

The Chairman: After the election will its work be resumed or started over, assuming the government is re-elected? What happens? Is that work for nothing?

Mr. Gariepy: I do not necessarily believe that it should have to begin its work again; however, it should be re-established.

Mr. Fortier: Possibly the members would no longer be the same.

Mr. Gariepy: In any event, we appeared before the Parliamentary Committee in Quebec on September 10, I believe, and there was to be another hearing after that. The hearing did not take place. Then there were to be closed sessions to enable members to digest the mass of information assembled, and I do not believe that this work was done.

Mr. Fortier: Your brief is very complete because you do not merely state your proposals, you also reply to the possible objections they could raise. I found it excellent. Do you believe it is possible, Mr. Gariépy, to undo what has been done in the field of the written press in Quebec? Do you believe that the monopolies which exist today could or should be dissolved?

Mr. Gariepy: I believe that we made no suggestion to this effect.

Mr. Fortier: No, I realize that you did not, but . .

Mr. Gariepy: There were even some very specific situations which were unacceptable to us and which have been partly rectified since we submitted our brief. At the time we were aware that a group of men who already

owned Dimanche-Matin-one of the biggest Sunday papers-or who at least had a decisive influence in its publication and who also owned one of the biggest weekend papers, La Patrie, purchased the only major competitors of these publications. When Dernière Heure, the only competitor at the time, was purchased there was then an absolute monopoly in the French weekend newspapers. This group of men already owned La Patrie, and then purchased Le Petit Journal and Photo-Journal, also with wide circulations, Perhaps it is a misconception, but we feel, in the light of certain cases which have occurred in the United States, that such a transaction would never have succeeded in the United States by virtue of-I do not know the exact act-the Sherman Act or some other, and we feel that this is a serious abuse.

Since then, Québec-Presse has entered the market of Sunday papers. As a result, we can no longer talk of monopolies among Sunday papers. There was also a particularly difficult situation in certain areas where radio, television and the newspaper were controlled by different branches of the same firm, by Télémédia under the jurisdiction of Power Corporation and by Les Journaux Trans-Canada. In any event, the same men in various capacities were involved in these branches, a regional situation which, I believe, would never have been accepted in the United States. Since then, however, I believe that Québec Télémédia has been sold-and the file has recently been submitted to the CRTC-to another group of men in whom Power Corporation or Mr. Desmarais and the owners of Les Journaux Trans-Canada will have no interest. The situation has therefore changed somewhat. What we are seeking is not a special law to invalidate the purchases or transactions which have been made.

I feel I am making no idle claim when I state that given the very meagre resources of some newspapers, concentration or chains could appear and that the proposal we make is a reasonable solution. However, we feel that there should be someone appointed to determine whether such transactions are advisable or not. At the present time, such transactions are undertaken at the owners' will and we know the result. The same situation exists for radio and television. The CRTC does not prevent the sale of stations nor the construction of networks. It does not systematically fight against concentration. However, proofs must be given that such is reasonable and in the public interest.

Mr. Fortier: In the case of the CRTC, you know, the electronic media are concerned with the airwaves which are in the public domain?

Mr. Gariepy: Yes, but is is a concept—that airwaves do not exist until someone puts current through an antenna.

Mr. Fortier: If you had to establish criteria for this board, this commission, whose creation you are suggesting—we will leave the electronic media aside for the moment, we are going to speak merely about the written press—at what point would you think that a barrier had to be raised, when it would be necessary to say "enough"?

Mr. Gariepy: Well, the exact point where the barrier should be placed may be difficult to establish. But let us take an extreme, if you like, and if such a commission were to be established, the Canadian news content, for example—to go back, despite your defence, to a comparison—or if it had to establish the editorial policy or the exact circulation, or the publishing tone, or the policy, and all that,—it would be dangerous and ill-advised, and people would certainly object to that.

Mr. Fortier: There are newspaper firms which are, as you know, very marginal, are there not? We hear certain owners parade before us telling us: "If I do not sell today, death duties being what they are, my estate, my wife, my children will have to sell in order to pay my estate tax; therefore, I am selling today." How to avoid this problem when you have a Paul Desmarais who comes to you, and when that individual tells you: "I have a few cents"-as you pointed out in your brief. Then, he buys from you today, so that you can arrange your estate. How do you prevent it? Should this commission impose on a group of men in the area—let us say a city-and this was one of Mr. Ryan's suggestions, when he came before the Committee here, should a group of men be forced to get together and put forward enough money to make an offer so that the daily in question, or the weekly, will continue to be published by the local people, by the people in the area?

Mr. Gariepy: The CRTC's experience in this matter would be valuable since a similar situation could very well arise in the case of a person owning a broadcasting licence, whether radio or television, when the heirs want to sell, and so on, and the CRTC decides that the buyer is not acceptable.

Mr. Fortier: I will have to tell you, as you undoubtedly know, that more and more, with the CRTC, some of the decisions seem to encourage the creation of extensive networks.

Mr. Gariepy: Yes, that is right. If ever there were a single network which was authorized in a given province, and if all the stations in the key regions were served solely by that same network, there would be cause to worry about the way in which the CRTC was exercising its functions.

Mr. Fortier: What do you think, for example, about the creation of Radio Mutuelle, by station CJMS, Mr. Raymond Crépault?

Mr. Gariepy: I will not give a definite opinion on Radio Mutuelle, with your permission, any more than on any other chain in particular.

What I can repeat is that I do not object to regroupings, as such; a network may be valuable. If, for example, because 6, 7, 8 or 9 radio stations, in various regions of the province, form a network, and if that enables the people not only to consolidate the financial bases and to reduce operating costs-if it is obvious, and if it has been established that that is going to improve information, for example, that the isolated radio station, in some city in Quebec, can make use of information gathered by the reporters of some Other station, in some other region, in Montreal or in Quebec City-can profit more than in a single station, and that it can profit from a correspondent in Quebec-when the other smaller stations do not have the means to pay-and that depends really on cases-it cannot be said that all concentration, or every network is bad, or that every newspaper chain is bad, or good.

Mr. Fortier: In your opinion, they are all specific cases?

Mr. Gariepy: Yes, in a certain way, there are criteria to be respected, that are not formulated expressly, because people do not want to discuss trifles, but essentially, what is it? The quality of information, the viability or the profitability of the businesses must be assured; the volume of information must be assured; also the diversity of information must be assured; accessible in the regions. Too large a monopoly in the key sectors must be prevented or real competition will no longer have free play. Then starting with such principles, proposed amalgamations, or proposed networks, could be analysed, could

they not—if people object to making their point of view known. We think that this is a reasonable formula, so as not to block the way for the necessary evolution of newspaper firms, on one hand, and also so as not to leave it merely to the whim and wishes of the owners of information media, which are private property, but which nevertheless have a public interest function—and to decide finally what sort of information, what system of information to establish.

Mr. Piche: If I may, Mr. Fortier, we were speaking a while ago about attempting to set up a barrier which, we well know, is difficult to define. It is also possible for this commission, after an investigation, to determine certain procedures which may be characterized by a desire for the sound expansion of the firm, by a desire, let us say, to eliminate the competitor in order to be able to better corner the market—and that is the whole problem of criteria, which will certainly not be strict, which the commission will be able to take as a basis in order to be able to differentiate between the procedures. And we know that, in very specific cases, that such movement, such commercial operation, instead of striving for expansion which will contribute greater quality to information, has as its main aim the elimination of competitor.

Mr. Fortier: Some of you work for firms which are owned, let us say, by Mr. Desmarais; I assume that some of you have worked for another owner, possibly. Mrs. Gagnon, is it very different?

Mrs. Gagnon: No. Are you speaking about possible control over information, for example?

Mr. Fortier: I am speaking about what is brought out in the brief that you submitted—what you want to protect, what your Federation wants to protect. Do you believe that it has been threatened, in your everyday professional life, since Mr. Desmarais became owner of La Presse?

Mrs. Gagnon: No. At present, I would not say that and I think that in our brief we intentionally refused to mention specific cases, and even to hunt, in specific cases where there could have been some, in certain firms, for attempts to control information. That is just what we explained, it is a situation which presents dangers.

Mr. Fortier: It is this presence?

Mrs. Gagnon: It is what can happen.

Mr. Fortier: It is very clear, in your brief but I cannot resist the temptation of asking you the question, since you are here.

Mrs. Gagnon: Exactly; I was a journalist with La Presse under the reign of the Berthiaume family, and then, under the reign of Mr. Desmarais—or rather, Mr. Dansereau, and, in our daily work, I cannot say that there have been specific changes—aside from secondary changes.

Mr. Fortier: But you are practising your profession as journalist, in your opinion, in the same way as you did under the Berthiaume reign?

Mrs. Gagnon: Personally, yes.

Mr. Fortier: And is it your experience that your colleagues at La Presse, if they were here today, would give the same sort of answer?

Mrs. Gagnon: Mr. Gariépy also works at La Presse.

Mr. Gariépy: It depends from what point of view you look at it. Strictly from the angle of the work that has to be done, and of the scope involved in the professional tasks we have to do, and to present the work as it must be presented, I don't think that any fundamental change has come about. On the other hand, there can be other changes, in the union situation, for example, or in the editorial organization. In these areas there have certainly been changes, as the new owners of the company have announced their desire to modernize the administration, to innovate, and so on, and this has increasingly been translated into changes in the organizational program, in editing, in allocation of responsibility, and into the creation of new set-ups, which some people are happy with while others are not.

Mr. Fortier: Just one question, Mr. Chairman. On page 8 of your brief to the National Assembly in the last paragraph, when I reread it earlier this evening, I said to myself: I absolutely must ask about it. It reads like this:

"It may be sufficient to recall that in 1960 La Presse decided, for reasons no one has yet fathomed, to support the Union Nationale party in the provincial elections. Mr. Jean-Louis Gagnon was then 'out of town'. As time went on, this policy was made obvious to all by the amount

of space given to the two parties in the paper's columns. Journalists who covered Liberal meetings had their copy cut for 'technical reasons'. The choice of headlines, defensible on equally technical grounds, also revealed a definite measure of favoritism."

That was in the reign of Berthiaume. Today we are in the reign of Desmarais, and we also are undergoing an electoral campaign. Would you write the same thing, changing the name, perhaps, of one or the other of the parties, insofar as the present campaign is concerned?

Mr. Gariépy: Listen, it would be a glib way of avoiding your question to say that the campaign is not over, and that the answers to all these things will be given afterwardsthat would be an elegant way of lying. In any case, I myself am a political reporter, and I am one of those who are covering the electoral campaign. One thing is certain: there is at least one situation which is identical to 1960—that is that there is no such thing as a letter of directives, you know, giving orders to the reporters to weight the news in favour of one party or against another. As to the place accorded to the two political parties by the headlines or the position of articles, La Presse itself has done a study which it published, I think, a few days ago.

Mr. Fortier: Last week.

Mr. Gariepy: Good, you have read it. As for the rest, it can happen that on certain mornings one wonders; that can happen. But let me remind you once again that in 1960 the overall picture finally emerged, not after one day, but almost at the very end of the campaign, and, at that time, the evidence could have been a bit clearer, and there are always, not just technical excuses, but technical situations which mean that everyone cannot have the front page headline at the same time. Then, there are choices made, and a choice is matter for discussion.

So, you yourself may look into, and indeed La Presse has done so itself—and you and your research assistants may look into the contents of the papers belonging to the chain under discussion, or of La Presse in particular, and form your opinion at the end of the campaign as to whether the choice of articles, their tone, their placing, the photographs, the cartoons and so on, allows any preference to appear.

Mr. Fortier: In your opinion, do you think that, up to the present time, the administration has attempted to allow expression of preference?

Mr. Gariépy: Up to the present time, I have not believed such a thing.

Mr. Fortier: Mrs. Gagnon?

Mrs. Gagnon: I don't think so. You know, in the matter of controls which may be exercised over the news in modern newspaper concerns, we should no longer be talking in terms of brutal censorship—that is, in a fairly Well developed newspaper concern. Articles are not cut, or cut very little, except for considerations of space, for example. We must first ask ourselves how the concern is set up? What are the powers of the news editor or of the editor-in-chief? How is the difference between editorial and news defined? What people are hired and who are given the key posts? Finally, what atmosphere do the reporters work in? Some, for example, have developed slight reflexes of self-censorship, and there are many other questions which become really complex and which would require hours of discussion.

Mr. Fortier: However, you give an adequate summary, in your brief, of those you consider important.

Mrs. Gagnon: It is precisely in concerns like La Presse, for example, that we can no longer talk of developing crude censorship, with scissors snipping all over and all that.

The Chairman: Mr. Gariepy is aware that I was going to terminate the session and I am. He has said he would like to say a word or two about the press council. I think following that I will terminate the session but we would certainly welcome your comments on a press council

Mr. Gariepy: This will be very short. We don't mean to describe to you in detail the terms of an agreement in principle which came about between the administrative office of the Federation and those of the three pressemployers' associations in Quebec in connection with a project for a press council for the province of Quebec. We agreed on the principles, and I think you have already received the employers' project, as it might be called, on the basis of which several sessions of negotiations have taken place, and which has now finally been changed in various respects. The reply, not only of the Federation, but

also the final reply of the employers' associations concerning this project for understanding will come, from both sides, when we have held our respective general assemblies. As far as we are concerned, our annual meeting is from the 8th to the 10th of May, and on other dates, for Les Quotidiens du Québec, and Les Hebdos du Canada, and the French-language radio broadcasters.

The only comment I want to make, Mr. Chairman, is that, in our opinion, this press council may mean a certain number of useful solutions for some problems which it is not the State's duty, I think, to settle. I am thinking partly of the establishment of certain norms for professional ethics and the definition of duty. I am thinking of a certain form of supervision, also, over the activities of newspapers or journalists; I am thinking of the role of ombudsman, so to speak, for the contents of the news. On the other hand, we do not believe that this press council can have-since it will have only moral powers, so to speak, because this is an organism which wouldn't have coercive powers.

Mr. Fortier: A court of honour?

Mr. Gariepy: Well, if you like, yes. We don't think that such a body frees the State from certain responsibilities, when a danger, for example, like that of pollution, becomes significant, because we don't believe that a press council made up in part precisely of the representatives of the employers and of the owners of the papers, and partly of journalists, and partly of the representatives of the people, stands to be an appropriate and sufficiently independent instrument, or sufficiently detached from this particular world to be able to protect the public interest adequately, in such a case as that, where millions are at stake.

I am speaking here only, then, in the name of the administrative office of the Federation; I do not speak for the whole of the Federation, since, as I have said, the meeting of our Federation has yet to decide. We ourselves at the office believe that it is an innovation which could be very useful in implementing solutions which have remained at the planning stage for years. This is perhaps not a decisive attitude but, on the other hand, we want to avoid having it pass for a kind of magic solution to all the problems of the news. When there are press councils in the ten provinces of Canada, we do not believe that all the problems of the news will be solved—far from it.

Mr. Fortier: The two could go together, in fact—or should go together.

The Chairman: I would say to the witnesses, to Mr. Gariépy and his colleagues, that Senator Smith did not overstate the case when he said we have had a long day. We were in this room at 10:00 o'clock this morning. We have been here all day and we are due back at 10:00 o'clock tomorrow morning and we will be here until 10:00 o'clock tomorrow night. Notwithstanding that fact this has been a very interesting session. We have heard things about journalists and the administration of justice but I must say I don't think in any of our sessions have we dealt with it at such considerable length and at such an interesting length.

As I said earlier, I speak for the full Committee when I say we are particularly pleased to have your other material on our public record. Certainly I speak for myself, and I think for my colleagues, when I say we will study it and that it will certainly be a valuable part of our record.

I might say also, as I say to other members of the working press, that we quite appreciate that it is probably a personal imposition for each one of you to come here. We are mindful of it and particularly appreciative that you have found the time and taken the trouble to come. I might say that although our public hearings end on the 24th, that is a week from this coming Friday, it may be that we will seek out ways and means of talking in greater detail to members of the working press. All I can say in closing is thank you so much. In expressing my own and the Committee's appreciation to you personally, I am expressing it as well, I hope, to other members of the delegation and indeed to the members who sent you here. Thank you.

May I remind the Senators that the first session in the morning is at 10:00 a.m. with CHUM Limited. We have the Acadia Broadcasting Company, from Bridgewater, Nova Scotia, at 11:30 a.m. In the afternoon we have Bushnell Communications at 2:30, Monarch Broadcasting Company Limited at 4:30. Tomorrow evening at 8:00 o'clock we have the Institute of Canadian Advertising which is the association of advertising agencies.

The meeting is adjourned. Thank you.

Queen's Printer for Canada, Ottawa, 1970

the souther that of the transfer of the transfer of the state of the s



Second Session—Twenty-eighth Parliament 1969-70

THE SENATE OF CANADA

PROCEEDINGS OF THE

SPECIAL SENATE COMMITTEE

NO bien. Deput

MASS MEDIA

The Honourable KEITH DAVEY, Chairman

No. 39

THURSDAY, APRIL 16, 1970

WITNESSES:

CHUM Limited: Mr. Allan Waters, President and Director; Mr. Fred Sherratt, Vice-President (Programming and Operations) and Director; Mr. Larry Solway, Vice-President (Creative Development) and Director; Mr. John Manol, General Manager, CKPT, Peterborough; Mr. Terry Kielty, General Manager, CFRA-CFMO, Ottawa; Mr. Ralph Snelgrove, President, CKVR-TV, Barrie, and Director of CHUM Limited; Mr. Paul Akehurst, General Manager, Canadian Contemporary News System; Mr. Bill Ozard, Station CJCH, Halifax.

Acadia Broadcasting Company Limited: Mr. John Hirtle, Vice-President, Acadia Broadcasting Company Limited and General Manager, CKBW, Bridgewater, N.S.; Mr. James A. Macleod, Secretary-Treasurer, Acadia Broadcasting Company Limited and Station Manager, CKBW.

Bushnell Communications Limited: Mr. Stuart W. Griffiths, President and Managing Director; Mr. E. Bushnell, Chairman of the Board.

Monarch Broadcasting Co. Ltd.: Mr. Orv Kope, General Manager, CHAT Radio and CHAT-TV, Medicine Hat, Alberta.

The Institute of Canadian Advertising: Mr. Warren H. Wilkes, President of the Institute and President of Tandy Advertising Limited, Toronto; Mr. Maurice Brisebois, Director of the Institute and Executive Vice-President of Vickers & Benson Ltd., Montreal; Mr. A. M. Shoults, Second Vice-President of the Institute and President of James Lovick Limited, Toronto; Mr. T. Denis Jotcham, Secretary-Treasurer of the Institute and Vice-President, Eastern Division, and Manager (Montreal) of Foster Advertising Limited, Toronto; Mr. George G. Sinclair, Past President of the Institute and President and Chairman of the Board, MacLaren Advertising Co. Limited, Toronto; Mr. J. N. Milne, P.Eng., Managing Director of the Institute and Vice-President, Research, MacLaren Advertising Co. Limited, Mr. F. W. D. Campbell, Trustee of the Institute and Partner of Campbell, Lawless & Punchard, Chartered Accountants, Toronto; Mr. Barry Thomas, Media Director, McKim/Benton & Bowles Ltd., Toronto, Mr. Hal Roach, Chairman of the Board, McKim/Benton & Bowles Ltd., Toronto.

MEMBERS OF THE SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, Chairman
The Honourable L. P. Beaubien, Deputy Chairman

Beaubien McElman Bourque Petten

Davey Phillips (Prince)

Everett Prowse
Hays Quart
Kinnear Smith

Macdonald (Cape Breton) Sparrow
Welch

(15 members)

Quorum 5

way, Vice-President (Creative Development) and Director; Mr. John Mano General Manager, CKPT, Peterborough; Mr. Terry Kielty, General Manager CFRA-CFMO, Ottawa; Mr. Ralph Snelgrove, President, CKVR-TV, Barris and Director of CHUM Limited; Mr. Paul Abeliurst, General Manager, Cans dian Contemporary News System; Mr. Bill Oxard, Station CJCH, Halifax, dia Broadcasting Company Limited: Mr. John Hirtle, Vice-President, Acadi

Broadcasting Company Limited and General Manager, CKBW, Bridgewäter, N.S.; Mr. James A. Macleod, Secretary-Treasurer, Acadia Broadcasting Company Limited and Station Manager, CKBW.

Director: Mr. E. Bushnell, Chairman of the Board.

Institute of Canadian Advertising: Mr. Watren H. Wilkes, President of the Institute and President of Tandy Advertising Limited, Toronto; Mr. Maurise Brisebois, Director of the Institute and Executive Vice-President of Vickers & Benzon Ltd., Montreal; Mr. A. M. Shoults, Second Vice-President of the Institute and President of James Levick Limited, Toronto; Mr. T. Denis Jotcham, Secretary-Treasurer of the Institute and Vice-President, Eastern Diviction, and Manager (Montreal) of Poster Poster Single Limited, Toronto; Mr. Correct G. Singleig Part President of the Institute and President and Charge G. Singleig Part President of the Institute and President and Charge G. Singleigh Part President of the Institute and President and Charge G. Singleigh Part President of the Institute and President and Charge G. Singleigh Part President of the Institute and President and Charge G. Singleigh Part President of the Institute and President and Charge G. Singleigh Part President of the Institute and President and Charge G. Singleigh Part President of the Institute and President and Charge G. Singleigh Part President and Part President and President

Oreige G. Sinclair, Past President of the Institute and President and Chairman of the Board, MacLaren Advertising Co. Limited, Toronto: Mr. J. N. Milne, P. Eng., Managing Director of the Institute and Vice-President Research, MacLaren Advertising Co. Limited, Mr. F. W. D. Campbell, Trustee of the Institute and Partner of Campbell, Lawless & Punchard, Chartered Accountants, Toronto: Mr. Partner of Campbell, Lawless & Punchard, Chartered Accountants, Toronto:

Ir. Hal Roach, Chairman of the Board, McKim/Benton & Bowles Lid. Toronto

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (Cape Breton), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, December 18th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and-

The question being put on the motion, it was—description and really and Resolved in the affirmative, on division.

Extract from the Minutes of the Proceedings of the Senate, Friday, December 19th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Langlois:

That the names of the Honourable Senators Bélisle and Phillips (*Prince*) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—arriffs and no bevious Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 3, 1970.

With leave of the Senate, asw ii moitom on no tug agied noiseaup off

The Honourable Senator McDonald moved, seconded by the Honourable Langlois:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 10th to 19th February, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and-

The question being put on the motion, it was—a ed (4) of alas and

Resolved in the affirmative. And the state most sibold each no stange

Extract from the Minutes of the Proceedings of the Senate, Thursday, February 5, 1970.

With leave of the Senate, With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Haig:

That the names of the Honourable Senators Quart and Welch be substituted for those of the Honourable Senators Bélisle and Willis on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 17, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Connolly (Halifax North):

That the name of the Honourable Senator Kinnear be added to the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That the name of the Honourable Senator Langlois be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was-standed the system of the s eldmuon Resolved in the affirmative. an DisnoCoM notened sidenuonoH ad I

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

tade has With the leave of the Senate, and the senate with the leave of the Senate, and the senate with the se

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 4th to 13th March, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

The question being put on the motion, it was— Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, March 19, 1970

guives With leave of the Senate, What shalls round Senate and to send The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media on 24th and 25th March, 1970, and from 14th to 23rd April, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and-The question being put on the motion, it was—and sidemonoll soll Resolved in the affirmative.

To tail ad to bebbs ad manner Kinnear be added to the list of Robert Fortier, Sibolic 28 M no Sings and to softimmo laison of the Senate.

MINUTES OF PROCEEDINGS

Thursday, April 16, 1970. (39)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, (Chairman); Kinnear, Macdonald (Cape Breton), McElman, Petten, Smith and Sparrow. (7)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

Mr. Allan Waters, President and Director, CHUM Limited;

Mr. Fred Sherratt, Vice-President (Programming and Operations), and Director of CHUM Limited;

Mr. Larry Solway, Vice-President, (Creative Development), and Director of CHUM Limited;

Mr. John Manol, General Manager, CKPT, Peterborough;

Mr. Terry Kielty, General Manager, CFRA-CFMO, Ottawa;

Mr. Ralph Snelgrove, President, CKVR-TV, Barrie, and Director of CHUM

Mr. Paul Akehurst, General Manager, Canadian Contemporary News System;

Mr. Bill Ozard, Station CJCH, Halifax;

Mr. John Hirtle, Vice-President, Acadia Broadcasting Company Limited and General Manager, CKBW, Bridgewater, N.S.;

Mr. James A. Macleod, Secretary-Treasurer, Acadia Broadcasting Company Limited and Station Manager, CKBW.

The following witness was present but not heard:

Mr. Alex Forbes, Vice-President (Finance), and Director of CHUM Limited.

At 1.20 p.m. the Committee adjourned to 2.30 p.m.

At 2.30 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, (*Chairman*); Everett, Kinnear, McElman, Petten, Smith and Sparrow. (7)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

- Mr. Stuart W. Griffiths, President and Managing Director, Bushnell Communications Limited;
 - Mr. E. Bushnell, Chairman of the Board, Bushnell Communications Limited;
- Mr. Orv Kope, General Manager, CHAT Radio and CHAT-TV, Medicine Hat, Alberta;

The following witnesses were also present but were not heard:

- Mr. Ray A. Faibish, Executive Vice-President, Bushnell Communications Limited;
 - Mr. Charles O'Connor, Secretary and General Counsel, Bushnell Communications Limited.

At 5.40 the Committee adjourned to 8.00 p.m.

At 8.00 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, (Chairman); Macdonald (Cape Breton), McElman, Petten, Smith and Sparrow. (6)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant.

The following witnesses, representing The Institute of Canadian Advertising, were heard:
hear

- Mr. Warren H. Wilkes, President of the Institute and President of Tandy Advertising Limited, Toronto;
- Mr. Maurice Brisebois, Director of the Institute and Executive Vice-President of Vickers & Benson Ltd., Montreal;
- Mr. A. M. Shoults, Second Vice-President of the Institute and President of James Lovick Limited, Toronto;
- Mr. T. Denis Jotcham, Secretary-Treasurer of the Institute and Vice-President,
 Eastern Division, and Manager (Montreal) of Foster Advertising Limited,
 Toronto:
- Mr. George G. Sinclair, Past President of the Institute and President and Chairman of the Board, MacLaren Advertising Co. Limited, Toronto;

- Mr. J. N. Milne, P.Eng., Managing Director of the Institute and Vice-President, Research, MacLaren Advertising Co. Limited, Toronto;
- Mr. F. W. D. Campbell, Trustee of the Institute and Partner of Campbell, Lawless & Punchard, Chartered Accountants, Toronto;
- Mr. Barry Thomas, Media Director, McKim/Benton & Bowles Ltd., Toronto;
- Mr. Hal Roach, Chairman of the Board, McKim/Benton & Bowles Ltd., Toronto.

At 10.15 p.m. the Committee adjourned to Tuesday, April 21, 1970, at 10.00 a.m.

ATTEST:

Denis Bouffard, Clerk of the Committee nami 13th. de Ma Milner, P. Engaraldanaging, Directore of the slocking on de Mice President, Research, MacLaren Advertising Co. Limitett (Forontos), bear direct, nourse

Ar F. W. D. Campbell, Irustee of the Institute and Partner of Campbell, Laviess and Partner of Campbell, Laviess & Funchard, Chartered Accountants, Loronto v. M. cambbeau Campbell, Laviess

Mr. Barry Thomas, Media Director, McKim/Benton & Bowles Ltd., Toronto: h used craw secretic warm sectors of the second of the

Mr. Hal Roach, Chairman of the Board, McKim/Benton & Bowles Ltd., Toronto.

Mr. B. Bushnell, Chairman of the Board, Bushnell Communications Limited,

ATTEST

ATTEST

Clerk of the Committee

Clerk of the Committee

The following witnesses were also present but were not heard

Mr. Ray A. Fathala, Extentive Vice-President, Businell Communications Limited

Mr. Charles O'Conner, Secretary and General Counsel, Bushnell Communications
Limited

At 5.40 the Committee attentioned to 8.00 p.m.

At 8.00 p.m. the Ceremittee resumed

Present The Honomatic Strates, Davey (Charman), Macdougld (Cape Breton), Mchiman, Petten, Smith and Sparid v. (b)

In attandance Miss Marisone garne Director and Administrator; Mr. Borden Spears, Executive Consultant

The following actuesces, representing The Institute of Camidian Advertising, were beard

- Mr. Warren H. Wolkes. President of the building and President of Janey.
- Mr. Mangice Brischon, Director of the Institute and Executive Vice-President of
- Mr. A. M. Shanis, Second Vice-President of the Institute and President of James
- Mr. T. Dersk Rescheen Secretary Transport of the institute and Vice-President Eastern Destroy, and Manager Ottonbreal) of Faster Ach ertising Limited. Toronto.
- Mr. George G. Shadan: Rust President of the Institute and President and Chairman of the Board, Man Laren Advertising Co. Limited Toronto.

SPECIAL SENATE COMMITTEE ON MASS MEDIA

EVIDENCE

Ottawa, Ontario, Thursday, Apr. 16, 1970.

The Special Senate Committee on Mass Media met this day at 10:00 a.m.

Senator Keith Davey (Chairman) in the chair.

The Chairman: Honourable Senators, we are receiving two briefs this morning. The first brief is from CHUM Limited. The President of CHUM Limited, Mr. Allan Waters is sitting on my immediate right. I think that perhaps when I call on him in a moment or two I will ask him to introduce the team of people that he has here.

Allan, I know you have attended several hearings and I think you are reasonably familiar with the procedure. We ask you to make an oral statement, following which we will ask you questions on the oral statement and your written brief which has been circulated to the Senators. I think some of us have studied the brief and we would like to question you on that, on your oral statement and other matters as well. If you wish to refer any questions to any of your colleagues, that is fine. Why don't you proceed? Welcome.

Mr. Allan Waters, President of CHUM Limited: Mr. Chairman and Honourable Senators. All of us present today are pleased to appear before this distinguished Senate Committee. It is particularly good for me to renew acquaintances with my friend Senator Davey. I have competed with the Senator in the broadcasting business and I have worked with him during political campaigns. As a matter of fact, in 1957 or '58 when Senator Davey was working for an opposition radio station in Toronto, I offered him an important position at CHUM. He declined my offer...

The Chairman: It was a great mistake!

Mr. Waters: He declined my offer and continued as one of my competitors. Then on to the political arena,

and now he is a Senator. If Keith Davey had taken my job offer he might have been sitting up here as one of the CHUM people instead of as the Chairman of this Committee.

The Chairman: I still say it was a great mistake!

Mr. Waters: I have got to get in my last line!

Senator Sparrow: Is the offer still open?

Mr. Waters: In fact, if he had taken my offer, there might never have been a Senate Committee on Mass Media.

The Chairman: I repeat Senator Sparrow's question: Is the offer still open?

Mr. Waters: No comment! As you are aware, we have representatives here from each of the communities in which there is a CHUM group station. The five areas are: Halifax, Ottawa, Peterborough, Barric and Toronto. We also have with us Paul Akehurst, the General Manager of Canadian Contemporary News System, which is owned by CHUM. Paul is located in Ottawa and is a pioneer in the development of an all-Canadian radio news system. I felt it was important that he be available for questioning.

Also with us is Larry Solway who is the moderator of our open-line program on CHUM in Toronto. Larry has been doing this program for ten years now and he is in daily contact with the listening audience. He may have some interesting observations in answer to your questions.

I thought it was important to have representatives from each market in which we are located. Each person here from the CHUM group has made a contribution to our written brief. They are anxious to participate in any areas where their explanations will assist this Committee.

I realize the Committee has received background information on the CHUM people present but I would like to add just a little more about these experienced broadcasters and businessmen.

Fred Sherratt, sitting on the Senator's left, was a co-founder of a radio station in Simcoe, Ontario, 1956. We hired Fred in 1960 to manage our newly acquired bankrupt radio station in Peterborough. With Fred's ingenuity and hard work, and with assistance from CHUM in Toronto, CKPT Peterborough became an important communication factor. When we acquired an interest in Halifax radio station DJCH, Fred was moved there for a period of four years. He was brought to Toronto last summer and is now our Vice-President of programming and operations for all CHUM group stations. I feel this is an excellent example of how the talents of one young Canadian Broadcaster have been advanced as the result of multiple ownership.

Ralph Snelgrove, sitting on my right, is one of the pioneers of Canadian broadcasting. Ralph founded radio station CKBB, Barrie in 1949 and television station CKVR, Barrie in 1955. All told, Ralph has been involved in broadcasting for approximately 30 years. Ralph is a close business partner of mine and I have always found him to be a good source of money when I needed it for an investment. He hasn't lost on me yet, and I don't intend that he will.

Larry Solway, who is sitting next to Ralph, I have already spoken about. I would just like to add that Larry, in my opinion, is one of the most creative Canadian broadcasters we have in this country.

Paul Akehurst, who is sitting next to Larry, I have also spoken about. Paul has been with CHUM for 6 years and has made a tremendous contribution to broadcast journalism in Canada.

Alex Forbes, who is sitting on my left, is our Vice-President of Finance. He is the watchdog of our money.

Terry Kielty has been with CFRA Ottawa for 23 years, since its inception in 1947. He is now Vice-President and General Manager and well known for his community activities, and sports activities, particularly football.

Next to Terry is John Manol. He has been General Manager of CKPT Peterborough for the past three years. Prior to that he was with CKBB in Barrie for 8 years. This is another example of promotion from within our own organization.

The last man next to John in the CHUM group, but certainly not the least, is Bill Ozard, Manager of Radio Station CJCH, Halifax. Bill is one of Nova Scotia's best known radio and television personalities. He has been at CJCH for 9 years and has progressed from a start in the News Department, to Programming, then Program Manager, and last summer he was made Station Manager.

I hope, Senator Davey, this has not sounded too much like the introduction of a head table at a Kiwanis luncheon. However, I felt it was important that you and your colleagues have a little more information about those responsible for our broadcasting operations.

As evidenced from what I have already said, CHUM Limited is involved in group ownership—or it can be referred to as multiple ownership. We do not believe we are involved in concentration of ownership.

Our involvement as a group owner is much more than just a financial investment; we are aware and involved in the operation of every station, programwise, engineering, sales, financial, every important aspect of each of our stations is known and understood by our corporate management.

However, each station has its own general manager who is responsible for day-to-day operations and for policy decisions. Each manager is deeply involved in the community he serves, as are many members of his staff. He is on his own to operate his station to the best of his ability. If he needs assistance, be it advice on programming, sales, financial—he asks for it, and he gets it. If flaws develop in any part of a station's operation, we immediately investigate. Constant communication is maintained at all levels between each station and each market.

CHUM believes that multiple ownership, or group ownership, is good for Canadian broadcasting. Based on our experience, the public is better served.

As stated in our written brief, we have encountered no abuse of so-called concentration of ownership in Canadian media. We do not profess to be totally familiar with all media in all of Canada; we wish we were, but in our experience and our observations we feel no concern about concentration of ownership.

To be specific, is there was a market of any significant size in Canada, totally isolated except for local media—radio, television, newspaper and cable, and all of this media was owned by one group, or one

person, there may be cause for concern. We do not believe a condition such as this exists and in any situation where there is concentration of ownership of media, there are always many alternatives available.

CHUM wants to expand further in broadcasting in Canada. We believe we understand something about communicating with people. We also believe we understand the economic necessities of the broadcasting business.

CHUM believes it is good for Canada that broadcasters from one part of the country are doing business, and communicating, in another part of the country. It broadens the outlook and understanding of more Canadians about Canada. We hope the policies of the Government of Canada will allow us our desired further expansion.

I sincerely hope, Senator Davey, that our written brief submission and this brief oral presentation have been of value to your Commission. All of us from the CHUM group are anxious to make a further contribution by answering any questions you, or your colleagues or your counsel, may have. Thank you.

The Chairman: Thank you, very much, Mr. Waters. Let us proceed right to the questioning with our counsel Mr. Fortier.

Mr. Fortier: Mr. Waters, television came to Canada in 1952 and a lot of radio broadcasters at the time felt it spelled the doom of radio. Yet two years later, you made an offer to purchase radio station CHUM in Toronto. Why?

Mr. Waters: I had a rather complicated situation at that particular time. I was not involved in the radio broadcasting business, I was involved in the advertising business. The opportunity presented itself to buy this station and I perhaps did not know about television at that time but I was convinced radio could be a good investment and I bought it.

Mr. Fortier: Why radio rather than a manufacturing industry?

Mr. Waters: Well, I had been in the advertising and selling business, I am a salesman. I figured if I could sell drug products and other things I could sell radio time.

Mr. Fortier: Was this your main concern in purchasing a radio station to sell time on it?

Mr. Waters: Oh, no. 5000 cooks and room mathema

Mr. Fortier: What was it? What was your main philosophy, your main behind-the-offer reasons for purchasing a radio station? Why did you want to get into broadcasting?

Mr. Waters: I wanted to get into the advertising business on my own. I will put it that way. I will put it another way: I had to first sell time on it because the station was broke. That was the first point but beyond that, Mr. Fortier, I had things in mind about how this station CHUM could better serve the Toronto market. I put those into effect by taking a station with 1000 watts to the present station of 50,000 watts full time and providing a much better service to the community. I may not be correct on this, but I believe we had 23 or 24 people then and now we have 90.

Mr. Fortier: You had a certain concept of what radio and broadcasting was all about in 1954. Has this changed in the last 15 years?

Mr. Waters: What do you mean "concept"? Do you mean program concept?

Mr. Fortier: You said you bought CHUM radio station and you wanted to do something with it. Have your thoughts changed as to what a radio station should do in a given market?

Mr. Waters: No, not really.

Mr. Fortier: Has it evolved at all?

Mr. Waters: There have been certain changes: How you go about doing it now as compared to how you did it in 1954. Anybody trying to do it now the way they did it then is going to be in trouble. I think it is changing all the time. How you reach your audiences is different.

Mr. Fortier: CHUM has become commonly referred to as a "top 40" station. Is that right?

Mr. Waters: Right. Man of populo I nob sW module

Mr. Fortier: Was this what you wanted to do with it in 1954, make it a "top 40" station?

Mr. Waters: Well, let me go back. In 1954 I didn't do anything with it but try and keep it on its feet for three years until I could get it on full time. You cannot compete in a metropolitan market with a station that is not on 24 hours a day. When it came to the time that we could get it on 24 hours a day, the

way I did it was assess the market and find out where there was an opening. There was an opening in Toronto for a popular music station, a "top 40" station-call it what you may. We chose that opening and we have been programming the same way ever since.

Mr. Fortier: It has been said that broadcasting can inform, can educate, and can entertain. It can do any one of the three or all three. Within those three goals, three objectives of broadcasting, which one do you feel is most important at the CHUM group of stations?

Mr. Waters: Well, I think I would have to say it may have been a toss-up between informing and entertaining. I don't believe that radio is as much an entertainment factor as it once was. Radio is more a vehicle to inform, in my opinion. In other words your constant flow of news, your constant flow of information about what is going on up in space at this very moment. It is my opinion that radio does an information job. The music is there as entertainment value and Mr. Solway's program is there to inform people and also for entertainment value, I think.

Mr. Fortier: Are "top 40" tunes wrapped around the news or is the news wrapped around "top 40" tunes?

Mr. Waters: Just depends, no. They are not wrapped around, sir. They are presented in a professional manner. If they were not we would not have any listeners.

Mr. Fortier: Again I come back to my earlier question: Which to you is most important: to be known as a "top 40" station or known as a station which provides reliable good news through this Contemporary News System service?

Mr. Waters: We would prefer to be known as a station that does provide excellent news together with our Contemporary News System. We have been tabbed from day one by the press of Canada as a "top 40" station. We don't object to that.

Mr. Fortier: And yet, as recent BBM figures seem to indicate, you are boasting about the fact you are reaching a more adult audience. Is this your young hippie of yesterday who has become older today, that you have sought and possibly managed to hold on to, or is this a new audience you are catering to?

Mr. Waters: I think it is perhaps a little bit of each. I think the younger audience we appealed to starting in

1957 is now getting older but also, sir, I think there is a factor that the people who frowned on "top 40" music 10 years ago are liking it today and I think there is much more acceptance for "top 40"—I like to call it hit parade music. Our adult audience is increasing and will increase further.

Mr. Fortier: But you are not changing the over-all package, the over-all sound which you have consistently offered to your listeners? Is that correct?

Mr. Waters: That is correct.

Mr. Fortier: You say the listeners are becoming more interested in hit parade music. Is that because you are presenting a better or more attractive package or is that because "top 40" music per se, in itself, has become more common?

Mr. Waters: I think that the "top 40" music has become more accepted or more common, whichever way you want to look at it. I do believe that CHUM is doing a better job of presenting it. We learn every day. We believe we are presenting it very well and it is very important how it is presented.

Mr. Fortier: How do you select the top 40 tunes? Do you buy the list from day to day or week to week from the American Hit Parade or do you make that selection at CHUM headquarters in Toronto?

Mr. Waters: The selection is made at CHUM head-quarters in Toronto.

Mr. Fortier: On what basis?

Mr. Waters: As I have been doing a lot of the talking and I know the other gentlement would like to, I would ask Fred Sherratt if he would expand on that.

Mr. Fred Sherratt, Vice-President (Programming and Operations) CHUM Limited: Senators and Mr. Fortier. There are many ingredients that are used in preparing the weekly play list on CHUM, which is really a different item than a published top 30 list. It is longer to start with. Primarily it reflects requests to the radio station, sale of recordings in the metropolitan area of Toronto; information received from record distributors and companies as to the wholesale movement of records; the influence of the successes of the records in other markets in North America, or indeed in the world; and information that we gather through the Maple Leaf System which CHUM spearheaded nearly a year ago, which assessed the impact of Canadian recordings across Canada.

which are the top 40 in the CHUM market or is it the station or a New York station? top 40 in another market?

Mr. Sherratt: No, the Hit Parade-the "top 40" is really not a correct term. It is a name applied a long way back. Somebody decided it might work if they played only 40 records but that does not happen at CHUM or in any contemporary station that I know of. The Hit Parade itself is 30 records long and indeed reflects the Toronto market. It will be different in any given week than the Hit Parade at CJCH or CFRA or in Vancouver.

Mr. Fortier: How different?

Mr. Sherratt: It varies. I don't think without getting them and actually doing a comparison I could give you an accurate answer.

Mr. Fortier: How different is it from the top 30 in, say, New York or Los Angeles?

Mr. Sherratt: A few weeks ago I did a comparison between the top 30 published by CHUM and the top 30 recordings in Billboard, which is an American music publication. I think of the 30 records, the top 30 in Billboard, about 20 or two-thirds would appear on the CHUM list.

Mr. Fortier: Are there instances of records which appear on CHUM's Hit Parade prior to appearing on say Bilboard?

Mr. Sherratt: Oh, yes.

Mr. Fortier: There are?

Mr. Sherratt: Mostly that happens, most of the time. I am talking about the top half. They list so many-they have a hundred and a lot underneath in small type that I have trouble reading.

Mr. Fortier: What you are telling the members of the Committee is that the Hit Parade which you play, which your station is famous for in the Toronto market, is the CHUM Hit Parade? Is that correct?

Mr. Sherratt: Yes.

Mr. Fortier: As determined by some people?

Mr. Sherratt: Yes.

Mr. Fortier: Am I right in understanding the top Mr. Fortier: And which may on any given day, or 40 on any given day is a total of tunes, music pieces, may not be identical to the Hit Parade on a Vancouver

Mr. Sherratt: Yes.

Mr. Fortier: Is there any exchange of information between radio stations who cater to this "top 40" type of programming?

Mr. Sherratt: Yes. Through the Maple Leaf System and through conference calls they will discuss records of an unusual strength, no matter what the origin, foreign records of an unusual strength. I believe most of the stations in Canada exchange charts, which is a published list of records. The chart incidentally does not reflect all the music played on the radio station.

Mr. Fortier: It has been said that on a radio station such as yours, a disc jockey-if I could use a stockbroker's term-who wishes to promote a record, can do it.

Mr. Sherratt: He can do it and then he is unemploved.

Mr. Fortier: Has that ever happened at your station?

Mr. Sherratt: Not that I know of.

Mr. Fortier: One has done it and become unemployed?

Mr. Sherratt: Not that I know of.

Mr. Fortier: Do you oversee the selection of all tunes which make up on any given day the Hit Parade?

Mr. Sherratt: I don't do it personally. We have a program supervisor, Robert Wood, who does.

Mr. Fortier: What percentage of the listening time on a day is devoted to playing Hit Parade records?

Mr. Sherratt: I would think that in an hour where we are playing music it would constitute 70 per cent of that hour-65 per cent.

Mr. Fortier: How often in a day would you play the same tunes, the same top 30?

Mr. Sherratt: That will vary. The strongest current new music would be exposed probably six to seven times a day in a 24-hour period.

Mr. Fortier: How does a new record get on the top 30, get on the Hit Parade?

Mr. Sherratt: The public put it on the Hit Parade. We put it on the radio station.

Mr. Fortier: There is no way a record could be cut today and included in the top 30 this evening?

Mr. Sherratt: It would not be included in the top 30. It could be played on the radio station. We play more music than that on the top 30. We play new music too.

Mr. Fortier: Who decides to play the new music?

Mr. Sherratt: Our people, the professional programmers.

Mr. Fortier: Would this be the disc jockeys?

Mr. Sherratt: No. We have three people to use Toronto as an example, at the Toronto radio station, who together make that judgment with all the information they can obtain.

Mr. Fortier: Let me then ask you my earlier question: To what extent can they influence the success or failure of a record?

Mr. Sherratt: I don't think as individuals they can. I would have to say, if you are questioning what influence does CHUM have . . . I think it is safe to say if CHUM plays a record it has the opportunity of becoming a hit in Canada, particularly in Toronto. We can't assure it being a hit. The people make it a hit, the public.

Mr. Fortier: What you are saying is that CHUM, all things being equal, can make the success of a record?

Mr. Sherratt: No.

The Chairman: No?

Mr. Sherratt: No. We can contribute to the possibility of it becoming a success by playing it but we play many records that never make it as hits or never make it on the charts.

Mr. Fortier: Why do you play them?

Mr. Sherratt: They are mistakes.

Mr. Fortier: Has any of your mistakes ever become a hit?

Mr. Sherratt: Yes.

The Chairman: Then it is not a mistake!

Mr. Sherratt: Conversely, yes; we have made mistakes and not played records that have become hits.

Mr. Fortier: When you say at page 26 of your brief, paragraph 14, that "Programming a broadcasting station today is extremely complex"... since 70 per cent of your programming is top 30...

Mr. Sherratt: No, it isn't. It is music.

Mr. Fortier: It is music. My apologies. Is this the complexity to which you refer, the selection of the record?

Mr. Sherratt: That is one of the factors that makes it complex. It is only one ingredient. Music is only one ingredient of a radio station.

Mr. Fortier: You have a library, of course?

Mr. Sherratt: Yes.

Mr. Fortier: What percentage of your library is Canadian music or music played by Canadian performers?

Mr. Sherratt: At CHUM in Toronto we play the current Hit Parade, as we have been discussing. We play new music; we play what is referred to as golden or established hits, nostalgia. Of the nostalgia being played at CHUM right now we are playing from approximately 1200 selections. A recent survey indicated that a little better than 3 per cent of those can be considered Canadian.

Mr. Fortier: Three per cent of your nostalgic library is Canadian?

Mr. Sherratt: Yes.

Mr. Fortier: Is that indicative of something?

Mr. Sherratt: I think it is indicative of the music that is available that is Canadian. There has been a great

improvement in the availability of Canadian music in the last two years.

Mr. Fortier: Let us move on to another category. Aside from nostalgic music do you have any other category?

Mr. Sherratt: Not at CHUM.

Mr. Fortier: You don't have any other section of your library where there is an appreciable percentage of Canadian content music?

Mr. Sherratt: The largest percentage of Canadian music available today is in current popular music.

Mr. Fortier: What is the percentage there?

Mr. Sherratt: Well, the current play list at CHUM right now, I think it is about 12 per cent.

Mr. Fortier: So if the CRTC proposals with respect to Canadian content on AM stations became firm regulations, CHUM would have a certain difficulty meeting the minimum requirements. Is that correct?

Mr. Sherratt: Yes, sir.

Mr. Fortier: What are your views, Mr. Sherratt, and Mr. Waters, on those proposals?

Mr. Sherratt: Perhaps Mr. Waters might like to refer ...

Mr. Fortier: Mr. Waters?

Mr. Waters: Mr. Fortier, we have presented a brief to the CRTC starting that we are in agreement with the intent to have more music played on Canadian stations, but it is our belief that it cannot be done at the present time without sacrificing the quality of programming on Canadian stations. That is our belief.

Mr. Fortier: On all Canadian stations or on your type of Canadian station?

Mr. Waters: Well, we have four different types of Canadian stations.

Mr. Fortier: I am talking about CHUM at the moment.

to meet it." As a matter of fact it would be difficult

on all four of our stations. You can meet it but you are going to be playing substandard music and you are going to be repeating music too often. If you do this in a market such as Toronto, or practically any market you can pick-you heard vesterday about the gentleman from Perth that could get nine American stations. In Toronto Senator Davey knows how many Buffalo stations you can get. I think Senator Davey also knows, because he comes from Toronto, how popular those Buffalo stations were back in the 1940's. So I think in order to meet the 30 per cent, Mr. Fortier, you are going to be sacrificing permanent quality and this may hurt the station's audience. If you hurt the audience you cannot expose your news to them. You cannot expose your talk programs to them. Your audience goes down and so does your revenue.

The Chairman: I would like to ask a couple of questions at page 26. You say:

"Today a broadcaster must 'zero in' the audience he wishes to serve." What audience are you zeroing in on at CHUM?

Mr. Waters: We are zeroing in on the young adult and youth audience but, as I mentioned to Mr. Fortier earlier, it is our opinion that this audience is changing. I should not say changing, it is enlarging, because there is more acceptance for the Hit Parade music of today than there was ten years ago by older people.

The Chairman: I note in a column by Patrick Scott in the Toronto Star that he wrote in December he said:

"Indeed perhaps the greatest food for thought to emerge from all the statistics is the clear-cut evidence that the CFRB's legendary stranglehold on the Toronto radio market may not, after all, be unbreakable in our time."

Do you think you can break CFRB's stranglehold, as Mr. Scott describes it?

Mr. Waters: Yes.

The Chairman: With this program format?

Mr. Waters: Yes.

The Chairman: Why? Because that potential audience is expanding?

Mr. Waters: I think because the potential audience is Mr. Waters: The answer is "Yes, it would be difficult expanding and because we are keeping up with the times.

The Chairman: If that potential audience is expanding and you are keeping up with the times, is it not likely that CFRB is also keeping up with the times and perhaps playing some of the same kind of music?

Mr. Waters: Oh, they are, yes. They would not tell us what they are going to do, yesterday. We told you our whole programming format this morning.

The Chairman: I don't want you to tell us what you are going to do. It is written on page 26. You say you retained the services of two program consultants. I would be interested in knowing whether they are Canadian or American.

Mr. Waters: One of them is American, located in Los Angeles. He is not American, he is an International consultant. He consults in New Zealand, Australia, United States and Canada.

The second consultant, programming consultant, is located in Victoria, British Columbia. We have used both of them for many years and if we could find any other consultants that we thought were good in this area we would use them too.

The Chairman: I don't want you to give away any secrets but what do they do? Would he advise you on music, or on news, or on both, on the format, the kind of announcers to hire?

Mr. Waters: I think the all-embracing word is "everything"; but I mean a radio presentation, your on-air presentation is terribly important. I think a great many people think that all you have to do—you know this Senator Davey—all you have to do is put a record on and you will get an audience. I once had a friend say to me—he was a businessman—"How many people do you employ at CHUM in Toronto? About seven?" This is sometimes what people think. There is an awful lot to running a radio station and we want to have outside criticism of our station, our announcers, our news, our music.

Is that sufficient? I could go on and on.

The Chairman: Yes. I would like to turn, Mr. Fortier, if it is all right with you, to a discussion of ownership and some of the interesting views which Mr. Waters has put forward. However, some of the other Senators may have questions in the area of music programming. Perhaps we will stay on programming for a few moments.

Mr. Waters: I don't want to interrupt but if we are going to leave music could Larry Solway say something?

The Chairman: Yes.

Mr. Larry Solway, Vice-President (Creative Development), CHUM Limited: I think it is very pertinent, I think it is terribly relevant in an examination of what popular music really is today. Last summer, with the help of some additional research, I created a thing called History of Rock and Roll and some things became clear to me. It is not the more obvious things—which are that the kids of yesterday are the mid-20's of today and have sort of grown up with it. The fact became very clear that the music itself had come of age and it was not a case of respectability because it has been around so long the adult group suddenly said "Well, it is really not so bad. We have been to a discotheque and it is really a lot of fun."

Music itself has developed in terms of music, in terms of content, in terms of social relevancy; to the point where today's popular music rather than being the Elvis Presley hip-shaking of 1967 is a very relevant social mirror, probably in my view more relevant to social needs or social concerns than any popular music has ever been.

What we have in fact is a circumstance which we have not simply evolved into a state of respectability but music itself has come of age. Bad musicianship, clamming away at guitars, is no longer what sells. You must be a musician, you must have something to say. Music today has made possible the creation of truly great artistic and literary style in Simon and Garfunkel, in the Beatles... I could go on and on. There are many like it. It is more respectable today, much more visible and more meaningful. Some of the great motion pictures today, and there are some great ones...

Mr. Fortier: Is it possible it has become more acceptable because radio stations such as CHUM have given it more exposure?

Mr. Solway: We have given it currency. I remember what we did in 1959 and 1960, what was happening in music then before the Twist became popular. A very interesting social and artistic development. Aside from the fact that CHUM did give it currency, I looked at that music and I thought "My God, the Cassandras who said in 1959 that rock and roll is dead may indeed have been right." I think that the music turned the corner through 1960 and 1961 and from then

continued to go up and became more meaningful. If we had not improved beyond Chubby Checkers and if indeed the people who listened to it had not become more concerned, rock and roll would have disappeared but it has not. The fact that "Hair" is a very important musical, whether we like it or not, and it can exist today, it is a folk opera in the context of what we used to call rock and roll music. I think this demonstrates the fact very well, aside from the fact that CHUM gave it currency.

That is the only comment I wish to make.

Senator McElman: Does CHUM play any of the platters of the more prominent French-Canadian artists?

Mr. Sherratt: We play some.

Senator McElman: To what extent?

Mr. Sherratt: On CHUM-AM, Robert Charlebois. CHUM-FM plays a great number because they fit the experimental format. People such as Ginette Reno, Robert Charlebois, Révolution Français, Ian and Sylvia have done French songs. Those that are compatable with the programming we are doing, yes, we have played.

Senator McElman: What is the public acceptance of them?

Mr. Sherratt: It is difficult to measure the acceptance of individual recordings in the FM format. There have not been that many international hits from French Canada; so with the exception of the one that I mentioned a moment ago—André Gagnon, a Song from Petula was a hit played across Canada.

Mr. Solway: May I add just very briefly, I just came back from a trip to France and I think a lot of the product that is being played there is not unlike the product I have heard played here in Quebec. The biggest played record in the four or five days I listened to the French radio was a thing called "Arizona". It was an exact replica of Arizona, the arrangement was the same. It was a direct cover but the only thing that had been changed was the language—to protect whoever.

The Chairman: You mentioned, Mr. Solway, the social relevance of the music of today. That leads me to ask a question and perhaps I will put it to Mr. Waters although he may want one of his colleagues to answer it. At page 11, section 2, in the brief, you say:

"This attitude comes from every cultural and economic sector. The poor feel disenfranchised and helpless; the young feel unwanted and misunderstood; the affluent feel threatened; the intellectual feel debased, and the ignorant feel thwarted."

The question I wanted to ask you is: Do you feel that the poor, the young, the affluent, the intellectual and the ignorant all listen to radio? In other words, are you reaching those various groups through radio? Surveys have been done repeatedly attempting to analyse the quality of your audience. I would not presume to judge those surveys but do you think you are reaching all those groups?

Mr. Waters: I'm going to make a simple answer. I will say "Yes". I don't know whether Larry Solway would want to comment. I would say "Yes, we are." Larry is in communication with the audience.

The Chairman: I want to ask him about open-line broadcasting but perhaps he could answer this first of all.

Mr. Solway: I guess I was responsible for the paragraph. If I may just qualify it—I don't want to seem to back and fill on your question. I use that to demonstrate the whole thing that we have learned to call the "alienated society"—not perhaps in terms of reality but in terms of how the public genuinely feel. Are we to be concerned about how the public says they feel or how we think they should feel? That is why that falls where it does under "Attitudes of the Public".

To answer your question—yes, I personally talk to that kind of person and I personally receive mail from that kind of person. The clear fact emerges that no matter what position you are in in the socio-economic scale, you somehow feel thwarted. Everybody who has any money today feels thwarted by Mr. Benson's proposal. Anyone who doesn't have any money today feels thwarted by the presence of things much bigger than they are. Youth talks about the generation gap and their elders talk about reinforcement of the old values. What I am saying, Senator Davey, is that I talk to these people for two hours every day and I have done for years and years and I get the feeling that everybody feels his own private ox is being gored in this society.

The Chairman: Let us talk about open line broadcasting just for a moment or two. Perhaps I could begin with a question. You do open line broadcasting at three of your four stations? Mr. Waters: Yes, that is right.

The Chairman: What station do you not?

Mr. Waters: CKPT-Peterborough.

The Chairman: Why not? In other words, if open line broadcast has the merit which you describe why don't you do it in Peterborough as well?

Mr. Waters: I will have Mr. John Manol, the General Manager of CKPT-Peterborough answer that.

Mr. John Manol, General Manager, CKPT, Peterborough: We find that unless you have a moderator who is, I think, equipped to deal with the various subjects in the market and able to deal with them well, I think it is better to avoid them except for special issues. I should qualify what we are saying here. We do not on a regular basis have an open line show. However we have a special open line show for various subjects at which time we bring in people who we feel are experts to discuss these subjects. For example, recently we have had two 1-hour open line shows with the Income Tax people where they have sent one of their experts from Belleville and he has remained at the station throughout the day and after the show to answer questions from people who called during the program.

We have in the works right at the moment, which will be presented in the next two weeks, a series of two or three 1-hour shows on pollution, and we have officials from Pollution Probe who will be taking part. It was our feeling at the time, it was our decision in Peterborough to remove the program we had three years ago simply because we didn't feel we had people available, or one person available, who we felt could be expert enough on all subjects we wanted to discuss. We think it better to run special programs when we felt there was a sincere need for it. However, we do get calls on our news broadcast phones covering various things we have been discussing. If there is a subject that comes up we present an open line show.

The Chairman: Page 22 of the brief says:

"Radio has created a form of expression in this kind of program that may be the most significant new role played by it during the past ten years."

This is really the same question as the Peterborough question. Why is there so little open line broadcasting in Toronto? For example, there is Larry's program

and I think one on CHIN and to the best of my knowledge that is it.

Mr. Waters: The key to open line broadcasting is your moderator. We have one of the best in Larry. Bill Ozard has carried a program for many years in Halifax on CJCH and Bill is excellent at it. Terry Kielty on CFRA has Lowell Green. I think one of the reasons is that simple. If you haven't got a good moderator you can't run a good program. You have to be good, you have to be responsible and knowledgeable.

The Chairman: I accept that but surely you would not suggest that CFRB and CKEY and CHFI, three fairly prominent stations which come to mind immediately, could not find someone who could moderate an open line program. Do you think they are looking for someone?

Mr. Solway: At one time there were three active in Toronto. Bill Brady in Richmond Hill, who subsequently went to CKEY; Brad Crandall at CKEY who subsequently went somewhere else; and I was the other. Why they have vacated that field I don't know. I hope it is not that they have run cringing in fear from the fact I am so good.

The Chairman: I listen to your program quite regularly and I could comment on that! I think the Senators would be interested in taking just a moment because I know there are open line stations all across Canada. I think we would be interested. First of all, could you describe how an open line program works, the screening process and so on?

Mr. Solway: There are three kinds of programs. The one which is completely open; you throw open the lines and say "I know you have a lot to talk about so have at it". The other one is where I will introduce a topic that may be particularly salient in the news-the Spadina Expressway for example. The other one is where there is a specific guest with a particular area of competence who is in the city. Given any one of those three situations we have a screening process which is more concerned with getting fairly competent and articulate callers than deciding on content. The screener, working with me, will simply pick up the phone and say "Good morning. This is the Larry Solway program. What do you want to talk about? The person will then say what they want to talk about. If it is something extremely small like "My neighbour's fence is six inches over on my property and I don't know what to do about it"-she may simply answer. The purpose of screening in my view is to simply give the caller the opportunity to articulate in advance, in fact to rehearse what he or she is going to say and perhaps be challenged by the screener so the caller will be aware of the kind of challenge there is going to be.

The Chairman: A screener may actually solve a problem then?

Mr. Solway: Sometimes, yes. There are circumstances, not too often, where my screener will talk to me on the intercom, during a commercial break and say "On line 5 I have a lady who wants to know what she should do about a particular problem." I say "There is no point in putting her on the air. Just give her this number to call." It may be the Department of Consumer Affairs or a Queen's Park Department.

The Chairman: Sometimes on a program somebody gets on and presumably uses obscene language and you beep that out. How does that work?

Mr. Solway: There is a continuous tape loop, which I could describe technically, and what in fact it does is record the incoming call and plays it back four seconds later, which gives me four seconds time during which to delete.

The Chairman: You have to make those decisions in four seconds?

Mr. Solway: Yes. That is pretty good time.

Mr. Fortier: Is there more "beep-beep" today than there was yesterday?

Mr. Solway: No. There has never been a lot of "beep-beep". As a matter of fact one of the questions I am asked most at cocktail parties is "How many people call you up and use dirty language?" It is rare. I think I may have one a week.

The Chairman: You have some regulars, haven't you?

Mr. Solway: No, not any more. I haven't had them for years. They were deleted partly because they were just plain foolish. They yelled something that was just silliness, just to make a noise. Sometimes it was kids. There was maybe one a week obscene and that would be stretching it. We are more concerned about libel than obscenity.

Mr. Fortier: Are there things today, Mr. Solway, that you don't "beep-beep" which you would have "beep-beeped" yesterday?

Mr. Solway: No.

Mr. Fortier: You have not evolved, either you or your station, your concept of good taste?

Mr. Solway: Well, given the fact there are only two circumstances in which I would delete, other than just irritation which is almost non-existent today, obscenity or libel. The things which were flagrantly obscene—and I don't mean a "hell" or "damn", I mean the obviously four letter scatological words are still scatological words. They don't serve any purpose and we are not deleting them out of a sense of prudery but I don't think It enlarges the subject to use a four letter coarse word. I will delete it. While the public standard may change I would suggest the areas of discussion may have become a little more liberal today than ten years ago.

The Chairman: How much more liberal?

Mr. Solway: How much more liberal?

The Chairman: Let me be more specific . . .

Mr. Solway: It is more acceptable today to discuss birth control clinics than it was twelve years ago. As a matter of fact under the Act originally there were very severe reservations about discussing anything of that kind without clearing well in advance.

Mr. Waters: When the CBC wrote the rules birth control was a prohibited subject.

Mr. Fortier: It still is, I think.

Mr. Sherratt: Before a certain time in the evening; isn't it?

The Chairman: I put the question to you: "How much more liberal?" The question I am specifically interested in is: Where do you draw the line? I would suggest to you, as someone who has listened to your program almost from its inception, that the line is moving further and further to the left. I am not passing judgment on whether that is right or wrong but I would suggest it has clearly happened. This was never more in evidence than a week or two ago when I was driving to the airport I heard two calls back-to-back. One was somebody telling a story about where

they were at the time of the Cuban missile crisis. That ended up in "beep-beeping". You indicated by your comments you expected . . .

Mr. Solway: It was a put on. They were setting me up for some silly joke.

The Chairman: Do you recall in the next series of calls you discussed biting?

Mr. Solway: Yes.

The Chairman: Would you call that a fairly liberal approach?

Mr. Solway: I have discussed things of this kind in the past, including 8, 9 or 10 years ago.

The Chairman: You would have done that ten years ago the same way?

Mr. Solway: Yes, I would have. The only difference is the number of people who disapproved would have been far greater ten years ago. The discussion of biting—it sounds rather damning—it was exactly that it came out of... I deal a great deal more today with human behaviour than I do with events. If there is any real change in the program I would say that has to be it.

The Chairman: You deal more with which?

Mr. Solway: Human behaviour, life around us in terms of human behaviour; life from the inside out rather than the outside in. In the past years the program dealt with things in the news environmentally and came from the outside in. The approach in the program that seems to be most interesting, and I think most valuable, is the description of attitudes towards events from the inside of people. The biting thing—it was a lot of fun.

Mr. Fortier: Was that a personal experience?

Mr. Solway: I don't want to be silly about it because I think it is a good question, a very interesting point. I brought up the subject last fall of suppressed desires and the exercise of suppressed desires and discussing with people the psychological difference between fantasy and suppressed desire. I said things like "people do not want to exercise their reasonable suppressed desires". I am not saying a suppressed desire to jump off a barn and fly... that is a stupid fantasy and you are going to get killed. I am talking

about very real experiences within the realm of possibility and at that time, (I am amplifying this to show you how we deal with human behaviour) I expressed the belief that the reason we don't tend to release these desires is we are afraid of success and that failure is far easier than success. When you are a failure nobody ever expects anything from you. As a consequence of this, some people did describe personal suppressions and one particular woman had called and said "I don't know whether or not I should say this on the air but I have had a desire to bite my husband." Naturally I pursued that, not with a sense of a prurient relish but I think with real interest. I asked her the obvious question-not that I didn't know what she was saving but I wanted to make it clear that she was on fairly safe ground. I asked "Does this happen in rather intimate circumstances between you and your husband?" She said "Yes, of course it does." I said, "Why don't you bite him?"

Mr. Fortier: Had her husband put you up to that question?'

Mr. Solway: The accusation may be that open line programming has no place to go now so it must either become very noisy and abrasive or it must become very openly prurient. I don't think either is necessary. If this be prurient then I guess I am a prurient man but I don't think that it is and I don't think I am.

The Chairman: I thank you. We could pursue that discussion and I am sure I would like to but I don't think that time allows as we have another brief to receive this morning.

I would like to put a question to Mr. Kielty, with your permission. The brief says at page 4:

"We have taken an excellent Ottawa station and strengthened it . . ."

The question I would like to ask Mr. Kielty is: How has CFRA been strengthend by the arrival on the scene of CHUM Limited?

Mr. Terry Kielty, General Manager, CFRA-CFMO, Ottawa: Senator Davey, I think the strength is not something obvious to the listener or obvious to those sitting in the room. I think the strength comes from the inside where we were able to streamline and introduce sales methods, accounting methods, office methods. We were able to enjoy the privileges of group activity. We could pick on the information and experience of people in other communities who were going through the same kind of thing that we were. As

far as the strength of the station to the public I don't increased anyway but all we know is since CHUM has think it has changed that much but the strength in the become the owner they have increased. internal operations I think is remarkably better than it

The Chairman: I accept that but as Mr. Waters mentioned the point I am from Toronto, I am also from Ottawa, as you know, and I listen a great deal to CFRA. Would I as a listener notice any difference?

Mr. Kielty: You might with respect to the development of things like the Contemporary News Service; you might with respect to the Maple Leaf Music System, which is a refinement of our internal operation which is evident in our broadcasting on a day-to-day basis. It has always been a quality station and I think it is a quality station.

The Chairman: Perhaps I should put this question to Mr. Waters. Might not some of these improvements in CFRA-the Maple Leaf System, the Contemporary News-might not they have happened anyway, if you had not purchased CFRA? Stations obviously improve and all the Contemporary News stations are not stations you own. CFRA may have had the service before you owned it, I am not sure.

I will put this question to you: How have the listeners in Ottawa benefitted from your purchase of CFRA?

Mr. Waters: Let me put it this way . . .

The Chairman: The listeners.

Mr. Waters: I think Mr. Kielty and other members of the CFRA staff-he has already said that internally they have benefitted-and I also think the listeners have benefitted because of the exposure of CFRA On-the-air-personnel to what has been done in other stations in our group. I mean, there were significant changes made. They were not maybe significant to the listeners but there were some significant changes made in our presentation of news, particularly in the noon hour period, where perhaps it should have been changed before but the previous owner was not going to make the change. When CHUM came along and became the owner we thought this should be done and We had the complete agreement of the people at CFRA. That is one instance, there are many others. I think you would call them subtle changes in programming which you, as a listener, may not notice, but I think it is significant that the number of listeners to CFRA has increased. Perhaps they would have

The Chairman: Is that because it is directly attributable to changes that have been made; do you think?

Mr. Waters: I couldn't answer that. All I can say is there have been subtle changes made. The people at CFRA execute them beautifully, they are professional broadcasters.

The Chairman: I would like to pursue that with you if I could, Allan, this whole area of concentration of ownership. It seems to me you are saying in your brief-and I hope I am not misunderstanding the brief-you are saying that concentration of ownership up until the present time at least in Canada is not a problem. Then you say:

"However, future policy where concentration of ownership is being acquired by 'purchasing' and not by 'pioneering' may be subject to question."

Is that your position?

Mr. Waters: Let me get the definition right. I said in my oral presentation I consider us to be multiple owners, we own stations in four markets. We are multiple owners and to use the other phrase-we are group owners. A concentration of ownership, to me, is where you have a company or individual who owns a lot of media in one market. That is concentration. In other words, if CHUM in Toronto, if Allan Waters owned the Toronto Star and CHUM and CFTO, I think that is concentration of ownership.

The Chairman: Is it concentration of ownership when John Bassett owns CFTO and the Telegram?

Mr. Waters: I don't think so, no. I don't think so. I really don't think so.

The Chairman: Would it be concentration of ownership if he also owned CHUM?

Mr. Waters: No. If he didn't own CHUM up until now I would say that it may be concentration of ownership. The point I make, and I think it is important, that concentration of ownership, where it exists now, exists because certain people, certain Canadians had the guts to pioneer in certain areas. I think that is very important. I think somebody who pioneered in an area and were the first people to take on a radio station-to use John Bassett, he won the television station on its merits, despite what anybody says. That is my opinion.

The Chairman: But he purchased the Telegram?

Mr. Waters: That is right. What I am saying is that what has gone on up to now is what I call pioneering. Other people could have purchased the *Telegram* but he purchased it. So I think what has gone this far should stay. Now if Allan Waters wanted to purchase the *Telegram* and CFTO I think somebody should say "Hey, may be this is too much."

The Chairman: Let us put another dimension. Suppose Allan Waters wanted to buy every private radio station in Canada, do you think that would be too much?

Mr. Waters: Every private radio station in Canada? Yes, I think that is too much.

The Chairman: All right then. How much is too much?

Mr. Waters: I have heard you ask that question before.

The Chairman: Then I am sure you are prepared with an answer.

Mr. Waters: No. It is a difficult situation, it is difficult to answer. You know how they have answered in the United States and I don't want to go through this for other people but we say flatly in our brief that we would like to get a radio station in Montreal. We have been trying to get one for some time and we don't seem to be able to but we are going to keep trying until we get one, unless there are rules that say we cannot. Canada is a huge country and it is sparsely populated and I just don't know how much is too much. It is an extremely difficult question to answer.

I think if the people involved are good Canadian citizens and good broadcasters and are trying to serve the public, as I think most broadcasters in Canada are doing—some broadcasters are expansion-minded and some are not. We happen to be expansion-minded and we would like to proceed to get other properties. I don't think we should be allowed to buy another station in Toronto, that would be too much, another radio station in Toronto.

The Chairman: You said "as most broadcasters are". That implies there are some who are not. I am not going to ask you to identify those people.

Mr. Waters: Who are not . . .

The Chairman: Good broadcasters.

Mr. Waters: Did I say that?

The Chairman: You said "if they are good broadcasters" and then you said "most of them are". Supposing one of the people who is not-let us not name a person-in your opinion, or in the opinion of somebody, decides to expand his operation; should he be allowed?

Mr. Waters: If he is not a good broadcaster he should not be allowed to, no.

The Chairman: Are there other questions in this area? Senator Smith?

Senator Smith: Just on that very point I would like to know how you would define a broadcaster who is not good enough to do the kind of thing we are talking about. Is that an easy thing?

Mr. Waters: It is not an easy thing.

Senator Smith: Are you talking in terms of CRTC's definitions?

Mr. Waters: I don't think the CRTC, sir, has a definition. I think the CRTC knows the performance of every broadcaster in this country. We have to report to them at certain intervals. Yearly we are up for licence renewal and your record has to stand and if you are not doing a good job of broadcasting it is brought to your attention.

Senator Smith: But there are not very many who get bad enough that the CRTC cancels their licence. It seems to me you would have to be pretty bad.

Mr. Waters: Yes. But I don't really think there are any bad enough to have their licence cancelled.

On the other hand the borderline ones, in the wisdom of the CRTC, they would say "No more until you upgrade the one you have." That would be their position under the Act, to disallow expansion in some areas.

Senator Sparrow: In your brief, you refer on two different occasions to the fact you endeavoured to purchase Montreal radio stations and were turned down by the CRTC. Why were you turned down, do you know?

Mr. Waters: We were denied because—I am not certain I can quote this—because we were not sufficiently involved, or directly involved, in the social, economic, cultural life of Montreal. That was the latter denial. The one before that, we were trying to purchase an ethnic station in Montreal and I believe that the Commission felt we were not again perhaps in tune.

Senator Sparrow: Was that 1963 you are referring to now?

Mr. Waters: It was 1963 we tried to start our own. There was a frequency available there and we tried to start our own. We were denied at that time because of economic reasons. They considered there was not enough room for another, or not another English one. I think that was the reason for that. The latter one was because we were not sufficiently involved in the social, economic and cultural life of Montreal.

Senator Sparrow: And the one before that?

Mr. Waters: It was the ethnic station.

Senator Sparrow: There were three. The first was the ethnic?

Mr. Waters: The first was our own application for a station called CHIM. We tried to buy a network station CFMB and the latter was an attempt to buy CKGM. Those three.

Senator Smith: What was the difference between that situation in Montreal and the situation that existed in Halifax at the time the company took over the operation of CJCH?

Mr. Waters: Well, sir, CHUM originally owned 50 per cent of Halifax. We bought it back in 1965, we bought half of Halifax and were granted that. Then when we went to buy the other half we were granted that. We were already in there. Maybe that is the answer.

Senator Smith: How did these factors measure up when you were permitted to buy half of CJCH back in 1965? Were you then considered as part of the cultural and economic life of the community?

Mr. Waters: Well, I don't know the answer to that. I am not sure whether the Commission are looking now for local ownership in certain markets. If I may add, this is not an easy thing to find. That is why we made the remark about Mr. Snelgrove used to have some

money to loan me. When you go to find money in the local market to buy broadcasting property is not easy.

Senator Smith: My question, of course, relates to CRTC and not to your operations.

Mr. Waters: I appreciate that.

Senator Sparrow: Do you feel the denial in all three cases then was justified? Do you feel it was a fair decision?

Mr. Waters: Oh, yes. I think it was a fair decision. I think that there should be, there will have to be, or there will be some clarification on this social, economic and cultural involvement because just recently there was another denial by a Montreal station. I think he is in the room. Gordon Sinclair was trying to buy Sydney and he was denied with almost identical wording—not involved in the social, economic and cultural life of Sydney. There may be others, I am not certain, but those are two. I think somewhere along the line there will have to be some clarification, hopefully there will.

Mr. Fortier: Mr. Waters, you have described yourself as an expansionist. What type of market are you looking for?

Mr. Waters: Well, I am looking for Montreal.

Mr. Fortier: Why? What have you learned about Montreal? You say you have become very knowledgeable about Montreal and it has become more and more attractive. What have you learned about the market in Montreal that makes it so attractive for Toronto people to own a radio station there?

Mr. Waters: Well, I think that Montreal is an extremely exciting city and as we all know there are a lot of people moving out of Montreal...

Mr. Fortier: I don't know that we know that. On a question of privilege I would take issue with you on that statement. This may be what is broadcast on the Toronto radio stations.

Mr. Waters: It is also carried in the press in Montreal.

Mr. Fortier: I would take issue with you. But you would like to get into Montreal?

Mr. Waters: Yes, I think it would be an excellent thing for a Toronto broadcaster or a Vancouver broadcaster-I say this in my brief-to get into Montreal, so the other people in Canada would have confidence in Quebec Province and get in there and do business.

Mr. Fortier: What then would work to the advantage of the Montreal listeners which is not present today? Would you bring in the top 30 station? Would you bring in Mr. Solway to monitor an open line program?

Mr. Waters: I will say frankly I don't know what I would do. I think I would like to say this to you, Mr. Fortier, that when we went into Peterborough, which is a small market, a population of 50,000, and purchased a bankrupt radio station—which Mr. Snelgrove and I still haven't got a cup of coffee from, and believe me we are not complaining—we have taken that station with the help of Mr. Sherratt and Mr. Manol and got it to be a good communications voice in that area and it is employing more people and providing a tremendously better service. If I might continue, I think maybe your question inferred that we were only interested in large markets. We also went into Halifax where the station there was a neglected radio station.

Senator Macdonald: What do you mean?

Mr. Waters: The people in Halifax were in radio and went into television and television became more glamorous, more interesting, and the radio station was neglected from a management standpoint. The people in Halifax knew that and as a matter of fact how I got into Halifax was they came to hire Mr. Sherratt and I would not let them hire him so we ended up buying half the station. That is really how it happened. We took the station which was neglected in Halifax and made it into a better station. We have been able to hire more people and I am sure Mr. Ozard would agree that we have a much better news department. We have provided a much better service in that market.

Mr. Fortier: Would you buy any station in any market if it was for sale?

Mr. Waters: I don't know. I would have to know the market, the competitive factor, the services that are being offered. I would have to know an awful lot of things.

Mr. Fortier: You would not make a blank assertion that "any station for sale in Canada I am interested in because I am an expansionist and would make more money"?

Mr. Waters: No.

Mr. Fortier: Do you buy radio stations like Mr. Thomson said about newspapers? Do you buy radio stations to make more money?

Mr. Waters: That is not the only reason.

Mr. Fortier: It is one of the reasons?

Mr. Waters: Yes, it is one of the reasons; but I also enjoy broadcasting and business and so do my associates and we would like to expand. Again, I think it is good for Canada to have Canadians doing this.

Mr. Fortier: You like broadcasting; you would like to expand; you would like to provide a service. I come back to my earlier question: Are the Montreal listeners lacking? Is there a service which the radio stations in Montreal are not providing for the listeners that you would provide?

Mr. Waters: Yes, I think there is.

The Chairman: May I ask a supplementary question? Are the listeners and viewers and people generally in Toronto better served by the mass media in Toronto than the people in Halifax by their mass media?

I put the question to you rather than the Halifax manager because you have the opportunity of travelling and being in both cities.

Mr. Waters: Well, I think it is a little bit of a tough question but I think I will say this—we had a meeting last night in preparation and Larry Solway expounded on this at some length. I agree with much that Larry had to say and I think that Toronto is served better by the media, by all media, than perhaps—I don't know whether I should say any market in North America, but many markets in North America.

The Chairman: Let me put another question to you. Does the media in Ottawa serve this city better than the media in Halifax serves that city? Could you make that judgment for us?

Mr. Waters: No, I would not want to make that judgment.

The Chairman: Because you cannot or because you would not want to?

Mr. Waters: I live in Toronto and I spend quite a bitof time in Ottawa now, more than I ever have. I spend time in Halifax and in Peterborough and in Barrie but I don't think I would like to make that judgment.

Senator Sparrow: A supplementary. Were you here yesterday, by any chance, for the hearings?

The Chairman: Part of the day.

Mr. Waters: I came late in the hearing of some company from Toronto! doing like all magnitudes of the company from Toronto!

Senator Sparrow: In the brief yesterday, I will just read from it:

"It would be a brave broadcaster indeed who undertook to promote an unpopular cause."

-Further on it says:—"Under the existing rules no radio station, large or small, will do anything that may jeopardize its licence."

I have two questions. One, in the context of renewal of licences coming up, could you agree with that statement or would you disagree with it?

Secondly, would in fact that be a concern in trying to expand into another market such as Montreal? Would that fear that was stated in that paragraph be true as far as your station is concerned?

Mr. Waters: Sir, could I ask you if you would mind reading that paragraph again? You are a fast reader.

Senator Sparrow:

"In the opinion of the directors of Countryside the function of small local radio stations is first to inform and second to entertain its listeners. As Your Committee is no doubt aware, radio broadcasting licences are being renewed every two years and the stations performance is subject to minute and continuing scrutiny by the Canadian Radio-Television Commission. It would be a brave broadcaster indeed who undertook to promote an unpopular cause. The result is that we do the best we can. We furnish our listeners with local and national news, road reports, reports of sporting activities, music, weather reports and programs of that nature. Under the existing rules no radio station, large or small, will do anything that may jeopardize its licence."

Mr. Waters: What do they mean by "unpopular cause", sir? That is the key to it. We will report many

unpopular causes and I think any of our stations will. I think that is the key to it.

Senator Sparrow: "Under the existing rules no radio station, large or small, will do anything that may jeopardize its licence."

Mr. Waters: 1 don't think any radio station... I would have to know what an unpopular cause is.

Mr. Ralph Snelgrove, President, CKVR-TV, Barrie, Ont: I don't think the BBG or the CRTC would consider today that supporting and taking a strong stand would have any effect on licence renewal.

Mr. Waters: We are always concerned. We cannot say licence renewal is of no concern to us. It is. I think any broadcaster keeps a file for licence renewal because they know it is coming up. He says every two years in that brief. Most stations just received a three-year licence.

Mr. Solway: I would suggest the word "irresponsible" be substituted for "unpopular" in that brief. Of course it is not within my competence to do that. I would suggest that that is the word that must have been meant.

Senator McElman: Mr. Chairman, I think we did break it down and we got a definition of what an unpopular cause might be from the person who wrote it. That was if a licensee, broadcasting radio, were to editorialize strongly against the proposals currently of the CRTC should he feel that this might have some bearing on renewal of his licence. I think we broke it down to that very clearly as an unpopular cause.

Mr. Solway: An unpopular cause with the CRTC?

Senator McElman: Not necessarily.

The Chairman: I think we have dealt with this at length and I think as Mr. Solway said as far as your organization is concerned "irresponsible" would be a better word instead of "unpopular".

Yes, Senator Smith?

Senator Smith: This relates to the discussion a few minutes ago about CJCH and it occurs to me this may be an example of the effect across the country of group ownership having the effect of cornering the market on high-class managerial talent. Would you like to say something to that? You are one of a number of

very important broadcasting companies and is it going to be increasingly tougher for an independent station anywhere in the smaller cities to get good management when you have the tendency, with your great strength, financial and otherwise, to corner the market?

Mr. Waters: No. I think I would say "No". I think I made the point in our brief, and I believe this very strongly, the people sitting at this table—Mr. Sherratt was hired by us and developed through our organization and promoted throughout our organization. Mr. Ozard of CJCH has been there for nine or ten years. We didn't steal him. Mr. Manol was in Barrie and we promoted him from within the organization. Mr. Kielty has been there 23 years. We didn't get him from anywhere. Mr. Akehurst has been with us six years. Paul, I forget where you came from! CKOY. Mr. Solway has been with us 13 years.

Mr. Solway: When I came to the station in 1956, in the old days that we spoke about, I came as a summer replacement announcer and I was glad to get the work. They were not clamoring for me.

Senator Macdonald: Did you not say that you bought half of the Halifax station because you didn't want to let your manager go?

Mr. Waters: Yes, I did say that. That was not the total reason.

Senator Macdonald: Would you buy any station rather than lose your staff?

Mr. Waters: No, I would not. I was being a little facetious.

Senator Smith: You see my point surely, don't you?

Mr. Waters: Yes. In our case we have good people, and I mean this sincerely, beyond the people sitting at this table, that we have developed and who will be promoted within our organization. Mr. Solway said it and I don't think we have the reputation for raiding, so to speak. We don't go and hire people. We endeavour to promote within our ownership.

Senator Smith: I think there is a natural flow of talent to go where the money is, whether it is the performing field or otherwise.

Mr. Solway: There is very little in our company compared to what is general in the communications business.

Mr. Snelgrove: We must remember that there is perhaps some validity to your concern. To take the specific case of Mr. Manol, whom I hired twelve years ago. I think he was selling cars or something at the time and became a radio time salesman and sales manager and we promoted him and he did his homework and went to school at night and then he went to Peterborough and he has matured and when he gets tired of Peterborough he will go somewhere else. I don't know.

The Chairman: He will probably buy a car dealership of his own.

Mr. Snelgrove: This opportunity is a valuable consideration.

The Chairman: Does this answer your question?

Senator Smith: Yes.

The Chairman: There are several other lines of questioning we would like to pursue but we are not going to because of the time element. I know there is one other line of questioning that Mr. Fortier has and perhaps we can pursue that.

Mr. Fortier: Mr. Akehurst, you have a reputation in Ottawa as a very thorough journalist, a very competent one. When you are investigating a lead, as you call it in the trade, are there any holds barred as to the means you will use to get your information?

Mr. Paul Akehurst, General Manager, Canadian Contemporary News System: I have a law within which I must work. I don't know what you mean by "holds barred".

Mr. Fortier: Will you stop short of using any means for getting the material which you feel you should get in the interest of your listeners?

Mr. Akehurst: If the means are lawful and ethical,

Mr. Fortier: What would be unlawful and unethical?

Mr. Akehurst: You know what is unlawful better

Mr. Fortier: But I am not the one searching for the news. I would like to know what you think is unlawful and what you think is unethical.

Mr. Akehurst: I don't think I would engage in bribery, for example.

Mr. Fortier: You would never pay someone to obtain news?

Mr. Akehurst: I have not.

Mr. Fortier: No; but would you?

Mr. Akehurst: I have not.

Mr. Fortier: Would you?

Mr. Akehurst: I think that is hypothetical. We are talking about bribery and bribery is one thing and paying somebody for information is something quite different.

Mr. Fortier: Would you pay someone for obtaining information?

Mr. Akehurst: That would depend on the circumstances.

The Chairman: I think that is a good answer.

Mr. Akehurst: Well, it is one thing to go and offer a civil servant X number of dollars for classified information. That is bribery and that is illegal. It is something else to have an informant come and say "I happen to have information available and I want money for it." If I have some idea that this information is so valuable and I can't get it anywhere else and I believe it is in the public interest that this information be made public then of course I would have to take certain responsibilities but I haven't been faced with that situation or do I engage in that practice.

Mr. Fortier: What steps would you shy away from resorting to because you considered them unethical in seeking information, seeking to get to the bottom of a story?

Mr. Akehurst: Well, there are fairly well established ethics in the profession of journalism and I do my best to adhere to these, I think. You are facing me with a very general and hypothetical question, Mr. Fortier. If you can give me some specific examples I could answer "Yes" or "No".

Mr. Fortier: You work in this milieu where there are thousands of rumours which navigate through the

corridors and through the Parliamentary restaurant and so on. How do you decipher the rumours which should be made the object of a thorough investigation and those which should not?

Mr. Akehurst: I think it depends on the nature of the rumours, doesn't it? Many of the rumours are inconsequential and even if they were true would not be of any great interest or significance. Those which are, presumably, suggest to the reporter, the conscientious reporter, that they should be followed up. There is political reporting. We hear all sorts of political rumours day after day. Some we disregard and others we pursue. I think it depends in the first instance what it is you are about and that is to tell people what is of interest and significance.

Mr. Fortier: We have the view expressed here by La Fédération professionnelle des Journalistes du Québec that a journalist should benefit from a privilege insofar as disclosing his source of information is concerned. Do you agree there should be a text of law which would prevent a journalist from having to disclose his source of information?

Mr. Akehurst: No. Let me qualify that.

Mr. Fortier: Why?

Mr. Akehurst: I feel very strongly that the journalist should enjoy no more rights than any other citizen in the community. Sometimes we require privileges in order to do our duty, as distinct from rights. I believe a journalist is very much a citizen in the community and has a responsibility to behave as such. Now as to the disclosure of sources. I don't believe, as some of my colleagues do, that a journalist should in all circumstances maintain an absolute right to refuse to disclose sources but I would say some provision would have to be made such as disclosure of sources in camera in a court of law, where it was determined it was vital in the public interest. Similarly the new Federal Court Act makes provision for defendants to seek redress to the courts for information which is being concealed by government which they may require in the preparation of the defence. I think journalists may have information which in the public interest should be revealed, so long as there is a vehicle for the release of such information and not to damage others: that is in camera.

Mr. Fortier: There are also politicians who outside the House have claimed they should not be compelled

to disclose their sources of information. I am reminded of Mr. Eric Nielsen, for example, at the time of the Rivard scandal some years ago.

What are your views, as a journalist, on an M.P. or Senator refusing to disclose his source of information before an inquiry or a tribunal of sorts?

Mr. Akehurst: I think it depends in the first instance whether the disclosure of the information is likely to benefit the public.

Mr. Fortier: Who decides that?

Mr. Akehurst: Are we not talking about Parliamentary privilege?

Mr. Fortier: That is why I said "outside the House of Commons".

Mr. Akehurst: I think a court of law. I think there should be a judicial procedure for that sort of thing, determining whether it is in the public interest. I think the present government is moving in that direction.

Mr. Fortier: Do you think the same concept should apply to the journalist deciding whether or not his source should be kept secret?

Mr. Akehurst: I think so. I fail to see what purpose would have been served in requiring Mr. Nielsen to disclose his source of information.

Mr. Fortier: That is in retrospect you would agree?

Mr. Akehurst: I couldn't see at the time and I don't see now. I can think of many circumstances where it probably would not be in the public interest or of direct benefit to the public, or vital in any sense, to have a journalist disclose his source of information; quite the contrary—it might be important for a journalist to conceal his source.

Mr. Fortier: Let us take the example of a journalist who was before us yesterday and who works for La Presse, Madam Gagnon. You will recall that some short while ago she published in La Presse a story about the content of the report which had been submitted to the B & B Commission. Was it in the public interest that this report be published at that time or was it not?

Mr. Akehurst: I don't know what her motives were in publishing the report. I would be inclined to publish it if it came to my attention.

Mr. Fortier: To get a scoop or to provide your listeners, or readers in the case of Madam Gagnon, with news they must have today?

Mr. Akehurst: To provide my listeners or readers with the information. I don't hold to the view that the correct time to release information is when a government agency or body decides it is.

Mr. Fortier: You as a journalist should be in a position to decide when is the correct time?

Mr. Akehurst: If you take the position, as I do, that the public should have virtually unrestricted access to public information, I think it follows that there should not be government bodies which decide when.

Mr. Fortier: You make that point in the brief.

Mr. Akehurst: To be consistent I think we should not abdicate responsibility to government or government agencies to determine the timing of the release of public information.

Mr. Fortier: Mr. Akehurst, you are a member of the Press Gallery and you have collectively been described as a member of Her Majesty's Loyal Opposition. Is this justified "criticism" of members of the Gallery that they perform as members of the Opposition?

Mr. Akehurst: I don't regard it as criticism. I am rather proud of the fact that there is this other layer—not opposition necessarily but there is opportunity for defence through another vehicle aside from Her Majesty's Loyal Opposition. I don't think that we owe fealty in a loyal sense to any government and I think it is very healthy in the democracy that we do have a free press, another vehicle for defence outside of the elected representatives.

Mr. Fortier: Don't you think the members of the Press Gallery tend to be overly critical in their approach?

Mr. Akehurst: No.

Mr. Fortier: Is the Press Gallery performing a useful role which you ascribe to it?

Mr. Akehurst: Yes.

Mr. Fortier: No criticism which you would direct to the Gallery as a collectivity? Certainly not to individual members but to the Gallery in collectivity? Mr. Akehurst: That was not your question but if you want me to respond to this one—yes, certainly. I think any institution, such as the Press Gallery, is subject to criticisms. There are a great many weaknesses in the Press Gallery, just as in any other institution. The Press Gallery, you must remember, is merely an organization primarily for the allocation of facilities to Gallery members—nothing more or less. Although it has certain disciplinary function which it performs. I believe I am correct in saying it interprets the Speakers mandate as far as allocation of facilities is concerned.

Mr. Fortier: Do electronic journalists, members of the Press Gallery, have an advantage over written journalists?

Mr. Akehurst: I would say we have a disadvantage. We cannot employ fully the tools of our trade.

Mr. Fortier: Again a point which you make in your brief.

Mr. Waters: On the other hand I think we have a definite advantage in speed and in being able to tape people and get accurate reports on radio and television whereas—and this is no reflection on the press here—quite often the press report does not come out quite the way it was said because people have to write it down.

The Chairman: I have a supplementary question for Mr. Akehurst. This Committee session this morning is privileged, as you know. If it were broadcast on radio would it still be privileged?

Mr. Akehurst: May I ask you a question, sir? What do you mean it is privileged? In what sense is it privileged?

The Chairman: I will turn to my counsel.

Mr. Fortier: In the same sense as any utterance made by a Member of Parliament in the House is privileged, in absolutely the same sense. Anyone appearing before a committee of the House or a committee of the Senate is protected from prosecution for anything which he has said while appearing before the committee.

Mr. Akehurst: The question is really a legal one.

The Chairman: It is. It does down with the chairman

Mr. Fortier: I will answer that there is a lawyer who was retained by the House of Commons three or four months ago to examine the question and report to the Speaker. That is three or four months ago and he is still examining it and he has not submitted a report. It is a very complex question. I won't charge any fee for this advice!

The Chairman: When I recommended that we have the Committee televised, because there were many requests made, I was overwhelmingly voted down but nobody mentioned that reason. That is the real problem.

Senator McElman: Mr. Ozard, do you believe that the community of Greater Halifax is being well or adequately served by the media of that community today?

Mr. Bill Ozard, Manager, CJCH, Halifax: That is a good question, Senator. I think under the economic circumstances of the marketplace-as you know the Chronicle Herald and the Mail Star, the two newspapers, are owned by one company. The criticism directed towards them is almost constant, justified or unjustified. The argument often put is there should be two separate newspapers, that is, owned by separate companies; and the competitive aspect of the print media in Halifax would be better served if that resulted. I am not all that sure that the economics of the marketplace could support two individual newspapers. I am not a newspaper man and I am not aware of the financial situation of the two newspapers, although I understand they are not starving to death: but whether two individual newspapers could survive is a question I am not able to answer.

As far as the electronic media is concerned I am of the opinion they are well served. The news media aspects of the electronic media of the city are highly competitive and contain some highly skilled men and I am of the opinion that Halifax is quite well served by the media.

Senator McElman: Forgetting the economics for the moment, on the print media—I am sure you read the newspapers—do you feel that the great amount of criticism that there has been—and I would refer you to the recent seminar held in Halifax...

Mr. Ozard: The Encounter? Are you referring to the Encounter series, a week long?

Senator McElman: Yes. Do you feel that the extent of that criticism was justified, as a reader of the print media?

Mr. Ozard: Let me answer it by saying that I read the Halifax Herald and Mail Star and I also subscribe to two Montreal newspapers and purchase two other Toronto newspapers because I find the information that I want as a broadcaster and an interested citizen is not fully covered in the two local newspapers to the extent I want it to be.

Senator McElman: Thank you, Mr. Ozard.

The Chairman: Mr. Waters and gentlemen. I am going to move to terminate the session. To those who were here at the beginning of the session and heard your remarks about the discussion you and I had these many years ago, I must say I have been reflecting this morning and wondering indeed what would have happened to you and to me and a lot of other things if I had accepted that offer. As it is, however, I am Chairman of this Committee and we have a specific task almost immediately ahead of us and that is the writing of the report, because our public hearings end a week from tomorrow morning.

One also wonders about the meeting you had last night at which time you undoubtedly discussed a lot of questions that we did not ask you this morning.

I want to repeat something that I have said, and I know you have heard me say it before—there are many broadcasters, it seems to me, who are sufficiently up tight that it is worth saying. This is not an inquiry into the broadcasting business or into specific stations. It is an analysis, we hope, of the overall media spectrum. I think the broadcasters of this country would have been annoyed if they had not been included in that kind of study. If that kind of study is going to be meaningful, I think you would agree that some reference to CHUM Limited is essential. I would like to express my appreciation to you for bringing so many of your key people, I am sure at a sacrifice.

I am serious about the meeting you had last night and the questions we did not ask. This is not an inquiry or probe. If following the discussion today and following other discussions you have heard, you have other comments that you would like to send along to us, either in confidence or not in confidence, we would be most grateful because I am sure there are other matters you could help us with. Again, thank you for coming.

May I say to the Senators that we are going to receive a brief in a few minutes from Acadia Broadcasting Company Limited of Bridgewater, Nova Scotia. It is now ten minutes to twelve and I would suggest that we reconvene sharply at 12 o'clock.

... Upon resuming at 12 o'clock noon.

The Chairman: Honourable Senators, the second brief we are receiving this morning is from CKBW in Bridgewater, Nova Scotia, the Acadia Broadcasting Company Limited. Seated on my immediate right is Mr. John F. Hirtle, Vice President of Acadia Broadcasting Company Limited. On Mr. Hirtle's right is Mr. James A. MacLeod, who is the Secretary-Treasurer.

Mr. Hirtle, the brief you submitted has been received and circulated and studied by the senators. The procedure we follow is that we would like to ask you about the brief and some other matters which are of concern and interest to us. You have heard several of the sessions so you know the procedure. Now I would like you to begin with your oral statement. You have told me that you had not expected to make one, so don't feel that you must, but if you have something you would like to say please do so and we will then proceed to the questions.

Mr. John F. Hirtle, Vice President, Acadia Broadcasting Company Limited: Mr. Chairman and members of the Special Senate Committee on Mass Media, ladies and gentlemen. As your chairman has stated I did not realize perhaps I would be required to make any verbal statement this morning. However, in the light of Mr. Waters' eloquence I decided perhaps I better make a few notes upon arrival. So I would just say this, that earlier in my career as broadcaster and businessman I learned if I was to head up a successful radio station I had to acquire the capacity to delegate authority. Each morning I say this prayer: "The Lord give me strength to teach others to do it rather than to do it myself."

To that end, honourable senators and ladies and gentlemen, I would like to suggest, if I may, that if you have any questions which you would care to direct to me I would be very happy to deal with corporate affairs, and I am most anxious that you direct questions to Mr. MacLeod who is not only Secretary-Treasurer of the company and a director, but also is station manager and who assumes all responsibility in programming, news, editorial comment, et cetera; and in whom I have implicit faith.

The Chairman: Thank you very much. Mr. Hirtle, I think the questioning this morning is to begin with Senator Petten.

Senator Petten: Thank you, Mr. Chairman. Now I think I should probably direct this one to Mr. MacLeod. I would like to know how a station in a small community with such a diverse audience, which includes professionals, farmers, fishermen and paper

workers develop a program format to adequately serve all of these people? Would you like to expand on this for us?

Mr. James A. MacLeod, Secretary Treasurer, Acadia Broadcasting Company Limited: I think, Senator, I Would answer that with a publicity slogan that we used at one time: "We are the station that listens to people." We got out into the community, we participate in the community at all levels of activities. We are members of a great many organizations and we encourage our staff members to belong to everything from the tennis club, the yacht club, the golf club; and many of our staff members are country born. Some of them come to work from a distance as great as 30 miles out in the country. We are therefore in contact With all elements of our audience: professional, farm, fish, every day labourers. This is reflected back to us in bull sessions. My office door, for instance, is never locked and seldom closed. The staff drift in-"Have you heard the latest rumour? Do you know what is going to happen downtown today?" And so on and so forth. You get the feeling of the community, you get to know the people and their wants and desires and you get to meet them.

Have I answered the question, sir?

Senator Petten: Yes.

Senator Smith: Before Senator Petten moves on, may I ask a question? I should be a little more familiar with your general programming than I am, but that is mostly because I am home in the summer months in my home town, which is only 30 miles from where you broadcast, but that is the outdoor season so I don't listen to radio as much. Do you have to think in terms of trying to make up a program that is going to be listened to by all the various income groups? For example, there is a great variation in your audience and when you compose a program of music, put a program of music together, do you think in terms of these various segments of our local society or do you just strike an average so there will be something in each package that would appeal to each one of these groups? Could you say something on

Mr. MacLeod: May I give you an ambiguous answer? Both.

The Chairman: Does that satisfy you, Senator Smith?

Senator Smith: Yes, that is all right. I thought may be you would like to enlarge on it.

Mr. MacLeod: We are what you would call a "middle of the road" station. We try to program to please what we will call the majority of our audience most of the time, but at various times during the day we will program exclusively for perhaps one particular segment of our audience. Now perhaps I could give you some concrete examples.

In the past week, for instance, on Saturday, one of our announcers was judging a 4-H public speaking contest, which is a community activity which keeps us in touch with the farming element. On Sunday night for approximately an hour and a half we broadcast Mendelssohn's Oratorio Elijah performed by a local group in the town of Bridgewater, which was minority programming. On Monday night I had a half hour panel dealing with the proposed construction of a public swimming pool in the town of Bridgewater, which was only of interest really to the 7,000 people in metropolitan Bridgewater, which is minority programming.

During the day we will have a plan of programming that is acceptable to most levels of our audience, and then at particular times of the day we will program minority groups. For instance, after the one o'clock news we put on the stock market quotations, which is very definitely minority programming.

Senator Smith: I think this is a cross-section of what they do. That brings up another supplementary question, if I might call it that.

Mr. Hirtle: Before you go on, Senator Smith, could I add something to what Mr. MacLeod has said. I can say to you, because I know you personally, that early in my career I thought at one time I was going to pursue a musical profession. I very soon discovered perhaps I didn't have the guts or the ability and I moved into another phase of entertainment. However, I was able to do such things as participate in this oratorio which required considerable work because you don't find this kind of talent every day of the week in a small community, when you bring choirs of all denominations together for a period of six or eight weeks and slug it out. An oratorio of this magnitude takes some doing.

At the same time I recognize that we have to program to a large segment of our audience which is completely enamoured by country and western music, as we call it. I don't particularly appreciate the volume

we present of this, but we limit it and have it at specific periods of the day and without it we would be dead. So we must listen, as Jamie says, to our audience.

Senator Smith: Mr. Chairman, if we had much more time I might ask Mr. Hirtle about when he appeared on Major Bowes program and I would ask him whether or not he was gonged.

The Chairman: Did you get the gong on Major Bowes program?

Mr. Hirtle: No. I came fourth in the voting so there were a lot more behind me.

Senator Smith: I won't ask my supplementary.

Mr. Fortier: Mr. Hirtle, you have, to a certain extent, a monopoly of information in your city. There is no newspaper published there; there is no other radio station and there is no television station. As you say, you have to listen to the people. Do you find that in a situation such as the one in which you are that the broadcaster tends to listen to the people and seek to answer their every need more than in a large city, where he can lead public opinion or where the broadcasters can elevate public taste? You are in a situation where you must reflect rather than lead. Is that correct?

Mr. Hirtle: I would say that is correct, sir. I think I can simplify it by saying that with a limited audience to whom we cater, without their support—all they have to do is turn off the dial to any number of American stations that boom into any coastline area of eastern Canada—we just don't have an audience and we are just not in business. So I say to you we must listen to our audience.

The Chairman: What Canadian stations boom into Bridgewater?

Mr. Hirtle: Either of the Halifax 10 kilowatt stations, the two Saint John 10 kilowatt stations and Annapolis Valley gets into our market. The Bureau of Broadcast Measurement, which is the yardstick we use, still gives us approximately 85 per cent of the audience most of the time.

Mr. Fortier: Are you not satisfied that, as long as you provide your listeners in Bridgewater with some local content, they will tend to turn you on and thus allow you to lead them, allow you to educate them? I

am referring not just to citizens of Bridgewater; this could be a city anywhere in Canada or the United States, or the world for that matter. Don't you consider that as one of your primary roles as a broadcaster, not to give them what they want but give them what you think they should have?

Mr. Hirtle: I would ask Mr. MacLeod to enlarge on why we felt it was absolutely essential, with the limited budget with which we operate, to develop a newsroom and news operation other than what is called a "rip and read" situation. Before I ask Mr. MacLeod to do that, I would like to point out just a little factor involved in our corporate structure. The first responsibility I had when I went to Bridgewater in 1947 was to go out and sell a vested interest in the radio station. If I may quote Allan Waters, we had the guts to pioneer in establishing a radio station on the south shore of Nova Scotia. We have approximately 210 shareholders, one of whom is the honourable Senator Smith.

Senator Smith: I should have declared my interest, perhaps.

Mr. Hirtle: In 1947, a 4 per cent preferred dividend was a reasonable investment. Today it is not, we recognize that. We still have the support of those 210 people, many of whom are retail business people who are very concerned about the job we do for the business community as well as the community in general.

The Chairman: Do you want to talk on the news, Mr. MacLeod?

Mr. MacLeod: Yes. I think we should add that the area is served by three weekly newspapers. We don't have an entire monopoly on the news situation.

Mr. Fortier: Three weeklies published in Bridge water?

Mr. MacLeod: In our general area.

Mr. Hirtle: Bridgewater, Lunenburg and Liverpool.

Mr. MacLeod: We don't have a monopolistic news situation as far as the local news goes. What we found, with the advent of television and the lifting of the ban on power increases, and so on, we were allowed to go from 1,000 to five and then ten, and so on. Other stations could come into our market while before we had a little preserve of our own and in order to survive

we have to reflect our community lock, stock and news from what I shall call a larger community and we barrel. So that if people in our area did not listen to CKBW they didn't know what was going on in their own backyards.

An example would be that in the communities on the south shore there is a volunteer fire department and when a fire breaks out someone rings the alarm and all the volunteers rush to the fire station and then CKBW comes on and tells them where the fire is.

Senator Smith: Tells whom?

Mr. MacLeod: The audience.

Senator Smith: I didn't want you to leave the impression that you were telling the firemen where to

Mr. MacLeod: The alarm goes to Bridgewater and everybody says "Is it my home?" and they turn on the radio. Little local services like this. When we speak of the news operation it is news, current events, community events, interviewing of people coming through; the whole ball of wax.

The Chairman: You say in your brief at number 24 that it takes between \$35,000 and \$40,000 to maintain your news department. Does that include the salaries of the people?

Mr. MacLeod: Oh, yes. For instance, I can go for a week, perhaps, without working on the news and then Perhaps do nothing for two days but work on news. That is if something comes along that my help is needed in the news department. Ordinarily we have two men who do the routine and a program director who looks after sports, and the announcers are trained.

The Chairman: What do you spend on news aside from salaries?

Mr. Hirtle: Are you referring to stringers? We have about 22 stringers who provide us with news.

The Chairman: Are they paid on a per item basis?

Mr. Hirtle: Yes. In addition to that we take the invoices as well as the BN regular service. We are a supplementary station of the network and we get voice reports from the network as well. Wherever possible we will use a stringer's voice if the story is of sufficient consequence. We are involved in getting

are involved with pretty substantial telephone tolls.

The Chairman: Thank you. Senator Petten, I think, was questioning.

Senator Petten: In paragraph 5 you tell us about the launching of Group One Atlantic. Now it is launched, how is the voyage? Is it a paying proposition?

Mr. Hirtle: Not at the moment.

Senator Petten: Would you recommend it to other people in the same situation as yourself?

Mr. Hirtle: Yes. This is basically the reason we did launch it because we found in discussion, and I have been travelling the Bay Street beat for 22 years, that it is very difficult to go to an agency representing X number of clients and sell your little market on the south shore of Nova Scotia. We grouped our station with another group of stations for sales purposes only, and we have found that the simplification of an advertising agency on behalf of a client placing an order with this group of stations, which means one broadcasting order, one invoice and one cheque and one set of instructions. We do much of the actual physical negotiations from Bridgewater, although we do have a Halifax office in which we have a salesman and secretary. I don't mind saying that this is in the throes of development, but in the past year out of Halifax office we were able to gross approximately \$100,000.

The Chairman: Out of Halifax alone?

Mr. Hirtle: Out of Halifax alone.

The Chairman: May I ask you on Group One what does a spot announcement cost? Let us say that right now it is 20 minutes after 12 and if I wanted to buy a spot announcement at this time on your station, how much would it cost?

Mr. MacLeod: Fifty-four dollars for the whole group.

The Chairman: For the whole group?

Mr. MacLeod: For the whole group?

The Chairman: What if I am a car dealer in Bridgewater, how much does it cost him for a spot announcement?

Mr. MacLeod: If you are on our one-time rate, \$8. This is \$54 for the whole group.

The Chairman: The one-time group?

Mr. MacLeod: Yes. Now you are dealing with the local business which is entirely different.

The Chairman: If I am a national advertiser in Toronto, is Group One a must buy if I want on to your station? If I am Coca Cola and want to buy your station only, can I do so?

Mr. MacLeod: We are attempting to make it a must buy if there is distribution of the product in all markets.

The Chairman: With Coca Cola, the case in point, I am sure there is. So they could not buy just on Bridgewater, they would have to buy the group?

Mr. Hirtle: There is an advantage in buying the group in that they get a discount.

The Chairman: But the question is: Can I buy Bridgewater only if I am Coca Cola?

Mr. MacLeod: Not without sufficient reason and just cause.

Senator Smith: How long is a spot? Is it always the same length of time?

Mr. Hirtle: It is usually regarded as 60 seconds. What we refer to as a flash is usually regarded as 30 seconds.

I can give the chairman an example where there would be an exclusion in buying one station in the group and this would be in a particular instance where, for instance, Peter Jackson had a thousand dollar winner in our area and it would not be of interest to Imperial Tobacco to advertise that fact in the other Group One Atlantic stations. Under those circumstances it would be Imperial Tobacco's privilege to buy one station.

The Chairman: Are Group One rates available to local advertisers?

Mr. MacLeod: They are more expensive so I don't see any reason why a local advertiser would want to buy Group One.

The Chairman: They are more expensive to local advertisers?

Mr. MacLeod: Yes.

The Chairman: Has Group One ever considered doing joint programming or joint newscasts? I am sure you have considered it. Why have you not done it?

Mr. MacLeod: We have areas of co-operation, yes. For instance, when the Nova Scotia Fisheries Exposition is on in Lunenburg we have provided tapes of certain events to other stations. When the Annapolis Valley Festival is on, they provide certain tapes to us, and so on. Whenever any member of the group requests co-operation it is there for the asking.

The Chairman: If the high school hockey team from Truro was playing in your city... Is Bridgewater a city?

Mr. MacLeod: A town. Five thousand population.

The Chairman: I was in Bridgewater last summer, as Senator Smith knows. In any event, in that case would you feed that information back to their station?

Mr. MacLeod: If they requested it.

The Chairman: There is no set format of programs for all the stations?

Mr. MacLeod: No.

Mr. Hirtle: We do employ Telex between all the stations and for this reason we discussed this as recently as two weeks ago and the question of employing the Telex to disseminate information came up.

The Chairman: Has Group One ever considered a package with a Halifax station? If I want to buy Halifax and Group One . . .

Mr. MacLeod: We are a little exclusive. We are waiting until they are good enough to join us!

The Chairman: Has that ever been considered?

Mr. MacLeod: Yes. The basis of Group One is this: we are attempting to sell the national advertiser rural Nova Scotia in one package, as compared to buying

the urban market. We say "Buy Group One in rural market value of \$500,000, but you doubt if you Nova Scotia with a potential audience of 335,000."

The Chairman: Who is Group One's toughest competition for the advertising dollar?

Mr. Hirtle: The metro-Halifax stations.

The Chairman: Not the weekly newspapers?

Mr. Hirtle: No.

Mr. Fortier: Who are the shareholders of Group One? How are the shares apportioned between the different member stations?

Mr. Hirtle: There is no corporate arrangement in essence. Group One Radio Limited-is only our Toronto, Montreal, Winnipeg, Vancouver sales offices-Group One Radio Limited, as distinguished from Group One Atlantic. Group One Atlantic is just a sales tool, if you wish. There is no association.

Mr. Fortier: Who are the shareholders of the limited company, the sales company?

Mr. Hirtle: I may be incorrect in my actual terminology as to members, but the President of Group One Radio Limited is Bev Martin and I believe his uncle, Bill Byles, has a substantial interest in Group One Radio Limited.

Mr. Fortier: Who are these people?

The Chairman: I know them. They are radio representatives.

Mr. Hirtle: Stovin-Byles Television Limited in Toronto.

Mr. MacLeod: This is just our representative firm. They obtain business for us on a commission basis. They have no voice in the station.

Mr. Fortier: I was misled by the Group One terms.

Mr. MacLeod: A similarity of names.

Senator Petten: In paragraph 6 you mention that sooner or later you may sell. In another part of your brief, if I remember correctly, you say the remuneration has not been that great from the station in early years, and where one could possibly make it worth while is when you sold the station. You say it has a

could get this in the present market.

39:37

Maybe I have gone a little around it, but do you see what I am driving at? Would you sell it because of the White Paper on taxation, or estate taxes, or would you sell it to make a profit?

Mr. Hirtle: If I could use an example, a personal friend of mine in Truro has recently sold the daily newspaper and five weeklies that he owned to an Ontario publishing house and was retained in a management capacity. I think he was very anxious to realize a capital gain and has successfully done so.

Mr. Rogers, the president of the company, myself and Mr. MacLeod have had a substantial vested interest in the company since its inception, and I think earlier in the brief a reference was made to the initial salaries paid the three of us as directors of the company, and there was no figure that was less than \$100-would you believe \$50 a week in 1947? We have progressed considerably since then, but having put all this blood, sweat and tears into the establishing of a relatively small corporation, I question, with the way in which perhaps certain legislation is moving, that we can realize anything for our 25 years of effort.

Senator Petten: I come from Newfoundland so I believe.

Senator Smith: I want to make this point. Mr. Hirtle, you and I are not too far apart in ages and what have we got to worry about when we have ownership of shares that might in the future be appreciated to the extent where capital gains tax would have any effect at all? Are you thinking about your own personal position and that of Mr. Rogers and Mr. MacLeod, or are you thinking of those who might later buy your operation and be in the time period when they may or may not be subject to capital gains tax? You know that when the D-day comes in five years time that that gain is only the gain that is proposed to be taxed according to the White Paper. I don't understand what your personal worry is. I am a little puzzled by your own attitude on this thing in view of the age you and I are now getting into. I am a little more concerned about the incentive there would be for someone to start another radio station in the area or some other area. They would have to take another look at whether this would be a good economic thing to do because they may or may not be faced with a capital gains situation right from the beginning of the operation. This company has built up its gain, and in five years time I would hope that John Hirtle would not be working as hard as he has worked over these many years.

Mr. Hirtle: I would think if I were to retire at the normal retirement age—I am ten years from retirement—the thing that has me concerned now is whether Lester Rogers and myself, who own 55 per cent of the common stock of Acadia Broadcasting—can, in effect, locally, find an investor who would pay, according to the formula generally developed within the industry, the money that we feel should be realized for the sale of Acadia Broadcasting. I don't believe that any members of our staff would be in a position to realize this kind of money.

Senator Smith: Does the capital gains concept have anything to do with whether or not your station is now salable to others?

Mr. Hirtle: I would say "yes".

The Chairman: You have a concern, Mr. Hirtle, but the kind of concern a lot of Canadians would like to have. Would you agree with that?

Mr. Hirtle: Yes. mort smoot I mello votenes

Mr. Fortier: Is it a concern which is translated in your mind as attracting special treatment by the Government? In other words, should broadcasting companies such as yours who have acted as pioneers in your community be treated differently from other corporations or other companies?

Mr. Hirtle: No, certainly not.

Senator Petten: In paragraph 11 of your brief you say that "Broadcasting is over-legislated. No other media has been subjected to so many enquiries or Royal Commissions. No other media is required to live within so many legislative regulations. No other media is subjected to the punitive measures that can be applied against broadcasting." Despite all these regulations are they not compensated for by the fact that the CRTC also protects you against competition, or would you rather see a totally unregulated industry? Say I want to go to your neck of the woods and put up a radio station, I can't.

Mr. MacLeod: I think, sir, that we make it clear that legislation is necessary to control broadcasting

but not over-legislation. May I give you some examples?

Senator Petten: If you would, please.

Mr. MacLeod: This is the statistical report we had to file at the end of our fiscal year. It is 24 pages long. That is an auditor's nightmare, breaking down all the little nitty gritties of our expenditures. Have you ever examined one of those, sir?

The Chairman: I have examined one. I don't think that is an example of over-legislation.

Mr. MacLeod: Well, it is a hardship to us.

The Chairman: I am sure it is but Senator Petten's question really was: Is it a hardship which is not in part compensated for by the advantage you enjoy and the fact that Senator Petten and I cannot operate a radio station, if we have the money and the desire; the CRTC would not let us.

If you have other examples I would like to see them.

Mr. MacLeod: I think the CRTC would be acting in the public interest.

The Chairman: And they would also be acting in your interest, wouldn't they?

Mr. MacLeod: Yes, in our interests, too.

The Chairman: If you have other examples—I know these things are not fun to make out.

Mr. Hirtle: I could just cite an example. I am spending more time doing work for branches of Government than I do in broadcasting.

Senator Smith: You ought to hire more staff!

Mr. MacLeod: This is a little form we had to fill out for a transfer of shares up to roughly six or eight months ago. Very simple. Now they are replaced by, I believe, an eight page form and it is taking us as long as four months to get a routine stock transfer through the CRTC. This is holding up estate settlements, and so on. I am not referring to changes of ownership or control of the company. I am referring to a hundred dollar shareholder who wants to give his shares to his son or whose estate has to be settled. Four months to get a routine transfer through. When it comes to the food and

drug advertising we have to have approval in advance by the Department of National Health and Welfare.

The Chairman: Are you against that?

Mr. MacLeod: Is it fair that we should have to have it approved in advance, a process which takes as long as three weeks, while our competitive media can print it immediately?

The Chairman: Which would you prefer to see? Would you prefer to see that their material has to be checked or that yours does not? The public are being protected in broadcasting and you say they are not being protected in print.

Mr. MacLeod: I am saying there is discrimination.

The Chairman: I take your point. I am wondering which you would prefer to see? Would you prefer to see that the food and drug regulation, as it applies to broadcasting, be removed; or do you think it would be in the public interest to see that there is a similar regulation in other media?

Mr. MacLeod: I think the regulation should apply to all media to protect the public.

The Chairman: Rather than seeing it removed from broadcasting?

Mr. MacLeod: Yes. Because today you don't know What you are eating or drinking. All of a sudden it comes out that the glass there contains cyclamates and you are going to get cancer. The public does need to be protected. I don't argue against that point. I think we should be able to advertise anything that is on the label of the product. If it is cough syrup and it is approved by the Department of National Health and Welfare to be on the market, and certain claims are made on the label, and those are approved, I see no reason why we cannot broadcast the claims on the label without going through a three weeks delay. The drugstore who wants to advertise is going to say "I am not going to wait three weeks to get on the air. I will run this in this week's newspaper instead."

Senator Smith: On this very point may I ask what have you done to try to get this change? Have you done anything through CAB or on your own behalf? What have you done?

Mr. MacLeod: To a previous administration—Liberal
Mr. Rogers wrote a series of letters and they

did result in some lightening of the burden to the extent we were allowed to name item and place. At one time it was illegal for us to use the phrase "fresh corn". You could say that somebody had corn to sell but you couldn't say it was "fresh corn" because you were making a claim about it and we had to submit the copy. On cosmetics, soaps, patent medicines—we can now name the item and place providing we make no claim. We can say "You can buy Super Plenamins at Rexall drugstore." We cannot say "Your family needs Super Plenamins because they contain 150,000 units of vitamin A." We cannot make a claim. Now we can name the item and place, and up to two, or three, or four years ago we couldn't go that far.

The Chairman: Isn't the Department of Consumer Affairs moving in exactly the opposite direction to the one you are recommending? It is my understanding, just following the press and the things they are doing, they are moving in the other direction. They feel the public should be receiving increasing protection.

Mr. MacLeod: I would agree with that theory, the public does need increased protection with today's new drugs, new products coming up, new food, new hormones that go into face creams. The public does need more protection. The point I am making is that once the product is approved and goes on the market and the label is permitted to go on and it makes certain claims, then we should be allowed to air.

Senator Smith: If I pick up next week's *Bridgewater Bulletin* and find an add for Super Plenamins saying "Super Plenamins are good for you, take your spring tonic in the form of Super Plenamins..."

Mr. MacLeod: Yes.

Senator Smith: You mean you cannot broadcast that kind of claim?

Mr. MacLeod: Not without prior approval.

Senator Smith: And this is a regulation under the supervision of the Food and Drug Act administration and not the CRTC?

Mr. MacLeod: It is a combination of both.

The Chairman: It is the Food and Drug Regulation. We should make it clear that they can broadcast it after it is cleared.

Senator Smith: Can you make a claim if it is cleared?

Mr. MacLeod: Yes.

Senator Smith: And what you complain about is that you have to wait three weeks, or something.

Mr. MacLeod: Yes.

Senator Smith: Do you ever lose business because of this point?

Mr. MacLeod: Yes.

Senator McElman: A supplementary. I understand all these aggravations of forms you have to fill in and so on. To get back to the basic question, as I understand it U.S. broadcasters are subject to similar aggravations, and yet in the U.S. broadcasters licences are handed out, particularly in the radio field, almost like wheatcakes. Would you prefer that sort of a situation?

Mr. MacLeod: No. I don't think it would be in the public interest in Canada. That is a personal opinion.

Senator McElman: Then you would agree that you have some protection in this country licence-wise, and looking at the economic aspects, the viability of your station. You have protections in this country that don't apply at least in our neighbouring nation.

Mr. MacLeod: Right. I qualify by saying that protection is in the public interest, not our private interest.

Senator McElman: Oh well, is it not very much in your economic interest that you have such protection?

Mr. MacLeod: You need at least 75,000 fairly prosperous people to start an AM radio station. Put another radio station in our area and all you have is two very poor radio stations and it is just a question which one is going to go belly-up first.

Senator McElman: I ask again is it not in your economic interest? Let us say there were . . .

The Chairman: In fairness I must say that I think the witness has answered the question once, but go ahead, pursue it. Senator McElman: Let's say there was a very wealthy entrepreneur in your area who could stand the gaff of a break-even or less-then-break-even situation and simply wanted the prestige of owning and operating a radio station. Is it not in your very real economic interest that he would not receive such a licence under our regulations?

Mr. MacLeod: Yes.

Senator Petten: I wonder if you would tell us about the turnover and staff. You recruit staff locally, you say?

Mr. MacLeod: Yes.

Senator Petten: Do you have much of a problem with them leaving and going on to possibly greener pastures or the larger stations? Do you have much of a turnover?

Mr. MacLeod: Yes, it is a constant problem with us. When we get back to Bridgewater we will count the announcers. There just is not an adequate training program anywhere in Canada for the type of personnel we require. There are institutes such as the Ryerson Polytechnical Institute in Toronto which is turning out broadcasters after a three year course. There is the Career Academy, a four months course costing \$1,000 which teaches some of the basics. To really find staff we will have to winnow through 50 or 60 auditions to find a possibility. We take somebody as geeen as grass and we spend a couple of years training him and putting a considerable investment in time and effort into his training and then he says "Now I know my job and I am worth more money and either you give it to me or I go on to a metropolitan station." A lot of our lads have moved on to greener pastures because we cannot meet the metropolitan stations as far as salary scales.

The Chairman: Mr. MacLeod, a few minutes ago Mr. Hirtle said he started at \$50 a week in 1947. I might say that was \$12.50 more than I made in private radio four years later. What would you start a disc jockey at in your station now in round figures?

Mr. MacLeod: In order to have a 19-year old boy and hold him, to train him so that he might become a competent broadcaster, around \$75 a week.

The Chairman: So the pay scale in private radio stations like yours has increased considerably.

Mr. MacLeod: Just to get them to come into broadcasting in competition with any other type job they might take.

Senator McElman: Would you consider paying a higher rate to bring in a first class broadcaster, electronic journalist from, say, Halifax, to improve the calibre of programming?

Mr. MacLeod: We have attempted to do that, sir. They won't leave the big leagues for the bush leagues.

Mr. Hirtle: There is a status symbol involved.

The Chairman: What concerns me about your answer, and I accept it, you say they wont leave the big leagues for the bush leagues. I am sure that Senator Smith, who lives in your community, does not consider himself a bush leaguer, and I know you don't consider your audience as living in the bush league. Broadcasting is, if anything, more important to the citizens of Bridgewater, I would suggest, than it is to the citizens of Toronto where I live where we have lots of stations.

Does it concern you that you have to use inexperienced people? What is the solution to the problem? In other words, you mentioned the bush league. You are not a bush league broadcaster. You would not describe yourself as that nor would we. What can be done in small stations? That is one of the reasons we wanted to have a station like yours here before the committee. It is fine to have Allan Waters and CFRB and we are terribly interested in them, but it is also important to us that we talk to people like you. The listeners in Bridgewater are as important as the listeners in Toronto. You serve them to the best of your ability but what can be done to help you serve them better?

Mr. MacLeod: May I go back to an earlier question in the brief? We say our best staff members are those who are born and brought up in our area, and who want to remain in our area, who don't want to emigrate. We have tried to bring in experienced news editors and pay them higher than average salaries for our part of the country but they just won't stay, they want to go to the metropolitan stations where there are more exciting things to do such as covering the Legislature, or where the Supreme Court sits, or where they can be parliamentary correspondents and where they have an unlimited news budget and a larger staff to work with.

Senator Smith: Mr. MacLeod, don't these people ever balance off the great benefits there are from living in our particular area? I am not apologizing for saying things like this, because I am sure our chairman knows the situation. Don't they balance off the great benefit of being able to play golf on either one of three golf courses that exist there, seaside golf courses, the most beautiful things in the world, for about \$55 a year. You cannot even get in the front gate of a Toronto golf club for less than \$1,500. There are other things that enter this that are just as free as anything and I can't understand these city slickers wanting always to remain city slickers.

Mr. MacLeod: In my experience I have only known one man who was bright enough to know that situation.

Senator Smith: Is that James MacLeod?

Mr. MacLeod: Yes.

Mr. Hirtle: If I may enlarge on your point and still answer perhaps the question of the chairman. In the last, I would say, probably three years, we have had two people come to us from metropolitan Montreal. They had some basic training and came to us to enlarge upon their training. One of the boys is still with us. We gave him to understand fully he would not become in any way shape or form qualified to make a move under two years. The other chap is now on the news staff of CFRB. We have contributed, through the dint of training, three of the present managers of Nova Scotia radio stations. On the same basis my engineer has been with me since the inception of the station; my sales manager has been with me since the inception, and Mr. MacLeod has been there since 1949. We have a traffic clerk who has a photographic mind who has been with us 18 years, so we don't need a computer. Our program director has been with us 16 years. We have key people who are the basis and background and the backbone of our operation so we have to live with this business of being a training ground for junior people.

The Chairman: This is not a criticism. I don't think you should describe yourselves as being in the bush leagues.

Mr. MacLeod: We don't. We are quoting what others think of us, I suppose.

The Chairman: Well, you shouldn't.

Mr. Hirtle: If I may just bring up a point. In our brief there was a reference initially to certain people who were "no more qualified to operate a radio station than a doctor, lawyer or Indian Chief". I crossed out "Indian chief" because I was afraid somebody would say "racist". I could just as well use the expression "butcher, baker, candlestick maker." This was the intent.

The Chairman: Could I ask a couple of other questions? You are complaining, I gather, about the Nova Scotia Labour Code restrictions, the number of hours worked?

Mr. MacLeod: The Canada Labour Code.

The Chairman: You are complaining about that?

Mr. MacLeod: I am not complaining about it. I brought out this point on Monday afternoon when I was invited to sit in on the session with the regional director of the Canada Manpower Centre in Bridgewater. This provision of the Labour Code makes it difficult to train junior staff. We are way above the \$50 minimum salary when we bring these people in. It is enough of a hardship to have to support them like the Salvation Army for a year until they learn to be useful, let alone to have to pay them overtime to learn. A lot of our broadcasting is done at night.

If I may carry that subject further, the first year a man comes to our station he has to go through various cycles, seasonal cycles of our operation. There is what we call the Christmas rush, the mid-winter lull when we sit around and do our routine work. We have our exhibition season, we have various spring activities, and so on. When a new man comes we would like to send him out to observe how each of these different things is done during his first year. The second year he is with us he is told "All right, last year you saw how it is done. This year you go out and do it." So it takes a full year with us to see how a radio station operates. A radio station does not operate the same on January 1 as it does on July 1. They are seasonal.

The Chairman: Do you pay overtime to these people then?

Mr. MacLeod: We have to.

The Chairman: Isn't it a good thing? The starting salary in Bridgewater now is \$75. That is hardly

inflation. That is the fact that the private stations in this country have started paying a living wage to people. Isn't that a happy development?

Mr. MacLeod: A very happy development, sir. I started there at \$32.50.

The Chairman: Don't you think it is good that people don't start there at \$32.50 now?

Mr. MacLeod: Yes.

The Chairman: I am not putting words in your mouth. I think this has been the great shame of private broadcasting in this country and presumably it is now ending.

Mr. MacLeod: The shame of private broadcasting... during the years we have always paid what we could afford to pay. It has taken us 20 years to build the station up to a point where we could afford to pay \$75 to a 19-year old.

The Chairman: I am thinking of stations that couldn't make that statement. I accept your statement at its face value.

I have a couple of other questions. At section 8 of the brief you say that when newspapers and radio stations are jointly owned, radio appears of secondary importance. Do you have any specific example in mind when you made that statement, Mr. Hirtle?

"We can express the opinion that radio appears," of secondary importance in such an affiliation.

What situations were you thinking of?

Mr. Hirtle: I think in many instances the broad-casting end of a partnership such as this is very often the tail wagging the dog.

The Chairman: I know what you mean, but what is an example? You must have had something in mind when you wrote it. I don't want to tie you down, but surely you had something specific in mind.

Mr. MacLeod: Perhaps we could satisfy the senator with one answer. We both started our professional careers at CHNS in Halifax, which was owned by the Halifax Herald Limited, and although we were both junior announcers at the time it was obvious that the board of directors who were running the broadcasting company were newspapermen and not broadcasters and we felt the direction was flowing from the newspaper to the station.

The Chairman: In section 15 you say:

"Freedom of the press carries with it the responsibility not to interject into family listening topics that would be distasteful or unsuitable for those of immature years."

Presumably the judgment is made by you and Mr. Rogers. It is an awful responsibility. Who is John Hirtle, if I may say with great respect, to determine what is distasteful or unsuitable for the listeners of Bridgewater?

Mr. MacLeod: May I give you an example when I say at CHNS many years ago an announcer went on the air and described a news item where a little girl was killed in an automobile accident and the reporter went into such details of the accident—she has been decapitated and this was part of the news story. The next day that particular announcer got a phone call from a little girl's mother and the mother said "My little girl heard that news item and she cried all night and kept repeating 'mummy, they cut her head off."

There has to be some judgment used in how far to go.

The Chairman: I can see that, but how do you make that judgment?

Mr. MacLeod: Hopefully we do it through experience of broadcasters.

The Chairman: When does judgment become censorship? Is there that danger?

Mr. MacLeod: Yes, an ever-present danger.

The Chairman. Which concerns you and which you live with?

Mr. MacLeod: Yes.

Senator Smith: Mr. Chairman, will you give me a chance for a question? At the very last part of the last paragraph in the material you were good enough to send us you wind up with the statement:

"If you owned a radio station and your licence was going to be reviewed at intervals of two to five years by a politically appointed body, would you have the courage to take a political stand?"

I quote that to also say that this is not the first time we have had evidence that there does exist fear on the part of the broadcasters. Apparently they are fears

entertained mostly by smaller broadcasters, the fear of offending somebody in the political sphere or in one of its agencies, and apparently it is a real fear because we have had it expressed. The big fellows haven't indicated they are particularly concerned.

What puzzles me is that at paragraph 26 of the first part of your material you refer:

"At the federal level, our efforts have often been met with contempt."

You use words like: you "have been vilified and ridiculed by those set in authority over us."

If you mean what you say in the last paragraph you must be scared to death now that the CRTC is going to take away our licence after attacking them in that form.

I found it interesting and I would like to have you say a word.

Mr. MacLeod: Senator, the cats are away and the mice are playing today at our station. One of our employees with less than a year's experience could put us in hot water and we could be punished to the extent of \$25,000 for a first offence, and \$50,000 for a second offence—no more Acadia Broadcasting Company.

The Chairman: What kind of offence would that be that the penalty would be like that?

Mr. MacLeod: It is difficult to say. There are so many rules and regulations of Broadcasting Act and regulations of the CRTC.

The Chairman: That would occasion a \$25,000 fine?

Mr. MacLeod: That is a hypothetical question because the fine has not been imposed.

Mr. Hirtle: It still is a viable threat.

The Chairman: If I may pursue Senator Smith's question. If you were the chairman of the CRTC would you not want some of that kind of authority? In other words, is it not in the interest of the citizens of Bridgewater that when you two gentlemen are kind enough to come before our committee and be in Ottawa that you have the kind of mice, to use your word, in whom you have enough confidence they are not going to do these things.

Mr. MacLeod: Yes; but they could make an honest mistake.

The Chairman: Do you believe if they made an honest mistake it could result in a \$25,000 fine?

Mr. MacLeod: We don't know.

The Chairman: Has it ever happened?

Mr. MacLeod: Not yet.

Mr. Fortier: That is the maximum, of course, Mr. Chairman. Section 29 of the act says that an infringement of any provision of the Act or any regulation enacted under the Act would make the broadcaster liable to a fine not exceeding \$25,000 for a first offence and not exceeding \$50,000 for any subsequent offence.

Mr. Hirtle: Perhaps, Mr. Chairman, I might answer Senator Smith when he reads the question:

"If you owned a radio station and your licence was going to be reviewed at intervals of two to five years by a politically appointed body, would you have the courage to take a political stand?"

I have been accused, as you may or may not know, of being a fence-sitter. I number you among my personal friends and I also consider the late Honourable Robert H. Winters a personal friend of mine. At the same time, my father was the honorary president of the P.C. Association, so I get tarred with that brush. But I have never taken a political stand. I have been accused by Gerald Regan, who is the Leader of the Opposition in the Provincial Legislature, of being a fence-sitter. I feel perhaps in my judgment that is a logical position to take.

The Chairman: Why is it a logical position to take?

Mr. Hirtle: I feel I have to try to be all things to all people.

The Chairman: We have had Mr. Bassett before the committee, from CFTO television in Toronto, and they are coming again. He is a very active Conservative. We have had Mr. Waters here this morning and he is an active Liberal.

Senator Smith: I want to remind you, Mr. Chairman, that Mr. Rogers and Mr. Hirtle, the president and vice-president of the company, still would permit Mr. James MacLeod to be the Liberal candidate back in

1958 in the constituency. I call the vice-president who is running the show being non-partisan. Perhaps it is a group that you could describe as non-partisan and perhaps it is growing. I am sure he has opinions and if he were not a broadcaster and in the newspaper situation I think that Mr. Hirtle would from time to time take a stand. I don't know what this stand would be, but you know what my hopes would be.

The Chairman: I am interested in the point you raised as to whether or not . . .

Mr. MacLeod: We are pointing out a fear in the industry.

The Chairman: It is apparent to me in the last two days that it is a fear of small broadcasters and that the big broadcasters don't have it. We put this very directly to Standard Broadcasting people and we dealt with it with CHUM people. They clearly indicated they did not have this fear. On the other hand, Countryside yesterday morning sure had it, and obviously you fellows have it.

Senator Smith: Mr. Chairman, perhaps I could conclude my part on this whole program by indicating that somebody who has been pretty close to the CRTC has told me—and I have a note of it—that if there were more broadcasters like CKBW there would be no need for broadcasting regulations. Somebody who knows the situation in general is paying you the greatest kind of compliment while you use the worst language I have heard against the CRTC. It was just a puzzle to me.

Senator McElman: I was going to ask a supplementary. In view of the political reference, is it the opinion of the witnesses that the CRTC then is politically motivated or politically controlled?

Mr. MacLeod: We have the fear, sir, we will put it that way. Whether or not the fear is justified, I would have to leave that up to you to decide in your conscience.

Senator McElman: A fear that it is politically motivated?

Mr. MacLeod: Yes, we have the fear. Appointments to the CRTC are made by the party in power.

Senator Smith: So are judges appointed on that basis, Jamie.

Senator McElman: Have you any evidence to base that upon?

Mr. MacLeod: Nothing concrete, sir; like a fear of falling, a fear of high places, or what have you.

The Chairman: I wonder perhaps if we could terminate this part of the discussion by asking Mr. MacLeod if he were perhaps the Prime Minister of Canada or a member of the Cabinet, if there is any recommendation he could make to our committee which we might recommend in our ultimate report, as to some way in which his fear could be removed. In other words, what can be done that is consistent with good broadcasting in Canada that would alleviate your fear?

Mr. MacLeod: Well, some of the Broadcasting Act obviously has been designed to control the large broadcasting stations but if you are a mosquito you would hate to be hit by a sledge hammer.

The Chairman: You have not answered the question, really. How should the system be changed to alleviate your fear? That is my question.

Mr. MacLeod: You have given me a problem. It should be solved by the Prime Minister.

The Chairman: It is a problem you think should be solved. Obviously you have this fear.

Mr. MacLeod: The tenure of office of members of the CRTC should be for a length of time that they would not be supplanted following any election or change of government.

The Chairman: That is the situation now.

Mr. MacLeod: The Broadcasting Act—I see no reason for the \$25,000, \$50,000 fine business. I feel it should be like any other federal statute, the maximum amount is \$10,000.

The Chairman: You would have less fear if the maximum fine was \$10,000?

Mr. MacLeod: I wonder why broadcasting was singled out, sir. The federal statute, I think, the maximum fine—I may be wrong—is \$10,000.

The Chairman: You would feel better if the fine were \$10,000?

Mr. MacLeod: I think it should be treated as the Government is treating other things.

Mr. Fortier: I think it should be pointed out that the fine is not imposed by the CRTC. The fine would be imposed, Mr. MacLeod, by a court of law. If you read section 29 you will see every licensee who violates the provisions of any regulation applicable to him made under this part is guilty of an offence and is liable on summary conviction. So it is not the CRTC who assesses the fine, it is a regularly constituted court of law.

The Chairman: I don't want to spin this out endlessly. You have the fear and we respect your fear and we would be interested in any solutions you might want to recommend to the way in which the thing could be structured to alleviate the fear.

Perhaps I could close off the questioning by expressing a fear I have and you can make me less fearful by your answer. I was rather alarmed by the reference in an appendix to the brief:

"What is wrong with 'Americanization'?" Then you go on and there is a very pro-American paragraph. It is in the appendix at page 12.

I should make myself very clear. I am not anti-American. You make this clear in your brief. You say:

"Despite our close ties with the U.S., we feel we have maintained our identity as Canadians."

I would like you to comment on this. If you feel as you do so strongly in the opening part of that paragraph, perhaps you won't maintain your identity for long. In other words, how are you pro-Canadian? How do you demonstrate? You say you have maintained your identity as Canadians. How do you maintain your identity as Canadians and feel as you do about Americanization?

Mr. MacLeod: There you get into personal feelings. You might well say "Why do you love your wife?"

The Chairman: You say "What is wrong with 'Americanization'?" I guess what I think is wrong is the ultimate end of Americanization is our country would disappear.

Mr. MacLeod: I submit to you, sir, this proposition. There is such a thing as a Canadian. I am a Canadian citizen, I am a seventh generation Canadian on my mother's side and a fifty generation Canadian on my father's side. My forefathers came to this country and

broke the virgin soil and set up their farms and their leaseholds, and so on. There is engrained in me a sense of identity that I am a Canadian. When I was in the Air Force during the Second World War and I was in Great Britain, I felt I was visiting my grandparents. When I go on a vacation to the United States, I feel like I am visiting my cousins, but in my heart when I am here I am at home and I am a Canadian and I do not want to be an American.

The Chairman: You don't want your cousins to move in and take over your house?

Mr. MacLeod: No.

The Chairman: Neither do I.

Mr. MacLeod: On the contrary, It is a Canadian identity. We have taken the best of two worlds. We have taken the culture of the old world and the technology of the new and are clever enough to stay in the middle between the two and we have no close alliance now with Europe and really no close alliance with the United States, and we are having the best of two worlds. Why object to it?

The Chairman: I agree with your statement but I don't think it is inconsistent to suggest that we have also taken the worst of two worlds and that is what concerns me. We have a national purpose to sort out what is good and what is bad in all the cultures that are flowing in upon us. It is only if we do so, it seems to me, that we can remain distinctly Canadian.

I am not questioning your Canadianism for a moment, but I must say I was alarmed. I defer to your Canadianism, which is as strong as my own, of course.

Senator McElman: There is one area that alarms me a little bit. In paragraph 18 on the main brief you say:

"We do not believe there is an establishment which controls the mass media in Canada or any one of the media. There are, however, in our opinion, major organizations which exert a great deal of influence. We would point out the influence exerted by a relatively small number of columnists, editors and commentators in the leadership conventions of the major political parties held in 1967 and 1968."

What are these major organizations which exert a great deal of influence on the media?

Mr. MacLeod: CBC is one, sir.

Senator McElman: It is not in the Establishment sense then that you are speaking as influence; the lesser use of the word "establishment"? You are talking about the private sector?

Mr. MacLeod: I am saying that there are groups here, there are major organizations which exert a great deal of influence. There are very prominent newspapers in Canada which exert a great deal of influence.

The Chairman: Which ones?

Mr. MacLeod: The CBC.

The Chairman: Which newspapers?

Mr. MacLeod: Toronto, Ottawa, Montreal press.

The Chairman: Do the Toronto newspapers exert great influence in Bridgewater?

Mr. MacLeod: Yes.

The Chairman: How does that work?

Mr. MacLeod: It feeds down the line. Now we are getting into the political field and I am a rather rusty politician right now. Let us go back to the Diefenbaker years.

The Chairman: Before you do, you didn't pick a vintage year to be a Liberal candidate.

Mr. MacLeod: No, I discovered that. In 1957 the press was enamoured of Mr. Diefenbaker. He could do no wrong. When the press turned against him he could do nothing right. In the Liberal Leadership Convertion we had the press—by "the press" I include radio and television, we are all members of the press—we had, shall I call it, the hysteria of Trudeau-mania which established a man who was almost obscure in the Liberal party overnight into the leadership. There was a great deal of influence there in the mass media.

The Chairman: The question we have to ask is: Who created Trudeau-mania, the people or the press?

Mr. MacLeod: I can only give a personal opinion on that. My personal opinion is a few of the press did.

The Chairman: Could the same kind of mania have been created for another candidate? This is not a

Partisan discussion. Could the same thing have hap- this is necessarily backing down on taking a political pened to somebody other than Mr. Trudeau? stand.

Mr. Hirtle: Certainly.

Senator McElman: You say:

"A relatively small number of columnists, editors and commentators" exercised this influence. Once they started the ball rolling, the other media joined the song. Is that what you mean?

Mr. MacLeod: That is about it.

Senator McElman: They were influenced by a small little group of people who have gained ascendency in the prestige in the media?

Mr. MacLeod: That is right. Your little people will say "Well, so and so is such a well known columnist if he is such a strong supporter of so-and-so perhaps I should follow his lead". And it builds up into a snowball effect.

Senator McElman: Would you be surprised, Mr. MacLeod, that when we heard from the representatives—one or two who remained in that group—of the media themselves, they denied vigorously that there had been any such attempt made.

Mr. MacLeod: I leave it up to you, sir. You saw television, you heard radio, you saw the press.

The Chairman: Perhaps on that note I could conclude ...

Mr. Hirtle: Mr. Chairman, could I return to one point that Senator Smith made. I think we came here and we are prepared to stand up and be counted. I Would like to say to you, Senator Smith, that in a community the size of Bridgewater and/or Liverpool you have to become involved in the community. Perhaps you don't always sit on your haunches, perhaps you do take political stands. I can cite to you an an example of which you have some knowledge. We are getting very interested in the community of Bridgewater about the introduction of the Michelin plant. It is going to create 500 new jobs in a community of 5,000 people. Both Mr. MacLeod and I are members of the Industrial Commission since its inception and I have no qualms at all about coming to Ottawa with the Michelin negotiating committee and negotiating with the Department of Regional Economic Expansion for a considerable sum of money to provide services for such an industry. So I don't think

Mr. Fortier: You commenced broadcasting in 1947?

Mr. Hirtle: With Acadia Broadcasting.

Mr. Fortier: In the community which you have described and you offered over the years the services you have described. Would it be possible in 1970 for someone like you in a town like Bridgewater to commence broadcasting afresh?

Mr. Hirtle: I would say it would be very difficult.

Mr. MacLeod: The day of the pioneer is gone.

The Chairman: So is the day of senators gone who won't return at 2.30 if we don't adjourn.

Without elaborating I will simply say that we are grateful. The views of broadcasters like yourselves are important. It has to be part of our record. I guess the thing we wish for you is that the mice have not done too much harm while you have been up here. Thank you for coming. We will hear from Bushnell Communications at 2.30 p.m.

The Committee adjourned.

-Upon resuming at 2.30 p.m.

The Chairman: Honourable Senators, if I may call this session to order. The brief we are going to receive this afternoon is from Bushnell Communications Limited. Sitting on my immediate left will be the chief spokesman, Mr. Stuart W. Griffiths who is the President and Managing Director. Sitting on the extreme right at the front is someone who perhaps does not need much introduction to this group, Mr. Ernest Bushness who is the Chairman of the Board. On my immediate right is Mr. Roy Faibish who is the Executive Vice-President of Bushnell Comminications Limited and on Mr. Faibish's left is Mr. Charles O'Connor, Secretary and General Counsel.

The procedure we follow here, Mr. Griffiths, is a very simple one. We have the brief that you were kind enough to supply in compliance with our guidelines, which has been distributed to the Senators and has been read by them. We would ask you to make a brief opening statement of 10, 12 or 15 minutes, and following that we would like to question you on your opening statement and on the contents of your written submission and perhaps on other matters which may interest us as well.

If you wish to hand off any of our questions to any of your colleagues then, of course, we would be delighted. May I say for your guidance that, as the Senators have heard me say many times, I think it is particularly significant in this kind of hearing to point out this is not a junior grade hearing of the CRTC. It is not an inquiry into the affairs of Bushnell Communications Limited. It is rather an attempt to analyse the broad media spectrum in Canada, and Bushnell Communications Limited already plays a vital and significant role and therefore I think it was important to us that you come before the Committee.

But I also want you to realize, and I want to underline for the benefit of the Senators once again, as I am sure they realize, that as you come here this afternoon Bushnell Communications Limited has a substantial number-I believe more than a score-of applications pending before the CRTC and we are as anxious as you are here this afternoon to avoid asking questions or to avoid you making statements which in any way, sense or form, could be embarassing in your delicate relationship, shall we say, with the CRTC. I know you realize that, because we have talked about it; it is not in that spirit we want you to come before the Committee but rather because yours is an important company and you and your colleagues, all of whom are friends of mine, have significant things to say to the Committee; and so welcome, why do you not go ahead?

Mr. Stuart W. Griffiths, President and Managing Director, Bushnell Communications Limited: Thank you very much, Mr. Chairman. I suppose I could play the role of the feckless fellow from up the Ottawa Valley trying to describe our interest in broadcasting.

I could say that Bushnell Communications is a small television station in a medium size Canadian city with a rebroadcasting transmitter in another little town about 75 miles away and that we have interests in cable systems in Ottawa and several small towns nearby. That might accurately describe Bushnell at the moment but it is not the picture that the press has been portraying during the past months and, I am sure, that such a description would not be the reason that you have invited us to appear before you today.

But it is a more or less accurate statement of what we are. What it does not convey is our ambition or our promise or our ideas about the world in which we take part.

Our world is the world of broadcasting -uncomplicated by newspapers or magazine publishing or manufacturing. Bushnell Communications is a more. We formed the CTV in order to pool several

public broadcasting company, the largest shareholder owning not more than 13 per cent of our equity. We came into being in 1961 here in Ottawa at the same time that a number of so-called "second stations" began and eventually formed the second English television network, CTV, the alternative television channel for many Canadian viewers. Bushnell and its station CJOH-TV was one of the founding members of the CTV, a co-operative, mutually-owned and financed distribution network which now provides service for about 78 per cent of English speaking Canadians. By comparison, the CBC serves about 96 per cent of Canadians with a budget of some \$200 million. CTV's is less than \$15 million and this poses some typically Canadian problems.

In Canada we commonly take our standards from United States and while emulating the richest, most powerful country on earth may set up a high style of living it does not do very much for our development as a separate nation or the perpetuation and development of our own characteristics. If it was simply a matter of being able to afford to copy United States ways and foibles it would be a relatively simple matter to control the Canadian strain-but for the majority of Canadians access to the United States way of life is free-at least in a vicarious kind of way through movies, magazines, radio and television. In many parts of Canada, the United States television stations provide the alternative channel to the CBC and in some cases it is easier and more usual to choose the United States channel in preference to the Canadian. Any attempt to limit the ability of Canadian viewers to watch U.S. channels is usually met by howls of rage, the sounds of which echo quickly through these hallowed halls. It seems Canadians are deliberately cultivating a kind of television Brinksmanship. We are like drug addicts shooting larger and larger doses of imported and inexpensive dope to dull the monotony or pain of our everyday Canadian ways.

Television of late years has come to be identified as one of the chief sources of the dope-this honour being won after a long struggle with the movie houses and the magazines. Some of us even defend ourselves, in our roles by saying that we are simply "pushers" giving the customers what they want-and addicts always want more.

Some of us, even without the prodding of the CRTC, have tried other remedies.

We formed the CBC and subsidized the production of Canadian radio and television programs in an effort to provide a Canadian alternative. The addicts wanted Mass Media 39:49

stations' Canadian requirements in the belief that working together was a better way to make Canadian programs than working separately. Still on the whole, the most popular elements of our schedules are U.S. programs. To increase the choice of the addicts, cable televisions has imported even more U.S. television and still more is demanded for now we have created pockets in many parts of the country where television services are very unevenly available and quite understandably, the would be addicts in these areas, seeing the blessings of addiction in other parts of the country, clamor for access to the drug.

The poor bloody Canadian broadcaster, even if he wants to give up the seamy life of the "pusher", now finds himself pushed. He's hooked too. He's hooked by the demands of choice for what Canadian addicts are asking for is not to be less Canadian but a wider choice on their television dials and at the moment, United States programs seem to be the easiest way to provide the answer. Accepting this answer will eventually change us into viewers, whatever our language, who have less and less knowledge of our own every day life and history.

So it is now up to broadcasters and broadcast regulators and Senators to do what we can to change matters-and it is very hard. To-day, while we are talking here, the Canadian Radio-Television Commission is hearing the first comments on their proposals to make our Canadian broadcasting less American. Undoubtedly from these discussions will come some increased requirements for Canadian broadcasters and a good thing too. A few days ago the CRTC suggested some new guidelines for cable operators designed to ensure that Canadian stations would have a priority on cable systems before United States stations. This will ensure that at least for a time, the parts of the country that cannot easily receive U.S. television stations, will have only a limited access to them. It of course can do nothing for the 65 per cent of Canadians who have direct access to U.S. stations. The cable operators are screaming that this will inhibit the development of cable. The Canadian Association of Broadcasters in Screaming that the CRTC's proposed new Canadian tequirements will put them out of business. Even the CBC views with apprehensiveness some of the sugges-

What the CRTC is doing is all that is can do—it can require and perhaps it can also be enlightened in its requiring. But its efforts will be in opposition to what a substantial part of the public wants if it relies only on regulation, because in the long run it is difficult to require creation.

This is what has to happen if we are seriously concerned about remaining Canadians, and whether it is water or minerals or broadcasting, Canadians have to put some value on them being Canadian.

Broadcasters can purchase U.S. programs at a fraction of the cost of making comparable Canadian programs. Even spending a great deal of money making Canadian television programs and making them available is no guarantee that viewers will watch them. But we really have no other choice than to go on making as many as we can and making them as well as we can, not in imitation of U.S. programs but trying to find the crevasses and cravings in a viewer's mind, which, when we do, and are skilled enough to build a program to fit, means he will watch a Canadian rather than a U.S. program.

Canadian broadcasters have watched the growth of cable in this country with some horror because unless they do something they see their audiences and their ability to do something about their industry being reduced. The *viewer* does not think of cablevision in this way—he sees it as a means of increasing his choice. He is not consciously being less Canadian and it is pointless to appeal to his patriotism.

Some broadcasters, Bushnell among them, are determined to do something, and if they can, in a creative way. It all comes down to programs in the long run. The viewer wants increased choice—more programs. The regulator wants a more Canadian character to our broadcasting—more programs. The broadcaster wants to survive first and then, depending on who he is and what his circumstances are, to contribute to his industry which is daily less and less of an industry and more and more a matter of human communication, enlightenment and information.

What a small broadcasting company can do is limited but important. What some of us have come to conclude is that we must grow larger if we are going to contribute in any effective way. We must increase our ability to make more and better programs, we must have the capital to buy the machinery to make them and we must have the ability to attract, develop and hold people with the skills to make them. And we must do all these at a time when the likelihood is that resources are decreasing while costs are increasing.

Bushnell is a small company but it has always been predominantly interested in programs—making programs. For a small company it has done quite well at this—and it has shown its interest in building a plant to make programs that is quite unusual in this country and certainly disproportionate for the size of Ottawa.

But small companies, even those with good motivation, come to the end of the road of resources and the ability to commit for the future. For this reason. about two years ago Bushnell made its decision. It decided to expand and increase the base on which it could operate, increase its circulation so it could improve its service, and plan its future as it saw broadcasting developing. Its thesis was quite simple. Broadcasting was a public business-it reorganized its company and became a public company. Broadcasting was programs and stations-it built and purchased studios to increase its ability to make programs and it negotiated to purchase several additional stations in Montreal, Kingston, Peterborough and North Bav. Television now embraces cable, and in our opinion will do so more and more, so Bushnell involved itself in cable, first in its own backyard and then in other areas, Montreal, Toronto, Vancouver, Trail, Nanaimo, Nelson, Red Deer, Cobourg, Renfrew, Arnprior, Hull. Ottawa, Most of these stations and cable companies are promises, for although we have negotiated to acquire them we must first obtain the approval of the CRTC and we hope to have this opportunity before too long. It is this decision on Bushnell's part to be more involved with programs that has caused the speculation in the press and to some extent, apprehension in the Toronto papers and which has, I am sure, caused you, Mr. Chairman, to ask us here today, You will understand from all of this that we are at the moment mostly shadow-we hope to demonstrate in the years ahead.

The Chairman: Thank you very much, Mr. Griffiths. May I simply repeat what I said at the beginning, that certainly we are interested in your development but I think it would be misleading to suggest that the only reason we asked you here today was because of the speculation in the press about the future of Bushnell Communications. We are interested in that and I am sure we will be asking about that. It certainly was not the only reason. I think perhaps during the questioning you will see that there are other views which we hope you will express.

As I said, we will put our questions to you and if you wish to hand them off please do so; and notwithstanding my comments about why we asked you here, if any of the questions are such that you feel they would compromise your position at the present time, simple indicate.

Mr. Griffiths: Fine.

The Chairman: We will start the questioning with Mr. Fortier.

Mr. Fortier: Mr. Griffiths, it is a matter of record that the field of broadcasting in Canada has had a number of entrepreneurs, a number of pioneers, a number of small people who have started from scratch with a small radio or a small television station. Do you foresee any future at all today in Canada for the small pioneer type of broadcaster or are his days counted?

Mr. Griffiths: I think his days are counted. I think there will be some pioneering, however. I think it will take place in the small communities. There are many small communities that really have inadequate service today and I would suppose that there are communities in a sense that really will not come easily to the attention of large organizations.

Such communities' needs usually become known to the community itself first and then out of that need usually comes some kind of action, whether it is a radio station or a cable company or whatever, so I foresee that for some time in the future many individuals will start a broadcasting enterprise.

Mr. Fortier: To be gobbled up by the large concerns eventually.

Mr. Griffiths: It is not a question of being gobbled up. I think it usually starts as a small enterprise in a community that has no facilities and for which the community is grateful when it starts. The standards, however, quickly change and as soon as that station's programs are judged against the programs made in other larger centres or other parts of the world, somehow or other in the viewers mind the disparity between the ability of the small station and the large organization gets lost in the mist and pretty soon the community is not just asking for a local service; it is asking for parity with the kind of services that large cities and large communities have.

At least, that has been the history of broadcasting in this country and it has contributed to the raising of the standards of broadcasting generally. But at the point when this pressure is felt, in many cases, depending on the size of the community and the resources of the people who have pioneered, they can go a long distance to satisfying the community's need. They can join the networks which will increase their capacity to give a good programming service; but sooner or later they come to the point where they cannot really provide very much more, and yet the demands have increased. The demands are from viewers and to some extent the demands are from regulars, who quite rightly want to see the over-all standards increased in this country; and it is at that

point where, I think, the pressure becomes inescapable for many small stations. We are at that point in many small stations today, I think, and we will see an increase in this kind of pressure and for that reason an increase in amalgamation in broadcasting in the future.

Mr. Fortier: So that in your vision of things to come in the communications world in Canada, there will be no room eventually for the small man, will there?

Mr. Griffiths: "No room" is a sweeping statement. In the long run even in big companies a man and his stamp on the program is really the characteristic of the program, so that individuals become very important, but they become more important in the creative process than they do in the managerial or the entrepreneur nature of broadcasting.

Some of the programs that people watch have the unmistakable stamp of an individual on them and certainly an individual's participation in broadcasting in this way, both as an organizer and as a performer, will continue, but I think that the backstage boys' days are less and less.

Mr. Fortier: Broadcasting, as you say in the paper which you have just read, and giving it as a reason for your company becoming public—it is a public thing?

Mr. Griffiths: That is right.

Mr. Fortier: You are leasing or renting public property so far as television and radio are concerned. Would you view favourable the government becoming more involved in the field of communications?

Let me explain what I am trying to get at. Instead of having one CBC, having maybe two or three or four government-owned communications networks to ensure that as broad a base of people as conceivable would participate in the development of the industry?

Mr. Griffiths: I am not sure that governments inevitably move in that direction in broadcasting. They have not in many countries. The activities of governments in many countries have limited the participation, often to the benefit of the government, so I do not really look forward to seeing any increase in government as such participating in broadcasting. I do see a role for public subsidy and public participation. I take it that is what you mean by government?

Mr. Fortier: Yes. Jon 000 000 862 10860 107

Mr. Griffiths: ... in the hardware aspects of broadcasting. There are some parts of our country which are simply uneconomic regions in terms of delivering programs to them. They are in the far north or they are difficult to get at and I think that if we are going to operate as a federal organization in this country, then the whole country, as a whole, has to eventually accept the responsibility for providing some parity in service; but I would like to see the functioning of the programming as much as possible out of government hands.

Mr. Fortier: Out of the CBC?

Mr. Griffiths: Well, I worked for many years in the CBC and I think that without the CBC in this country broadcasting would be in a pretty sorry mess, but I think it is being demonstrated that there are alternatives to the CBC and perhaps they are more efficient.

I would like to see more of the CBC resources being spent on programs and less on organization and such like. To me, in a sense, participation by governments and public bodies tends to multiply this organizational complex and as we are seeing with the CBC—as the President of the CBC testified yesterday before the CRTC—the only way, in such circumstances that a corporation, if its income is frozen, can cope with this situation is to reduce the quality of its service. That may include reducing the complexity of its organization, but it is the quality of its service through its program service that the viewers most readily see.

I think there is a different pressure on private broadcasters and there may be a different set of standards also. I am not for the moment speaking about standards which I think can develop but I am speaking about the simple efficiency of using machines and people who make programs. I think, considering our circumstances in Canada, with the need we have, we should be making every effort to be as efficient as we can in making programs, radio and television, or for cable in this country.

I just feel from my experience working in a public organization and now in a private organization and for a while in a sort of quasi-public private organization in Great Britain, that the best hope for this is to keep the participation of governments to a minimum in broadcasting.

Mr. Fortier: So that you do not envisage that the CBC would develop on a course which will be parallel with all the "public" corporations such as Bushnell?

Mr. Griffiths: Well, broadcasting is changing very rapidly today. The CBC does some kinds of programs

which need to be done in this country, which would not be otherwise done.

The Chairman: For example?

Mr. Griffiths: Well, as an example, an opera that costs \$175,000 to produce or the Olympic Games, where it is difficult to recover the full cost of the production.

Mr. Fortier: Is that a role which the CBC should continue to play?

Mr. Griffiths: Well, you use the word "CBC" because that is what we have today as an organization. I think that we need to use money to subsidize the production of programs that Canadians need and want, but there are alternative ways of financing these other than through an organization such as the CBC.

Cable operators today are charging their subscribers a fee for delivering a service which for the most part they can already receive by putting up an antenna; but people seem to be cheerfully willing to pay \$50 or \$60 a year for that service.

We used to think in Canada that a licence was a pretty unpopular form of collecting money and the Government certainly found that to be the case, but the cable operators are demonstrating that people will pay money for something that they value, and it does seem to me that there are alternatives to the CBC in financing on this kind of a subscription basis.

I am not suggesting a licence. I am simply suggesting a subscription basis of payment for television or radio. I think this may solve some of our other problems which have affected the broadcasting industry for some time.

Mr. Fortier: Do you not run the risk of ending up with the general public subsidizing those uneconomical ventures, uneconomical from the point of view of the private broadcaster?

Mr. Griffiths: Who does that now? The public is subsidizing now and so I see no difference in that, if those programs are going to be made. One has to judge that programs—not necessarily of \$150,000, but there will certainly be uneconomical programs that should be made in this country and for that matter, private broadcasters make many of those programs today.

Mr. Fortier: With the added resources that will be available to corporations such as yours, do you not

think this is an area where obligations will go with the responsibility?

Mr. Griffiths: Yes, I think so and I think quite rightly, as a matter of fact.

It is not an easy road to set out to make programs, whether they are expensive or cheap-nobody wants to make programs that people reject or do not want. There is no real index to that acceptance, based on the cost of the program. You can make simple and easily made programs which people find essential and want. You can also make very costly programs which they reject. That relates to the skill of the person who plans the program and his motivation, but I think that we have in this country a broadcasting system-this may not be your question-that is financed partly by public subsidy and partly by advertising revenue, both for the CBC and for the private industry. The characteristic of our broadcasting system in this country is that it is financed in this way. If you think of the total, the CBC, the private, everything as our system, described by the Broadcasting Act, it is financed in this way.

I have come to the conclusion that advertiserfinanced broadcasting is an inefficient way to finance broadcasting but that is simply my conclusion after some time spent...

Mr. Fortier: Should the CBC get out of commercial television?

Mr. Griffiths: I think it would be fatal for them. I think they would have very little relevancy if they did that. At least the advertiser keeps one toe of the CBC foot on the ground.

Mr. Fortier. But they derive so little income in any event, if you look at the total picture.

Mr. Griffiths: \$30,000,000 out of \$200,000,000.

Mr. Fortier: \$20,000,000 to \$25,000,000.

Mr. Griffiths: They actually got \$40,000,000, they said yesterday.

The Chairman: Was that both television and radio?

Mr. Griffiths: Yes.

The Chairman: \$38,000,000 and \$2,000,000.

Mr. Griffiths: Yes.

Mr. Fortier: You make much of the point, Mr. Griffiths, in your vision, which is very adequately expressed in your two briefs, that the medium is changing.

Mr. Griffiths: Yes, it is.

Mr. Fortier: Although you do say that cable and television, as we know it today, are complementary. You make much of the fact that people are looking for a wider choice of programs, so, given these two premises, the changing in the media and the objective of wider choice of programs, what is the over-all message going to be, if I may use a McLuhanist term?

Mr. Griffiths: Well, one could speculate.

Mr. Fortier: I am sure you have speculated in the Board Room.

Mr. Griffiths: Yes. I find myself speculating and being hounded out of the Board Room but I persist. I also find myself speculating in public meetings along with the President of the CBC and he hounds me out of the room, so he seems to have very little interest in my speculation.

The Chairman: Here today you are perfectly free. Nobody is going to hound you out of the room.

Mr. Griffiths: I do not feel menaced. I do think if one were free to, in a sense, organize broadcasting—I think your question is "How would one go about it? What could its promise be?"

Mr. Fortier: Yes.

Mr. Griffiths: For the moment let us talk about television broadcasting. That seems to be the part of broadcasting that occupies most people's waking hours at the moment.

Put the case that you had a 20 or 25 channel system. We know we can make these systems; that technically it is quite practical to do it. What we have not yet solved is what are we going to put on the system, on all the channels; but put the case that we have the technical ability and we will determine that we are going to make such a system and we are going to apply it to the country and it is going to become our broadcasting system in this country.

Mr. Fortier: Yes.

Mr. Griffiths: It would probably cost Canadians from \$150 to \$200 a year, each household. That would produce about enough money to operate a 20 channel system, somewhere between \$1 billion and a half and \$2 billion a year. Much, much more than is now being spent on television production.

If you had to set out to make this—just to give you an idea—20 or 25 channel system, that would require every 24 hours somewhere between 800 and 900 hours of programs. Now, that is on a 24-hour continuous basis.

Supposing one of the practical things might be we could repeat more programs so that viewing could be more suited to the convenience of the people rather than the convenience of schedulers. So let us say in every 24 hours we decided we would repeat every program once, so we have reduced the amount of original programming needed to say 400 hours.

At the present time if one took the program output of all the three Canadian networks, one French and two English, we produce rather less than 40 hours a day, so we are looking about at a ten times increase in programming. Now, more than that is made because stations make other programs but I think on a network basis. What I would see really in a 24 channel system or a 25 channel system is say 10 of these channels being English and 10 of them being French and 5 channels being in the language that would be appropriate in a regional or a local sense, so you would have a combination of a great deal of national material in two languages and a great increase in locally available material produced regionally or locally.

Mr. Fortier: You consumed the B & B Report in a very short time.

Mr. Griffiths: Yes. I think I anticipated that part of it. I think that if we had a system like that we should re-organize the basis of our present cable scheduling. We would not then be picking up at random stations from the United States or Canada or whatever and relaying the whole of the schedules, if you want, on a horizontal basis, a, b, c and d.

This system would mean that the operators of the system would be responsible for all the programming that has to be included on it, which would mean that they could carry all of the American programs and all of the Chinese programs.

Really 400 hours of programming, just as an aside, is rather more than the total available program source on

any given day that we could presently get, if there were no restrictions from where we could take our programs; so it not only means an increase in Canadian production, it means a great increase in real production which really could contribute to the richness of a system.

Now, if we have this richness, and let us say the money to afford it, we could organize that button 'a' would not be station 'a', it could be the news channel. Button 'b' could be sports. Button 'c' could be children and button 'd' could divide up the day in a vertical sense and have much of this material being repeated. The news channel would be constantly updated so that whenever you wanted to see the news, you'd push the button and you would see what was currently available.

I think people could then make their own schedules up. They could choose what they like. They could organize their lives and I think that would be a better kind of a broadcasting system than we presently have. It would be a better broadcasting system than anybody presently has, so if you ask for a vision, there is a vision.

Mr. Fortier: Given this choice, which you know better than I do is not far away, what acceptance in this spectrum of vertical channels will American programs have vis-à-vis all-Canadian-content stations?

Mr. Griffiths: Well, it would not be that. You would not label channels U.S., Canadian or Icelandic or whatever it was. You would label them as drama, you would label them as sports and they would be whatever it was. There would be a mixture.

Mr. Fortier: Well, perhaps I did not put my question correctly.

Mr. Griffiths: But the point really is that even under this system there is no way of avoiding the fact that eventually Canadian programs have to stand on their own feet in the viewer's home, in the privacy of his home where he can exercise his choice in a kind of freedom that he may not even admit publicly.

I know many M.P.'s who in the daytime advocate Canadian programs and in the evening go back and watch U.S. programs. Perhaps it is even true of Senators.

The Chairman: The members of this Committee have no free evenings!

Mr. Fortier: What you are saying is: given the quality of the programs Canadians will look at Canadian content. Is that correct?

Mr. Griffiths: I am quite convinced of that.

Mr. Fortier: Your experience and your analysis lead you to that conclusion?

Mr. Griffiths: Yes.

Mr. Fortier: So it is really, as you say in your brief, a question of volume and production. The more production there is the more of a chance there is that there will be some good programs.

Mr. Griffiths: It is not just quantity, it is quality and the quality really more than anything relates to people. It relates to having good programs and being able to keep good people and not losing them possibly to other countries and to a great extent if we had a busy, creative process, such as I am describing, we would be more likely to keep our people in this country. We might even attract a few back. We might even attract a few Americans, who are talented, to make programs for Canadians.

Mr. Fortier: In this concept of things of which you have spoken you based your remarks on television and cable; what is the future of radio in this field, in this world, because I notice you have made an offer to purchase some radio stations?

Mr. Griffiths: Yes, we have made an offer recently but I am afraid through no fault of ours we are not going to be able to go through with it.

Mr. Fortier: There is nothing left to buy.

The Chairman: I was going to say we would be very interested in your vision of radio. You have given us your views on television. What do you see for radio?

Mr. Griffiths: I am afraid I do not call myself an expert in radio. I started in radio broadcasting but in all honesty I think television is a more interesting medium and I think most Canadians think that way about it, but radio has an interesting and changing role.

First of all I would say that I see radio programs to some extent being distributed in a somewhat similar way as cable programs, or taped television programs on cable.

At the present time, as you know, most cable companies do carry FM channels on their systems and more could be available. So, I see that as a way of distributing radio programs in a technical sense, and this may well solve some of the technical problems that AM stations are having particularly in large cities, where the rising level of electrical interference is making radio listening harder and harder. It is driving people, in a technical sense, to forms of broadcasting such as FM which are less susceptible to interference and where the possibility of reception is improved; but I see radio becoming the part of broadcasting that is most acceptable to interested groups. I see it becoming much more a community service than it is now. I do not mean reading listeners' letters on the air and dedicating gramophone records.

Mr. Fortier: Is that not mainly what they are doing today?

Mr. Griffiths: Unfortunately that is true but I think so far there has been little access to the radio waves for minority groups in the country, in the community. It is not wholly the fault of radio operators. In many cases, and I suppose even in the majority of cases, the reason is that the minority groups do not understand the power they have to demand access. I think as they do they will become more conscious of this, and broadcast is going to take on the characteristics of the community where instead of perhaps tearing down computer centres, they occupy the radio stations or even peacefully go in and take part in radio broadcasting in order to put their position before a wider group of people, and I think this is a proper use of radio.

The service aspects of radio are obvious. We are a mobile population. It is more difficult to ride a bicycle watching a television screen; these things are obvious, and for that reason in a sense radio services will continue, but I think that radio broadcasting has gone through a period when it was lethargic and really was recovering from the shock of having been walloped by television. It is largely through that period now and I have seen actually more progress in radio broadcasting schedules and innovations in the last three or four years than I have seen in television.

The Chairman: Mr. Hartford who is the President of CFRB Ltd. was here yesterday. He did not say to this Committee—I would have liked to have asked him but we did not have time—he said elsewhere, I think somehwere last week that in his opinion ten years from now AM radio would be all talk and FM radio would be all music.

Now, I may not be quoting him correctly but that is the way CP reported it. Would you comment on that? Will AM radio be all talk in ten years?

Mr. Griffiths: Well, I do not see any reason why it should not. It does seem to me that technically FM is well suited to music. It is just as well suited to talk as far as I can see. I really see a decline in value of AM broadcasting. I think in the long run that FM broadcasting is going to be the kind of radio broadcasting that takes place.

The Chairman: Mr. Tietolman said yesterday that an FM station is an AM station operator's conscience.

Mr. Griffiths: Well, that is at the present time, and God knows that many Am stations' consciences need to have some kind of outlet but I think that we really do not have to look at it this way. If we only had FM receivers, we would listen to radio on FM and if we did, we would be rather more pleased with the results, I think.

The Chairman: I wonder while we are taking a rather futuristic look . . .

Mr. Griffiths: I might say in that respect that within a comparatively short time the larger part of our population is going to be living in urban areas, which are quite well suited to FM (the range is less than AM). Our population is adjusting to that purpose and as the population increases in the large areas, of course the incidence of interference increases.

The Chairman: While Mr. Fortier is preparing himself for a new line of questions and while we are still looking into the future, may I ask you the kind of question I am sure you did not expect to be asked. Your reply will be off the cuff, but will be of great interest to the Committee. Can you project the future for the next ten years for the daily newspaper industry in Canada? I realize that is not something that concerns you every day but I am sure you must have thought of it?

Mr. Griffiths: Well, I read the newspapers every day and I notice they are changing.

The Chairman: Would you explain that?

Mr. Fortier: Mr. Griffiths did say something about newspapers.

The Chairman: Yes, and I am going to get back to that in a moment.

Mr. Fortier: Uncomplicated by newspaper or magazine publishing or manufacturing. That is your world of broadcasting.

Mr. Griffiths: At present.

Mr. Fortier: At present?

Mr. Griffiths: Well, I think we rely less on newspapers. We do not rely on the newspaper any longer to bring us the news. We rely on the newspaper to enlarge the news and to tell us what selected people think about the news and to expand on the news; the news itself now I think is more swiftly delivered by radio and increasingly by television, with satellites delivering from country to country.

If one has the choice of seeing it and in a sense taking part vigorously in it, I think it is preferable to reading about it but nonetheless newspapers must have a role.

I think their role in the next few years is increasingly going to be this one. They are going to be supplementary to the everyday lives. I do not think we are going to feel cut off in a sense from the rest of the world if for some reason or other there is a strike or Mr. Kierans does not get his problems sorted out and some papers do not get delivered. I think that we are going to see great changes in the newspapers. The newspapers themselves recognize this. This is why I think many newspapers are now looking at broadcasting in a new way. They used to think of them as simply ancillary or complementary or even a protective medium for their operation of what was to them the most important thing, running the press. I do not think they do any more.

I think they see now the possibilities of their papers being delivered electronically. They see the possibility of their papers supplementing what people hear and say rather than reading about it for the first time. I think they see that newspapers are going to get smaller in size. Perhaps this is not a good answer to your question but I see newspapers continuing to be involved in broadcasting because for lively newspapers who want to take part in the life of the country, broadcasting is going to be perhaps a more exciting place to be involved than the cold black and white print.

The Chairman: But in the television era you envisaged a few minutes ago, there still would be the daily newspapers, would there?

Mr. Griffiths: I think so.

The Chairman: In this vertical concept.

Mr. Griffiths: Oh yes, I think so.

Mr. Fortier: Mr. Griffiths, now that you have described what you see in the Bushnell crystal ball, can you tell us how you relate...

Mr. Griffiths: I have not really described very much about the Bushnell crystal ball.

Mr. Fortier: Maybe in my own mind I have related your reasoning and your utterances to your company's vision.

Mr. Griffiths: That is right.

Mr. Fortier: I do not think I am wrong in so doing, am I?

Mr. Griffiths: That is right.

Mr. Fortier: How do you view the most recent CRTC pronouncements or proposals or guidelines? How do they fit into your concept? Are you happy with them?

The Chairman: Which ones?

Mr. Griffiths: Are you speaking of the Canadian content ones or the cable ones or ...

Mr. Fortier: Let us start with the Canadian content one and then we will move on.

Mr. Griffiths: Well, we have put a brief in to the CRTC. It has not been heard yet. I do not mind telling you what it is. It is really that we endorse the principle of an increase in Canadian content. We lament the absence in the regulation of any incentive. It is really a blunt approach to quality. Really it is simply a continuation of the kind of regulation that has been in force since we have been in existence. Really up until now it has been a quantitative requirement that you had to have 55 per cent content over-all and you had to have 40 per cent between 6:00 and midnight. It really did not matter what kind of programs you had, as long as they were Canadian. You equated guitars with a symphony orchestra in terms of what was on the program.

Somehow or other we think that is not a good approach. It has not really resulted in improving Canadian programs and we would like to see some

incentives to make better programs fit in to the regulations rather than a purely quantitative approach.

Mr. Fortier: What would be the form of those incentives?

Mr. Griffiths: You could have several ways, I suppose. We have outlined eight or nine or ten points that we think might be worth looking at.

You could have a point system. We do not recommend it in our brief but there are some people who think that you could simply devote a minimal amount of a station's income to the making of programs and simply say that if a station made \$1,000,000, 25 per cent of it had to go to make programs and it didn't matter how many they made. They could make more or less but spend that much money.

I think that is fraught with some difficulties but it is an approach and it might result in better quality programs.

We have not endorsed that, as I say. What we have, in fact, said is that perhaps you could see the development of a point system where, if there was an increase of Canadian requirement laid on the stations, stations could make that requirement by making fewer, better programs or more lesser programs so that the judgment of the value of the programs should really not relate to the amount of money but to the resources and ability of the station; considering that some stations are small and have few resources and other stations are large and have many and the networks have still more.

We think that might be an approach and a simplified way of getting at that might be to say that any program that is made in Canada is 100 per cent Canadian; if you make a specially good program, a drama let us say, that takes a lot of effort and money to do it, that may be 200 per cent Canadian for purposes of an incentive, and that if you devoted that much energy and work to it, you should earn that.

That would be applied to the over-all requirements which the CRTC would set, the requirements to increase Canadian quantity, but the quantity would be to some extent, computed by considerations of quality.

Mr. Fortier: Do you agree . . .

Mr. Griffiths: I have not explained that very well but that is the emphasis we would like to see on it.

Mr. Fortier: Should this accent on Canadian content be a responsibility of the CRTC, the regulatory agency, to dictate to organizations?

Mr. Griffiths: Well, the CRTC, has been appointed by Parliament to implement the Broadcasting Act and the Broadcasting Act may be a little vague in the quality of the service expected but I certainly do not doubt that the CRTC is the instrument that should enforce it so in answer to your question, I think they are logical.

Mr. Fortier: If we may touch upon the Canadian content with respect to radio stations for a few minutes. Do you think by and large radio stations in Canada will have the difficulties which the CAB forecasts in meeting this 30 per cent minimum content?

Mr. Griffiths: I do not think either radio or television stations will have the difficulty that the CAB foresees.

Mr. Fortier: You think this is not a well-founded fear?

Mr. Griffiths: I think this is the first step in negotiations.

Mr. Fortier: You are a member of the CAB, are you?

Mr. Griffiths: That is right.

Mr. Fortier: Do you endorce the position which they have made known with respect to these difficulties?

Mr. Griffiths: Well, we have not publicly not endorsed it. That is perhaps not the answer you are seeking.

The Chairman: That is really not an answer to the question, no.

Mr. Fortier: I confess that it is not. That sounds as if it was whispered by Mr. O'Connor. It is a legal answer.

Mr. Griffiths: No, he did not. Our brief is not in conformity with the CAB brief on the matter of Canadian content. I think you should take our brief as our position.

Mr. Fortier: Yes. Why have not broadcasters, of which you have been one for some time, in the past

either in the field of radio or in the field of television offered more Canadian content? What has prevented them from doing so?

Mr. Griffiths: You have, as a listener and a viewer.

Mr. Fortier: But I am not going to change, am I?

Mr. Griffiths: Well, if you do not change, then you cannot really expect them to change.

Mr. Fortier: I mean, you are going to give me a wider choice of programming now.

Mr. Griffiths: Yes.

Mr. Fortier: And eventually you are going to give me the quality to which you referred earlier. Surely if that had been available five years ago—I will send the ball back to you—if you had made it available, I would have looked at it.

Mr. Griffiths: Well, you reassure me because—I am not lamenting this—but as a broadcaster it is a little heart-breaking to see the reaction to special efforts that you make to make what you think is an important or attractive or a purely Canadian program and to have the telephone lines clogged up with people simply asking "Where is the movie that was supposed to be on?"

I am not defending myself in that because we will go on doing that but I do say this: that the reason more Canadian programming, I think, has not been made in the past has been—there are several reasons. First of all it is much more expensive to make and with the added expense does not come any increase in audience.

If you have an important part of the broadcasting system of the country dependent upon advertising revenue, the chief thing that the advertiser is concerned about is as large an audience as he can get, Advertiser revenue is really not conducive to development of minority programming or even high quality choice programming. That does not mean that some advertisers do not like to see their advertisements in a high quality program but in the main the advertiser is chiefly concerned about the numbers. He is less concerned about the content. He used to be concerned about the content, in radio particularly and to some extent in television. He used to dominate the choice in programs. That battle has long ago been won. He now has very little to say about the choice of program. He exercises his control by simply buying or not buying any programs that have big or small audiences so that to some extent that is an answer to your question.

Another answer to your question is that some broadcasters are not interested particularly in making Canadian programs. Some broadcasters are really not very interested in making any kind of programming. They think of themselves more like a printing press, turning out stuff and not being required to write it. Not all broadcasters fortunately are that way but there are some who prefer to take their services from the network and do the least that they can themselves.

Sometimes those are people in small communities which have very small resources.

I think that probably the last reason that more programs have not been made has been the lack or inability of broadcasters on the whole to maintain the people of skill and capability to make the programs. In some stations the engineer has the most important place and the accountant is the next person and the sales manager somewhere in between and the last person on the totem pole is the producer.

Mr. Fortier: If I can summarize your answer...

Senator Everett: May I have a supplementary question?

The Chairman: Do you want to summarize it first?
Why do you not summarize and then we will have
Senator Everett ask his supplementary question.

Mr. Fortier: I think it was too easy an answer for you to say that I am collectively responsible.

Mr. Griffiths: I am thinking of you as a viewer or a listener really, because in the long run you dominate...

Mr. Fortier: That is the way I interpreted it, but now I have listened to you full answer I suggest to you, you told us it was the advertiser—it was you who was responsible rather than I the viewer.

Mr. Griffiths: No.

Mr. Fortier: I do not think it is the chicken and the egg.

Mr. Griffiths: Well, you summarized it. I think I am correct in the sense that the broadcaster is responding to you. Many of you prefer to watch American programs in preference to perhaps Canadian programs of lesser appeal or even of equal appeal. So, to that extent you are culpable. To the rest of it the broadcaster is culpable.

Mass Media

Senator Everett: Mr. Griffiths, can you give us two or three examples of Canadian programs that Bushnell has created over the last short while where the phone lines have been clogged when they ran?

Mr. Griffiths: They are usually special programs and the reason, of course, is that you have to pre-empt an existing scheduled program.

Senator Everett: I understand the basis of it.

Mr. Griffiths: But the type of program . . .

Senator Everett: I am thinking of special shows that have happened that Bushnell has created.

Mr. Griffiths: Well, I should say perhaps the worst example, I guess, that I can quote to you is not one that we made ourselves but which gives you some idea of the depravity of viewers. On the day that Senator Kennedy was assassinated, we threw out our schedule and simply carried the story, from the United States mostly, and inserted what we could ourselves.

We had very many viewers who called up that day and demanded the regular schedule back, as an example.

That is not really the question that you are asking but in a sense, if you could imagine that the viewers would do that on that kind of an incident, you can imagine what they would do if we were to cancel a movie and put on a program that dealt with pollution in our area, as an example.

Senator Everett: Quite right. I think we understand the syndrome. What I would like to hear is the personal frustration that you at Bushnell felt, the examples of where you created a Canadian program and the phone lines have been clogged because of this unfortunate tendency of the Canadian public.

Mr. Griffiths: Well, most recently we had a series of programs that started last autumn which has a small but noisy audience called "Up Against the Wall".

This is a program that is really designed to be done by and broadcast for a segment of our society that on the whole does not watch television; drop-outs, hippies, the coffee house habitués and such like.

Mr. Ernest L. Bushnell, Chairman of the Board, Bushnell Communications Limited: Senators.

Mr. Griffiths: Senators.

Mr. Fortier: They were included in the first description.

39:59

Mr. Griffiths: We started this program putting posters into coffee houses around the city and saying "Here's your chance to take part in broadcasting. You criticized. Now come and see what you will do yourself."

Out of this we have turned up 50 or 60 people which, after they realized what had to be done, dropped down to maybe half and from that core of people we have produced a program each week, with the assistance of a producer who has been seconded to the program and by large it has been a program which has come up from those sources.

In some respects most of these people regarded broadcasting as an instrument for social change and they have, one way or another, with skill or without skill, tried to use it in this way but sometimes their language has not been choice. On one of the programs a four letter word that is not usually heard on television was used.

The Chairman: It was used 19 times according to the survey.

Mr. Griffiths: According to the Toronto papers. The Toronto papers as a matter of fact vied—. One story said it was used three times. The next columnist said it was used nineteen times and the next columnist said it was twenty-three times.

The Chairman: What was the actual number?

Mr. Griffiths: It was used three times, twice innocently and once obscenely.

The Chairman: We were going to ask you about that particular program so if Senator Everett will allow us...

Mr. Griffiths: Yes. I should say this program is a program that has excited many viewers, people who want us to take the program off the air, not because of the language but because of the ideas that were contained in the program and some of the statements and concerns of these people.

We have persisted. We have kept the program on the air but that program has occupied the entire energies of one producer all season long, and a considerable group of other people, and these people in a sense are feeling the frustrations that I am describing, as an example.

Senator Everett: Well, only because they are appealing to a special interest audience.

Mr. Griffiths: As a matter of fact that is not the biggest audience. The biggest audience appears to be middle-class liberals and they are the ones who seem to take the greatest exception, small "I" liberals.

Senator Everett: Well, maybe we can deal then with the specific program.

Mr. Griffiths: That is right.

The Chairman: Why do you not tell us about the four-letter program? A lot has been written about it and a lot has been said about it. We have lots of background material.

Mr. Griffiths: Would you like me to put the four-letter word into the record?

The Chairman: As you wish.

Mr. Bushnell: No.

The Chairman: Seriously, much has been written. We know all of the things that have been written. What really happened?

Senator Kinnear: I don't know the name of the program. I would like to hear the name of the program.

Mr. Griffiths: The program was called "Up Against the Wall". On this particular program, on this incident, a young film director, producer, was being interviewed by two of the people who are regularly on the program. He makes underground films and as he was being interviewed, you started to see him and then you saw the people who were interviewing him and then as the interview went on we switched, or the producer switched the actual film he had been making so we were hearing the voices over and seeing the film.

The film was quite an innocent film. It consisted mostly of a curtain in a window being moved by a breeze. He was describing the symbolism of his film and the film dealt with love—all kinds. Deep natural kinds of love and casual kinds of love in which affection is not involved, and in describing his film he used quite accurately, without any obscenity, I would think, a common verb that described copulation because it related to his picture and it was the use of that word which caused public attention.

At the end of the program another word was used, a more common word, and this was contained in another segment of the program in which they had been dealing with pollution and the pictures that you saw on the screen were pictures of garbage-strewn streams, and all of the pictures of pollution one can find around in any big city, while a voice over was reading a poem which had appeared the week before in the *New York Review of Books* by a young American poet; and it used the word "bullshit" in the sense that anybody says they are doing something about pollution. "Governments say so. It is bullshit." And it used it in that way, which is the vulgar way you often hear it on the street. People objected to this as uncivil in the program too.

I personally do not take exception to that word in that context any more than I took any exception when I saw it in the *New York Review* but many of our viewers felt personally offended by the word.

Now, we compounded that. Those, I think, were innocent uses of the words. The next day we compounded our problem by ourselves becoming worried, or our producer becoming worried, with the public reaction. There had been about seven or eight phone calls, I expect, ten maybe, and he decided that on a late night program that we were doing the following day he would bring the producer back and have the producer try to explain why they had done this.

On this program the interviewers used the words again and I think this use of the words was not defensible. I think there it was used as a method really to excite attention.

Mr. Fortier: Were you censured by the CRTC?

Mr. Griffiths: No, we have not been.

Mr. Fortier: You have not receive any . . .

Mr. Griffiths: They asked to see the program, which we showed them. We have received no . . .

The Chairman: Perhaps I could interrupt at this point. You have been specifically critical on several points of the Toronto papers, so I hesitate to quote a Toronto paper but I am going to.

Mr. Griffiths: I am not critical. I am just amused.

The Chairman: Well, perhaps you could confirm the truth of this. This is Patrick Scott in a column which

Mass Media 39:61

appeared—I have not got the date here but at the time he said:

"By Wednesday the word was out that several major advertisers had given the station an ultimatum and that old Ernie Bushnell himself had laid down the law. The obscenity must cease, said Bushnell, or he would withdraw both his name and his influence from the company he had founded."

Mr. Griffiths: Why do you not ask Mr. Bushnell?

The Chairman: Fine, I will ask Mr. Bushnell. Is that a true statement of affairs, Mr. Bushnell?

Mr. Bushnell: Yes.

The Chairman: That is short and to the point.

Mr. Bushnell: Mr. Chairman, if I may, the reason for it is that I had a slight operation on my tongue a couple of weeks ago, which a great many people have been hoping for these many years.

Mr. Fortier: Do you foresee—again looking into the crystal ball; maybe I am asking you too many of these questions but I think this has relevance—the day where on one of the regulatory channels people will be given an opportunity of using words which they themselves may see fit, without fear of being censured by public attention or by a body such as the CRTC?

Mr. Griffiths: I would like to think that would be the case. I certainly think there is not much future in trying to develop two kinds of language, one we use politely on television or radio and one we use in our homes but obviously, if we choose to use it in our home, we are making that election. If we put it on a television channel, we do not make that election and we have no way of knowing that the word is going to be used, so if that word is used at the time when young children are listening, I can see some objection to that.

I might add these other programs were at half-past eleven, midnight, so that might not have been the argument there.

Still, I would like to see more contemporary language being used. I do not think it has to be obscene language. I think many of the words we think of as obscene today may in two or three years not be. We use today words in common conversation which three or four years ago would not have been used, so the language is changing all the time and I hope that

we will, as we try to enlarge the participation of our community of individuals within the community, keep a timing of contemporary attitude to contemporary language.

Mr. Fortier: Leaving aside words, what about pictures? Would you have any qualms, for example, about showing on any one of your stations tomorrow or CJOH today "I Am Curious, Yellow"?

Mr. Griffiths: Yes, I think I would.

Mr. Fortier: You would; why?

Mr. Griffiths: Well, personally I think "I Am Curious, Yellow" is a sex exploitation film and I would have no objection—I am not objecting to scenes of nudity or copulation or anything of that sort. I think that picture was made with this purpose in mind and for that reason I think the values that are involved in that picture are not those that I would like to see on my station, but I would have no objection and I would fight with the Chairman of my Board to put on a film that might have similar scenes in it if they were in a sense—I will not say done in innocence, but done with some artistry and some purpose other than sheer exploitation.

Mr. Bushnell might have a different view and it is very difficult to legislate in these matters because everybody's objection has the same weight, so to speak.

Mr. Fortier: You know how this movie and others like it are playing to packed houses in Canada and the United States.

Mr. Griffiths: Yes.

Mr. Fortier: So that there are obviously a number of people who wish to see this sort of thing.

Mr. Griffiths: That is part of the double standard I was describing.

Senator Everett: What is your situation now regarding restricted movies on television?

Mr. Griffiths: There are no movies that are restricted. There is no censorship on television, not even provincial censorship.

Senator Everett: So the fact it was restricted by the provincial censor board for a showing in movie houses would in no way affect you?

Mr. Griffiths: No such requirement, I believe.

Senator McElman: Mr. Chairman, I believe Mr. Bushnell would like to comment on this question of censorship.

The Chairman: Certainly.

Mr. Bushnell: May I just add that I was listening last night and I noted that the CTV network announced that it would be showing a movie the next Wednesday evening which they advised would be for adults mainly.

There is no censorship but I think it is only right—I do not disagree with Mr. Griffiths on this—that people should be given fair warning of what to expect.

Mr. Griffiths: We customarily do that on a program . . .

Mr. Bushnell: Yes.

Mr. Griffiths: ... where we have some doubts about a movie. For instance, we will put up a slide beforehand noting this.

Senator Everett: Have you shown a restricted movie yet?

Mr. Griffiths: Well, I think we must have but I cannot think of any offhand. Some of the Italian movies, 8½... The Women was, I think, restricted from some provinces in the country. Yes, I think, is the answer to your question. I do not know what numbers.

Senator Everett: In those provinces in which they were restricted.

Mr. Griffiths: Yes. Well, we will, of course, only show it in this one. I do not know of any movie that actually succeeds in being banned in all provinces.

Senator Everett: I expect that is right, Do you think you have shown a movie that was restricted in Ontario to Ontario audiences?

Mr. Griffiths: I cannot think of any. Mr. O'Connor reminds me that The Women, for instance was a movie with Sophia Loren, I think, made in Italy. That was restricted to over 18's in the movie houses and that film we have shown, as an example.

The Chairman: At the end of your brief you are talking about your future plans. You say . . .

Mr. Griffiths: May I just say something?

The Chairman: Yes, of course.

Mr. Griffiths: On the matter of, for instance, in our news program we had one feature I can remember, quite a long film—a small little documentary on a nudist colony that was operating not far from Ottawa in the Laurentians and showed pictures of nudity on this, not deprayed pictures, but we accurately in a documentary sense gave a picture of that colony and had, I might say, no objections from our viewers.

The Chairman: At the end of your brief, in your oral presentation, you said that it is this decision on Bushnell's part that has caused speculation in the press and to some extent apprehension in the Toronto papers. Was that apprehension equal in all three Toronto papers or were you thinking of one paper more than another?

Mr. Griffiths: Well, we have had some apprehension in all three papers. The Telegram customarily views with alarm. The Star has from time to time, but I think perhaps a little less so, and George Bain wrote a series of articles some time ago . . .

The Chairman: I want to ask you about Mr. Bain.

Mr. Griffiths: ... which in a sense were less directed at Bushnell but had some concern for the company's plans.

The Chairman: When you say the Telegram customarily views with alarm, that leads me to ask you about the rivalry—I did not say "hostility", I said "rivalry" —which is reputed to exist between yourself and John Bassett. Is this just newspaper talk or is there a real rivalry?

Mr. Griffiths: There is no rivalry between John Bassett and myself. I had not known John Bassett really until he became involved in television but I have come to know him and I have a great respect for him and I think if I were choosing a broadcasting partner in Canada I would choose John Bassett as one of the people.

But John Bassett owns or controls a station in the largest city in English-speaking Canada and the CTV network headquarters is in that same city and to some extent the CTV has reacted in much the same way

that the CBC has in that Toronto tends to dominate production of programs and the point of view.

A piece of news invariably, if it excites a Toronto columnist, will find its way on to television. If that same piece of news is interesting in Vancouver but not in all of Canada, it may not necessarily find itself in television, so Toronto does exert a disproportionate effect on broadcasting. To that extent there is a rivalry and we think that should be rectified, not only in the CTV but in the CBC also.

The Chairman: As far as the CTV is concerned, am I correct in assuming you believe that CJOH is capable of originating more programs that could go on the networks than is presently the case?

Mr. Griffiths: Yes. It is our intention to offer more programs as we can make them to the network. We believe they will be of quality equal to any that may be produced any place else.

Now, the choice of programs in CTV is done by a network committee and I could not ask for, you know, a different basis of choice.

If we submit and Toronto submits and the people choose the Toronto programs, they must be better, but I cannot say that has been the reason up to now. The reason up to now is that Toronto has been in the best position to make the best programs and it has done so.

Mr. Fortier: Is the CTV network worth preserving?

Mr. Griffiths: Yes. I think so, without question. I think it is worth improving.

Senator Everett: I think it was Dalton Camp when he was here who said as cablevision becomes more pervasive and the number of channels that are utilized grows, the networks will die just the way the networks died in radio. Is that your view?

Mr. Griffiths: That is not quite the way Dalton Camp puts it. I think what will die is the kind of network organization that we have today. I think what will survive is the creative capacity of networks because obviously we have to make more programs so if networks consist of creative people and facilities, those will not only survive but they will increase.

But the basis of organizing programs—basically the CTV network is an organization to sell advertising in order to put on programs. I think the nature of

broadcasting organizations is going to change and to that extent I think the networks are going to die.

39:63

I think the CBC will undergo somewhat similar changes although its purpose is not just for the organization of advertising sales or support. It does have other characteristics which are not necessarily ones that are needed in a different kind of system. Not all of CBC's employees are making programs.

Senator Everett: Did network radio die in the United States?

Mr. Griffiths: Well, no. It goes on today but certainly in a much different form. The number of networks was reduced with the increase in television.

It has been fairly difficult to run networks when sizable numbers of listeners really only listen in the early hours of the day and perhaps late at night. It is not a very economical basis for network operation. It is not like the days when radio networks really provided the basic cultural information and entertainment service in this country. They do not any longer.

Senator Everett: I am not sure what Stanley Burke was saying but I thought he was saying that cable-vision would completely localize all television broadcasting.

Mr. Griffiths: Well, Stanley Burke has said some strange things from time to time and that may be one of them. I think cablevision certainly has the ability to provide increased local participation but I do not think it is limited to that. I think cablevision is capable of doing anything that conventional television is doing.

After all, it is the same thing. It is just a different form of distribution so that any visual signal you send down the line is going to have the same impact on the screen as one transmitted through the ether.

The Chairman: I do not want to ask you about all kinds of things that have happened in the past but this one is, I think, of interest to us and that is the hiring and retiring of Laurier LaPierre and Patrick Watson at the station.

Why precisely did they leave? There has been a great deal of newspaper comment and speculation but perhaps you could answer that and then I could ask you the next question.

Mr. Griffiths: We hired them for different reasons in a sense although they have been associated in the public minds together. We did not hire them in that way. Laurier LaPierre had been associated with the station for several years. I had been trying for several years to attrack Patrick to our company because, in my opinion, he is one of the best broadcasters in Canada. We wanted to improve our capacity as programmers. My belief was and still is that Patrick would assist us to do that.

After several years of cogitation about it, Patrick agreed to come. He left, I think, because after some time of attempting to be both a creative person and an administrator he really came to the conclusion that it was the creative role that most interested him.

It was not a parting in dudgeon or anything of that nature but it was a quick decision he came to and made; one which I was sorry to see him make but one with which I sympathized. He is still an associate of ours and so is Laurier.

The Chairman: Why did George Bain leave?

Mr. Griffiths: Well, George had been a contracted journalist to us for three or four years and he left because, as he said, he wanted to write two or three or four articles which he did not think he could write if he was on the payroll of the station, and I respected his viewpoint.

It is my intention to offer him another contract as soon as he returns from Latin America. I do not know whether he will accept it.

The Chairman: I wonder if you could tell us about this. There was a controversial—I should not say "controversial"—there was an experimental news format involving Laurier and Patrick Watson in which the news included their own editorial viewpoints.

Mr. Griffiths: Yes.

The Chairman: It was an experiment.

Mr. Griffiths: Yes.

The Chairman: Could you tell us about it? We may be terribly interested in how it worked and presumably it has been abandoned; why?

Mr. Griffiths: Well I hope not all abandoned.

The Chairman: That is what we wanted to know.

Mr. Griffiths: Well, the news is changing considerably in broadcasting and it is changing, I suppose, everywhere.

Up until fairly recently the concern of news broadcasters or stations making news broadcasts has been to deal with subjects objectively. The CBC is still concerned with this. I am less concerned with objectivity. I am more concerned with fairness. Even if you have a news staff which is trying its blessedest to be objective, it can only exceed in being objective to the extent of its ability to be so or to the extent of the sources of its information.

We tend to think that the material carried in the Canadian press or American press is objective material, but we all know anything that comes out of Vietnam through the Associated Press is not objective. It is from an American viewpoint.

The same is true of material coming out of most countries so for the same reasons we should not really expect objectivety in material originating in this country of people's attitudes to it; so we feel the experiment should be to put on a program that dealt with the news as factually as we could and then let people's biases show and announce them as biases and say "That is the position", in the belief people are capable of making up their own minds and being critical or able to accept or reject arguments that they see advanced by personalities.

Now, to that extent this was an experiment. It did not work partly because the participation of the biases was uneven. Although we tried to set up various viewpoints, some people with viewpoints were better able to express their point of view than others with a different point of view but less ability to connect with people at home, and that probably is a continuing problem in trying to develop this kind of program.

We did find that over a period of time people did start to connect with Patrick. He is a good communicator. He has a point of view. He was able to express his point of view and often to elicit information from other people and to some extent I think he was successful in keeping his own views in public notice, so that you could allow for them. I think Laurier was less able to do that. Laurier was emotionally involved in many of the issues in which he dealt and the emotions showed. That is not necessarily a bad thing if there are other emotionally involved people on the program but in some cases there were not, so to that extent the program was unbalanced and on occasions was unfair.

think that part of the problem is that people at home then there had been an absolute ban on the imporstart to rely, or now do rely, on electronic media for their news information. We have a greater responsibility as distributors of this information to try to ensure the validity of the material that we transmit, and this includes improving our sources of material and not just taking the Canadian Press and not just taking AP, not just confirming middle-class liberal prejudices that most people have but in a sense trying to find a wider sphere and to require and to inject into our newscasts a wider segment of opinion.

In this respect this is the very opposite direction to the cold man who stands up and reads you "Here is the news," but we think this is a better development of the news and this is what we intend to persevere with.

Does that answer the question?

The Chairman: Yes. So your project has not been abandoned?

Mr. Griffiths: No.

The Chairman: Your policy continues.

Mr. Griffiths: I would welcome your reaction to this approach to the news or that of the Senators.

The Chairman: Are there other questions the Senators may have? Mr. Fortier?

Mr. Fortier: I have a few and maybe I should limit it to one.

The Chairman: All right.

Mr. Fortier: I think the members of the Committee should hear from Mr. Griffiths his reaction to the CRTC announcement of last Friday.

Mr. Griffiths: As far as cable is concerned?

Mr. Fortier: As far as the cable industry is concerned.

Mr. Griffiths: I see some cable people sitting in the toom. They may shoot me as I leave the room but I took comfort in the CRTC's announcement.

Mr. Fortier: I cannot say that surprises me.

Mr. Griffiths: Well, I think that first of all it was an advance as far as some cable operators were concerned

We still will carry on experimenting because we over what had been announced previously. Up until tation of stations by microwave and this did permit some limited importation for some cities cut off from the American border. This represents an improvement in their broadcasting choice. To that extent it was good. They may not have had the full range of stations that were available but at least is was something.

> I also took consolation in that I thought the language dealing with networking was improved and more positive than any announcement that the CRTC have made in the past, and the system of priority which it announced as a means by which wider services could be incorporated in the service, having accommodated the priorities, was to me a logical one.

> As a matter of fact it was along the lines of some suggestions we had made to the CRTC in consultation ourserves.

> Personally I think the question of blackout is one that the CRTC itself will be looking at some more, if there are practical problems. I really see no point in blacking out stations on the cable in a city like Toronto where access to those stations is generally available anyhow. I think the CRTC are open to that sort of suggestion so really I think that this was most encouraging statement that the CRTC have made on cable to date. I was surprised at some of the reaction that I saw of cable TV.

> Mr. Fortier: They are going in the right direction, as far as you are concerned.

> Mr. Griffiths: I think what CRTC is going to have to do is to measure these announcements. I think they must take the consequences of these announcements.

> Sometimes just thinking aloud can cause the most diabolical complications to people. One company was ready to go out with a public underwriting and the floor fell out from underneath them. I do not think the CRTC thought that one through enough. I think they will have to in future as they start to depend on the public more and more for financing but in general, these are my comments.

> Senator Everett: There are many questions which come to my mind but I have just one supplementary question. It seems to me in your brief you mention the eventual failure of the advertising financing system in Canada to provide as varied a television service as viewers want. You talk about the tremendous enlargement of the number of channels that are going to be available and the responsibility evolving on the cable operator.

Mr. Griffiths: You are wondering how I made that translation?

Senator Everett: No. I was just wondering when I read the CRTC recommendations, it seems to me that they have given notice that they are not about to let that happen and that seems to be in conflict with your view.

I wonder if your would like to comment upon that?

Mr. Griffiths: Well, I do not ever expect to be wholly in harmony with the CRTC but perhaps...

Senator Everett: You sounded earlier as though you were.

Mr. Griffiths: I am from time to time; most of the time in fact. I think the CRTC understands that cable is going to be at some speed the main means of distribution of television broadcasting in this country.

What the CRTC has to face, and it is a very difficult thing, is that they do not want to preside over the liquidation of one system that has provided some kind of service before there is another system that can provide an equivalent or better service, and at the present time cable operators are neither able financially nor in terms of facilities or in their mental adjustment to the acceptance of their role in programming, to replace conventional broadcasting.

I think that is something that is going to have to develop over the next years. I think they will develop very quickly. When that develops, the speed with which that develops is the inverse to the speed with which the conventional system will disintegrate.

Senator Everett: Do you think the CRTC will be then forced to change its views?

Mr. Griffiths: I think the CRTC always is trying to be contemporary, or something in advance, or anticipating. I think the natural consequences of its action will be to revise its point of view. Its history to date has been that in terms of cable. I see no reason for it to change.

Senator Everett: In effect what you are saying is that their present policy is not viable in terms of the inevitable future of cablevision.

Mr. Griffiths: I think that and I think the CRTC say that themselves,

Senator Everett: Thank you.

The Chairman: Well, Mr. Griffiths and Senators, I should perhaps say—not in the sense of apology but in the sense of explanation—we have felt, and I think you appreciate it, somewhat inhibited in asking you some questions which would jeopardize you.

Mr. Griffiths: Not at all.

The Chairman: I was going to say notwithstanding those inhibitions which have been on our part, you have been very frank and very full and you have said many things which are terribly useful to us.

Perhaps I could read a quotation from one of those awful Toronto newspapers. This was the 28th of February, 1970, an article which begins:

"'Chief Troublemaker' reads the black and gold sign on Stuart Griffiths, desk high atop CJOH's Ottawa television station. The only trouble is that nobody but Griffiths seems to think it is a joke. For the past year Griffiths has been the most talked about, speculated upon and gossiped over Canadian broadcaster."

Of course, to be all those things you would have to be the busiest Canadian broadcaster and that is why we thought twice before asking you here, but I hope we have demonstrated by our approach we have been interested in your views and not simply the grand plan as it sometimes has been referred to.

Mr. Bushnell: May I make one comment.

The Chairman: Yes, of course.

Mr. Bushnell: It was I who bought that little plaque for Mr. Griffiths. I would just like to clarify one thing, if I may. I will only take a few minutes.

The Chairman: Do you want equal time on that?

Mr. Bushnell: No, not necessarily. Mr. Griffiths and I have not only been colleagues but very close friends for these many, many years.

When I made such a blunt reply in connection with a certain program and said "Yes", that, I may say, was my personal reaction.

Mr. Griffiths and I and our colleagues, Mr. Faibish and others, sit down around the table and discuss these matters and I think it is my function as Chairman of the Board to bring such matters to the

attention of the Board. We brought this one particular incident to the attention of the Board. No one was rapped over the knuckles for what had been done but the Members of the Board said that so far as possible we should try to have these particular words, which were used, omitted from our programs.

Might I conclude by just making one further observation? It might be helpful to the members of the committee to know of the composition of our Board of Directors, now in number nine, initially seven; but of those seven, six are still the Directors who were appointed at the time that this company was given its charter.

They are a Chartered Accountant, Mr. Dunbar Bishop from Montreal. An economist, Dr. O. J. Firestone, who is I am sure well know to many of you, and is a resident of Ottawa and on the staff of the Ottawa University.

A motion picture theatre vice-president, Mr. David Greisdorf, again one of the members of our original shareholder's group.

An architect from Ottawa, Monsieur August Frigon-Martineau rather. I am looking back a long time when I mention Dr. Frigon.

A lady, who has recently joined our Board, Madam Jeanne Sauvé, a broadcaster and well known, I am sure, as a great Canadian citizen.

We have the Executive Vice-President of a large investment company, Mr. David Bulloch. And then three of us programmers, I would call it, broadcasters of some experience. Some of us learned our broadcasting prior to the advent of the CBC but three of us, at one time or another in our respective careers, have been members of the staff of the CBC and they are Mr. Griffiths, our President and Managing Director, Mr. Faibish, the Executive Vice-President, and myself.

I would just like to say one further thing. I believe that some of you good people were able to visit our studios last night. I should have been there to welcome you but my doctor at the moment tells me to take things a little easier. That edifice, if I might call it that, was not built do honour Ernie Bushnell. It is a functional building and it is there for one purpose only and has been equipped for one purpose only—at considerable expense, I might add—to produce Canadian made programs.

Personally I have been through five, what might be called, crises in my career starting back with the Aird, Frigon, Beament Commission. We are still in business.

We accept any challenge that anyone can put before us. We look forward to the future with confidence.

Thank you.

The Chairman: Thank you very much, Mr. Bushnell. Again Mr. Griffiths, thank you. We would have liked to ask Mr. Faibish some questions but time does not allow.

Thank you so very much for coming. I say to the Senators that in five minutes, at 4:30 we will receive the brief from Monarch Broadcasting Company.

The meeting is adjourned for five minutes.

-Short recess.

-ON RESUMING AT 4:30 p.m., April 16, 1970.

The Chairman: Honourable Senators, if I may call the session to order. The remaining witness this afternoon is the Monarch Broadcasting Company Limited, CHAT in Medicine Hat. Here with me is Mr. Orv Kope, who is General Manager of CHAT Radio and CHAT-TV.

Mr. Kope has been at several hearings so I think he has some familiarity with the procedure we follow here.

You make an oral statement of ten, twelve or fifteen minutes and then we ask you some questions on your oral presentation and on your written brief and perhaps on some other matters which are of interest to us; so why do you not just proceed? Welcome, and thank you for coming.

Mr. O. Kope, General Manager of CHAT Radio and CHAT-TV: Mr. Chairman, Honourable Senators: Our brief strayed from the guidelines that you sent us mainly because in our case we concur with the brief that has already been heard by this Committee that was presented to you by CAB, and we thought that in our case you just may like to hear the way it is.

The Chairman: Fine.

Mr. Kope: How we at Medicine Hat do things and possibly how we will continue to do things.

As you all know, I am from that city that Rudyard Kipling referred to as having "all hell for a basement". I am pleased to be here today to tell you a little of what has happened with our operation over the past twenty-four years, and later to answer any questions which you may have.

CHAT Radio was one of the Stations which burst upon the Canadian scene after the Second World War. Plans were drawn on the basis of available equipment and capital and we still operate from the same single-level building and with a lot of the original equipment.

The station launched into community service from the outset. For instance, if there was a blood donor clinic or a drive for needed funds for a worthy cause the station covered whatever events would be most noteworthy and the staff participated in every way possible.

In those days—if Senator Hays were here, he would attest to this—the roads in the rural districts were still trails and because of the lack of motorized transportation many farmers and ranchers still made their trip to town in horse-drawn buggies and wagons. Those who had cars or trucks did not wish to drive at night and with no telephones, the result was that CHAT became the message centre of the area. This type of contact with our listeners has remained over the years and we take pride in the fact that most of the people who are in our sphere of influence regard us as personal friends.

As the market progressed, the station grew in experience and began to build up the monthly billings; more and more excursions into the unusual were made possible. More imagination was used in programming—in the production of commercial messages—in selfmade sound effects and—yes—even musical jingles. In fact one of our commercial jingles was so successful that it was purchased by a national firm and was played on many radio stations across Western Canada.

That, of course, also was the era of promotions such as mystery sounds and mystery voices with jackpot possibilities that kept many people listening. Just to remember a very successful promotion outside the station, at our suggestion the Medicine Hat Exhibition and Stampede Company hired a flagpole sitter, with the young lady located right at the City Hall corner, and CHAT's involvement included a complicated two-way remote conversation via land line with our control room announcer and the lady flagpole sitter on her high perch. The daily conversations kept interest high and promoted the local Stampede and Exhibition quite successfully that year.

Since its inception, CHAT has always gone to "where the action is" and has continued to report and comment on the Medicine Hat and district scene with directness and accuracy. The flexibility of radio has made CHAT the prime news source for the area and

our news department of five capable people has an insatiable appetite for the facts. We carry four major newscasts daily, twenty-one newscasts on the hour and half hour and a ten-minutes CBC presentation at nine a.m., and The World at Six which is a half hour CBC presentation each evening.

Like any modestly budgeted local operation worthy of the name, CHAT has been and continues to be the springboard for leaps into greater things.

As I mentioned in our brief we supply basic training of the best possible type and versatility is available to young people who can apply themselves to broadcasting as a challenge and vocation. In addition to those people we mentioned in our brief, there are others who got their start with us, such as Cathy McIvor who is a writer for some of the ABC shows out of New York; Merv Stone who is the chief film producer for the CBC; Irv Shore who is Mr. Morning Man in Edmonton; Lloyd Colthorp, a Vice-President at CHAN — CHEK TV., Vancouver and Victoria.

Although we cannot take any personal credit, Medicine Hat can boast the contribution of people to the world of entertainment, art and photography, sports, journalism, finance, industry and politics. Who in the theatre has not heard of Tommy Tweed and Bruno Gerussi? And certainly everyone knows of Alexander Chernywech who a few years ago was a favourite performer on the Old Time Dancing Party on CHAT and today is Canada's champion Old Time Fiddler and known as Al Cherny, a regular on the weekly Tommy Hunter Show.

There is Roloff Beny, a Medicine Hat artist and photographer commissioned by the Secretary of State during Centennial Year to photograph Canada. His book, "To Everything There Is A Season", has become a Canadian classic. Joseph Fisher and Alex Kaleta, former NHL hockey stars; Clyde Gilmour of the Toronto Telegram, Bert Cannings of CFCF, both native sons of Medicine Hat. Walter Gray and Graham Trotter, also journalists. Mr. Bill Currie, former president of the Canadian Imperial Bank of Commerce and now Vice-Chairman of the Board, Western Division. Mr. Arthur Atkins, former President of Ogilvie Flour Mills. Mr. Ken Jamieson, Chairman of the Board, Standard Oil, New Jersey.

In the political arena, Mr. H. A. Olson, Canada's present Minister of Agriculture, and also from our area the Premier of the Province, the Honourable Harry Strom, and of course, a former Member of Parliament, our beloved, the late Senator F. W. Gershaw.

If I may, I would like to stray from my written presentation for just a moment here and say that I really do not know why broadcasting supposedly is the chosen instrument of that which has to do with the arts or Canadian culture or the identity of the country.

For instance, I mentioned earlier that the Canadian from Medicine Hat, Mr. Roloff Beny, was commissioned by the Secretary of State during Centennial Year to photograph Canada and the book is now selling on the stands at \$30. a copy and it is a beautiful edition, and yet that book was printed, published and bound outside the country—Italy, the United States and Great Britain; I would hate to call people from the country of Great Britain foreign but that is the way it is turning out in our business today.

However, I do have something with me whih is very Canadian. It is a book called "Saamis, the Medicine Hat." It was written also during Centennial Year. It is the story of Medicine Hat written by Senator Gershaw and I do not know whether you have read it, Senator...

The Chairman: No.

Mr. Kope: I would like to present it to you on behalf of the people of Medicine Hat and our station. I would like to think once you have finished it you will probably allow the other Senators to look at it as well.

The Chairman: Thank you very much.

Mr. Kope: I also mentioned in our brief we are very active in community involvement and one of the things we have done-we think we have the greatest girls' choir in Canada. They are called the Teen Tones and we are responsible for this recording. This recording, by the way, is on sale. We tried to sell enough of these and with other projects to send our girls to Osaka this year to be Canadian ambassadors, but as usual like in a lot of things we start a little late and we couldn't get them there, but we are planning on sending them to Great Britain next year to act as ambassadors for Canada and the Province of Alberta and also Medicine Hat, and as I said we are raising money by means of this album. Senator, I would like to give this to you also and even though I cannot give it to you, I will collect \$5. from you after the hearing is over.

The Chairman: Thank you.

Mr. Kope: Now, I cannot, as our brief suggests, too strongly the part which we play regarding

community Involvement. Whatever happens in our broadcast area we are there, if not with our microphones with at least a news report.

We pride ourselves on having a finger on the pulse of the Community.

Over the years we have, at least in our opinion, been pretty good corporate citizens. We pay our bills, our taxes, and our people are well looked after. We have expanded our operation, kept in stride as much as possible with technology and maintained, at least we believe, a good image. But to continue to operate, to continue to keep involved, to continue to be a good corporate citizen, we must remain flexible. To cite an American expression here, we have to stay loose and not lose our cool.

We have hit the odd home run in our ball-park and we don't mind taking our turn at the plate, but when the umpire narrows down the strike zone, ties a hand behind your back and then hands you a heavy bat and says, "Go to it, boy", and when the league governors decide you are going to play more games for less pay, it makes the game a little lopsided and all the fancy words and the fancy series are not going to change that one bit.

Senator Smith: You can still bunt.

Mr. Kope: If you keep one leg tied, you cannot do that either.

Mr. Chairman, Honourable Senators, you are looking at a person who believes that he is as much a Canadian as any other man in Canada, a Canadian who served in the RCNVR during the last war, a Canadian by choice, a Canadian who has also a little smidgin of talent and a Canadian who is also a broadcaster and very proud of it; and as a Canadian broadcaster in a market the size of Medicine Hat and also being a grass roots citizen of the community I can say, because I am in the market place that if I am left alone I will do the job. My people, our audience, are not really concerned about American influence. They will still be good citizens of Canada as long as they can also have the freedom of choice-and if this Committee can be of any assistance, if you will keep the strike zone where it is, or even widen it, if you can untie that hand from behind my back. I will take my turn at the plate and do my damnest to hit another home run in the name of national unity and the Canadian identity.

The Chairman: Thank you very much, Mr. Kope. Thank you for the book. Thank you for the record. I thank you also for reminding us it is the baseball season.

Senator Sparrow will start the questioning.

Senator Smith: Dr. Gershaw wrote that book, The Short Grass Country. You will remember that one. He was a very fine man.

Mr. Kope: Yes, he was. We loved him very much.

Senator Sparrow: I am sure the Chairman expressed our appreciation for you being here but we are particularly pleased because we have been dealing to a great extent with larger organizations, group ownership and this type of thing, and I think it is important to us to have you...

Mr. Kope: I am glad he qualified that, are you not?

Senator Sparrow: . . . because you have the opportunity of a greater listening audience to discuss the problems that may arise from a broadcaster in a smaller community. I think your brief says there is a population of 27,000. The first question perhaps would be to explain further to us-although you did reasonably well in the brief-the particular problems that a broadcaster would face in a community and in a market of that size; and I would particularly refer, I suppose, to the types of community programming problems that would pertain to that and also staffing problems? I appreciate you refer in your brief, in numbers 53 and 33, to staffing and training, and you also spoke in your verbal presentation about training good staff and they leave you. You showed a little pride in the fact that they had gone to the great heights, which is a good thing, and in fact are contributing to Canada as a whole now but this must in turn create extensive problems for you.

I wonder if you would elaborate on that and while you are chatting with us—I used the word "chat" just quickly and I did not mean it that way as a pun.

The Chairman: I certainly hope not.

Senator Sparrow: Would you elaborate perhaps a little further for us on the effects that the CRTC may have on you as a broadcaster in a small community, particularly with respect to Canadian content? You said, I believe, in your remarks that you agreed with the CAB position as far as broadcasting is concerned and the regulations; but I would like to know the particular burdens that are on you because of the CRTC regulations and also what benefits there may be, because I think there may be benefits to you in your particular area, of certain CRTC regulations.

Would you like me to repeat the question?

The Chairman: I do not think that will be necessary, Senator Sparrow.

Mr. Kope: Well, I suppose you are asking me: How can we keep and maintain staff? Is this one part of your question?

Senator Sparrow: Yes.

Mr. Kope: Really we have people who have stayed with us a long, long time mainly because they want to stay in a smaller community where they do not have what you might call the rat-race of bigger centres.

Usually these have been people who have been born and raised in our community, and like all other markets similar to our size we have people who use us as a springboard. They can get their experience from us and go to the bigger cities and really it is not the money all the time. It is the idea of being able to get to a larger market, the prestige, being heard, the possibility of or the desire to get to the top like on one of the networks or possibly even down to the States.

Mind you, we are having a lot less trouble lately than we were and that is mainly because our viability has been better, our revenue has been coming in better. We can afford to pay them more money and as a result we have kept a lot of people. Where we used to pay them say \$250 or \$300 a month, they are now getting \$400 and \$450 a month.

Senator Sparrow: I am sorry. To what people are you referring?

Mr. Kope: I am referring mainly to announcers and announcing staff because these are the people who usually move on.

Writers are usually women. We lose them for various reasons. They get married and decide to become housewives and mothers rather than continuity writers but mainly as far as the announce staff is concerned, these are the people that are concerned and with which we have difficulty.

Senator McElman: They have another type of continuity.

Mr. Kope: Another type of contuinity. Well, you write the script one day, but that is a difficult thing for us to do.

Mind you, now we also have television we can give a man exposure on both media and this helps to keep him also, but it used to be real tough in the earlier days when we used to be radio. It was a tough thing with which to contend but not as much any more.

Senator Sparrow: Supplementary to that then, while we are talking about this. Could a radio station and a TV stations survive in that community if they were separately owned?

Mr. Kope: Not the way we are operating them. I think possibly they could. I do not think they would be good operations.

I would have to say our operation on television is second to none and I believe our radio station operates the same way.

As a matter of fact we are very proud of our radio and television operation. We are on the air many more hours than a lot of stations in markets our size. We come on the air at 8:00 o'clock in the morning for instance and we are never off until 1:00 in television. With radio we are around the clock. A lot of stations in many markets of our size do not operate to this extent.

We spend a lot of money in terms of programming in both radio and television, production aids. One of the reasons I think we are successful in that market is because of our news operation. We have a fellow with us who has had at least 25 to 30 years experience in news. We make sure that in all our newscasts there is at least one local item.

In other words, when people turn away, they always want to come back for fear they have missed something and that is the way we try to operate.

Senator Sparrow: You referred, I believe, to 80 per cent of your advertising dollars coming from local and 20 per cent from national.

Mr. Kope: Yes.

Senator Sparrow: Who covers the national market if you do not?

Mr. Kope: You mean, who sells for us?

Senator Sparrow: No. How is the market covered for national advertising?

Mr. Kope: Well, magazines come in, for instance, and billboards which I really do not think count a lot,

but the actual national dollars of the major media go to the Medicine Hat News, which is owned by the Southam people and/or either radio or television, which is owned by Monarch Broadcasting Company.

The Chairman: Is that what you meant or did you mean how did they sell it?

Senator Sparrow: No, I did not mean how did they sell it. I was wondering what the penetration was from all these sources. Are there other TV stations that come into your area or other radio or outside newspapers, or is it all serviced through the Medicine Hat News itself or in newspapers, radio and TV?

Mr. Kope: Do you mean the national advertising money that goes into our area?

Senator Sparrow: Yes.

Mr. Kope: It goes into the three major media, radio, television and newspapers. I do not think I am following you.

Senator Sparrow: No, I think not.

The Chairman: I think he is asking you about the extent to which residents of Medicine Hat are reached by national news which does not appear in the Medicine Hat News or television or radio.

Mr. Kope: Is that what you are saying?

Senator Sparrow: Yes.

Mr. Kope: Cable is one, outside signals from other radio stations, Calgary, United States, some from Saskatchewan. A good concentration of readership from the Lethbridge Herald, the Calgary Albertan and the Calgary Herald. I think that would be all.

The Chairman: This 80/20 radio, does that apply to both radio and television?

Mr. Kope: It used to in radio and television. It still does in radio. We have been a little bit more fortunate than most television stations lately in terms of national revenue.

I would say that would be in the neighbourhood now of possibly 65 or 70 per cent local and the remainder national.

The Chairman: 65 or 70 per cent local.

Mr. Kope: That is right.

The Chairman: How about the Medicine Hat News? What ratio do they reach, do you know?

Mr. Kope: I have no idea.

The Chairman: You do not know what they are running nationally? I find that amazing.

Mr. Kope: No, I do not. I could go through the problem, you know, of measuring the thing and finding out.

The Chairman: I am surprised you do not want to know.

Mr. Kope: It really does not make that much difference to me.

The Chairman: Why? I will bet you want the national advertising they are running?

Mr. Kope: Oh yes. But as far as I am concerned any national advertiser who wants to get the message across has got to use radio and television because we are with the community, as far as I am concerned, much more than the newspaper.

The Chairman: Do they not get any national advertising that you do not get?

Mr. Kope: Oh yes.

The Chairman: Let me ask you one further question about the Medicine Hat News, just on this advertising element. Do you feel that the Medicine Hat News is tougher competition both for audience and for advertisers because it is part of the Southam chain?

Mr. Kope: Yes, I do, mainly because they have a sales office or a rep., with which you are familiar, in Toronto and these people are selling on behalf of not only the paper itself but on behalf of the chain. As a result they receive much more national advertising than say a paper in, well . . .

The Chairman: Lethbridge?

Mr. Kope: No, because Lethbridge is with FP Publications.

The Chairman: Red Deer?

Mr. Kope: Red Deer is a good example. Swift Current. I forget what the name of the paper is.

The Chairman: I think it is a weekly only, but the Red Deer paper is a good example?

Mr. Kope: Yes.

The Chairman: Well, that is in advertising. How about in terms of audience and the coverage and the job they do?

Mr. Kope: I think they do a fine job.

The Chairman: But they would do a better job than if they were not part of the Southam chain?

Mr. Kope: No, I do not think so because I think they can draw from personnel. I think the experience of the Southam chain can help a local newspaper and really let it go a little further. I think eventually stations our size and markets our size are going to be absorbed by conglomerates because it's the only way we are going to be able to operate.

I believe this.

Senator Sparrow: Radio and television.

Mr. Kope: Radio and television.

The Chairman: You see no future in Canada for the small independent operator?

Mr. Kope: Yes, I do, but not to the extent that there is today because I think it is much easier and a station can do a community a much better service in a lot of instances. I am not saying in every instance but particularly if these new regulations come into effect, they will get help from the people who have resources and money and who can span the gap when the going is tough.

Senator Smith: Mr. Chairman, may I ask a question?

The Chairman: Yes.

Senator Smith: On this particular subject about competition for audience; I notice in paragraph 47 of your brief you have to compete with about ten radio signals which are well heard in that particular area.

Mr. Kope: That is right.

Senator Smith: As well as six channels on the cable system. How much worse could that situation get; seeing that you are having a very successful time.

Mr. Kope: Yes, but . . .

Senator Smith: With that kind of competition.

Mr. Kope: Yes, we do.

Senator Smith: There are lots of places where the competition is not anything like that.

Mr. Kope: But you must remember one other thing. We own part of that cable system too and we have applied to buy the rest of it from Famous Players; I forget whether I mentioned that in my brief or not.

Television could never have come into Medicine Hat had it not been for radio. I am now saying that radio and television will exist in that market only, from a viable point of view, as long as we own the cable system also.

If we cannot, we are going to have to cut back our operations on both radio and television to exist.

The Chairman: If the CRTC said to you "Okay, CHAT, you can have either cable or the broadcasting Set-up", which would you take?

Mr. Kope: Well, since we own all of them, I would say all.

The Chairman: No, but if they said . . .

Mr. Kope: I would have to think at this point in time I would have to say cable. I would have to say cable, again depending on what they are going to do with the cable regulations.

You see, local programming, for instance, on cable is practically impossible in Medicine Hat. What do you program?

The Chairman: You do not agree with the new CRTC regulations on cable?

Mr. Kope: No, I do not.

The Chairman: Or on Canadian content?

Mr. Kope: No, I do not.

The Chairman: Senator McElman?

Senator McElman: I have been reading of late, Mr. kope, that the advertising dollar is starting to leave television and going back to print. Is this the case in your area?

Mr. Kope: Not now.

Senator McElman: Has it in recent months?

Mr. Kope: No, it is not true in our area but I can see it coming true, the reason being-I do not know whether this has been explained to you before. For instance, there are so many advertising dollars to spend. Now, if an advertiser wants to get into television and he cannot get on the major stations in Toronto or Montreal where he has to have coverage, I can see him then pulling his money out of television and going to a different media. It may be radio, it may be newspaper, because he has to have that coverage in those two areas on either one or both of those stations that are in those areas now; otherwise why go to all the expense of doing a television commercial and putting all the money into the production that is required for a television commercial if it is not economically feasible?

The Chairman: I think maybe Mr. Spears wanted to ask a question.

Mr. Spears: Well, there was something that arose there. Mr. Kope, you have spoken of the reliance of your television operation on radio. We were told earlier today by the people from Bridgewater that a radio station cannot be viable in a community that is smaller than 75,000 which was the figure they gave. You have a smaller market area than that and you have both a radio and television station. What is your secret? How does this happen?

Mr. Kope: I work at it. I would say I do not know Mr. Hirtle's position in Bridgewater. All I know about Mr. Hirtle is that I think he is a tremendous operator.

The Chairman: Did you think that prior to this morning?

Mr. Kope: Oh yes.

The Chairman: You have known him?

Mr. Kope: I have known John Hirtle for a long time. I have admired him greatly.

Mr. Spears: But you have a smaller community supporting a radio station.

Mr. Kope: Well, I do not have a smaller community in terms of people. I have a larger community. I have got 27,000 people in my town. He has got 5,000 people from what he said this morning.

Senator Smith: Oh yes, but he covers half a dozen towns in all that rural area. There are 75,000 people.

Mr. Kope: Okay, fine. He has got that many people. How many merchants has he got? How many potential advertisers are there in that area as compared to ours? I cannot answer that question, I do not know.

Mr. Spears: But you operate your radio station around the clock? What is the reason for that? Who is listening at 3:00 a.m.?

Mr. Kope: Oh, I just about said that naughty word but I do not think I dare.

The Chairman: What was the word you almost said?

Mr. Kope: My answer to that one is this and I am not being facetious—who is listening at 3:00 a.m. in the morning in Medicine Hat? Well, the answer obviously—anybody will say nobody till somebody swears on the air and then everybody has heard it.

Ours also is an industrial town. For instance, Ogilvie Flour Mills, Dominion Glass. People work around the clock in 24-hour shifts. As a result there are watchmen in factories; there are restaurants which are open around the clock, there are industries which are open and people have the radio on and it is also a service in terms of people who have insomnia who sometimes like to listen to us.

We realize we do not get many.

Mr. Spears: It really is a very small audience.

Mr. Kope: Yes, very, very small. We realize this. It is one method also, by the way—and I must be completely honest—of not shutting down our transmitter because it is much more economical for us to leave the transmitter on in terms of tube life, so why not run around the clock?

The problem is that we then have to hire a man. According to government rules you cannot leave a transmitter on in this country unless you are broadcasting something on it, so we will hire a youngster who is trying to get into the business and air check him every so often, but we will let him run that shift say from midnight or one o'clock until six in the morning, until the experienced man comes on.

Senator McElman: Or until he uses one of those words.

Mr. Kope: Well, if he does, he had better not let me hear he did because he is done right there and then.

The Chairman: I would like to talk for a moment or two about this rather bleak future that you paint for broadcasting in Canada, that the independent operator is going to disappear, presumably because of the 30 per cent regulation.

Do you seriously believe that?

Mr. Kope: I do not think he will disappear. I hope I

The Chairman: No, I may be misquoting you.

Mr. Kope: I say that it is going to be tougher for him to operate. I think it is going to be easier for him to operate if he is under the wing of one of the conglomerates or one of the Maclean-Hunter or Selkirk Holdings type of thing; simply because there is not enough material available, people or records; for us right now to comply with this regulation.

There certainly is not enough local talent that we can put on the air and a microphone is cruel, as you know, to local talent. It is not good for any talent that really is not that good so therefore it is awfully tough for us to do something when we really have not got the tools nor can make the tools to do it.

The Chairman: Do you agree with the objectives of the CRTC in this area of trying to have more Canadian content?

Mr. Kope: Yes, I do, but it is like the birth of a child. It takes nine months and no regulator can do it in five.

The Chairman: All right, I take your point, but the private broadcasters have done nothing about it in 25 years.

Mr. Kope: Oh, I disagree with you.

The Chairman: Tell me why I am wrong.

Mr. Kope: Well, you are wrong first of all because we do have talent and we have nurtured talent in terms of people who write and who announce and who really play musical instruments in a lot of instances; not so much any more because they go on television, but we used to have local programs where the kids came in and played the piano, played the violin.

We have a Western group in town right now that we tried to get to go on television. We tried to get them to go on radio but there is that continuity thing again. You cannot do it for any more than three or four weeks in a row because they are just not available to you.

One thing we do on radio—and this, of course, is a different thing, but we do bring in groups. We will bring in groups and we will have them do three or four numbers or five or six numbers, whatever the case may be, and put it on a cartridge machine and save their selections this way.

We try to do this as long as it is competitive or at least nearly competitive with the type of music we play ordinarily, but there is no way I am going to put anything on my station which is going to drive listeners away.

The Chairman: Would you play this on your station?

Mr. Kope: You bet. That is great.

The Chairman: Well, what is wrong with having more and more and more of this?

Mr. Kope: Because there isn't any more.

The Chairman: There has not been up until now but if the CRTC makes this regulation a fact of life or in some modified form, then this kind of music will have to be created.

That is why maybe the regulation is useful.

Mr. Kope: Well, let us go back. I think what you are trying to say to me is why can the Americans do it and why can't you?

The Chairman: That is not what I was trying to say but I will ask you that.

Mr. Kope: All right. Away back when, and this is in the good old days, there used to be the era of the big bands, Glen Miller, Tommy Dorsey, Benny Goodman, who really never had any exposure either until they could get to a Frank Dailey's Meadowbrook or a Glen Island Casino or some place, a palladium type of thing, to be heard by the people who will come to that particular performance, be it a dance or whatever.

It was then and there possibly they might get a network contract, might, in those days of network, but it was only after they became famous that they

were on recordings and after a guy gets on recordings and he can sell them, he has got it made, as far as I am concerned.

There has not been any place in Canada and particularly in the West and the smaller centres where talent can be heard. We are now in the Province of Alberta finally opening up cocktail lounges and various other establishments where talent like this can get a chance to be heard and can get a break.

Now, I do not think it is up to the radio or television station to do this until at least that talent basically becomes at least half competitive with what the advertisers are used to hearing.

The Chairman: Well, I have records at home by Mart Kenny. He was in that big band era.

Mr. Kope: You bet, He was the only one Canadian that ever made it that way.

The Chairman: But he made it.

Mr. Kope: Oh yes.

The Chairman: And it seems to me that the regulations will help more people to make it.

Mr. Kope: Well, my favourite band today is the Boss Brass, great Toronto musicians. There are no better musicians in the world.

The Chairman: Right.

Mr. Kope: That trombone section is fantastic, but I said to Lyman Potts, who has them on CTV, "Why don't you get these fellows together and bring them out to Alberta and really I will sponsor them for a week; get them all together some place so the Canadian people can really hear this band in person."

Lyman's answer to me was "Well, I would like to, but they are too damned busy in Toronto making money to take a week or two weeks off so they can be heard by the Canadian people"; so is it my fault, as a broadcaster, that I cannot get the people in the Province to hear what I think are the best musicians in the world in person?

Senator McElman: Why cannot they hear them on recordings?

Mr. Kope: Because really the recordings are played by the stations. I know they are played by my station

and I know they are played by three or four stations in Calgary.

The Chairman: But surely there are groups now performing in both Calgary and Edmonton?

Mr. Kope: Yes, there are.

The Chairman: Good ones?

Mr. Kope: Yes, but as I say this was true even a year ago but it takes time, a natural birth for it to happen.

The Chairman: Do you not think that the CRTC by its suggestion and by its discussions which are taking place now and by this discussion we are having today, is giving a new impetus to Canadian music?

Mr. Kope: Anything that can further Canadian identity or Canadian talent, I am for, because as I say I am as much a Canadian as anybody else but as I say, also, you cannot do it overnight. You cannot put a date on it and say on September first thou shalt, because you cannot. It is just not available.

The Chairman: All right. Senator Sparrow, do you have any other questions?

Senator Sparrow: If these regulations that are proposed at least sound the death knell of the small broadcaster, is this the straw that breaks the camel's back, so to speak, or were you faced with that anyway? Are we spending too much time with this regulation alone or was it only a matter of time anyway?

Mr. Kope: I really believe—I think it has been mentioned to this Committee—that the Canadian stations as a whole have driven American stations, if you want to put it this way, back across the border.

The Chairman: You are talking about radio.

Mr. Kope: Yes, I am talking about radio now and I think that is a great and wonderful thing. I think the only reason they have been able to do it is because they have become involved a lot more in their own communities. They have learned how to do with media a lot better than they used to, and mainly this had been done, not in the field of music or any other type of art, but mainly in the field of news and reporting of the news.

As I say they have got something on that makes the people come back. If you do not go back, maybe I missed something they say.

I honestly believe that it is not really the death knell of Canadian stations but what I am saying is that Canadian broadcasters will put on more Canadians when that material becomes available through natural evolution.

Senator Sparrow: Just to digress for a moment about local groups and imagination. Where I come from we have a number of local groups who use imagination, two bands in particular. One is called Custer's Last Stand, and the other one is called The Elastic Band.

If you need any imported talent, I can arrange that for you.

Mr. Kope: I am assuming one of their favourite songs is "Don't Run for the Round House, Nellie, that Brakeman will Corner You There"?

Senator Sparrow: So you have heard them?

Mr. Kope: Yes.

The Chairman: Well, I want to form a group and call it "The Senate".

Mr. Kope: Who is your guitar player? You have to have one to be a success.

The Chairman: The other name is "The Fathers of Confederation".

Senator Smith: Let us get back to our discussion of a few minutes ago which was dropped. I am very interested in Mart Kenny and Norma. Was that his wife's name?

The Chairman: Yes.

Senator Smith: In those days if they did make it big, did they make it big in the States or were they just big in this country?

Mr. Kope: I think they were just big in this country and the reason they were big was because they took the time and made the effort and the hard work that goes with it, travelling across the country and being seen in person.

I think this is the first thing that has to happen to this kind of talent. I do not think a radio station can do it. I do not think a record can do it.

An example, The Mills Brothers, I used to hate until I saw them in person. Now, as far as I am concerned, I still do not like their records as much as I think I should, but boy I like them a lot better than I used to because I saw them myself on stage.

Senator Smith: I know Mart Kenny and his band came down to the Maritimes and they were a great success wherever they went. I always believed they had a combination of two talents which I believe is common to a lot of potential Canadian entertainers. One is that they were darned good musicians.

Mr. Kope: Yes.

Senator Smith: And they were darned fine people, and they made friends wherever they went. They did not have to have public relation gimmicks to make them go.

Mr. Kope: I agree with this.

Senator Smith: Now, I am one of those people who believe that this country is full of talent if they only gave them a chance and perhaps 30 per cent may be too high but I hope the fall-off is not too high.

Mr. Kope: No, but really believe me, I want to see more of it too but talent has to give itself a break. There have to be places for talent to be heard. For instance, in our Junior College, just no more than a month and a half ago, the Poppy Family from Vancouver came in. It is about the first time really in six years that we have had what I call famous Canadian talent come to our town. The only reason that they did is that they were on their way across the country and they thought we would be a good stop between Calgary and Regina. It cost the kids in the school \$1,000 to hear them and they lost \$400 on the deal but still they came and it was the first Canadian group, to the best of my knowledge, that ever had a hit record to the extent that the Poppy Family has.

I think this is great. I think there is going to be more of this but they can compete—they can compete with American groups and I think that is important too.

Senator Smith: The whole country is full of these bands. I do not know whether I should take the time to tell you but during the recess at a friend's home in my home town in Nova Scotia I heard what I thought it is a wonder that these people would have that music turned up that loud. They had a beautiful record

player and I thought Lord, they must be out and they have left their record player turned on too loud.

I went into the living room and the thing was off and where was the beat coming from that attracted me? Down in the basement. It was a kids' band in a high school, half a dozen of them, and it was the best kind of a beat you ever heard.

I said to myself if that was one of the most publicized beats in the world, it would not have sounded any better to me and I hope I can tell a good beat when I hear one.

Mr. Kope: I agree with you and I hope some day the record industry in this country will do something about it so maybe we, as broadcasters, can do something about it.

Senator Smith: We have been told that it is too expensive to make records.

Mr. Kope: I will give you an example. I will tell you how expensive it is. There is a fellow—I will not mention the company—but I said "Why would your company not put a record like this together?" This is the best teenage group in Canada, and I swear to gosh it is. I do not know of any better nor have I heard of any better. These girls are wonderful.

He said, "Well, can I hear them?" I said "Sure". I took him back in the control room and he said "Yes, they are not bad". He said "I will tell you what I will do. Give me the album and I will send it away and we will reprint it under our label and if you promise to buy the first 500 copies, we will get you distribution on it."

I said "Why do I have to buy the first 500 copies"? He said "Because then that gets us off the hook".

All right, sure. If we are going to go with a 30 per cent Canadian content, at least let the record companies do something about it and make that 30 per cent available.

Senator Smith: Would you agree it is a reasonable thing to suggest that the government or one of its agencies, such as the Canada Council, subsidize Canadian records, instead of giving somebody \$3,000 to go to Paris and paint pictures on the Seine? Let somebody else stay home and make a record and give \$3,000 to the record company as a guarantee he would not lose money on it?

That has been put forward to us, seriously.

Mr. Kope: I would like to say that there is merit in that. I would also like to say that it depends on what kind of music is made available on the discs and if the talent can be varied enough, I say "Fine", but remember in the record industry you have to sell internationally before you can make it back.

There is no way you can make a dollar on a Canadian record because you just cannot sell enough of them.

Senator McElman: How do they do it in Quebec?

Mr. Kope: They are not making that much money in Quebec.

Senator McElman: They are viable.

Mr. Kope: Not that viable. The reason I think they can do it in Quebec is because they have not got a French nation right down below them that gives them any competition.

Senator McElman: Platters were regularly available from France.

Mr. Kope: Yes, and still are.

Senator McElman: They just would not accept them.

Mr. Kope: Well, there is another thing that happened, that a lot of these records you hear in Quebec—and I am not too well versed on it—but I understand that a lot of them are American songs with French words, which I think has to be taken into consideration because then it is not all purely Canadian under todays's concept.

The Chairman: I do not think that the CRTC has asked for purely Canadian content. I do not think they insist upon Canadian music written and composed by Canadians and sung by Canadians or played by Canadians. I think this would be Canadian content. I am sure a lot of that music is international.

Mr. Kope: I just remembered something. I think I should cover it because it might add to this discussion. About four days before I left to attend the CAB convention and the other hearings and the hearing here, I had a phone call from a favourite minister of ours who broadcasts regularly . . .

The Chairman: You mean a clergyman?

Mr. Kope: Yes, a clergyman, a man of the cloth. He phoned me and said "What is this all about that you are talking about on your radio station and I read in the newspapers?" I said "What is it you are referring to?" He said, "Look, I am on your radio station every fifth Sunday on the Sunday morning church broadcast." I said "Yes". He said "Do you mean to tell me when my choir sings O God, Our Help in Ages Past and Nearer My God to Thee and The Old Rugged Cross, that this is foreign?"

I said "Well no, not this year, but under the regulations next year when you need two of the categories, it will be". He said "I will never believe it". I said "You will never believe what, Reverend"? He said "That God is not a Canadian".

The Chairman: Well, are there any supplementary questions on that?

You began your statement by saying that your brief was short and to the point because you agreed with everything...

Mr. Kope: Agreed mostly, I said.

The Chairman: You agreed mostly with the CAB. What were the things that the CAB said that you did not agree with?

Mr. Kope: Offhand, I cannot . . .

The Chairman: I am not trying to make it difficult.

Mr. Kope: No. Just a minute. I think Crépault's figures were wrong in one instance with reference to what was spent in terms of talent in comparison with the CBC. I disagreed with that and I disagree now but I have not taken the time to look it up. I do not know what it was but I think he was a little high.

The Chairman: I think we might send him a letter reminding him of that.

Mr. Kope: Do not tell him I said so.

The Chairman: Oh no. They have promised to send us a letter.

Well, do you agree with the statements Mr. McGregor made?

Mr. Kope: Oh, you bet.

The Chairman: You think the more commercial a station is . . .

Mr. Kope: The more commercial a station . . .

The Chairman: ... the more audience it will have.

Mr. Kope: I do not think that is what Mr. McGregor said. I thing what Mr. McGregor said was if a commercial is on a program that program is more acceptable. I think that is what he said. Is that not correct? He did not say the more commercials you had on—I mean he said if the commercials are in the program the program is more acceptable.

The Chairman: I think, Mr. Kope, he went a good deal further than that.

Mr. Kope: Well, when he made the statement . . .

The Chairman: Were you here that day?

Mr. Kope: You bet I was. I was sitting over there. I said nice going, Bill, I never thought of that myself. Well, this is true, because we have done this and I will tell you why.

You have got two guys walking down the street. One is wearing a real Dapper Dan suit of clothes. And his shoes are shiny and his hair is cut and he has not got any whiskers and he is walking beside a fellow who has not shaved for four days, his shoes are bare, his hair is all over his head. Which fellow are you going to go after? It is the guy who looks like a success, and that is the way it is with television and radio programming; a commercial on it makes it look successful and sound successful. The more successful a station looks and sounds the more successful it is going to be.

You start putting on sustaining things. In other words why put it on if it is not salable? If it is not salable it is not worth putting on in a lot of instances.

I say the more commercials—not that you have on the station, but the more commercial programs you have the more successful you are going to be because most people are going to want to buy it on your station because...

The Chairman: Well, first of all is there a role in Canada for the CBC?

Mr. Kope: Yes, definitely.

The Chairman: Do you think the CBC should go all out in a commercial drive?

Mr. Kope: No, I do not think so.

The Chairman: Why not, if it would improve the station and sound successful?

Mr. Kope: I do not think then it would be fulfilling its mandate. I am talking about the job that the CBC does now in comparison with what I think it has to do.

I would love to see the CBC go out and be more commercially successful. I think they would get more viewers on television. I think their radio network would be a lot better. I believe that.

The Chairman: Do you think that commercials are Canadian content?

Mr. Kope: If they are done in Canada, yes.

The Chairman: Do you think they should count towards the 30 per cent?

Mr. Kope: Yes.

The Chairman: Senator Sparrow, why do you not go on?

Senator Sparrow: Just continuing on that point. You agree in principle with this proposed content regulation. Should there be different regulations for different markets then?

Mr. Kope: Yes, I do believe this.

Senator Sparrow: Would this solve the problem?

Mr. Kope: Yes, it would. It is easier in a community like Toronto, Vancouver, Montreal to get this type of talent and to record it for themselves and to play it on their stations, it is for the Medicine Hats, the Swift Currents, the Lethbridges, and the Red Deers, whatever the case may be.

Eventually I think this stuff may filter its way down into our areas but I do think it takes a lot more time.

I do believe, and it has been mentioned at the CRTC hearings, that every situation should be taken on its own individual merits. I am a great believer in this and I think the Canadian system will build a lot faster and be a lot stronger if this is done.

I do not think you can have blanket legislation because it just does not work in a lot of instances.

Senator Sparrow: Are there areas in the regulations that protect you now that you feel are good regulations or would you rather be wide open in your market?

Mr. Kope: No, I do not want to be free. I want to have freedom but yet I want to have some guidelines. I think that is only natural.

The Chairman: You say "guidelines". Do you mean guidelines or regulations?

Mr. Kope: No, I mean guidelines.

The Chairman: Well, what would you do with the proprietor who does not meet those guidelines?

Mr. Kope: Then I think he should be taken to task.

The Chairman: Okay. I have just two other questions. The first one is, at the opening part of your brief you discuss how Medicine Hat got its name and I was interested in that part.

You conclude however by saying:

"Medicine Hat is a small community, free from many of the complexities associated with large metropolitan centres. There are no serious conditions associated with crime, race, colour or creed. Traffic, pollution and congestion problems are minimal. Indeed, it is a very beautiful city to visit and contrary to the old adage, it's also a most pleasant place in which to live".

Are there not any problems in Medicine Hat?

Mr. Kope: Yes.

The Chairman: What are they?

Mr. Kope: Well, for one thing, Senator. I think I opened the brief by saying we have 27,000 happy people.

The Chairman: Yes.

Mr. Kope: But I did not mention after that, "and a few old cranks". And these are the only people we have trouble with.

The Chairman: For example, there is no drug problem with the young people?

Mr. Kope: Certainly there is. I mean, we are no different, I think, than any other Canadian community. We have our problems in terms of drugs. We have

our problems in crime and petty crime. All I am suggesting is that because of the size of the community, it is not as prevalent.

The Chairman: What is the biggest local problem in Medicine Hat? I assume you all have the national problems, taxes and inflation, but what is the biggest local problem?

Senator Sparrow: Apart from broadcasting.

Mr. Kope: Right now I would say something which will hold our younger people and I think we are doing something about this now. There is a big complex being built in terms of YM-YWCA, a brand new arena is now being built. We are getting back into junior hockey again. We have got a Junior College going. There is a new college where first and second year university courses which will be offered. This will be built.

It has been in the Vocational School and this will be built inside of a year and a half. I think this will all add to it too.

The Chairman: The last question I have—you know, Medicine Hat is a long way from Ottawa. How many miles—do you know?

Mr. Kope: Oh, a couple of thousand.

The Chairman: You are not as aware, I am sure, of the crisis in national unity as those of us who live here in Toronto or Montreal and yet the Broadcasting Act compels you, as a broadcaster, to contribute to national unity.

How does CHAT radio and CHAT television fulfil that particular mandate? How do you feel you contribute to national unity?

Mr. Kope: Well, in the first place I think we do as much Canadian as we possibly can. I also have to say there are Canadian programs and have been Canadian programs on television which have out-ranked American programs on the cable.

One of those programs was Wojeck and This Hour Has Seven Days, as a matter of fact, which I was sorry to see leave the air. This I think is contributing towards Canadian identity and Canadian unity, just be telling people that which is of Canada.

Here we go into news and public affairs again. I think this tells people about Canada and I really think that Canadians today are more proud to be Canadians

than they ever were in their lives before, but do not ask me why. I do not know why. I just think that happened.

The Chairman: How do you handle the special problems of French Canada? Do you attempt to interpret the situation in French Canada to your viewers and listeners?

Mr. Kope: No, we do not. There is no need for us to really. How we can do this—I have thought about this often. This is probably through an exchange with one of the French broadcasters and possibly this can be taken into consideration. That is a good point but just how we would do it, I don't know really.

I will tell you one thing that is happening in our schools out there and that is that their French classes are becoming a lot more prevalent than what they were and a program such as "Chez Hélène," I think, contributes to this quite a bit.

The Chairman: Are there any other questions?

Senator McElman: What do you think of the proposition of Western separatism that has been talked about quite a bit?

Mr. Kope: Well, what the heck. If Quebec can do it, so can we.

Senator McElman: You deal with it just about that seriously?

Mr. Kope: No, I am being facetious. No. I am not a Western separatist and those who think they are have got holes in their heads. I think they are just trying to create a loud noise. To me it is one country and it always will be.

Senator McElman: As far as your station is concerned, you just ignore it. Is that your position?

Mr. Kope: Oh, we report it, I mean, if there is a big to-do. I understand in Lethbridge there is a seminar going on which has been called by the University with reference to this.

We will take the news reports that we get from the wire. We will also make sure our man calls one of our other people we are associated with in Lethbridge to get anything interesting, but if it is just a bunch of guys blowing their tops...

Senator McElman: You would not comment on this editorially. You would carry it in the news?

Mr. Kope: If we thought it would be worthwhile carrying, yes, but that would have to be the decision of the fellow who does the editorializing.

The Chairman: Are there any other questions?

Senator Smith: I would like to ask a question in relation to something which was mentioned a few minutes ago. I think Senator Sparrow asked the witness whether or not he thought that smaller stations should be excluded from the high standards established in various areas by the CRTC.

The Chairman: I am not sure Senator Sparrow said "excluded". I think he said "should there be different standards".

Senator Smith: Well, is that not excluded from the high standards?

The Chairman: Well, all right.

Senator Smith: A different set of standards. Where would you possibly draw that line and is it a practical thing to be followed?

Mr. Kope: I think so.

Senator Smith: Based on the revenue of the particular station?

Mr. Kope: This would be one method.

Senator Smith: We have had this from other people. We had it from Bridgewater.

Mr. Kope: That is one method. That, along with possibly the amount of people in your coverage area or what BBM, for instance, says you have. Just what measurement you would take, I do not know.

Senator Smith: You think it could be worked out?

Mr. Kope: I think it could be worked out. I have not got the answer. I have never thought of the answer.

The Chairman: Mr. Kope, on behalf of the Committee I would like to thank you for coming. I think it is one thing to have the views of the giants of broadcasting and those we have and those we welcome, but by the same token I think we have to also have, to make the Committee meaningful, the views of the small broadcasters from all parts of the country and the Medicine Hat market, as I am sure you have

probably said many, many times when you were making a sales presentation, is in fact unique.

We appreciate that. You have been here when I have said to other broadcasters that notwithstanding the fact that I am sure it is an imposition to appear before the Committee, I think the broadcasters would be offended if we did not make some reference to broadcasting in an analysis of the over-all media picture, and so again on behalf of the Committee and on behalf of myself personally, thank you for coming.

Again thank you for the book and also for the record which I shall certainly play and I will let you know what it is like.

Mr. Kope: Thank you too, Mr. Chairman.

The Chairman: May I say to the Committee the final session for this week is at 8 o'clock tonight, the Institute of Canadian Advertisers.

Thank you.

The Committee adjourned.

-Upon resuming at 8 p.m.

The Chairman: Honourable Senators, if I might call this session to order.

This evening we are going to receive a brief from the I.C.A., the Institute of Canadian Advertising, and just a moment or two ago, the president of the Institute, Mr. Warren Wilkes, who is seated on my immediate right, asked me if he should introduce his group or should I, and I said I would introduce them because they are all friends of mine.

I think however, Mr. Wilkes, perhaps in a moment or two I will call upon you to introduce them.

I think the Senators would also be interested not only in their capacity in your organization but as well, their agencies. We all appreciate that you are not here representing your individual agencies but I think it might be interesting to us and I believe the Senators will be particularly appreciative.

The usual introduction I make at these sessions will be prefaced by saying that we are very grateful to you for coming. I have said on numerous occasions and in numerous places in all parts of the country that the Senate Committee on Mass Media is not, and I underline "not," is not a committee on advertising, and I hope that you, and the members of your organization will be aware of that fact, except of course as advertising relates to matters which are of particular cogency in a media study.

I am thinking in terms of franchising and perhaps examples of advertising pressure which, I must say, are rather conspicuous by their absence in our study.

I think also you would agree that in any study of mass media the views of the advertising agency industry would be of a very special interest and that is why we have asked you and that is why we are delighted that you have found yourselves available to be with us this evening.

Now, the procedure we follow here is very simple. We turn to you for an opening statement which we try and confine to approximately 10, 12 or 15 minutes. Following that we would like to ask you some questions on the oral statement, on the written statement which you have submitted, which most of us have seen, looked at and studied and perhaps on other matters which we may wish to ask you about.

You should feel perfectly free to refer any of the questions to any of your colleagues.

I should say to the Senators only that Mr. Wilkes, as well as being the President of the Institute, is the President of Tanby Advertising Limited.

With that introduction, why don't you begin by introducing the rest of the members of your team.

Mr. Warren H. Wilkes, President, The Institute of Canadian Advertising: If I may, Senator.

On the left is Mr. Maurice Brisebois Executive Vice President of Vickers & Benson Ltd. and a director of our Association.

Next to him is Mr. A. M. Shoults, Scotty Shoults, who is President of the James Lovick Advertising Ltd. and who is Second Vice-President of the Institute of Canadian Advertising.

On my right, Mr. Dennis Jotcham, who is the Vice-President Eastern Division, of Foster Advertising Limited and is Secretary-Treasurer of our Institute.

Next to him is Mr. George Sinclair President of MacLaren Advertising Co. Limited and the immediate Past President of our Institute.

Next to him, Mr. Jack Milne, the Managing Director of our Institute.

At the back of the room, we have also asked to come with us, our trustee, Mr. Don Campbell who is with the firm of chartered accountants, Campbell, Lawless & Punchard, and Mr. Hal Roach, the Chairman of the Board of McKim Benton & Bowles Ltd.

Now Mr. Chairman, Honourable Senators, Ladies and Gentlemen. The advertising agencies of Canada, as stated in our brief, are intertwined with the mass media of Canada and have been more than superficially interested in your examination since its inception and we are honoured and delighted with this opportunity to appear before you.

Now, if I may, before going ahead with our formal opening statement, I would like to call upon Mr. Brisebois to speak to you for a few minutes.

The Chairman: Mr. Brisebois?

[Translation]

Mr. Maurice Brisebois, Director of the Institute of Canadian Advertising: Mr. Chairman, Members of the Special Senate Committee, on behalf of my colleagues at the Institute of Canadian Advertising, I wish to thank you for having invited us this evening. Recently I had the pleasure of representing our organization before the Commission on French language and linguistic rights in Quebec, or the Gendron Commission, and as I mentioned at that time, the members of our Association are bilingual from coast to coast. Of course, they prepare advertising in both official languages of our country. I therefore invite the members of the Committee to ask questions in either French or English. I thank you very much.

[Text]

The Chairman: Thank you very much. Do you have other comments, Mr. Wilkes?

Mr. Wilkes: Yes, Mr. Chairman, I would just like to go ahead with our opening statement.

The Chairman: Fine.

Mr. Wilkes: Advertising makes a significant and positive contribution to Canada's social and economic welfare and the ability to improve, enhance and enlarge its contribution, depends to a considerable extent on a better overall understanding of mass media functions, roles and responsibilities.

Mass media constitutes the communications network upon which advertising depends, while advertising is a major source of revenue for all forms of mass media.

In some respects we find ourselves in an awkward position. In the first place, most of your concerns lie with media and are outside the agencies bailiwick. Now, Senator Davey has already alluded to this. This upon many of the topics suggested in your guidelines for briefs.

In the second place, ICA is an association and the viewpoints of its members do not always coincide. For this reason, our views on certain issues may appear somewhat vague or general. We are not trying to avoid commitment but are simply reflecting the normal modus operandi of an association.

Part 2 of our brief, to be found in the English version on pages 12, 13 and 14 and in the French version on pages 17 to 25, examines issues that have already been the subject of discussion before you, and we are prepared to comment further if desired.

You may have other equally significant issues to question us about and we shall do our best to answer you.

However, from a purely selfish standpoint, we find one issue of overriding concern to us. That is the question of agency franchisement, again to be found in the English version on page 13, paragraph 53 to 58, and in the French version page 23, paragraphs 53 to 58.

For many years, the publishers of newspapers and magazines and the owners of radio and television stations and outdoor plants and other mass media, have paid advertising agencies a commission on advertising placed on behalf of agency clients.

Now, this process stems from the beginning of the agency system in the last third of the 19th century when the first agencies were literally brokers of advertising space to potential advertisers. They bought and sold at whatever price they could and the difference was the agency's revenue.

Later with the formation of media associations, the process became more formalized with the medium setting the price to both the advertiser and the agency. The system became more or less worldwide and since has become known as the "commission system."

As long as media paid agencies a commission, they have the right to say to whom they will pay that commission and will, most probably, base their decision on the agency's ability to pay and its likelihood of paying promptly.

One efficient way of establishing these facts is through the facility of the medium's specific associations, which of course is the raison d'être for media franchising or recognition systems.

Historically, the media franchise system provided some measure of control over the standards of advertising agency performance but now that it has become primarily a device for determining credit standing, a control of performance has largely disappeared.

To our members this is all very fine but they would like to ensure the highest ethical standards and more professionalism in the agency business so that the public may be better served. They argue that this can only be achieved through self-government and self-accreditation and would like ICA, our institute, to act as a central guarantor of capability, skill, ethics and possibly credit.

Such a system should have muscle and teeth which we have not yet found. It has been suggested since advertising is an important part of the entire communications process, reaching and influencing all Canadians, that government should be prepared, in the interest of the public, to help our industry find an answer to this problem.

Mr. Chairman, my colleagues and I welcome your comments and questions and hope we can make this dialogue a useful one to both your committee and to the advertising agencies of Canada.

The Chairman: Thank you very much, Mr. Wilkes. It is our hope as well that the dialogue will be useful to us both. I think the questioning this evening will begin with Senator McElman.

Senator McElman: Mr. Chairman, I understand that this matter of franchising, the CDNPA is now meeting, is is not, and this is one of the prime subjects for discussion?

Mr. Wilkes: That is correct.

Senator McElman: Is is not true that the agency commission runs of the order of 15 per cent?

Mr. Wilkes: Right.

Senator McElman: And is it not also true that yours is one of the few elements of industry that has had no increase over a long, long period of time?

Mr. Wilkes: That is very true, Senator.

The Chairman: Maybe there should be a Royal Commission on advertising which could be subtitled "15 per cent is no Royal Commission"!

Mr. Milne: Hear, hear.

Senator McElman: Have you yet received your framed letter of commendation from Dr. Young?

Mr. Wilkes: No, but I think that is in order as well.

Senator McElman: More seriously, I note from a brief submitted for release today by the Association of Canadian Advertisers Incorporated, that they too favour getting this system away from the media and more oriented to the agencies and the advertisers.

So it would appear that your chief stumbling block at this point are the media themselves.

Mr. Wilkes: I think that is a correct statement. I think it is also correct to say that since there is a move towards the concept of more fees being paid for services provided by advertising agencies, either as an alternative to or as a supplement to the commissions presently being paid, that the idea of media moving away from the basic franchised concept really only concerns us in terms of our ability to maintain the ethic and the standards of the business.

And this is where, as I indicated in my opening remarks, we would like to feel that we were positioned more strongly to have a more effective voice if you like in our own destiny in that respect.

Senator McElman: My understanding is that the only basis for refusing a franchise in practical terms is on the credit rating if you will of the agency. Is that correct?

Mr. Wilkes: That is essentially correct.

Senator McElman: Then as long as somebody has a credit rating, even though his ethics might not be up to the standards of the Association, he could conceivably be accredited under the existing system?

Mr. Wilkes: That is exactly right.

Senator McElman: That is the weak link; is that correct?

Mr. Wilkes: That is what we feel, yes.

Senator McElman: Perhaps it might be useful, Mr. Chairman, to read from the brief of the Association of Canadian Advertisers Incorporated.

The Chairman: Is this the brief to this Committee?

Senator McElman: Yes, and it has been released for today's reference to this sub-committee.

"The media commission arrangement today is an anachronism, inasmuch as it gives the misleading impression that the agency still is employed and paid by the medium. Notwithstanding the "franchises" granted by media to agencies, the advertising agency acts for its advertiser client and not for the media."

That is the statement.

Mr. Wilkes: That is essentially correct; they pay the bills.

Senator McElman: Are any of your representatives appearing before the CDNPA for discussion of this or are they discussing it behind closed doors?

Mr. Wilkes: Well, Senator McElman, we have had some dialogue with them over the past 2 or 3 years on this whole subject, and it appears as though they are acting under advice which suggests to them that the proper course of action for them to follow at this particular time is to—perhaps the words is "reduce"—the effective franchise system to one of essentially a credit rating procedure and nothing more.

So, to answer your question precisely in terms of are we before them during their meetings over the last couple of days and today, no, we are not. But I think it is fair to say that we have been in pretty continual contact with them over this whole subject.

Senator McElman: Do you find it is an anachronism as an association, that the CDNPA whose members so often raise Old Ned when a municipal council may close its doors for any particular discussion that they themselves close their doors when they have a meeting?

Mr. Wilkes: No, sir, I don't think I do. I think as a group of business people they are entitled to carry on discussion with respect to their own business in private.

The Chairman: I gather as yet there is no advertising agency consensus on franchising?

Mr. Wilkes: Well, now, I was just going to allude or refer to a questionnaire which we sent out to all of our members and which has been condensed into some answers which really reflect the view of all our membership which necessarily is not the same. You know, we have a wide variety of views.

If I may read this-on the subject of agency infranchisement-it is not too long-Member comment

is distilled along these lines as far as their answers are concerned. "As long as media pay agencies a commission, they have the right to say to whom they will pay the commission and will base their decision on the agencies' ability to pay and its likelihood of paying within a given period. One most efficient way of establishing these facts is through the good auspices of their specific association.

To the large majority of our members, this is all very fine but they want more status and respect for the agency business, hence more ethical conduct and professionalism and argue that this can only be achieved by self-government and self-accreditation. They would like ICA to act as the central clearing house guaranteeing advertising capability in skill, ethical conduct and credit competence to media, suppliers and even new advertisers seeking advice. Also they would welcome some sort of 'examination' concept to evidence reasonable levels of "skill and competence.

Obviously, such a system must have muscle and teeth but with rumoured changes to the Combines Act, this may be impossible to achieve. One member suggests that since advertising is an important part of the entire communications process reaching and influencing the entire population, Government might be prepared to treat us differently in the interests of the consumer."

The Chairman: Is it the latter statement that you had in mind when you made the reference in your brief to government helping you?

Mr. Wilkes: Yes.

The Chairman: How specifically could the government help you in this area? I am not just clear on what you mean and I think this is the place to say what you have on your mind specifically.

Mr. Wilkes: Well, I am just wondering if one of my colleagues might answer that question.

The Chairman: Which one?

Mr. Wilkes: Well, perhaps Mr. Jotcham.

The Chairman: Mr. Jotcham?

Mr. Dennis Jotcham, Secretary-Treasurer, The Institute of Canadian Advertising: I think I was the one member that suggested that this might be the case, but it happens, when one looks at the problem of enfranchising ourselves, as it says here, one runs into

the Combines Act and the question of fair trade practices and all that comes with that.

If we become an agency which must control ethical conduct and incompetent and all these other things, and we are imcompetent in competition with each other, we obviously get into a situation where we are ruling people and we can tread on some pretty thin ground if you like, opposite the Combines Act.

The Chairman: Doesn't the existing situation tread on some pretty thin ground as well?

Mr. Jotcham: Not necessarily.

The Chairman: Not necessarily but I think potentially it does.

Mr. Jotcham: No, because there is no reason why an agency needs to be a member of ICA.

The Chairman: To be a member of ICA?

Mr. Jotcham: Yes.

The Chairman: But an agency—as far as a newspaper is concerned, for example, an agency must be enfranchised to collect commissions.

Mr. Jotcham: That is right, but in terms of controlling ethical conduct, if we are to choose who will be agencies and who will not be agencies, they must become members of the Association if we are to control their ethics. They in no way have to join our association and can go out and get commissions in any case, then we would lose control of the ethical part of it.

The Chairman: Well, the point I am after is this. Is the existing situation ethical? Is it ethical—not as far as ICA is concerned but as far as advertising is concerned?

In other words, as I understand it, if the 6 of us decided to form an advertising agency and didn't apply to the CDNPA for a franchise, we really couldn't form an advertising agency, could we?

Mr. Jotcham: Yes, that is quite correct, and if the enfranchisement by the media is deleted except in terms of a credit rating, we lose the control of the ethical situation.

The Chairman: Marketing says in its March 23rd issue that a pool in December indicated agencies are split over the issue. Is that true?

Mr. Wilkes: Yes, I think that is true. There is a fairly wide variety of opinions within our group on this subject.

May I just get back to the statement which you made a few moments ago regarding the 6 of us getting together to form an advertising agency.

The CDNPA says they won't franchise us and does that put an end to it. I think you indicated yes and I think you are right up to a point, but it is a fact that you could start an advertising agency with CAB enfranchisement or you could get the business press or whatever but you would not have the daily newspaper franchise.

The Chairman: Well, that is part of my next question. Senator McElman's question led into the CDNPA and I am wondering does the CDNPA assume any more importance than the broadcasters or the Business Press Association?

In other words, if the CDNPA does something will the broadcasters automatically follow suit?

Mr. Wilkes: No. Over the years the CDNPA has been generally regarded as the strongest of all of the franchises and the most meaningful and you step down from there through CAB, Periodical press magazines and other associations. I would say—and I think I would be supported in this—gradually weakening as you go down the scale.

The Chairman: So to sum up this franchising issue, the agencies are split and the ICA isn't. You want to see a change made?

Mr. Wilkes: That is right.

The Chairman: That is a fair summation of your position?

Mr. Wilkes: Yes.

The Chairman: Well then, to put the thing right into perspective it is presently being discussed today at a closed meeting of the CDNPA in Toronto and presumably the recommendations which are going to be made are those that Clyde MacDonald spoke about in the March 23rd issue of *Marketing*. Mr. Costello is quoted as saying—Costello emphasized that the upcoming franchise talks are not a result of the CDNPAs appearance before the Special Senate Committee on Mass Media.

At that hearing it was suggested and denied by the CDNPA that media franchising agencies might be

construed as a conspiracy. So really the thing is really very much up in the air at the present time.

Mr. Wilkes: That is exactly right.

The Chairman: If the CDNPA makes a recommendation, will you then approach the broadcasters or will they approach you—how will it work?

Mr. Wilkes: I think it is implicit when the CDNPA abandon their traditional role as an enfranchising body, that there will be little left of any enfranchising because as I indicated earlier, it weakens as you go down the scale anyway.

The Chairman: Yes.

Mr. Wilkes: I guess, if you want to be specific, there are known instances where agencies that do not have other franchises have been able to get commissions from broadcasting stations, so this is an indication if you like of what might be described as a weakness in the franchising setup.

Mr. Milne: Mr. Chairman, may I make a comment?

The Chairman: Yes, Mr. Milne?

Mr. Milne: One of the reasons for commenting and seeking if you wish government support in what we are attempting, is that one route to franchising obviously is a route followed by the doctors, lawyers and engineers and others through Provincial legislation.

This becomes literally, in a country of this type and size, as an impossibility seeking legislation from 10 or 11 provincial governments. If it were possible to find some method of seeking federal legislation which would enable us to come to self-recognition, then we could shorten the process and get to what we want much faster. This is what we mean when we say that maybe the government can play a role which it has not, up to this point, been able to do.

The Chairman: Thank you.

Are there any other questions on franchising?

Senator McElman: Well, Mr. Chairman, tied with brief to special fees.

Paragraph 59, page 14 reads:

"As stated above, the bulk of advertising agency revenue currently is in the form of media commissions. Special fees paid by advertisers to advertising agencies constitute a growing—though still secondary—portion of total advertising agency revenue."

Would you elaborate on that as to what the special fees constitute?

Mr. Wilkes: I think it is fair to say, Senator McElman, that originally, fees began to be paid to advertising agencies for special services in the field of research, for example, for special services in particular jobs of work such as the organizing and writing and getting the people together for a major sales presentation for a product when he is presenting something to his dealers.

I think you could go on into public relation services, the handling of press releases and so on and so forth where services were being provided to agencies that were outside the framework of the traditional mass media on which we got commissions.

Then, with growing pressure on agencies—and you alluded to it in your earlier remarks—that we seem to be holding the price line pretty well, this traditional 15 per cent has gone on for years—agencies, and they still feel this pretty strongly, began to feel a profit squeeze. More services, more costs, higher prices to people, and so on and so forth.

And in order to be properly compensated in what might be described as high cost handling accounts, and some accounts are much more expensive than others, they began to introduce fees, and based them on a variety of approaches. Time charges multiplied by overhead and a profit factor and so on and so forth, and this tendency to charge fees by agencies as a supplement to the commission system has grown and grown to the point where some agencies—well, let's put it this way.

Most agencies now charge fees for some things perhaps not everything. Some agencies have gone so far as to put their whole operation on a fee basis so for all practical purposes, the advertiser is paying the net, that is the figure after 15 per cent is taken off, and then paying charges for all the people who are employed on his behalf in the agency, and pays fees based on these time charges and services rendered.

Does that answer your question?

Senator McElman: This then would have been brought about by the strictures of that set percentage, I would take it, to a large degree?

Mr. Wilkes: Yes, I think it has to a very large extent, and the resulting profit squeeze.

Would anyone else like to comment on this.

Mr. George Sinclair: Past President, Institute of Canadian Advertising, President, MacLaren Advertising Ltd: Well I might just supplement that if I may.

The Chairman: Mr. Sinclair?

Mr. Sinclair: Our own Association, through our trustee who is here with us tonight, compiles industry figures and I should put quotation marks around the word "industry," because while we represent 85-odd per cent of agency volume in this country, there is a remaining 15 per cent of volume through agencies which are not members of ICA, and we are the predominant body.

However, the figures show on fees, that in 1966 there were gross commissionable billings of \$329 million, and in addition, fees to agencies of \$44-odd million or 11.8 per cent of the gross revenues of agencies came from fees. In 1968 that 11.8 per cent had grown to 12.35 per cent.

The fees are partly of course the result of the fact that agency commissions do not relate to work done. My company might prepare an advertisement for a magazine whose page rate is \$6000 and we will get 15 per cent of \$6000 which would be a little over \$800 some odd for preparing that unit.

It might be a great deal more work and would call for a good deal more research to put together an advertisement in a highly technical publication which might have only a thousand or two circulation for highly specialized purchasers of some highly specialized pieces of equipment but the page rate of that publication might be \$200 and the agency revenue is \$30.

The madness of this is evident and the need for fees in these circumstances is dramatic, so that what tends to happen is in a technical or industrial advertising situation, fees are very general.

The Chairman: Senator McElman?

Senator McElman: Well then, in effect, some of the member and non-member agencies are already getting away from the strictures of the 15 per cent quite obviously?

Mr. Sinclair: Well, that is right.

Senator McElman. At page 6 in your brief you refer to the membership of the Association, the General Members, Fellows, and Corporate Members. And as I understand it, the 49 who are Corporate Members make up the strong part of the agency business in Canada?

Mr. Wilkes: Yes.

Senator McElman: Just 25 per cent are foreign owned subsidiary companies. Could you tell us what percentage of the national billings they account for?

Mr. Wilkes: I think it is about 30 per cent, or perhaps Mr. Campbell is in a better position to answer that one.

The Chairman: Mr. Campbell?

Mr. Donald Campbell, Trustee, The Institute of Canadian Advertising: I am afraid I don't have that information, Senator.

Mr. A. M. Shoults, Second Vice-President of the Institute of Canadian Advertising: I think it was about 25 per cent four or five years ago, and it has gone up to about 31. I believe 31 would be about right today.

Senator McElman: I understood it was close to 35 of

The Chairman: We have the percent as being 34 per cent. At least 25 per cent of the agencies account for 34 per cent of the billings.

Mr. Shoults: Well, I don't have the precise figures.

Senator McElman: Could anyone tell us what the approximate increment is annually? Their gross income, what does it amount to?

Mr. Shoults: I think in the last five years it went from 25 to 31.

Senator McElman: 25 to 31?

Mr. Shoults: Yes. In other words, they were growing faster than the Canadian side of the business.

Senator McElman: Is there concern in your Association that perhaps with the percentage they now have and the growth factor involved, that you are before too long going to become a United States dominated organization?

Mr. Wilkes: Well, I don't think that we are really concerned about that factor, Senator McElman.

It is true as you indicate that about 13 of our members represent quite a substantial volume of business but this is a fact of life and it is a competitive situation which we fully understand. We are all members of the same association and I suppose it is fair to say that perhaps some of the conflicting views within the association are brought about by the actual competition of the membership.

The Chairman: If I may pursue that. We have 34 per cent of billing—that is by our figures. You have 31 per cent or thereabouts and we have 34 per cent and we have Mr. Shoults saying that it is going up 1 per cent a year and that blends in with our research. We think it is going up 1 per cent a year, so going up 1 per cent a year and compounding that and projecting it into the future, it seems to me that in 10 years the Canadian advertising industry will be yet another American industry.

Do you mean to say that that isn't of great concern to the two-thirds of the members of the ICA who are Canadian agencies?

Mr. Sinclair: May I answer that one?

The Chairman: Sure. Of course.

Mr. Sinclair: Our problem, Senator, is that we are here as representatives of the Institute of Canadian Advertising and this includes as members the American agencies.

The Chairman: Right.

Mr. Sinclair: We are therefore in a position that if you were to canvass individual members you will get a considerably divergent point of view.

Senator McElman: At least 25 per cent of it.

The Chairman: I take your point, Mr. Sinclair, and I think in fairness to Mr. Wilkes, I think he made that clear in his opening statement that is one of the problems in dealing with an association like this.

However, just in passing—I won't ask a question but I would like you to be aware of a comment. A brief that we received yesterday from Standard Broadcasting—CFRB, said, and I quote from p. 49:

"It is within the power of advertising agencies to exert a profound influence on the life style of the

Canadian people. The advertising they create, to a considerable extent sets the standard of taste and the levels of consumer demand for the nation. The degree to which our advertising industry borrows from foreign cultures and attempts to pursuade listeners or viewers to alter attitudes and habits unique to Canada should be of concern in the preservation of our own way of life.

To the greatest possible extent, such agencies should be controlled by citizens of this country. The decisions which will affect profoundly the buying habits of consumers and the marketing procedures of our industries should be taken by those who understand and wish to protect those attitudes which distinguish Canadians from other inhabitants of the North American continent."

I then asked Mr. Hartford about the statistics that we have been discussing and I asked him to make a comment and he expressed the opinion, and I quote him, he said "It is almost too late now."

Most certainly taking the point about you being an association and not pressing the issue any further, I would simply say that there are some of us who certainly share the concern of those members of the Association who are concerned, and at the same time understanding the position of the other agencies and not being critical of them, but it seems to me to be an area of concern.

I would just ask one other question on this and I don't think this will prejudice anybody to answer. Is it true—it has been reported to us—the largest single advertiser in the electronic media in Canada, Procter & Gamble—I am sure one of you comes from an agency which has some Procter & Gamble business; but maybe you don't—but it is my understanding that they have repatriated their entire marketing function back to the United States. Is this true?

Mr. Wilkes: I don't know whether it is true . . .

The Chairman: It is not true?

Mr. Sinclair: I don't think so.

Mr. Thomas: I don't think it is true.

The Chairman: Would you like to comment on that, Mr. Thomas? I know you are not here as a witness...

Mr. Barry Thomas, Media Director, McKim/Benton & Bowles Ltd: I am an ex Procter & Gamble man and I know it is just not true at the moment. I believe

Quaker Oats might have done part of that but I know for sure that Procter & Gamble have not done that.

Senator McElman: Has any major advertiser done it?

The Chairman: I believe Quaker Oats has done that.

Senator McElman: Well, I was wondering in addition to Quaker.

The Chairman: And Procter & Gamble has made no move in this direction?

Mr. Thomas: I thought you asked if they had completely repatriated?

The Chairman: Well, I am now asking if they have partly repatriated? I would be very unfair to you because you are not here as a witness, and so I don't mean to draw you into the discussion.

We have perhaps said enough about this, but it was a thing that did come to the attention of our researchers on the Committee that Procter & Gamble who, I am sure, are the largest electronic advertiser in this country, were moving, were repatriating if you will, their marketing procedures to the United States.

I think this would be a great concern but however if it is not happening, it is of no great concern.

Senator McElman: Could Mr. Wilkes or Mr. Milne perhaps quickly run down pages 7 and 8 and indicate which of the members are the American agencies?

The Chairman: Fine.

Mr. Milne: The companies that are American?

Senator McElman: Yes.

Mr. Milne: Well, this is how I consider them and it is my personal opinion

Bozell & Jacobs of Canada Limited; Leo Burnett Company of Canada Ltd.; Doyle Dane Bernbach (Canada) Limited; Foote, Cone & Belding Advertising Ltd.; Kenyon & Eckhardt Ltd.; MacManus, John & Adams of Canada Limited; McCann-Erickson Advertising of Canada Ltd.; Needham, Harper & Steers of Canada Ltd.; Norman, Craig & Kummel (Canada) Ltd.; Ogilvy & Mather (Canada) Limited; Spitzer, Mills & Bates Limited. I am not too sure about and I would ask direction about that one.

Mr. Sinclair: Yes, that is one.

Mr. Milne: J. Walter Thompson, Company Limited; and Young & Rubicam Ltd. Now, there may be other agencies in there that are not either American or Canadian.

Mr. Shoults: BBDO is a large agency but it is not a member of the Association.

Mr. Milne: Well, it is Baker, BBDO Limited. It is still a Canadian operation although Baker have the controlling interest.

Senator McElman: I don't immediately recognize any of the names as being French-Canadian agencies. Do you have any?

Mr. Brisebois: One which has been recognized as a French agency through the years and as a matter of fact is a very old agency is the Canadian Advertising Agency.

Now, I made the statement in the beginning in French that most of these agencies work from coast to coast. A lot of them have offices in Montreal of course, and work in both French and English with large French-Canadian staffs, and they are Canadian in the true sense of the word.

The Chairman: Thank you. I believe Mr. Sinclair wanted to say something, Senator McElman.

Mr. Sinclair: Well, Mr. Chairman, in view of the line of questioning which indicated an interest in non-Canadian participation in Canadian advertising agency volume, it occurred to me that you might like to have the point made that there are of course three major sources of Canadian advertising volume purchased from the media in this country.

They are Canadian-owned agencies and still are and do a majority of the business. They are the American-owned agencies operating in Canada and there is of course a very considerable volume of advertising reaching the media from foreign advertising agencies who have no operation in Canada.

Insertion orders or time contracts sent from other countries and honoured of course, and welcomed by the media in this country.

The Chairman: Could you estimate the amount of such billings?

Mr. Sinclair: No sir, I have no source of that information. One advertising director of a major newspaper said about 10 per cent of his national volume came to him from ex-Canada origination.

The Chairman: These would be mostly American presumably?

Mr. Sinclair: Mostly American but not entirely.

The Chairman: That is a very interesting point, thank you.

Mr. Shoults: I would like to make one observation on that. Our agency and our Toronto office I would think would probably have 12 per cent of our billing in the United States. In other words, we do the same thing although we don't have a branch in the United States.

Senator McElman: Well, this was the next question I was going to ask, Mr. Chairman. What approximate volume would your member agencies be billing actively in the United States? Is there any way of checking that?

Mr. Wilkes: It would be very difficult to do it, Senator.

The Chairman: Well, in round figures.

Mr. Wilkes: Well, most of it—you are talking dollars now—most of it would be travel advertising in the United States. There may be some other specific instances, but I would think if it was \$5 million it would be fairly substantial.

Mr. Milne: One of the major advertisers in the United States being the Canadian government.

The Chairman: Yes.

Mr. Jotcham: Mr. Chairman, the question came up-I think you said in reference to Standard Broadcasting?

The Chairman: In the Standard Broadcasting brief.

Mr. Jotcham: In the Standard Broadcasting brief about the influence of U.S. . . .

The Chairman: Well, the influence was about all of the advertising agencies but it went on to say—the opening sentence said "It is within the power of

advertising agencies to exert a profound influence on the life style of the Canadian people."

It then went on—we want to ask you about that in a few minutes—but it then went on to express some concern that a substantial and growing portion of that influence through advertising agencies was being directed through American advertising agencies.

Mr. Jotcham: I see.

The Chairman: Okay?

Mr. Jotcham: In other words there is a lot of American business coming to Canadian advertising agencies who employ us because of our knowledge of this market place?

The Chairman: No, I don't think that was the point. I think the point was that the Canadian advertising agency business is being taken over by American agencies. I think that was Mr. Hartford's point.

Senator McElman: Well, we know that there are 13 in this list now which we have just had related to us. Is there a base year that we can tie to, say 1965 or 1960 when you can tell us how many of your corporate members were at that time other than Canadian owned?

Mr. Milne: We can go back and examine the thing for you Senator, but we don't have that information with us.

The Chairman: You may let us have that information.

Senator McElman: Could you tie back then—if you are going to do this—to the years 1965 and 1960 and let us have that information?

The Chairman: If you will. And I think with that question I think I might say, as Chairman, we have dealt with that subject sufficiently, particularly given the point that both Mr. Wilkes and Mr. Sinclair made that you are here as an association and we take that point.

Senator McElman: Thank you, Mr. Chairman.

Mr. Milne: Senator Davey, may I just make one other point?

The Chairman: Yes.

Mr. Milne: I will be away for the next 10 days so is it all right if I send it to you when I come back?

The Chairman: By all means.

Senator McElman: At page 6 you state that one of the objectives of the ICA is: "To maintain a strong code of ethics binding upon all member companies and their personnel." How would you enforce your code of ethics?

Mr. Wilkes: Well, this is very difficult to do and this is what we talk about when we say muscle and teeth. We do have a standing committee to deal with complaints that arise with respect to the ethical aspect of our business and this is the way they are handled at the present time.

However, I must say that generally speaking we don't have very many complaints.

The Chairman: Would those complaints be from consumers or from members agencies?

Mr. Wilkes: They would be from advertisers.

The Chairman: From national advertisers?

Mr. Wilkes: That's right.

Mr. Milne: Mr. Chairman, I would say that we also have a second way of supplementing our code. The whole advertising industry as explained in the brief, form the Canadian Advertising Advisory Board which is financed by the advertisers, the agencies and all the media associations and the ancillary suppliers.

The Canadian Advertising Advisory Board is doing a number of things along these lines and it has been advertising, as you probably are aware, for the last several months the advertising code of ethics.

The Chairman: Here is an ad that they ran.

Mr. Milne: Inviting people who have a criticism about advertising to send it to them. This campaign is appearing on radio and television, newspapers and magazines and you name it. Someone has estimated that we have voluntarily obtained something like 6 or 8 million dollars.

The Chairman: Has this been a successful campaign?

Mr. Milne: Emphatically so.

The Chairman: You are getting lots of complaints?

Mr. Milne: No. This campaign doesn't attract complaints. This campaign just asks you to write for the code, and there have been hundreds and hundreds of request for the code and we are keeping track of these on a statistical basis.

A copy of the code then goes out to each person who asks for it; there is a complaint card and then they are asked to make their complaints, and these have been coming in.

There have been several hundred of these coming in and we are working very closely in developing these. Yes, there has been a number of complaints.

The Chairman: Relating to Senator McElman's question on enforcing the code of ethics, could you give us an example of the ICA calling a member agency to task or reprimanding him or booting him out of the organization or raising the roof generally?

Mr. Milne: I could give you several examples.

The Chairman: You may not want to do so publicly.

Mr. Milne: Well, I could do it privately but what I wanted to say—but as the managing director, it is my function, and I frequently get calls from a member agency complaining about the actions of another agency and I attempt to sort these things out between the two members privately without any correspondence—simply on the phone or over luncheon. These are the kind of things that we sort out between ourselves.

The Chairman: No agency has ever been publicly reprimanded?

Mr. Milne: Well, I have only been with the Association 2½ years.

The Chairman: Since you have been with the organization?

Mr. Milne: Not during my time.

The Chairman: Well, during Mr. Wilkes' time?

Mr. Wilkes: I have no recollection of anybody.

The Chairman: Has any agency ever been kicked out of the Association?

Mr. Wilkes: No.

Mr. Campbell: I think so.

Mr. Wilkes: On ethical grounds?

Mr. Campbell: Not on ethical grounds.

The Chairman: On other grounds?

Mr. Campbell: On financial grounds.

Senator McElman: Then there are no established penalties or anything of that nature?

Mr. Wilkes: No.

Senator McElman: No setup?

Mr. Wilkes: No, it is usually done as Mr. Milne says between themselves, or there is a formal committee that if there is a problem with it that they usually work out on a gentlemanly basis. But we have no ability really under the way we are presently constituted to throw somebody out of the organization.

The Chairman: Mr. Milne is the Karl Goldenberg of the agency business isn't he?

Mr. Wilkes: Yes, pretty well.

Senator McElman: Paragraph 57 on page 14 states that "Even more rigorous codes and standards are being examined and ICA membership criteria are being made even more stringent."

Could you elaborate on that as to the stringency of the criteria for membership in particular?

Mr. Wilkes. Mr. Jotcham, would you answer that please?

The Chairman: Mr. Jotcham, how are you going to make them more stringent?

Mr. Milne: Well, we have a criteria committee, if you wish, under the chairmanship currently of Mr. Anderson which has been examining and writing and drafting a set of criteria which we can use, given muscle and teeth, but again these are ideals rather than something we can move with at the present moment. This is the direction in which we are moving at the moment and this is what we really mean. Some of these criteria are financial as well.

Senator McElman: Again at page 6 in paragraphs 13, 14 and 15, you outline your financial objectives. You say:

- a) To promote and protect the interests of advertising agencies with all other associations, particularly those closely involved with advertising.
 - b) To foster and develop co-operative services with a view to eliminating duplication."

Could you illuminate a little further on that and give us examples?

Mr. Milne: Well, the second item sir, "to foster and develop co-operative services"—at the present moment we have what we call computer consortium operating. Six or seven agencies got together and spent several thousand dollars to investigate the possibility of using the computer to perform some of the services of the agencies, an examination which none of the agencies could afford.

Senator McElman: And this would be for billing and so on?

Mr. Milne: Billing and media work and a whole host of other things. Mr. Roach's agency is involved as one of the members and he might be able to speak to that, but these are ways of coming to grips with the big problems for a number of middle-sized or larger agencies.

This is an example of a way, if you wish, of saving money.

Now, the next step if the computer consortium continues is to buy and develop a programme and to move into this thing on the basis where all of the agency participants are utilizing the same programme and working together instead of spending maybe 2 or 300,000 dollars apiece to get to that point.

We would have the cost shared between 4, 5, 6 or 7 agencies.

Mr. Roach: Mr. Chairman, I think there are a number of other examples, too. Our very complete advertising education programme is another case where we are training personnel to be professionally skilled with joint investment.

We have examined and spent money reducing costs and improving profits and we have examined a central checking facility, for example, measuring and checking in advertising against insertion orders. These things are constantly going on and I think we are just trying to keep our heads above water from a profits point of view.

The Chairman: Thank you, Mr. Roach.

Mr. Milne: Well, number A "To promote and protect the interest of advertising agencies with all other associations"—you asked us earlier if we had discussions with CDNPA and this is exactly what we are talking about.

Senator McElman: This is the sort of thing?

Mr. Milne: This is the sort of thing.

Now, there are many other associations, newspapers, broadcasters, magazines, and there is also the Association of Canadian Advertisers and other similar associations with whom we work to attempt to iron out differences between groups of agencies and groups of advertisers.

The Chairman: What about associations like the Consumers Association?

Mr. Milne: Yes. We have not worked directly with the Consumers Association because we have done it through CAAB as well.

Mr. Jotcham: We operate and deal with 2, 3 or 4 unions. We negotiate with ACTRA and with FAAC on behalf of the whole industry.

Mr. Wilkes: We have also established an advertising personnel bureau to assist member agencies in the employment of staff which is a joint venture and has been going for some time.

There are really quite a number of different common interest activities in which the Association is involved and which in fact works with all the media associations in the Association of Canadian Advertisers jointly on quite a number of projects.

Senator McElman: Paragraph 51 on page 13. You have a reference on concentration of media ownership and control. You say:

"It is evident that, if most, or all, available media within a significant market area were to have common ownership, monopolistic practices would probably develop to the detriment of the advertiser and the advertising agency."

Did you have any specific market area in mind when you prepared that statement?

Mr. Wilkes: No, I don't think so, Senator McElman.

Senator McElman: It is a general statement?

Mr. Wilkes: I beg your pardon?

Senator McElman: It is just a general statement?

Mr. Wilkes: Yes, it is just a general statement.

I think our great fear of course is the controlling of inflation.

The Chairman: Are you leaving those sections because I would like to ask you about them.

Senator McElman: Please go ahead.

The Chairman: I am not clear from these two sentences—51 and 52 just how concerned your association is about the increasing concentration of media ownership in Canada.

One of the questions that we have put to a great many publishers and broadcasters and so on is—well, we said to Alan Waters for example this morning "Do you think it would be a good thing if CHUM owned all of the private radio stations in Canada?" and he said he didn't think it would be a good thing.

Another question we put to him, and we also have put it to a great many others, is "Well, how much is too much?" "What would be your viewpoint on that?" In other words, when does concentration of ownership become dangerous? At what point would the ICA like to see the storm signals go up on this growing concentration?

Mr. Wilkes: Well, I think that is a very difficult question to answer.

The Chairman: Of course it is. It is a terribly difficult question.

Mr. Wilkes: I guess we have one newspaper chain that controls a substantial number of newspapers; probably more than any other. I guess the Thomson group—and I don't think that at their level of ownership the agencies are particularly concerned or that it is posing any particular problem. But I think we really make our position fairly clear when we say that it is of no great concern in point 52.

Mass Media

In point 52 we say it is "of no great concern for the presence of competitive media permits alternate choices."

The Chairman: Well, supposing the Thomson papers move their ownership and owned half of the newspapers in Canada. Supposing they owned half of the daily newspapers in Canada. Would you be concerned?

Mr. Sinclair: May I take up that point?

The Chairman: By all means.

Mr. Sinclair: I think our concern about Thomson Owning half of the newspapers would relate very much to where those half were. If they owned all of the newspapers in a great many cities it would be a matter of distress from the purchaser's point of view, and as agents we act on behalf of the advertisers whose money is being spent.

Now, you say at what point do the storm signals go up. I don't know how we can approach that but I think it is fair to say that the ideal purchasing situation is one in which all of the newspapers in a given community are under different ownership and the broadcasting stations under yet other ownership. This of course would give us the utmost in competition.

The Chairman: Well, I appreciate the fact that the question I am going to ask you is a tough one for people in the agency business but however I think we must ask you.

Would you like to see this Committee come forward with recommendations for guidelines in this area of concentration? Do you think that would be in the public interest?

Mr. Milne: I think I would like to answer that personally and say as Jack Milne, yes. But in the terms of the Association our concern is in creating and placing sufficient advertising for our clients, the agencies, and the contents of paragraph 52 was written in that sense.

The mass ownership, across the country, of papers in separate cities does not basically affect the effective-ness and cost of advertising and it doesn't damage our clients.

The Chairman: But then we get to this influence which was referred to in that CFRB brief, which Mr. Jotcham was asking me about that first sentence,

where it says "It is within the power of advertising agencies to exert a profound influence on the life style of the Canadian people."

39:95

I would suggest that there is a second way in which you fellows exert a profound influence, and we come back to the life style, but surely the advertising agencies in this country provide the media in this country with the very money necessary for them to operate.

Mr. Sinclair mentioned the figure of \$329 million and that is \$329 million which is funnelled through you people to newspapers, radio stations, magazines, television stations which you people choose. You really are, perhaps more than any other single group, subsidizing the existence of the media in this country. That certainly is not a thing about which we are critical but it does mean, it seems to me, that your views have pretty profound importance to this Committee. When you say Mr. Wilkes that many of the things that we are considering—and I use your term—"are outside of the agency's balliwick", the media industry, as it is structured in Canada, couldn't exist without you fellows, could it?

Mr. Wilkes: No, I think that is true, but at the same time we don't exert any influence over what they have to say editorially or from a programme content standpoint.

The Chairman: Well, what you are saying to me then is that your only concern in this question of concentration is as it relates to advertising and to your advertisers?

Mr. Wilkes: I think that is a concern.

Mr. Milne: That is the way we wrote it.

The Chairman: I know you fellows individually and you have more social conscience than that—all of you!

Mr. Sinclair: Thank you, Mr. Chairman.

The Chairman: Well, I believe that.

Mr. Sinclair: And may I come back to a point I made earlier. Our problem is that you are speaking to us here as representatives of a body which has sketched out views on a number of subjects, but there are a multitude of others where there is not an official position.

If you were questioning us individually as the heads of our companies or as citizens, you might get different answers.

The Chairman: Well, perhaps we should have done that, Mr. Sinclair.

Mr. Shoults: I am probably a little more direct on the question of media ownership. In my opinion I think multi-media ownership is not a good thing for Canada. I know it is not a good thing for our agency as a purchaser of time or space.

I think Senator McElman's province is a good case in point. I don't like the concentration of media there one bit from a purchaser point of view and I think also if you wanted to check the figures you could do that without reference to us.

If you checked the rates of cities where for instance there is only one television station or one television station and CBC; if you looked at the grey areas where it wouldn't quite show on the rate cards, the difficulty of getting the kind of time purchases that you want, you will find that there is a direct correlation between that and costs.

It is very hard to generalize, but I think that is the answer, so I think that anybody that says they don't care whether we have multi-ownership and/or an extension of 8, 10 or 12 newspapers, or whatever it is, particularly in large markets—I think there is no question that it is implicit in your thinking that these people have leverage.

The Chairman: Thank you. You have anticipated my next question so I won't have to put it. I was going to come on from the social area into the economic area, but you have discussed that.

Senator McElman?

Senator McElman: What is the future of consumer magazines in Canada?

Mr. Wilkes: Mr. Jotcham, would you like to answer that?

Mr. Jotcham: I think the future of consumer magazines in Canada is good. They have been affected and there is no question about this by the increase in the usage of television advertising—I think that is obvious but as the television audiences become more fractured, magazines become more valuable as far as their influence is concerned.

Recently there was a presentation made in Montreal—actually yesterday—which was quite an effective presentation to show how magazines for one particular advertiser had produced excellent results.

I think if the magazines maintain an editorial policy that is of major interest to the public, in other words, if they provide a product that the public wants to read and wants to buy, then I think their influence can continue to be great and their value as a medium for advertisers can continue to be great.

I can see their star rising shall we say as the television audiences become more fractured. They would become more of a pure audience and particularly directed to a particular audience.

More and more today we are trying to direct our advertising to specific audiences.

Senator McElman: Setting aside Maclean's for the moment, do you see the emergence of a strong national Canadian magazine?

Mr. Jotcham: At the moment, no.

Senator McElman: Do you believe that the industry could remain relatively solvent, strong if *Time* and *Reader's Digest* were to lose the preferred position they currently have?

Mr. Jotcham: Could you repeat that question please?

Senator McElman: Do you believe that the consumer magazine industry, could remain viable in Canada if Reader's Digest and Time Magazine were to lose the preferred position they now have?

Mr. Jotcham: Well, it depends on how you word the preferred position. Do you feel that as American publications published in Canada that they have a preferred position?

Senator McElman: Well, that has been expressed to us on many occasions. I should go on and say that we have had representations here from the magazine industry that if *Time* and *Reader's Digest* were to lose the preferred position, that the industry itself could not survive.

Would you subscribe to that or disagree with it?

Mr. Jotcham: I think that the magazine industry has benefited considerably from the fact that Reader's

Digest and Time have been strong in the magazine field. I think they have led the way both promotionally and through research to keep the value of the magazine as a purchase very much in the mind of the advertisers and I would say yes, that the magazine industry's influence would be seriously depleted if they were not part of the magazine scene.

The Chairman: Do you all agree with that?

Mr. Shoults: No.

The Chairman: Incidentally, Mr. Wilkes, I don't want you to think that your Association is alone in having people disagree when they come before this Committee.

Mr. Wilkes: Fine.

The Chairman: Mr. Shoults?

Mr. Shoults: First of all I think the magazine picture in Canada is bleak. I take a risk when I say that because I am sure Maclean-Hunter would not be ecstatic about that concept. But the fact of the matter is first of all, in the United States where television audiences are considerably more fractured than they are in Canada, the size and stature of magazines has diminished. It has diminished because of television. That is number one. I think the same trend, whether we like it or not, will persist in Canada.

Now secondly, the thing that is even more difficult for Canada is the fact, as we have pointed out earlier, there is an awful lot of advertising that is originating in the United States. If a large campaign is originated in the United States and it is decided that television will be used, I think you will find that in most cases the same condition persists in Canada.

This would be true whether it is against *Time* or *Life* or whatever it is, so automatically you don't have any control on whether you are going to go into a magazine or not, if you are a Canadian agency placing for an American parent, and I think history and the figures will prove my point.

It is just a matter of time, and if I were running the world in the case of *Time* magazine I would be just as happy if they would print the Canadian section in the United States. I would be much happier if they did that. I am not talking about any reflections on *Time* or anything else, because it is just a matter of looking at it say from a Canadian citizen's point of view.

That is about all I have to say but on the other side of my coin, I would be delighted to see a Canadian national magazine. I think it would be wonderful if we could do it, but in the context of advertising dollars and where they come from, over which I don't think we have too much control, I can't see it happening.

The Chairman: Thank you.

Mr. Jotcham: Well, I think it has already been covered with the Committee and that is the influence of weekend newspapers which has already affected the magazine industry as such and which is decrying the kind of leadership that our citizens seem to be looking for.

The Chairman: The kind of which?

Mr. Jotcham: Readership.

The Chairman: The kind of readership?

Mr. Jotcham: The kind of readership that our citizens have been looking for. So I don't think we can sort of entirely lay any blame or any failures of the magazine on the door of *Time* magazine, but I am going to disagree with Scotty pretty strongly.

I am pretty glad that *Time* at least do carry a great deal of Canadian information.

The Chairman: Do you think four pages is a great deal?

Senator McElman: They have carried six since they were here.

The Chairman: Well, I pursue this not to be facetious...

Mr. Jotcham: Well, I misunderstood you.

The Chairman: Mr. Milne?

Mr. Milne: This is one of the questions that we asked our members and maybe you will be interested in what they said.

The Chairman: Yes, I am sure we would.

Mr. Milne: Reading what they said.

"From a purely advertising standpoint, there appear no disadvantages to foreign ownership of

Canadian media. In fact there are some advantages news gathering facilities.

From an editorial standpoint, it is a different matter. Along with the "Finance," "Communications" is a key industry and should not be controlled by foreign owners who cannot be as deeply concerned with encouraging, supporting and reflecting the development of our culture, and cannot always provice maximum opportunity for Canadian talent, such as artists and writers.

Those foreign owners who are already here must ensure that editorial content is in the hands of Canadians, and is not inimicable to Canadian interests. At the same time they must respect Canada's national interests and not abuse their presence in Canada. "In one sense Canada is deprived of cultural wealth that could be made available elsewhere if the necessary advertising support was not siphoned off by foreign owned media."

The Chairman: Thank you.

Well, this has been a good discussion to have on our records.

Senator McElman?

Senator McElman: What would you say as to the future of the new type of magazine which now appears to be developing in the metropolitan communities such as Toronto Life and Toronto Calendar?

Mr. Wilkes: That was a point I was going to make, Senator McElman.

It seems to me that the question "What is the future of magazine publishing in Canada", and if you link it to the national press, I think I am a little bit inclined to agree with Scotty. But I am not at all concerned about the vigour of Canadian magazine publishing situations, on the ground that it would appear as though there are going to be more and more specialty publications of one kind or another and the local Toronto Life is only one. I think Miss Chatelaine, the youth audience and there are probably others available. Campus magazine is another. There appears to be any number of speciality magazines and areas of opportunity for Canadian magazine publishers and it seems to me that the future may lie more directly in that area than in the national press area.

The Chairman: Does your agency make any difference between controlled circulation magazine and

paid subscriptions? Do you have a preference when in the availability of good research and world wide you are buying advertising?

Mr. Wilkes: Oh, I think we do.

The Chairman: Which is it?

Mr. Wilkes: It is for paid circulation.

The Chairman: Is that a standard point of view and is that the view of pretty well everybody?

Mr. Wilkes: Yes, except that in the business press, of course, most of the publications are controlled.

The Chairman: But in the other consumer magazine field?

Mr. Wilkes: Yes.

The Chairman: You would prefer paid circulation to qualified or controlled circulation?

Mr. Wilkes: Yes.

Senator McElman: But isn't it a fact that controlled circulation is increasing?

Mr. Wilkes: I suppose it is increasing to some extent, Senator McElman, and I think that probably the leading publication in the controlled field of a large type is the Homemaker's Digest. I would think it is probably safe to say that it is increasing.

The Chairman: Do the controlled circulation magazines belong to the MAB?

Mr. Wilkes: No.

The Chairman: Do they pay you an agency commission?

Mr. Wilkes: Yes.

The Chairman: Although they don't belong to the MAB they do pay you agency commissions?

Mr. Wilkes: Yes.

Senator McElman: We are told that advertisers quite recently in recent months are beginning to switch-not switch, but beginning to reduce their share of the dollar to television and they are moving out to print. Do you find this as a group?

Mr. Wilkes: Well, I don't think so.

The Chairman: Is this a trend?

Mr. Wilkes: I don't think so.

Mr. Shoults: Not in our case.

Mr. Wilkes: I don't think it is a trend at all. I think it is true that the newspapers in the last couple of years have chalked up some gains but there doesn't appear to be on a national average basis much change. I don't think there is a trend that way.

The Chairman: Does CFRB's brief over-state the case when it says "It is within the power of the advertising agencies to exert a profound influence on the life style of the Canadian people"? Do you think Mr. Wilkes, that you and your associates exert a profound influence on the life style of the Canadian people?

Mr. Wilkes: I don't know quite how to answer that. You mentioned earlier that you don't believe that the group here is without a social conscience. I think we could present chapter and verse of many, many things that advertising agencies have done as direct contributions, most of them free, to any number of causes; charitable and otherwise, and that might be considered a contribution I would say to the life style.

From a standpoint of advertising creative material, whether it be newspaper, magazine advertisement or television commercial, I think perhaps some contribution depending upon the nature of the individual message, but whether it is a profound contribution I don't really feel qualified to judge.

Mr. Jotcham: I would think that the life style of the Canadian consumer has a profound influence on the advertising agencies.

Mr. Campbell: Hear, hear.

Mr. Jotcham: Our job is to try and find out what makes the consumers tick, if you like, and our job is to try and communicate to the consumer messages encouraging him to buy.

Unless we are aware of what the life style of the consumer is or may be, we cannot effectively communicate our messages. So we must be aware of their life style.

The Chairman: I am not saying this critically at all, but don't you have a great deal to do with determining what public taste is?

Mr. Jotcham: No. I don't think we do.

The Chairman: You don't?

Mr. Jotcham: No.

The Chairman: How can you sell products without-

Mr. Jotcham: We try to go along with public taste, public demand, and fill consumer needs and they are there and they are in existence, but we follow trends rather than set them.

The Chairman: Do you?

Mr. Jotcham: Yes, through advertising.

The Chairman: Do you think the media follow trends or set them in their editorial content?

Mr. Jotcham: I would say that they have more opportunity to set trends than we do, yes.

Mr. Brisebois: Mr. Chairman, I could add a point here on the changing life style re French. We made this point before the Gendron Commission. We talked about the quality of French spoken in Quebec against that of international French and I think the agencies in Canada have been in the forefront of improving the French language through our advertising because we have people who are qualified to write good French and many many times in the vocabulary, we have been able to make people adopt the right terms.

We have been doing this slowly but we have been advancing the proper use of the language in Quebec. In this way we have been able to help, I am sure.

The Chairman: Well Mr. Jotcham, do you agree with that?

Mr. Jotcham: Well, up to a point yes. Here is a situation right now where joual right now is being used considerably in the Province of Quebec, particularly among the young people and already agencies, and not yet mine, are starting to develop ads which are talking in the language of the consumer, and are reverting to, if you like, joual in their advertising.

Mr. Brisebois: Well, it could be qualified as well. You can have a commercial using Western slang just for the heck of it.

Mr. Jotcham: I mean, you have to look at some advertising that appears now which definitely talks in the language of the teenager and of the pop music and all of these things that are happening in the youth area.

You know, in our ads we are saying "now we are with it," and the expression "now we are with it" did not come from the advertiser; it came from the young people themselves. These are where the expressions are developed.

The Chairman: So you are saying you follow?

Mr. Jotcham: We follow.

The Chairman: You don't lead?

Mr. Jotcham: We follow, and we try to talk in their language.

Mr. Sinclair: I agree basically with what Dennis has said that we follow tastes rather than lead them and that is our proper function. It is not our province to try and shape Canadian tastes.

However, an involuntary result does come about which affects tastes, and if you like to use an electronic term, it is a feed-back that happens. It is a fact that a new product usually improves on an old product and it is therefore a fact that an advertiser likes to associate themselves with new trends.

If there is a new fashion in the length of women's skirts, in their hair-do's, in styles of music, it will be very quickly sensed by advertising people and that style will show in illustrations or in music background to commercials and the like which will mean that much more exposure of this new fashion that is coming along which will amplify the trend towards that fashion.

However, that is not an intentional thing. It is an incidental thing. May I add one further point?

The Chairman: Yes.

Mr. Sinclair: In the matter of profound effect on culture, I think that advertising creation in Canada does indeed produce a profound influence on Canadian culture. It is the simple fact that advertising directly, the people employed in advertising creative

departments and indirectly, the talent employed in the creation of both printed advertisements and broadcast commercials, advertising employs a great many fresh, bright talents among musicians, actors, models, artists and photographers.

It is a fact that I think all of the Group of Seven while they were sketching in Algonquin Park, earned their keep in advertising studios in Toronto. It is a fact that of the best known contemporary painters, almost all of them at one time or another had worked in advertising agencies, including such people as Harold Town, Gerald Gladstone who is an alumnus of my shop, and so on.

The same thing is true of musicians, playwrights and authors. Novels are written in the spare time and on holidays by advertising men to a considerable extent and they then of course, if they establish themselves, can turn to their art full time.

The Chairman: Along this same line perhaps I could put this question to Mr. Wilkes. I am sure it is a question which has been asked many times and I hope you will have an answer. I will be most interested to learn how you do answer it.

We know for a fact that from the Economic Council, that a dramatic number of Canadians live under the poverty line. I have statistics, but not before me, that say approximately 40 per cent of the rural homes and 19 per cent of the urban homes are living under the poverty line.

We also know from statistics that, for example, the instance of television viewing is greater in these homes than in more affluent homes. Does it concern you that your advertising portrays as normal, a standard of affluence which these people can simply never hope to attain? Wouldn't this surely breed discontent?

Mr. Sinclair: May I have a go?

The Chairman: Well, you all may have a go.

Mr. Sinclair: Well, first of all, it is a matter of concern. Speaking at least personally, I have been worried about it, but it needs to be put into perspective.

The Chairman: Please do.

Mr. Sinclair: The fact is that if we take a poverty stricken Canadian through his day from the moment he rises in the morning in his slum environment, until he goes out on the street and sees the flashy, shiny

39:101

motor cars; the high rise apartment buildings that he can't aspire to, and walks by the splendid restaurants and the shop windows with the clothes, and looks at the other people on the street in the clothes that he can't afford, the amount of time he spends being reminded by advertising that there are good things to have, is a minute percentage of the impression, upon that human being in the course of his life, that he is deprived.

He knows damn well that he is deprived and he doesn't need advertising to tell him so, and I think it is a sentimental point of view to put that argument forward.

The Chairman: Mr. Jotcham?

Mr. Jotcham: May I make two quotes. Number one, I think it was Browning who said "Ah, but a man's reach should exceed his grasp or what's a heaven for", and so should we show the devil in this case.

I also think it was Winston Churchill who was very much in favour of advertising because it set before men goals which they could strive for to bring them out of these very areas of poverty that you have been talking about.

The Chairman: Yes, but I would set that against the fact that the goals are hopelessly unobtainable for these people. I take both your points but I think you have asked the question in the first instance by saying yes it does concern you. It is a sentimental point of view but I think it is probably more than a sentimental point of view to a lot of the people in this country.

Mr. Jotcham: May I add something to that?

The Chairman: Yes.

Mr. Jotcham: Because I think it is important in this context and perhaps it is a personal view which I have expressed publicly before, but I think the advent of television itself and programming and what-have-you has set goals before the people. I mean movies, if you like, where the affluent programmes did not show the poor side of life, and I think—Maurice, stop me if I am wrong—that the advent of television in Quebec had a great deal of influence in putting before the French Canadians the kind of situation that he was in opposite the rest of Canada through American programmes and so forth coming into the Province of Quebec. And I believe this had a great deal of influence on the quiet revolution.

The Chairman: Well, you can't it seems to me, only accept responsibility for the good things. If there are good things then surely there are others which must concern you that aren't so good?

Mr. Jotcham: Well, these things do concern me and they concern many agencies. We give many hours of time in assisting with charitable drives and so on, and our time is donated free in this area.

But I don't feel that your point of setting before a man something which he can strive to reach is bad. I think this is good. I think this should encourage these people.

You say the opportunities aren't there, but I think there are a great deal of opportunities in this country for people, and the greater the goals you set for them the more they will strive to reach them and that happens to be my own personal opinion.

The Chairman: Of course.

Mr. Jotcham: So I don't feel it is all that bad. I don't think you want to show them people in poverty that will entertain them any better.

The Chairman: Well, I may be guilty of Mr. Sinclair's charge of sentimentality but I think it must be terribly difficult to be a mother of a child at Christmastime and the child comes to her, having seen expensive toys at Christmas, expecting those toys and somehow it never happens. Sentimentality maybe, but it is a problem and I know it worries you.

Mr. Brisebois: I really think that the point has been well covered now, but I lived for some time in Europe and I got into a lot of these arguments with people all over the world and as you know advertising to a great degree is economic in North America but in those days they didn't have a mirror in front of them, they didn't have goals to think about.

It is changing I know, but in Canada and in the United States, a poor chap may be suffering when he is young but he could become president of a company because he has those targets in front of him. Because he has this, he works harder for it, and is more determined to succeed.

Senator Macdonald: Do you think it is true today that the average fellow or the poor man, thinks that he is going to be the president of a company. That might perhaps have been the case in the early 1900's but so few people ever reach great positions that I think the day is past where an ordinary fellow, unless he has

very exceptional ability, could become the head of a great company.

Mr. Brisebois: I firmly believe that it is still true today. I believe this more so than ever because education is spread right across now and you don't have to be wealthy to be educated.

These people are much more determined than the son of a rich man and there are quite a few examples in Canada and the United States where this has taken place. I firmly believe that.

Senator Macdonald: I hope you are right.

Mr. Milne: I share your concern about sentimentality but I ask you one question. Are you going to deprive them of television? I don't think that is the answer.

The Chairman: Well, I don't think that is the answer either. I quite agree with you. Indeed, those very same people I am sure have great enjoyment from television and it may be one of their very basic enjoyments.

Mr. Milne: The benefits may offset the disadvantages.

The Chairman: Possibly.

Mr. Sinclair: Well, Senator, I think this may be as significant a discussion that takes place before your Committee. That may be pretentious of me but I think we are on to an immensely important subject and if you will bear with me I have two or three comments to make.

The Chairman: Fine.

Mr. Sinclair: Around the turn of the century the Fabian socialists were forming the British Labour Party and one of their early leaders, a man called John Bacon, declared that the tragedy of the working classes was the poverty of their desires. It is a fairly famous quote because they harangued and harangued the working class to become acquisitive, to break out of their class and their complacency was immutable.

For generations they couldn't form a government although their arguments were clearly in favour of the interests of the working class. It wasn't until the rise of advertising and the mass media that advertising financed, that Labour could form a government in the United Kingdom.

In the United States it is coincident with the rise of television that the American negro has asserted himself. John Hersey, one of the greatest American journalists, has done a magnificent book called "Incident in the Algiers Hotel." It is a minute examination of a fragment of the negro riots in the city of Detroit in the summer of 1967.

In the course of that book he quotes a highly intelligent negro girl who took part in the riots. I believe she was a sophomore at the University of Michigan, and she says "You know, the riots were like a picnic. Mom and Pop, the kids and everybody was out there. You have been looking at all this cruddy T.V. glamour, all your life, and you couldn't have it—go out and get it."

And the fact is that the American negro views more hours of television than any other human being on earth and he has seen that middle class comfort and he decided to have it, and he is getting it.

Now, this is only incidentally related to advertising because of the T.V. hour, only 12 minutes at most is advertising, but the rest is all those comfortable middle-class sets on the "I Love Lucy" shows and the like and those are the things that the American negro is determined to get.

I say that making people acquisitive, making people want things, is the first thing you must do before they can have them.

The Chairman: Well, only 12 minutes of advertising but the remaining 48 minutes is made possible by the advertisers' dollar.

Mr. Shoultz: Well, I think your point is right. We encourage them to buy products which perhaps they can't afford, and on this point I think you are correct.

The Chairman: I think we would all agree that there is an enormous amount of social unrest, social ferment if you will in the United States today, and let's face it, in Canada.

It has been said many times to the Canadians, and in many different ways, that the public appears to feel itself a victim of the media. I quoted from the CFRB brief but I should give equal time to CHUM.

When they were here this morning they said "The general feeling of being "led" by the press is inescapable. From the public's assumption that "we-are manipulated-to-buy-things-we-do-not-really-need" to the opinion that it cannot derive a "true" sense of

what is "really" going on the listener (reader, viewer) feels that he is being managed, not informed."

If there is some kind of credibility gap as far as the media is concerned, is the advertising media in Canada, Mr. Wilkes, suffering from some kind of credibility gap?

Mr. Wilkes: Well, I am not at all sure that I share the view of CHUM in this respect. I am more of the opinion that there is less of a credibility gap than they have indicated.

It seems to me that the concept of providing the public with what it apparently wants—we have plenty of evidence of the size of audiences that are developed. When you are talking about broadcasts, whether it be radio or television, when you put on a long hair, if you like, programme versus something that has more popular appeal, the ratings go up. I am tather of the opinion that the credibility gap does not exist to the extent which they suggest. I don't think that there is any feeling on my part that there is a credibility gap as far as advertising is concerned.

Mr. Jotcham: Well, what is the basis of the statement? What is the percentage that he is talking about? Has he any research to back this up?

The Chairman: Well, he professed to have research, yes. It is not documented in the brief but he went on in the next sentence and said "This attitude comes from every cultural and economic sector. The poor feel disenfranchised and helpless; the young feel unwanted and misunderstood; the affluent feel threatened; the intellectual feel debased and the ignorant feel thwarted."

Mr. Solway, who is an open line commentator on CHUM spoke rather eloquently to that particular paragraph and I asked him "Did all of those people with those various descriptions listen to his station?" He contended that they did and he spoke with them regularly on his broadcast.

However, Mr. Wilkes feels that there is no credibility gap.

Mr. Milne?

Mr. Milne: Just once again, Mr. Chairman, this is a question which we asked our members, and if you will bear with me I will read their answer as well.

The Chairman: Fine. Perhaps you will send us the whole survey.

Mr. Milne: We would be delighted to do that, Mr. Chairman.

The Chairman: Well, if the Institute would permit it, we would be very interested. Anything that isn't private or confidential we would be very pleased to receive.

Mr. Milne: Well, let me just read this one.

The Chairman: Fine.

Mr. Milne: It goes on to say:

"Not all agree but a majority feel that there has been a decline in credibility with respect to both editorial and advertising. One rubs off on the other and in the process both editorial and advertising suffer reduction in impact and effectiveness. Irresponsible reporting, sensationalism, exaggerated advertising claims made in an inane, fatuous or outlandish manner hurt the credibility of all media content, and any bad advertising reflects badly on all advertising.

However, this is not entirely the fault of the writers and the advertisers. Increased sophistication brought about by the higher total educational level, the expanded media universe, the increased volume of advertising and the environment of rapid change have led to a decrease in the acceptability of propaganda, including advertising.

Coupled with this is the lack of credibility of the young towards the Establishment, of which "Advertising" is seen to be a part, and the mistrust of advertising by Universities, Governments and intellectuals generally. With all this it becomes evident that not only has media content become less credible but that audiences have grown more discriminating and more liable to question past ways of doing things. As one member said, advertising is like sex—before they only thought about it—now they talk about it too.

Nor are all advertisers perfect and some give substance to the views of the critics. One result, however, is that the advertisers have been made more conscious of their responsibilities with a concomitant higher level of honesty at the national advertising level."

The Chairman: Thank you.

Mr. Sinclair: You quoted from a brief which refers to a credibility gap. It is suggested that advertising is not believed and I must admit that a great deal of advertising is not, and indeed should not be literally believed.

Everyone who is ever exposed to an advertisement knows that somebody made money out of his own self interest, to put his own special meaning in his own terms.

The Chairman: Yes.

Mr. Sinclair: Everyone who looks at an ad is warned in advance. These people are trying to sell you something and they are spending money to do it.

However, the credibility gap argument in the same brief was an argument that people are being manipulated into buying things they don't want rather fascinates me.

If advertising is so immensely effective that people have lost control of their purse-strings, and are being made to buy things they don't want, then surely there is not a credibility gap, or if there is a credibility gap then please, how can we be accused of manipulating people?

The Chairman: Thank you.

Senator McElman: On this same subject?

The Chairman: Well, I have only one other question which I would like to put and that perhaps might close the hearing, but I would like you to go first, so please do.

Senator McElman: I have here an enclosure that came to us from the Canadian Advertising Advisory Board. It is a reprint that they have from the Prairie Provinces, Royal Commission Report on Consumer Problems and Inflation.

In it there is a breakdown on advertising expenditures as a percentage of sales by Canadian manufacturers. It lists 60 different sections. I checked out the top 7 of these and these are the ones with the largest percentage.

The first is breakfast foods, just short of 12 per cent. These are the ones where if your kid eats a certain breakfast food he grows 2 feet taller or something of that nature.

The next one is 6½ per cent. It is corsets, girdles and foundation garments. The ones that have so much snap that they snap back at you!

The Chairman: We don't know about that, Senator McElman!

Senator McElman: Well, Mr. Chairman, I am only speaking of the advertisement.

Mr. Sinclair: That is just modesty.

Senator McElman: The next is in the chemical field. Medicinal and pharmaceutical preparations which is over 6 per cent and these are the ones where they argue as to who has the greatest number of ingredients to stop your headache. I think they all say they have more than aspirin, you know.

Mr. Wilkes: More than that other one!

Senator McElman: And then we get to soaps and washing compounds—that is 11.3 per cent. These are the ones that are fouling all our waters.

The next is toilet preparations with 15.86 per cent where if-your wife uses a certain cold cream, suddenly, instead of being a 50 year old wife she is a 25 year old wife.

And then the polishes and dressings. The polishes I suppose are the ones that do the housework for you. They are 7 per cent.

And then finally the pipes, lighters and smokers' suppliers that give us all the cancer, et cetera, and that is 6.4 per cent.

These are the highest and they are the problem areas in society. What I wanted to ask if how you possibly relate the type of advertising we see in so many cases with the code that you all subscribe to? This code also comes from the Canadian Advertising and Advisory Board.

Mr. Shoults: Well, Mr. Chairman, just as a joke could I take on cigarettes for a minute?

The Chairman: Sure.

Mr. Shoults: You have the gentleman called Mr. Benson.

Senator McElman: He has been called something other than gentleman!

Mr. Shoults: I was being deeply sarcastic.

The Chairman: Benson never hedges!

Mass Media 39:105

Senator McElman: Now Mr. Chairman, it is time to adjourn!

Mr. Shoults: He has made it pretty obvious that he is out for increased taxes and revenue and I think one of the easiest ways he could solve all of our cigarette problems would be just to triple the tax on cigarettes. He would get more revenue . . .

Senator McElman: How do you know he would get more revenue? Everybody would just stop smoking.

Mr. Shoults: That is it precisely, sir. That is the whole point. That is the solution to one of our evils right there, so if you just increased the taxes on cigarettes, you would solve the cigarette problem.

Senator MacDonald: You think the government should intervene then to stop this kind of advertising in an indirect way?

Mr. Shoults: Yes.

Senator Macdonald: I saw an ad not so long ago . . .

Mr. Shoults: This is aside.

Senator Macdonald: Well this is aside also. I saw an advertisement not long ago—it was an oven cleaner, and the woman must have been a terribly dirty housekeeper because it just was incredible that an oven could get that dirty. And then it was even more incredible that any kind of an oven cleaner would clean it and the dirt and grease would rush off just like Niagara—I don't know where it was going to.

Do you think that is honest advertising?

Mr. Shoults: Well, this is a subject which we could all dwell on for hours, but I think very quickly that if the advertising is dishonest, it doesn't portray the product properly, nothing will run the product into the ground faster because once the public buys it under false pretenses they will never go back again.

I find it very hard—you might get away with it once, but you will not do it twice. Any manufacturer that deliberately advertises under false pretenses will not have much of a life.

The Chairman: I think I must say also in response to Senator McElman's question, and partially in response to Senator MacDonald's question, that I am not sure really that your questions dwell within the reaches of the Committee but rather deal more directly with a

study which we are not doing of the advertising industry.

However, I think in fairness to Mr. Wilkes that if you would like to comment on Senator Macdonald's question, please do so.

Senator McElman: Well, could I just read from appendix 1, page 17, paragraph 78 under the special note section?

The Chairman: Yes.

Senator McElman: This is paragraph 78:

"Nevertheless, the participating organizations agree to discourage, wherever possible, the use of advertising of questionable taste, or which is deliberately irritating in its content, or method of presentation."

Mr. Wilkes: You see one of the problems Senator McElman, that I think we are probably faced with is that advertising takes many forms and we as an institute are responsible, as has been said earlier, for about 85 per cent of the national advertising that goes on in the country. But there is retail advertising, a great deal of it, there is classified advertising and direct mail advertising. There are a number of different forms and there are a number of different areas and origination points over which we have no control.

That is not to say that on occasion, some of our members may not be guilty if you like, of producing an advertisement or a television commercial for an individual client that some people—and it becomes a very subjective thing at this particular point—think is in bad taste or they think it manifests some dishonest point of view.

I think Mr. Shoults' point is well taken that generally the market place keeps the advertising business, certainly in our scheme of things and the national scheme of things, just about as honest and in good taste, if you like, as it is possible for us to make it because we are not out to offend people, we are out to persuade them.

I think that this automatically exerts a type of control that is worthwhile as far as the public is concerned.

Mr. Jotcham: I think too that the percentage of complaints, if you like, is very low, and usually quite personal.

You talked about one particular area, for example, where there are so many more ingredients than aspirin. That is a true statement probably or otherwise it would not have passed through your government organization, the Drug Department, in which all of these advertisements have to be passed and approved. And now by the Canadian Association of Consumers.

As far as good taste is concerned, it has to be an individual factor. I am one of the old school, one of the Establishment, if you like, in that I have been extremely concerned about the increased amount of nakedness that has been shown in advertisements and so on, and the last thing that crossed my desk was an approval from the government to now advertise both contraceptive drugs and also contraceptives themselves.

Now, where does good taste begin and end? It is a government edict which now allows these things to be advertised, so I think it has to be a matter of personal choice and I think when these complaints come in they are largely a matter of personal thinking rather than them being in bad taste or being unethical.

The Chairman: I have two questions. They are both short, but the last question I am going to ask you all to comment on.

The one I am going to ask only you to comment on, Mr. Wilkes, is this. On page 13, section 49, you say:

"Eyes can be flicked away from print almost subconsciously while T.V., and to a lesses degree radio, virtually command attention . . .

Some of the newspaper publishers aren't going to be too happy about that are they?

Mr. Wilkes: I don't think they are because we have already had some comments about that.

The Chairman: You stand by the statement?

Mr. Wilkes: Yes, we think it is a valid statement.

The Chairman: It is modified when you go on to finish the sentence about intrusiveness, but it occurred to me that that was a pretty tough sentence as far as the newspapers were concerned.

Mr. Milne: Well, we are referring to advertising.

The Chairman: Well, I understand that.

Now, my final question I would like each one of you to comment on. It is a tough question for you people

but you can't hide behind the Association because I am going to ask each one of you as individuals.

I will put it to you first of all, Mr. Wilkes. Are Canada's newspapers, magazines and broadcasters doing a good enough job?

Mr. Jotcham: Well, may I qualify that. Do you mean in terms of trying to find a place for their advertisements to be placed or in terms of editorial?

The Chairman: Well, I think I would let you answer that any way you want to. My question is are they doing a good enough job.

Mr. Wilkes: Well, I will elect to answer that from the standpoint of advertising and I think from the standpoint of advertising and from the standpoint of delivering the kind of audiences that are generally acceptable and reasonable to Canadian advertisers, I think they are doing a very good job.

Mr. Jotcham: Well, can you go to someone else because I am thinking this through.

The Chairman: Fine, Mr. Sinclair?

Mr. Sinclair: From the point of view of advertising, no, and from the point of view of society, no. Under no circumstances can anyone assume that any institution in society is perfect, so the answer has to be no.

In point of view of advertising I think a couple of the most important inadequacies are the inadequate documenting of the demographics and the cyclographics of the audience. We don't know who reads a publication or views a television station to an adequate degree.

There is also commercial clutter on many stations and from the point of view of society I think that outside of the major cities, really outside of Toronto and Montreal, there is inadequate foreign reporting in our newspapers.

A great many Canadians are not able through their daily newspaper to know enough about what is going on outside of Canada and the news coverage in the broadcast media tends to be superficial.

The Chairman: Mr. Milne?

Mr. Milne: I would more or less come up with what Mr. Sinclair has said, and add one thing in terms of advertising, and that is that they are doing various

degrees of a good job. Some media supply better fence; Canadian Government, foreign governments and information than others and in terms of advertising you have to know what the characteristics of the medium's audience are, and it is helpful to know as much as you can.

There are some mediums-and I won't say which ones-that do a better job than others. This is an expensive process and some of them just can't afford to spend as much money as they would like.

In terms of social, basically as an individual, I am satisfied with the media that I see and receive. I think they match what I see from the United States, and I see a lot of American magazines personally, and I think the Canadian publications that I read are equally as good as anything that I see from either the United States or England.

As far as programming is concerned, I am one of these peculiar people who prefer CBC programming to anything that I see on ABC, NBC or CBS.

The Chairman: Mr. Jotcham, are you still thinking?

Mr. Jotcham: Well, I am always thinking. I would say in the area of service to advertisers, I think the bulk of our media do an excellent job. They supply us with good information for the most part, but this varies by media. But they do an exceptionally good job. They are able to do a reasonable buying job in most instances for their clients.

In terms of the editorial policy of the newspapers, I must admit that I have a considerable amount of concern with the sensationalism that is shown both in newspapers and in the broadcast media where we don't get both sides of the story.

I have to say that again this varies by media, it varies by time of year, it varies by what have you. I think on the whole though, that our media are doing an excellent and creditable job.

Unlike one of our worthy colleagues, who presented a private brief, I don't believe that daily newspapers necessarily should cater to underground people with the use of 4-letter words, for example,

think they supply a sufficient amount of editorial to appeal to different groups of people with women's pages, sports pages, articles on cameras, et cetera, et cetera. There is a variety and I think they are doing an excellent job.

On the whole, I find that I am kept informed and Well informed on what is going on on all sides of the

what have you. I silom tarky mode for bue topborg

The Chairman: Thank you.

Mr. Brisebois?

Mr. Brisebois: Well, most of the points I was going to talk to have been pre-empted now, sensationalism being one. The fact that the media don't give us such information as for instance as they do in the United States, but I will take another tack if you wish.

Agencies have been accused, either as a group or individually, of favouring one medium over another. I am talking for myself now.

The Chairman: Yes.

Mr. Brisebois: I would like to make this comment. We are all honest people and I hope professionals, and when we have a product, we know the product objectives, we try to find out what the market is and we try to reach it.

We see the creative side of these things and we try to match all of these items. We study all the things very carefully and if the advertising medium is TV, then that is the very best place for it to be. If it is radio, then that is the very best place for it to be. We study all these things very carefully and very consciously and honestly and I don't think the agency business has any favourites because we look at it and analyze it very carefully before we recommend it to our clients.

The Chairman: Thank you.

Mr. Shoults?

Mr. Shoults: I am sort of the last dog on the pole.

The Chairman: Last but not least.

Mr. Shoults: Most of my material has already been stolen.

In the first place, I hate to agree with Mr. Sinclair quite as much as I do. On the advertising side of the media, I find myself wearing two hats.

I as a person, a Canadian, don't like Time magazine in Canada at all. I wish it wasn't there. I wish we had a Time magazine just as good in Canada, but the fact of the matter is we don't, and if some client says to me "Well, should I go in Time magazine as opposed to Magazine X, unfortunately I have to tell him to go into Time."

I am concerned at this point about selling his product and not about what media I think should be for the good of Canada or this or that or the other thing.

I find myself in a rather invidious position as far as assessing media that are controlled outside of the country and controlled in.

As far as analyzing the media from an advertising point of view, I think that the newspapers do the poorest job of providing agencies with material and background.

I think that on the editorial end they have far more leeway than any other medium in Canada; they are not controlled by the government, they are not told how many adds they can run, they are not told what kind of editorial, they are not worried by being franchised by government bodies, so they should have more opportunity to take a position—a stand, an editorial stand.

As far as the broadcast media are concerned I personally feel that they are much more sales-oriented. We get on balance better material, particularly from the smaller stations in smaller areas than comparable newspapers.

I get very tired from listening to people tell me about how many commercials a radio or television station has. Under the aegis of the CRTC, they can tell them they have 12 minutes, 14 or 4, but there is no doubt that the broadcasters will have to adhere to whatever the edict is.

I wish that the broadcast media would take editorial stand but very few of them do. It has been obvious in the last few days one of the reasons they can't.

I think if I had a medium I would gamble anyway and take editorial stand. I wish they did. I think it is a void in Canada, particularly in areas where they don't get press coverage as easily as they do in the larger urban areas—that it would be a good thing.

I think that is all I can add Mr. Chairman.

The Chairman: Thank you very much.

Mr. Wilkes and gentlemen, I perhaps could direct my remarks to you, Mr. Wilkes, but they apply equally to all of the members of your organization.

We are certainly mindful of the fact that yours is an association and as such there is a complex mix of association views and individual views. The discussion we have had here tonight has been useful.

We complete our hearings a week from tomorrow and then we turn to the task of writing our report, and I don't think that task has been made easier by the presentation made here this evening.

On the other hand, I don't think it would have been possible without the presentation here this evening because of the role and the function which the Canadian advertising agency industry has in the Canadian mass media spectrum.

I think you have all been very frank. I have said this to many publishers and broadcasters but if the organization has additional thoughts from having been here and having heard our questions and you have other ideas that you would like to send us, they would be gratefully received.

I hope we have demonstrated in our questioning that this is not an inquiry into the advertising industry, but at the same time you gentlemen are pretty important to the mass media, and again thank you, and I hope you will thank your full membership on our behalf.

As far as the Senators are concerned, I would say that if you are a Ranger fan you shouldn't be too unhappy about missing the game because with 2 minutes to go it is 4 to 1 for Boston. That was five minutes ago so you needn't raise the roof.

Our final hearing next Friday morning is with the Honourable Gerard Pelletier. The only change in the hearings schedules for next week from the one which you have is that at 2.30 on Thursday April 23rd we are going to receive a joint brief from L'Évangéline and La Société National des Acadiens.

Tuesday, at our next public hearing, we are receiving a presentation at 10 o'clock in the morning from CFTO and we are spending the afternoon with CTV management and the evening with CTV operations.

Wednesday and Thursday we are dealing mostly with cable companies, except for L'Évangéline as mentioned, and ACTRA, which is coming before the Committee next Thursday afternoon at 4 o'clock.

Thank you, and the meeting is adjourned.

The Committee adjourned.



Second Session-Twenty-eighth Parliament

THE SENATE OF CANADA

PROCEEDINGS
OF THE
SPECIAL SENATE COMMITT

ON

MASS MEDIA

The Honourable KEITH DAVEY, Chairman

No. 40

TUESDAY, APRIL 21, 1976

WITNESSES!

Sector; Mr. E. J. Delaney, Vice-President, Projection of the Control of the Contr

Land Service Committee of the Market Company Character of the service of the land

do not understood at only point about offing the specialist and not about what made I think sounds be the new pools of County or this or that or the other chains

That ment is a either invitious position as far as positions person that are emptoded outside of the language and expended in.

the major desily thing that modes from an advantuing their ast clear. I think that the newspapers do the newspapers of the think that the newspapers do the newspapers of the think that the newspapers with material and recognished.

reports that any other and and they have for more sensing than any other and any or familia, they are not controlled by the postrement. They are not told what kind of otherwise, they are not wanted by truly familiared by accomment begins as they should have more commentable to the more comments as they should have more commentable to make a mention a stant, as a control of the second of the

As The six the translates made at the company of a property for the they defend on the telephone better particular, for the company from the company for the c

the problem from the party of the CRTE to the control of the control of the control of the CRTE to the control of the contr

Level that the based of party start of a service of the service of

A STATE OF THE STA

the way the second the Charman

W. This was thank you ask more

The state of perfection, I perfect their the my

we set or table mindful of the fact that your had accordance and as well there is a complex into a sample in the discussion or have had here complete has been useful.

We complete out hearings a week from tomandor and them we then to the task of writing our report, and I deer't think that task has been made easier by the exemptation made term this eventue.

I'm the other hand, I don, Howk it would have been possible without the presentation here this evention became of the role and the function which the Caurdian adventions agency industry has in the Caurdian mans media spectrum.

thick you have all been very trank. I have said this to many publishers and broadcasters but if disconguization has additional thoughts from having been bare and having heard our questions and you have after these true you would like to sond us, they would be gratefully reversed.

I hope we have dearen drated in the specificaling that the is dot no mindry into the precision industry, of all the more than you continues are pretty important to the mass media, and again thank you and thop you will thank your full membership on our pehalt.

When it was the fermion are concerned. I would set then if you are a leader fan you aboutdn't be too make pay about mestag the game bacaust with setamor in no if it is no I lot Boston. That was her more its agust you medit traise the roof.

How hard bearing new Priday pruning is with the suprable "Trial reliction. The only change of the property and the set with an I had on Thursday April 23rd on T

reported at the next public hearing, we are resembled in constitution at 10 o'clock in the modulus (CPTI) and we are spunding the afforman with reported and the exercise with CTV operations.

ealth temperature. Except for L Evanguist mentioned and Al TRA, which is coming below.

Theok you, and the meeting is adjourned.

The Committee advanced



Second Session—Twenty-eighth Parliament 1969-70

THE SENATE OF CANADA

PROCEEDINGS OF THE

SPECIAL SENATE COMMITTEE

he Honourable L. P. 100 bien. Deputu Chairman

MASS MEDIA

The Honourable KEITH DAVEY, Chairman

No. 40

TUESDAY, APRIL 21, 1970

WITNESSES:

Baton Broadcasting Limited: Mr. Edwin A. Goodman, Q.C., Counsel and Director; Mr. E. J. Delaney, Vice-President, Programming; Mr. L. M. Nichols, Vice-President, Finance.

CTV Television Network Limited: Mr. Murray Chercover, President and Managing Director; Mr. Keith Campbell, Vice-President, Marketing.



MEMBERS OF THE

SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, Chairman The Honourable L. P. Beaubien, Deputy Chairman

Beaubien Bourque Davey Everett Hays

Kinnear Macdonald (Cape Breton) Quart McElman Petten Phillips (Prince)

Prowse

Smith

Welch

Sparrow

(15 members) Quorum 5 sideruogo H ed T

ORDERS OF REFERENCE

Extract from the Minutes of Proceedings of the Senate, Wednesday, October 29th, 1969.

With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable

Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee:

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (Cape Breton), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, December 18th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative, on division.

Extract from the Minutes of the Proceedings of the Senate, Friday, December 19th, 1969.

That the Committee have not senate, was said again and said

The Honourable Senator McDonald moved, seconded by the Honourable Langlois:

That the names of the Honourable Senators Bélisle and Phillips (*Prince*) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—yavaQ gold Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Langlois:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 10th to 19th February, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, February 5, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Haig:

That the names of the Honourable Senators Quart and Welch be substituted for those of the Honourable Senators Bélisle and Willis on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was— Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 17, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Connolly (Halifax North):

That the name of the Honourable Senator Kinnear be added to the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That the name of the Honourable Senator Langlois be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With the leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 4th to 13th March, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, March 19, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media on 24th and 25th March, 1970, and from 14th to 23rd April, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

Tuesday, April 21, 1970. (40)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey (Chairman); Macdonald (Cape Breton), McElman, Petten, Prowse and Smith. (6)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses, representing Baton Broadcasting Limited, were heard:

Mr. Edwin A. Goodman, Q.C., Counsel and Director;

Mr. E. J. Delaney, Vice-President, Programming;

Mr. L. M. Nichols, Vice-President, Finance.

At 1.00 p.m. the Committee adjourned to 2.30 p.m.

At 2.30 p.m. the Committee resumed.

Present: The Honourable Senators: Davey (Chairman); Bourque, Everett, Macdonald (Cape Breton), McElman, Petten, Prowse, Quart and Smith. (9)

The Honourable Senator A. H. McDonald, not a member of the Committee, was also present.

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses, representing the CTV Television Network Limited, were heard:

Mr. Murray Chercover, President and Managing Director;

Mr. Keith Campbell, Vice-President, Marketing.

At 6.20 p.m. the Committee adjourned to Wednesday, April 22, 1970, at 10.00 a.m.

ATTEST:

Denis Bouffard, Clerk of the Committee. Maries to the Marutes of the Proceedings of the Senate, Thursday,

MINUTES OF PROCEEDINGS ...

The Hangurable Senstor McDonald moved, seconded by the Honurable Senstor Smith:

.0701 ,12 Gran, *** Committee of the Committee of the CONTROL of March, 1970, and from 14th to 23th April 1970, both inclusive, and that the Committee have

Present: The Honographe Schutcher, Davey (Chairman); Macdonald (Cape Breton), McElman, Petten, Prowse and Smith. (6)

Flat Mitter dances Miss Marienne Barrie, Director and Administrator; Mr. Borden: Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses, representing Baton Broadcasting Limited, were heard:

Mr. Edwin A. Goodman, Q.C., Counsel and Director; Mr. E. J. Delaney, Vice-President, Programming; Mr. L. M. Nichols, Vice-President, Finance.

At 1.00 p.m. the Committee adjourned to 2:30 p.m.

At 2.30 p.m. the Committee resumed.

Present: The Honourable Senators: Davey (Chairman); Hourque, Everett, Macdonald (Cape Breton), McFiman, Petten, Prowse, Quart and Smith. (9)

The Honourable Senator A. H. McDonald, not a member of the Committee, was also present.

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses, representing the CTV Television Network Limited, were heard:

Mr. Murray Chercover, President and Managing Director:
Mr. Keith Campbell, Vice-President, Marketing.

At 8.20 p.m. the Committee adjourned to Wednesday, April 22, 1970, at 10.00 a.m.

ATTEST.

Denis Bouffard,

SPECIAL SENATE COMMITTEE ON MASS MEDIA

viadacenced by the commolting starcholder, recently Balon has embacked with the help

Tollow the rest of the second EVIDENCE

Ottawa, Tuesday, April 21, 1970

The Special Senate Committee on Mass Media met this day at 10 a.m.

Senator Keith Davey (Chairman) in the Chair.

The Chairman: Honourable Senators, if I may call this session to order. The brief we are receiving this morning is from Baton Broadcasting Limited, which of course as you know is CFTO Television in Toronto.

Seated on my immediate right is a director of the company, Mr. Edwin A. Goodman, Q.C., who is known to some of the Senators in other capacities as well. On my immediate left is Mr. L. M. Nichols, who is Vice-President, Finance, of Baton Broadcasting Limited. And at the left end of the table is Mr. E. J. Delaney, who is Vice-President, Programming.

I would simply say to you, Mr. Goodman, that the procedure we follow here is basically a simple one. We would ask you, if you could, to take, perhaps, ten, twelve, fifteen minutes to make an opening statement and then following that statement we would like to question you on your statement. I may say it has been the procedure where most of the witnesses who have come before the Committee to present the Committee with a written brief. We regret very much, but we certainly understand the fact that this hasn't been possible with CFTO. I know you have had other matters very much on your mind. Perhaps the fact that you have not been able to prepare a written brief for us will make us even less inhibited when it comes to the question period. We will question you on the contents of your remarks, but we will want to question you on other matters as well.

I think it is important for you to understand, and I know you do because we have

role and function in the broad media spectrum and we are not interested in broadcasting as an end unto itself.

I suppose the CRTC isn't either, but in particular, this Committee is trying to look at the broad media spectrum. Having said those things, welcome, and thank you for coming. Why don't you simply proceed with your statement, then we will put questions to you. Incidentally, if you wish in answering questions to refer them to either of your colleagues, please feel free to do so.

Mr. Edwin A. Goodman, Q.C., Director, CFTO Television: Senator Davey and gentlemen, thank you very much. I was first of all going to apologize for not having a written brief in front of you, but as the Chairman has indicated, we have spent all of our time most recently in preparations for the hearings that were going on in which licence renewals came up.

Now, may I extend to you the apologies that the president and chairman of CFTO. Mr. John Bassett, is not present this morning. I think he felt that one appearance in front of the Committee was all that the Committee could stand of him and asked me to appear. I happen to be a director and have a small interest in Baton Broadcasting Limited.

Now, I think in his last appearance in front of you, Mr. Bassett said he believed that it was in the best interest of Canadian publishers and journalism and also Canadian broadcasting for any company or organization to practise personal journalism or personal broadcasting, where the public know who is responsible for what is written in a newspaper or what comes over the airways. I guess that puts me in an unenviable position to come today to represent a personal broadcaster. I can't say that I am John Bassett's alter ego, at all, but maybe in view of what the Chairman has stated, perhaps I am just a talked about it, that this is not a poor man's poor man's John Bassett, but I will endeavour CRTC hearing. We are interested in CFTO's to give to you what is the policy of CFTO, di ils exemplified by what we are deing at validionall Montreal and they are which, as we frankly say, is greatly influenced by the controlling shareholder, represented by the president.

Now, it seems to us that in view of the fact that the Telegram Publishing Company is the controlling shareholder in Baton Broadcasting Limited, it would be of interest to this Committee if we dealt in our opening remarks with our views on cross-media holdings, and I would like to begin at that spot.

First of all, without reservation we think that there is a great deal of benefit and value to be derived by the Canadian public from cross-media holdings. That is we believe that the development in broadcasting, newspapers. radio and television should have an interchange of interest. We feel particularly that there is a long and honourable tradition among newspapers that sometimes may be lacking in broadcasting. It is not my intention to bore you with the stories of the courageous stands that newspaper publishers and reporters have taken in various countries of the world in defence of freedom. In many countries where freedom is a minus quantity, newspapers have led that fight.

Furthermore, newspapers, of course, are interested particularly in news and in public affairs. We believe that this is also a very beneficial interest for broadcasters. We believe that the tradition of journalism can give courage to broadcasters which is particularly important in any industry which is heavily governmentally regulated. It is not an uncommon thing for people who have to get renewals of their licences to have some regard as to what they say and this inhibiting factor is understandable and natural. We feel to some extent it is overcome by the traditions of journalism.

In the same way, we believe that newspapers can learn a great deal from broadcasting. Broadcasting has been, and I suppose still is, more oriented towards entertainment naturally than the newspapers and we feel that this is also beneficial to the newspaper, which can benefit from sometimes being a little bit more entertaining than they have been in the past. We firmly believe that the public is best served by the interplay of these various traditions.

Furthermore, there are other areas which we feel can be helpful in communications and it is exemplified by what we are doing at

tures, films, is important in broadcasting and recently Baton has embarked, with the help of the Canadian Film Development Corporation upon producing films. We have now one picture which is presently showing in Toronto and we have another one which we are coproducing out in British Columbia. We have several more in the stages of pre-production work because we feel this is all part of a type of service that a communications company should be giving to the public and which interrelates in a beneficial way.

Now, having made that brief statement on our support of the principle, I would like to just relate that to the situation in Toronto. I understand—I received instructions that both Mr. Honderich of the Toronto Star and Mr. Thornton Cran of CFRB have indicated that they feel that there is an unfair advantage to be derived by the Telegram and CFTO as a result of this interrelationship. Well, subject only to the fact that I do believe as I have already stated that it increases the quality of either the newspaper or the broadcasting, I don't think those statements are factual. We wish they were, but all you have to do is to read any of the Toronto Star's advertisements where they proudly proclaim the largest circulation in Canada on every occasion, to recognize that the advantage doesn't seem to hurt them too much.

Furthermore, you then look at CFRB which seems to have the largest listening audience of any radio station and once again you aren't going to have any copious tears.

Furthermore, it seems to me that this is a view which neither CFRB nor the Toronto Star seems to have held back in 1960, when they both made application for the granting of a television licence, which was granted to CFTO. It didn't seem to inhibit them at that stage, and as I say, the Star has continued to grow and CFRB has continued to grow notwithstanding the granting of the licence to Baton in which the Telegram has a large interest.

Now, quite frankly I hope to be helpful to this Committee but I am making these statements merely in response to the issues that were brought out by Mr. Honderich and by Mr. Cran. In particular, as far as CFRB is concerned, which has three radio stations in Toronto, an FM and an AM and a short-wave station in Montreal, and they are making an CFTO. We believe the field of moving pic- application for a station in Hamilton, I don't mind taking a swing at them because they have been whining ever since they didn't get the licence. As I say, there is just no factual basis for the statement that they have made as indicated by the situation in Toronto.

This leads me to the next subject and the question as to the dangers of some of the joint ownership of the mass media. Certainly, I say without fear of contradiction really that, in Toronto, no such danger exists. There are three daily newspapers, which, for a city the size of Toronto, is quite unusual. All of them are thriving with large circulation and as I have indicated, the circulation of the *Star* exceeds that of the *Telegram*; so there is obviously a lot of competition for men's minds in the newspaper field.

There are six television stations in Toronto. There is the CBC station; CFTO; there is the Hamilton station which has offices and proclaims itself as a Toronto station; there are three American stations, which all beam in a strong signal; so obviously no one has any monopoly in the television market.

In addition to that there are innumerable radio stations plus the periodicals. So all that I say is that insofar as Toronto is concerned, we only have a small share of the market which is open to competition on every side, and I don't think that we are in any position at all to monopolize ideas or men's minds in any way, shape or form. You couldn't think of a more fiercely competitive market than exists in Toronto any place on the continent.

Now furthermore, I just want to point out our views on this matter. When Barrie made an application to become a Toronto station, we did not oppose that application and, in fact, we made a public statement welcoming the application. The other day, when asked whether we thought there was more room for another television station in Toronto, Mr. Bassett's answer to the CRTC was: "I own a television station, therefore my answer to that question is no. If I didn't own a television station, my answer to that question would be yes."

He then went on to point our that CFTO could stand the additional competition but the effect would be felt in the periphery or marginal markets because it would fragment the advertising revenues which generally stay in the major markets. Stations like Peterborough, Kingston, North Bay, and Moose Jaw would be the ones that feel the effect of

another station in Toronto, rather than CFTO.

The corollary of whether I feel that there are any inherent dangers—and as you see we obviously don't—is that if there are dangers, and I am not suggesting that there are in the situation in Canada at the present time, those dangers would arise out of large national holdings where there is no opportunity to pinpoint responsibility. That is, those communications businesses, which are more of an investment than an exercise in personal broadcasting, and where holdings are held in various parts of the country and operated from some other part of the country, present a greater danger than exists certainly in the Toronto situation at the present time.

As I have indicated, what is important to the public is to have alternate views and to know who is presenting the view and where they can pin the responsibility. In Toronto there are lots of alternate views and one thing is certain; they always know where to pin the responsibility.

Now, this then leads me really-going through your questionnaire—the first question that was asked was on the question of the suitability of the present system. In our opinion any system is as good as the people that operate the system to a large extent and systems alone don't decide excellence. But we believe that any system of regulation of broadcasting or, for that matter, any other field, requires the opportunity of a full and open hearing to obtain the varied views of affected groups, such as, in this case, the broadcasters and the public, by a board of competent persons, and we feel that does exist in broadcasting regulation at the present time.

The Broadcasting Act provides for full hearings and the CRTC has been following both the letter and the spirit of the Act, and we feel that the industry is being governed and regulated by a competent board. Not that the competent board has seen fit to be very kind to us, but I think in order that you may gain some idea as to the objectivity of our views, we had two main applications in front of the Canadian Radio and Television Commission.

The first was for a continuation of cable in Toronto that we got into just before the board took over supervising it, and they rejected us rather unceremoniously out of cable. We then made an application for the Maclean-Hunter; they allowed us to go in with the CBC, only I suppose as a short-term measure, as the CBC has to take it over within five years. So I must say that in making this statement I think we can be very objective about the matter.

Now, what we do agree with, and this really is the crux of the whole broadcasting situation at the present time, we do believe that the broadcast industry in Canada must be in the forefront of the fight to maintain a distinctive Canadian identity and that it must interrelate various parts of the country to each other.

In a country that is situated such as Canada is, right next to the United States, and with the large economic domination of Canada by the United States, this is one place where the Chairman of this Committee and I share an admiration for the views of Walter Gordon. though not necessarily for the means by which he had hoped to achieve these views.

With that situation existing in Canada today, the broadcasting industry has a very, very important obligation to the country. CFTO feels very strongly about that obligation, and we know that we agree with the CRTC which feels very strongly about that obligation. Now, in order to make something abundantly clear, I don't want you in this Committee to get the idea, that because we strongly support the CRTC in this, that we believe this is a very important obligation of broadcasting or that we endorse the proposed Canadian content regulations that are being heard—because in fact we do not. Our position is that which is being expressed by the CTV network.

We believe that they are premature and the views that Mr. Chercover expresses are supported by CFTO. While we strongly endorse the objectives, the question as to how you reach those objectives—I understand that Mr. Chercover is appearing later this day in front of your Committee, and he can express his views having a greater depth of knowledge than I have in this matter. But we are, with the other stations of the network, in support of the proposals that are being made by Mr. Chercover yesterday and again I believe this morning.

Now, we do however feel in this field, and this I suppose is the most constructive thing I

Windsor television station in conjunction with opening remarks, that we do believe that there is a great opportunity afforded this Committee by some simple recommendations to assist the strengthening of Canadian broadcasting, which will in turn help it assist in maintaining a Canadian identity; and I would like to propose in conclusion one simple recommendation which we suggest to you.

> It flows from the steps that were taken by Parliament in connection with foreign periodicals. There has been established in the northern United States two television stations. One at Pembina, which is KCND, and one in Bellingham-KVOS-which have been established merely to live off of Canadian advertising to the detriment of those Canadian stations that are within their contours. It is our respectful recommendation to your Committee that, if it is important in a non-regulated industry like periodicals to give protection, in a regulated industry where you exact high demands and impose obligations on the industry, it becomes that much more important to give some protection.

And we suggest that the same steps be taken whereby the advertising by Canadian businesses on American television or radio stations becomes a non-deductible expense. This should succeed in directing some advertising of Canadian businesses back from the United States because it is only being beamed into Canadian audiences, and should strengthen Canadian broadcasting, in particular, those stations in British Columbia and in Manitoba. We think that this step would help Canadian broadcasters grow to economic strength that would enable them to continue to improve the quality of Canadian programming.

Now, we in CFTO are very proud of the quality of the programming. I think it is fair to say that we have clearly led the way of any private station in producing Canadian programming. 82.9 per cent of the money that we spend on programs is spent for Canadian programming. We produce programs for ourselves, we produce programs for other private stations. We produce programs for the network. And as I said, the money spent on our station—over 80 per cent of it is spent on Canadian programming.

We clearly recognize our obligations in this field, and if dollar sums are of any interest to you, since we have had our licence, we have spent approximately \$5,700,000 on Canadian can say in this rather long and rambling talent. That is not for program rights or not for technical help, but just for talent. That gives you some understanding of how seriously we take the obligations that are imposed upon us by the Broadcasting Act.

Mr. Chairman and gentlemen, I hope those remarks may be of some assistance to you.

The Chairman: Your opening remarks will be very helpful, and I think what we will do now is turn right to the questions.

I say again if you wish to refer any of these questions to the other two gentlemen, please feel free to do so. I might again remind the Senators that Mr. Nichols on my left is Vice-president (Finance) and Mr. Delaney at the end of the table is Vice-president (Programming).

I suppose I should say, Mr. Goodman, that I have known you a long time but I have never thought of you as being a poor man's John Bassett.

I believe the questioning this morning will begin with Senator McElman.

Senator McElman: Mr. Chairman, your recommendation with respect to Canadian advertising dollars now flowing to border stations—that would be effective with the local Canadian-based firms but would it be very effective with subsidiaries of U.S. firms in Canada who could transfer their budget dollar through the U.S.?

Mr. Goodman: Yes, that could be a problem, senator.

Senator McElman: Do you have any thoughts on that?

Mr. Goodman: I think however, that naturally if the money is being spent in the United States by the parent company, there is no way we are going to be able to get at that, but I believe that that wouldn't be the effect. It would cause a fair amount of dislocation for the American firms that do go out of their normal advertising budget. I think that many firms do budget their Canadian subsidiaries on their own, and I think that rather than try to get around it, they would use the Canadian television stations. But it would certainly make it less effective in the cases where somebody like Lever Brothers would get the benefit of their American advertising.

But for example—I am told, and I am really thinking of the stations like Winnipeg and Vancouver, that a lot of the advertising done in Pembina is done by local stores in

Winnipeg. I believe the same applies to Vancouver. Is that right, Mr. Delaney?

Mr. E. J. Delaney, Vice-President, Programming, Baton Broadcasting Limited: That is right.

Mr. Goodman: So we can certainly get at that type of thing. Pembina was put up just for the purpose of taking revenue out of Winnipeg by and large, and it certainly would never have been established if Winnipeg hadn't been right there to provide a course of revenue. That type of broadcasting or that type of advertising I think would be effective.

The Chairman: Mr. Fortier, do you have a supplementary question?

Mr. Fortier: Yes, Mr. Chairman, but I will wait until Senator McElman has finished.

Senator McElman: On Pembina, you suggested that it would never have been established and it couldn't probably exist if it couldn't get the advertising dollar out of Winnipeg as well. Is that your view?

Mr. Goodman: That's right. We think the both of them probably couldn't continue to function.

The Chairman: Mr. Fortier?

Mr. Fortier: Mr. Goodman, you speak repeatedly of Pembina and Bellingham, and I haven't heard Buffalo's name mentioned. Are you really mainly concerned about those pirate stations just over the border or are you not just principally interested in the Buffalo vis-à-vis the Toronto market situation?

Mr. Goodman: Strange as it may seem, Mr. Fortier, we are more concerned with them. It would be of some assistance to us but we have been doing very well indeed. Furthermore, the situation that the Senator expressed about national advertising, applies more to Buffalo than it would to Pembina or KVOS in Bellingham.

Now, we have done quite well except the fact that what may happen in the future may depend upon the events of the next week or ten days. It will be of some benefit to us but we feel that we have a large market; we are first in the field; and CFTO has the largest percentage of the audience. And we feel that the advertisers need us more than they do the other stations.

So while it would be of some assistance, that is not the primary aim, although we are

always glad to have some help, especially, if we are going to be called upon more and more to make a contribution to maintain Canadian identity.

Furthermore, let me say this. As has been stated publicly on many occasions, CFTO has made a great contribution to the network. It produces programs which sometimes it sells to the network, sometimes it gives to the various stations themselves, and the strength of the network, to a large extent, depends upon the strength of CFTO on many occasions. So if it does give us a little help, it will merely be help that will strengthen CTV.

Mr. Fortier: Do you have any figures, realizing that this is a terribly relative area, but do you have any figures as to how many Canadian advertising dollars are beamed on Buffalo stations as compared with those that are beamed on Pembina and the Bellingham stations taken together? I have reason to believe that there are more Canadian advertising dollars, that are directed to Buffalo and I am thinking of the Montreal market, than Bellingham and Pembina put together?

Mr. L. M. Nichols, Vice-President, Finance, Baton Broadcasting Limited: There have been, Senator Davey and members of the Committee, numerous figures bandied about, the authenticity or the accuracy of which I guess nobody can know. But there has been a figure mentioned in excess of one million dollars being spent by Canadian advertisers on all three Buffalo stations.

Of course, a lot of that money comes from breweries; but to be actually accurate, I don't think anybody could be. They advertise for short flights, certain people are in for parts of the year and some of your large car manufacturers have common commercials. But if you ask them if they were being directed back in Toronto, they would say they were simply being purchased through the Buffalo market. I couldn't tell you the exact figure.

Mr. Fortier: Mr. Goodman, Section 12(a) makes an exception in the case of Time magazine and Reader's Digest. In your approach to this particular problem, in translating it to the broadcasting industry, do you feel that exceptions should be made?

Mr. Goodman: No, not at all. I mean, Time comes here and they are over there—and I really believed that it would result in a resur-

won't get into the question of the relative contribution that is made by magazines. I am not competent to do so. But I will say this. They are not making any contribution that can't be made much better by existing Canadian stations supplying a much greater service. They are not subject to the regulation about Canadian content or anything else. I would just say, categorically, no.

Mr. Fortier: So this would be a blanket non-deduction?

Mr. Goodman: Yes, sir.

The Chairman: Would you apply that back to magazines?

Mr. Goodman: I beg your pardon?

The Chairman: Would you remove the special exemption presently enjoyed by Time and Reader's Digest?

Mr. Goodman: Well, I am just not really competent to make a statement on that. I would be unfair to both Time and Reader's Digest to let my national Canadian emotionalism get into that.

Senator Prowse: Mind you, Time does have limited Canadian content.

Mr. Goodman: That's right. There can be the distinction between Time and Reader's American broadcasting and the Digest stations.

The Chairman: Well, getting back to Senator McElman's line of questioning. He asked only one question and we have been on the supplementaries ever since. I think you are competent to give us the benefit of your thinking. This is an area which interests the Committee greatly.

We have had representations, as I am sure you know, from Time and Reader's Digest and from the Canadian magazine industry and from many individuals and organizations, and we have been able to draw most people out on the subject. With the genuine respect I have for you, I do think you have an opinion which would be of great value to this Committee, but if you will not express it, we won't make you. However, do you think it would be in the national interest to remove the exemption presently enjoyed by Time and Reader's Digest?

Mr. Goodman: Well, let me say this. If I

gence of a strong Canadian periodical industry, I would probably be in favour of it; but my own views are that it probably won't have that result—I just don't know if it would. If I really felt that that would be the result, I think a case can be made for it.

I am speaking personally now, and not for CFTO. Let us make this perfectly clear, because my views are diametrically opposed to Mr. Bassett's on this subject.

I don't really believe—and this is really an uneducated guess—that this would have that result, and if it doesn't have that result, then my point would be that it is not worthwhile.

Whereas with the Canadian broadcasting industry, we do know that we have a very viable industry which has been called on to make greater and greater contributions. I think that the contributions of broadcasting to Canadian identity and to Canadian interrelations are much greater than that of the periodical industry, and therefore I feel that it is much more important in our field.

If you gentlemen could satisfy yourselves that there is going to be some truly great benefit then I think it would be justified, but unless you could satisfy yourselves of that, I think it would not be justified.

Senator McElman: Associated with this, Mr. Goodman, is the development with Canadian advertising agencies. We have learned through recent testimony, and through other material, that the corporate membership of the I.C.A., The Institute of Canadian Advertising, is 49 and 25 per cent of them are now U.S.-controlled through subsidiaries and so on, and they are getting somewhere in the order of thirty to thirty-five per cent of the share of dollars made or handled by the Canadian agencies.

Would you see a danger in a continuation of this trend from the standpoint of Canadian ownership; and additionally, would you perhaps see some danger in U.S. subsidiaries steering Canadian dollars toward broadcasters at border points?

Mr. Goodman: Well, my instructions are that we have noticed no effect on our programming by this phenomenon, if you want to call it that, by the American advertising agencies. But I would ask Mr. Delaney to comment on this because he works directly with the advertising agencies and can be of more benefit than I can be.

Senator Prowse: May I ask a question?

The Chairman: Certainly.

Senator Prowse: You said "my instructions are." Now, did you mean "your information is"?

Mr. Goodman: Yes; my information. My information came from Mr. Delaney so I am going to turn this question over to him.

Senator Prowse: Fine.

Mr. Delaney: We have two very strong, vibrant advertising agencies that account for large amounts of billings on our station and I will name them, if I may. That is MacLaren's, which is an indigenously Canadian advertising agency, and Cockfield, Brown and Company. We have never found in the ten years of doing business in Toronto that an advertising agency, be it a subsidiary or with some shareholdings from an American agency, has in any way unduly influenced in placing business. As a matter of fact, I wish I could be more specific, but as one's mind goes back over Marketing magazines, I have seen so many numerous occasions where an agency has resigned an account on competitive reasons in the United States, and yet the Canadian agency continues to keep its counterpart in Canada.

We have never found any media control or undue influence put upon our sales organization or on the management of the station to bring availabilities out in a certain fashion or to give favouritism because I think the Canadian agencies do compete vigorously and well, and I think if there is any association with American agencies, it is strictly supplementary.

Or you may have an adjacent border point where somebody from the United States could service that client better, where there may be some creative aspect or technology that is available in the United States.

We have never found in our ten years—and I think we vigorously comb all the areas, from Western Canada right across to Newfoundland. We have our own sales office in Montreal, we have our own sales office in Toronto. We do not handle reps so we know from what we speak because they are our own employees who are doing this selling—and we haven't found any conflict at all.

The Chairman: Does it concern you, Mr. Delaney, that the advertising industry will be

ten years in Canada?

Mr. Delaney: If that would be the trend . . .

The Chairman: Well, you say "if that would be the trend." The figure presently is 24 per cent and it is going up one per cent a year on an average over the past five or eight years, and clearly that is the trend. So does this not concern you?

Mr. Delaney: Well, Senator Davey, I wish I could give you a more direct answer but I guess, like most people, the concern only comes when it becomes a reality. As far as CFTO is concerned, we haven't found any detrimental effect.

I personally, as a Canadian, might be concerned but I don't think, corporately, that it affects CFTO at all.

The Chairman: Senator McElman?

Senator McElman: Well, with the subject of perhaps the desirability of maintaining a Canadian identity—when it becomes majority-controlled, owned by U.S. interests, if that is permitted to happen, would you not see some danger in perhaps the direction that the advertising content might take? The further Americanization of the Canadian identity. Would that concern you?

Mr. Goodman: May I have that clarified, Senator? When you say "the Canadian content", what do you mean?

Senator McElman: Well, there is a type of advertising that conceivably could appeal to the American identity and perhaps it could be different for the Canadian identity.

Mr. Goodman: The actual commercials?

Senator McElman: The content of the commercials, the advertisements themselves.

Mr. Goodman: Well, let me say this. You can't treat that problem out of context of the whole Canadian problem.

Now, I am prepared to spend the next five hours with this Committee discussing the problems that face this country by means of maintaining a Canadian identity because I happen to be an economic nationalist, and my views, you know, are well known on this subject, or I have endeavoured to make them well known in any event.

majority-controlled by Americans inside of but the question is with regards to Canadian content in advertising.

> Mr. Goodman: I believe of course that there are inherent dangers in any industry in Canada falling into other than Canadian hands in Canada. Our position is that to date there is nothing to show where that has been exercised against the best interests of the country.

> Senator McElman: Perhaps, Mr. Chairman, we can move on to another subject.

> The Chairman: Are there any supplementaries?

Mr. Fortier: Maybe it is more of a comment than a question, but I can't resist putting it anyway.

This dichotomy which Mr. Delaney has made between his personal views and the corporate views of CFTO and Baton, I find difficult to see. Did you really mean what I understood you to say, Mr. Delaney, that personally you were concerned but since CFTO had not yet been adversely affected, you were not going to express that concern in the name of the company?

Mr. Delaney: Well, I think you have to appreciate that sometimes an individual can be concerned about a state of affairs that will eventually develop. Corporately, and as a vice-president of CFTO, the concerns that are stated are not visible today. So my answer was that if all advertising agencies in Canada were owned by American parent companies, I could be terribly discouraged by that as a private citizen. The effects of what you have talked about ten years from now is not a growing problem to CFTO today, so 1 answered it in that way.

Mr. Fortier: It strikes me as being a clearly expressed double standard which upsets me. Does Mr. Goodman agree?

Mr. Goodman: I don't think, Mr. Fortier that it was expressing a double standard. All he was saying, that he is looking forward into the future, and personally he can see some concern of an industry falling completely into American hands, but that the company to date hasn't had any adverse experience from it, nor have they seen that growing power exercised against the best interest of this country to date.

Senator McElman: Excuse me, Mr. Good- Mr. Fortier: Surely Baton Broadcasting is a man. I think we will be moving into that area, company which makes projections, which looks ahead; and in looking ahead, is this the view of the individuals who are controlling the company today, that they are personally concerned as Canadians but not corporately concerned?

Mr. Nichols: Well, perhaps if we could get Your question in perspective. I presume you are asking if we are corporately concerned from a business point of view?

Mr. Fortier: I would hope that your corporate concern would express the views of the officers of the company as individuals also. No, either you are dealing with a good corporate citizen or you are dealing with good individual citizens.

The Chairman: Mr. Nichols?

Mr. Nichols: Well, I am still trying to get this question into its proper perspective.

The question came out originally, if I understood it: are we experiencing any adverse effect as a corporation by the growth that has occurred in the last few years?

Mr. Fortier: Yes.

Mr. Nichols: And my answer to that is no. Therefore we don't foresee that we will.

Mr. Fortier: That view was expressed by Mr. Delaney, as a Canadian citizen, he was concerned; and he went on a step ahead and said that, corporately, he didn't think it would disturb you ten years from now. And I wonder to what extent you could accept—well, what I referred to as a double standard?

Mr. Goodman: That is quite unfair, Mr. Fortier. There is no double standard. Our position is very simple; that the company has no evidence to back its concern but that we...

Mr. Fortier: That is quite clear.

Mr. Goodman: ...no evidence to back its concern. Our concern is based upon inherent dangers. I would say, speaking for the directors, that all of the directors view this type of growth with concern. Therefore I suppose you could translate that into a corporate concern, if you want to put it that way, but it is a corporate concern, based not upon any business evidence that the company has, but upon the views of the directors and management of the company.

Mr. Fortier: But as an economic nationalist, to use your own words, are you not translat-

ing this personal concern into a corporate concern?

The Chairman: Well, I think in fairness that the witness has just indicated that he is.

Mr. Goodman: There is nothing that CFTO at this stage of the game can do about it. But there is something that these people around the table can do about it right now. We are making our contribution through our type of programming.

Mr. Fortier: Well, that was going to be my next question. Are you suggesting that anything be done by this Committee about this concern?

The Chairman: I was going to put that question as well and then perhaps we could phase out this part of the discussion.

You say you are an economic nationalist and I know you so to be, and I respect you for it.

Again I am expressing a personal opinion, but as an economic nationalist you must surely have some concern that an industry which subsidizes—perhaps that is the wrong verb—but it is responsible for about one-third of the revenue of the media in this country, is gradually, gradually becoming an American industry. The fact that you happen to be personally involved in the media must make it of even greater concern, so the question is, is there anything that this Committee should be thinking about in this area?

Mr. Nichols: The advertising dollars that are spent are not the advertising dollars of the agency but the advertising dollars of the advertisers themselves.

The national advertisers—as you well know, most of those companies are already American-controlled.

Mr. Goodman: If you fellows want to shut the barn door after the horses are already gone.

Senator Prowse: But we can keep the colts in.

The Chairman: Well, with respect, while the horses are still leaving.

Mr. Goodman: That's right. You may catch some of the horses that are still there; that's right.

My suggestion is—and Mr. Nichols has put his finger right on it—many industries are can't formulate a policy or make recommendations that doesn't take into consideration the whole of the economy; if anything is going to be done, it must be done with an overall policy for the whole country.

And as Mr. Nichols points out, they are only agents-they are agencies and they are agents for commercial corporations and therefore the policy is basically that of all people who advertise, and you have to look at it in that context.

My submission is therefore that you are considering all industries, you are considering the whole of the economy, and just to say, "Well, the fellow who is actually putting the money down-and who does have some effect" is not going to get at the nub of the situation at all.

And—well, that is my suggestion.

The Chairman: Well, Mr. Nichols, when you say they are only agents, they are agents with a pretty profound influence?

Mr. Nichols: Certainly. There is no question about the fact that they have a profound influence. But I suggest to you that the person who is spending the advertising dollars has a very profound influence as well.

The Chairman: I have said many times that this is not a committee on advertising so perhaps we could terminate the discussion. I was simply going to ask you, is it not true that while the client may very often vary the creative approach, he seldom changes the media list, does he?

Mr. Delaney: Well, we are in the fortunate position in Toronto that if there is a national campaign that is going to go anywhere in Canada at all, we are number one on the list.

The Chairman: Well, that's fine. I think we are perhaps getting into a fairly detailed aspect of a matter that we should perhaps turn away from.

Senator Prowse: My supplementary question was this. What percentage of your advertising spots come from not just these American agencies but are American-oriented and then repeated in Canada specifically?

The Chairman: Mr. Delaney could answer this question.

Senator Prowse: Fine. Mr. Delaney, what I have in mind is this. For years I would read

interrelated, and with respect, this Committee Pontiac ads and they would talk about "widetrack Pontiacs" when the fact is that with a General Motors car-now, this may not be true today because I haven't checked-but right up until very recently Chevrolets, Pontiacs, the small Buick and the small Oldsmobile all had precisely the same chassis. When you were taking about a "wide-track Pontiac" in Canada you would be in effect dishonest.

> Now, how much of your advertising or commercials is American, produced in the United Sates for Americans, and is just shoved over to Canadians without any relationship at all as to whether or not the product may or may not be the same?

> Mr. Delaney: Less and less, Senator. I wish I could give you statistics, but I am sure ACTRA and other groups will be able to. The Canadian approach to advertising is a thing that more and more American companies are recognizing every day, and where you used to see the great drop shipment of American commercials clearing customs for Canadian release, it is certainly on the decline.

> We have a problem where advertisers have to approach a French market, so that, in itself, creates the situation where they must do commercials in Canada. If they going to do commercials in Canada, they are going to set up a production session because they must go French; then they have already created the standard for producing in Canada.

> And the American commercials that we have seen, even up to two or three years ago, is on the decline. The commercial production companies certainly are on the increase. We own a commercial production company. We do car commercials for three out of the four each and every year. Five years ago we never did any.

> Senator Prowse: In other words, the Americans are coming to Canada to have their commercials done?

Mr. Delaney: Certainly.

Senator Prowse: This is the trend?

Mr. Delaney: Certainly in the automotive field it is.

Senator Prowse: Now, is that because it is cheaper to get them done here?

Mr. Delaney: Well, I think there is a definite Canadian approach to a commercial. don't think you can take a commercial that is shot with the deep South in mind or the West Coast, and have the references to travelling across the Rockies to Vancouver, seeing the Maritimes or the torture tests on automobiles in rugged Northern Ontario. You can't capture any of this if you are just going to take a Carbon copy of an American commercial. I think media and the creative departments of agencies have done an extraordinary job in getting this across to the principals.

On the other hand, Senator, you might find it of interest that we are seeing an interest in our own company by Americans coming to Canada to produce commercials for consumption in the United States. I could give you a long list of them.

Senator Prowse: Is that because the Canadian accent would be generally accepted throughout the States?

Mr. Delaney: Generally accepted and in many cases...

The Chairman: Can you give us some examples of that?

Mr. Delaney: We have done banking institutes in Detroit; we have done breweries in New York. We have done cosmetics in the United States; and wine. And I could go on.

The Chairman: Why would they come to you?

Mr. Delaney: Well, I should explain. We have a sales office in New York selling commercial productions. We have three people there employed day in and day out with no other purpose but to sell commercial productions. And these commercials in many, many cases are never ever seen in this country.

Senator McElman: Is it cheaper to do them in Canada than the U.S.?

Mr. Delaney: It isn't cheaper but what there is until time runs out, or the industry corrects itself, at the present time there are colour facilities in Canada and there is a lack of colour facilities in New York.

Now, I am dealing specifically with video tape. We have many millions of dollars' to none on this continent, and we find that facilities.

Now, when the supply catches up in the United States and the plants become equivalent to ours, you may see a trend back; I

don't know. The large production centres in New York and on the Coast are being used to produce programs for the network; so that if you were a large manufacturer and you wanted coloured tape facilities, Toronto just stands out like a beacon. That is obviously the reason why we established a New York sales office nearly a year ago.

Mr. Nichols: I might add that Mr. Delaney is being a little modest on this. We think that we have some of the finest production facilities in North America, and we think we attract them for that reason as well.

Senator Prowse: To repeat a question I mentioned a moment ago, but which I think has got lost in the shuffle, is one of the reasons they would like Canadian commercials due to the fact that we don't have the regional accent in speaking the English language in Canada that you find in the United States?

Mr. Nichols: Well, what about Newfoundland?

Mr. Delaney: Senator, I think that is obviously a very good reason. Our accents are not that different. But many times you will find people bringing in American talent to do commercials, but still facilities are being used in Canada.

The Chairman: Well, may I say that this is a very interesting and very worthwhile discussion but I think we are probably discussing matters outside of the terms of reference of this Committee.

Senator McElman: Mr. Chairman, there is one further point here which I think should be injected. This Committee has information, Mr. Delaney, that in some products with North American advertisers based in the United States, where the message can be the same—I am thinking of the larger soap and detergent manufacturers—that they are in fact repatriating all of their origination and placement of advertising to the United States.

Mr. Delaney: Well, I can give you an example, and I think one of the largest manufacturers to prove that example, is Lever Brothers. Lever Brothers and certainly Colgate, in Toronto, produce, I would say conservatively, 40 Canadian commercials each per year.

Senator McElman: Then you haven't seen this trend in your organization?

Mr. Delaney: No.

The Chairman: Isn't it true that the marketing function of Procter and Gamble has been substantially repatriated in the United States?

Mr. Delaney: Well, this might be but we haven't done a P. and G. commercial since Christmas, but we certainly have done P. and G. commercials at our plant.

The Chairman: Well, isn't Quaker Oats a good example of what Senator McElman is talking about?

Mr. Delaney: Well, you can always pick, I guess, an example of one that is going back but I could give you one that is coming forward.

We have examples now of plants that have opened up in Canada which were Americanowned companies who are now producing commercials in Canada. Certainly our reps selling air time in New York bemoan the fact that their business is down in New York City because these clients are moving to Canada and placing their time through Canadian agencies.

The Chairman: Well, I think we have dealt with this at great length.

Senator McElman, do you have any other questions?

Senator McElman: Yes, Mr. Chairman. Mr. Goodman, something much more current. Could you tell us why specifically Mr. Bassett has taken CFTO out of the Canadian Association of Broadcasters?

Mr. Goodman: Well, Senator, that question catches me completely by surprise! As I indicated when I commenced with my few rambling remarks, we feel strongly the obligation to contribute to a Canadian identity; and therefore we feel that the objectives of the regulations as enunciated are objectives that we are in accord with.

The position of the CAB appears to be a negative position and was not a constructive position in what is a most important matter facing the broadcasting industry at the present time. While we are associated with the representations that are being made by CTV, and do not believe that the regulations should be accepted holus-bolus and require considerable modification, we feel that it is an encumbent obligation of broadcasters to try and assist the Board in reaching this objective.

It appeared to Mr. Bassett that that wasn't what was being done by the CAB and that on the contrary, they are being more negative in their approach, and not constructive. He felt strongly enough about it to resign from the CAB notwithstanding the fact that he is associated with the CTV representations.

That was the long and the short of it. There was no movement before or anything else. It all flowed out of the representations that were being made and our disagreement with the approach that was being taken by the CAB in front of the CRTC.

The Chairman: Were you at those hearings?

Mr. Goodman: No. We left the day before. We had been there but we did leave the day before.

Mr. Nichols was at that hearing, and they were reported very fully in the press, and my understanding is that Mr. Bassett made his investigation, read the press and picked up the telephone. There wasn't a board meeting called.

The Chairman: Senator McElman?

Senator McElman: And you wouldn't be surprised if I were not surprised by your last comment?

Mr. Goodman: No.

Senator McElman: Then I take it that it wasn't just a matter of the type of approach or presentation that CAB made, but the principles involved as well?

Mr. Goodman: That's right. And I think that the type of approach certainly had some effect as it affected the principles. I think it is a question of both but, you know, basically we feel that the obligations of the broadcasting industry are to propose alternatives. We didn't feel that any alternatives were coming through that presentation.

I think that probably puts it better than I did before. We are looking for constructive alternatives. We were prepared, through CTV, to suggest constructive alternatives and we didn't find those constructive alternatives coming through, and we felt that that was really detrimental to broadcasting.

I mean, if we wanted to have an effect upon the CRTC and we want some changes, some amendments and some modifications, and we didn't feel that the representations that were being made were going to achieve

18-4:01

thought were the proper aims of the broadcasters—and Mr. Bassett resigned.

Senator McElman: Now, CAB is accepted I suppose, one might say, as the voice of broadcasters in Canada and CFTO is the largest of those broadcasters in Canada today. Would you foresee that CFTO would stay outside of CAB or that it will endeavour to change its approach so that it can again join CAB?

Mr. Goodman: Well, we won't change our approach.

Senator McElman: Well, what about CAB?

Mr. Goodman: Well, I don't know, but we really,—don't forget there are many divergent interests in CAB. There is the public broadcasters, the private broadcasters; there is the Private, private broadcaster; there is the private, public broadcaster; there is radio, and the various forms that radio takes, and We really feel that to speak with any cohesion, our views are much better presented through CTV discussions. What comes out of CTV, really represents certainly the private segment of Canadian television much better than using the CAB.

I think that is a fair statement.

The Chairman: Well, CTV remains as a member of CAB, does it not?

Mr. Goodman: That is my understanding.

The Chairman: Well, if three of the most significant members of the board of directors...

Mr. Goodman: Well, let me make one thing clear. CTV has a vote and Moose Jaw has the same vote, and it would require a majority of the board.

Mr. Delaney: Correction; Regina.

Mr. Goodman: Regina.

The Chairman: What was the CAB's response, Mr. Goodman, to your resignation?

Mr. Goodman: They viewed it with regret.

The Chairman: Have they asked you to reconsider your position?

Mr. Goodman: Well, I don't think there has been any meeting yet. Mr. McGregor, who is incidentally also a director of CTV, is president dent of CAB, and he expressed the hope that

that, and they weren't assisting what we he could meet with Mr. Bassett and Mr. Griffiths but that discussion hasn't taken place.

> The Chairman: Well, perhaps I should put this question to Mr. Delaney. As I understand it, you received franchise recognition from the CAB: is that correct?

> Mr. Delaney: Well, we do, but I should also draw to your attention the company policy that our president enunciated shortly after we went into business. People do not need CAB enfranchisement to buy time on CFTO. We do a great number of dollars' worth of business with people who are not so enfranchised.

The Chairman: And pay them the 15% commission?

Mr. Delaney: No, because in many cases they don't go through an advertising agency, and if they went through an agency that was enfranchised-now, we have to break that down into three groups, if I may?

The Chairman: By all means.

Mr. Delaney: People who place business direct, not through an agency; people who place business through an agency that is not so enfranchised and people that place business through an agency that is enfranchised. We will take business from any of the three sources. We are the criteria as to whether they should or should not advertise on CFTO.

The Chairman: And as to whether or not you pay that 15% commission is a decision that you make on an ad hoc basis?

Mr. Delaney: Yes.

The Chairman: Mr. Fortier?

Mr. Fortier: There was a meeting of the CAB of course, not this last weekend but the previous weekend, where the presentation to the CRTC, so we are informed, was gone into in great depth. Certainly the attitude of the CAB to the CRTC proposals was made very clear to that closed meeting, again, so we are informed, of the CAB that weekend. Why is it that CFTO resigned after the CAB people got raked over the coals by the CRTC and not before? Was it as a direct result of the CRTC reaction to the CAB presentation?

The Chairman: Well, Mr. Fortier, Mr. Nichols and Mr. Delaney both jumped to their feet at that one. Which one would you like to put the question to?

Mr. Goodman: Well, Mr. Chairman, to both of them. but before that I will say—no, they can go ahead.

Mr. Delaney: I will start if off and then pass it over to Mr. Nichols because he was in Ottawa and I was not.

The Chairman: Mr. Delaney?

Mr. Delaney: For a period of two weeks prior to the CAB annual convention, which as you gentlemen know was moved from the Maritimes to Ottawa, CFTO was involved in two licence renewals. One, our participation in CTV network's renewal and two, CFTO was coming up for its first licence renewal since our inception.

Needless to say we had a considerable amount of money and time invested in presentations, so we stayed—Mr. Nichols and I and Mr. Bassett stayed in Toronto and worked around the clock on these presentations. We had a representative go to CAB. That representative at CAB did not vote in favour of the action that CAB was going to take.

Mr. Nichols: Now, I don't really have anything to add. We were not in attendance at that meeting of voting delegates or was there executive representation from Baton. Furthermore, we had received rough outlines of the CAB brief but they didn't really spell out the approach at that point. It was developed in more detail for the annual meeting. We did not have prior knowledge of the details.

Mr. Goodman: One final thing to add to the question. We don't need any brownie points with the CRTC for resigning. We get our brownie points by our broadcasting.

Senator Prowse: May I ask a supplementary question?

The Chairman: Senator Prowse.

Senator Prowse: I think to clear up my own thinking on this matter. As I understand it, your feeling is that you can disagree with what the CRTC does, but that in this disagreement, you recognize that they have a problem and you have a problem, and that if the two of you sit down you could perhaps work it out, and that the CAB's attitude was that they had a problem and to hell with the CRTC; and you don't think that that is a good way to conduct negotiations. Is that a fair statement?

Mr. Goodman: That is a fair summary, Senator Prowse. I accept that.

The Chairman: Senator McElman?

Senator McElman: If CTV remained as a unit within the CAB, I take it you don't fore-see your resignation from CTV on that account?

Mr. Goodman: No.

Senator McElman: You spoke of one vote, one member, CTV. It has been suggested that although they are equal, CFTO is perhaps more equal than others in the strength of its representation to CTV on programming and other matters.

Mr. Goodman: Well, I have heard that many times. I happen to be solicitor for CTV so I have some knowledge of this matter. I actually prepared the corporate organization, or personally prepared it, which kept the situation down to one vote per station. There is no doubt about the fact that Toronto is such an important market and this is always taken into consideration. I mean, this is just a matter of common sense in the matter, no matter what the situation is.

However, I can tell you that there are many, many occasions when we are overruled and the majority does that. Naturally, an important station which is doing well and does a lot of programming has got to be listened to, but there are many occasions when they listen to us and say, "Thanks kindly" and go on their own way.

The Chairman: Can you give us an example of this? Purely on minor points, this might happen but on major points, does CFTO ever get overruled?

Mr. Goodman: The answer to that is yes.

Mr. Delaney: Well, I represent CFTO on the network committee, and I wish I had a nickel for all the times I have said to Mr. Nichols at the end of the meeting: "Well, I guess we can't win them all." But certainly with the network committee where they decide the size and scope of the network service, we have one vote, and there are any number of occasions, representing vast sums of money down to simple matters of policy, where CFTO is just not always voted with.

These stations are autonomous; they have their own vote; they have their own views; and certainly their own thoughts. And by all

means, their own ambitions. We don't always win at CTV.

The Chairman: Do you win more than you lose?

Mr. Goodman: Yes, because we are right more than we are wrong.

Mr. Delaney: Well, we probably win more than we lose, yes.

The Chairman: Senator McElman?

Senator McElman: Well, in programming, you are the great contributor to CTV network programming, are you not?

Mr. Delaney: Let me say this, Senator. We are the great facility of CTV where you find housed 21 studio cameras, 12 video tape machines and three coloured mobiles; where you have 375 people permanently on staff, and where you don't find production emanating from Texas in the United States, you don't find large amounts of production emanating from Regina in the West. The production centre for CTV is Toronto, where the talent body lies, where the facility is available to the network.

Senator McElman: In this sense alone, then, would it be an accurate assumption that the influence of CFTO on the type, the calibre and the character of broadcasting would be very substantial?

Mr. Delaney: I should point out to the Committee that the network has its own project chief, the network has its own president, and the network has its point of view. As frequently as not, we will have a difference of opinion over how something should be produced, or over where it should be produced, but we do have the facility, and for that I guess we can't apologize. The facility happens to be there and it is a vast facility, and the network is able to take advantage of this.

Mr. Nichols: I was just going to say that it might assist you in this matter, as well, if you could have some understanding of how both the network committee and the network's board of directors works in this matter. In the area of programming, usually at the early part of each year, the various stations bring the programming to the network committee, the programs that they have piloted for placement on the network. They are presented, they are shown, and they are voted on and each station has one vote in that matter.

The programming that gets on the network, whether it comes from us or comes from somebody else, gets there on its merit, on its appeal to the majority of the members of the network committee and to the members of the board of directors.

Mr. Goodman: Just to refine that, Senator, may I explain to you that there are two types of programs. There is network sales time and station sales time; that is, the network sales time are those programs where the network goes out and sells and the stations have no opportunity to sell even if the network can't sell it. The others are programs produced by the network or purchased by the network, either one, where the selling is done by the station and the revenue remains with the station.

Now, the programming committee has the final say on the program sales time, but the president of the network has the final say on the network sales time; that is even over the programming committee. Naturally, he receives a recommendation which he usually follows, but he has to sell that and he has insisted, and properly so, that if he is going to be responsible for bringing in the revenue that he is just not going to be sort of the agent of the stations. So Mr. Chercover and his advisers are a very big factor.

Well, I suppose we have a substantial influence like several other stations have a substantial influence, but we certainly don't have a dominating influence by any manner or means.

The Chairman: Well, you say you don't have a dominating influence but could CTV survive if CFTO left the network?

Mr. Goodman: Well, I don't think the network could survive without a Toronto station.

The Chairman: Well, there you are, so you must have a powerful position. You are a very, very significant factor.

Mr. Goodman: Of course we are a significant factor and Montreal is a significant factor and Ottawa is a significant fac or as well. We say we are significant and substantially so, but what we say is it isn't factual that we dominate that network by any manner or means.

Senator McElman: Mr. Chercover and his staff are Toronto based?

based, yes.

Senator McElman: One hears, I believe you could call it a criticism, that the network programming is too Toronto oriented.

Now, I appreciate the fact of you being in Toronto, but do you believe it is a valid criticism?

Mr. Goodman: No. You say "Toronto oriented". If you mean that its programs are enjoyed in Toronto and not enjoyed in New Brunswick, the answer to that is no.

Senator McElman: I wasn't speaking for New Brunswick.

Mr. Goodman: Well, I didn't really mean that, Senator, I was speaking about the Maritimes then. If that is the case, the answer is

We believe that the ratings of the network across the country establish that the programs are acceptable right across the country. The very system that we set up, you know, where these programs...Well, for example, the fact that the stations in Halifax and St. John's have a vote on these programmes is a protection that we enjoy to make certain that they are acceptable to the rest of the country. Mr. Delaney knows more about this than I do, but I know of no instance, and I have been in on many of these discussions, where they have taken positions that it wasn't possible for them to accept those programs and the fact that they might be forced down their throats.

I have never seen this, but maybe Mr. Delaney could speak to this.

Mr. Delaney: There is probably very good reason why CTV's sales office and corporate offices are located in Toronto. The Mecca of the advertising community for Canada is settled in Toronto, so the network has its pulse right on it; they frequently meet with media directors of all of the Toronto based agencies on the feeling out of a pilot project, to get an advertising agency response which is not uncommon-even all three American networks do it—before you go into a pilot stage.

The network is obviously interested in programs that will rate in Toronto because if they rate in Toronto they will sell on the network. We are a selling network because we don't have obviously the same subsidies from the public fund. We have to make these

Mr. Goodman: The network is Toronto sell and we have to make them rate and the population concentration is within the coverage of CFTO.

A program that may rate favourably in Newfoundland and die in Toronto won't make economic sense for very long on CTV.

Senator McElman: You spoke of the ratings, Mr. Goodman. In relative terms, how do your ratings bear up?

The Chairman: Well, I am going to suggest that that be the first question after the break. Mr. Goodman can be thinking about the answer and you can finish that just after the break. It is now 11.25. I would like to adjourn, in fairness to the reporter, for five minutes.

I didn't mean to cut you off, Senator McElman, but we can complete the question and you Mr. Goodman could be thinking about the answer during our intermission.

Mr. Goodman: Well, I just didn't get the last three words of Senator McElman's question.

Senator McElman: Are your ratings for CTV-produced programs higher in the Metro Toronto area in competition with CBC or whatever than they are in other parts of the country? Do the ratings slide off in certain areas of the country?

Mr. Goodman: I understand.

The Chairman: We will reconvene in five minutes. I disample blioge livered

Short adjournment.

The Chairman: Honourable Senators, if I may call the session back to order. The Senators might be mindful of the fact that it is now 11.40, and in approximately one hour Mr. Goodman is going to leave as he has to catch a plane, but Mr. Nichols and Mr. Delaney can stay on until 1 o'clock.

Senator McElman, I interrupted you before the break so would you please carry on.

Senator McElman: Well, the question was put.

Mr. Goodman: Well, I had the opportunity of speaking to Mr. Delaney to assist me in this. You see, figures aren't too meaningful in this matter Senator, because when you recognize that the three million people within our listening contour look at 6 stations. Obviously the percentage of the audience that is going places, there is a higher percentage watching other stations than they are the Toronto one, but that also would be misleading to you.

I think it is fair to say that it varies from program to program. Sometimes they are more appealing and do better in Toronto and sometimes they do better in the West or in the Maritimes. You just can't look at the figures and draw any conclusions because you have to relate those figures—you have to sort of see all the ratings in front of you and see What the various stations in the market are doing in order to draw a proper inference. Without being able to see a series of programs and what percentage of compara ive programs they get, you can't draw anything that is meaningful.

If the Committee were interested in this, my suggestion is they should try and get these ratings or get them filed by the network and then look at them that way because you have to do it on a comparable basis.

Senator McElman: Well, surely with the methods available today, you must have some idea, Mr. Delaney and Mr. Goodman, of how a specific type of programming of network origination is received in the Metro markets as related to Western and Eastern?

Mr. Goodman: Well, I didn't mean to suggest that we can't tell.

Senator McElman: How do they bear up?

Mr. Goodman: I say that it varies program to program. Sometimes they are better received in Toronto and sometimes they are better received outside.

Senator McElman: In general terms how do they bear up?

Senator Prowse: Take an average.

Mr. Delaney: If we can get away from the problem of using Toronto as a barometer, naturally we are more familiar with that because work and because that is where we live and work and earn our living.

A program that rates in Toronto in the main will rate on our network with the station that carries it. What Mr. Goodman was trying to draw to your attention, and I am Sure he has done that successfully, is to point out that a show may get 100,000 homes on

to be viewing CFTO is going to be less than CFTO and be a poor performer. It may be the percentage of the audience that is going last or second last in its time period and any to be viewing in a 2 station market. So I number of our affiliates would be delighted if could simply answer by saying, in most they could get that kind of performance. They simply just don't get 100,000 homes.

CFTO is the number one rated station in Toronto. I am not using that as a shell but merely to point out something that is germane to the discussion.

For the last two years, constantly, 7 days a week, any survey you want to use, any month of the year you want to use, we stand out and are the number one station overall, and I even include the 3 Buffalo stations that show in Toronto—CFTO is the number one station. viewed by more homes and viewed by more viewers.

"Pig and Whistle", if I can now localize, happens also to be number one in every one of the time periods that the CTV stations carry clean right across the West and to the Maritimes. Is that the kind of information you want, Senator?

Senator McElman: I guess so.

The Chairman: Mr. Fortier?

Mr. Fortier: I think it is supplementary—I am not entirely certain but I will try it anyway.

One aspect, Mr. Chairman, of television broadcasting which we have not discussed yet, and this may be a good time to discuss it. is the advantages for a giant amongst independent stations such as CFTO-the advantages of belonging to a network. I wonder if Mr. Goodman could expand on the advantages-the obvious ones and the not so obvious ones?

Mr. Goodman: Well, the obvious one is-CFTO presented a brief to the CRTC on the question of dual ownership in CTV when this was the point in question and the submission I made at that time-

Mr. Fortier: That was in Vancouver last

Mr. Goodman: That's right. Our position is that we are in competition basically with the CBC and with the American networks. Therefore it becomes essential to get excellence in programming. After all, that is the name of the game, to get the best type of program in every field and that requires resources.

And our basic position is—and this was a position that we were joined in by the Ottawa station—our basic position was that hypothesis—would we feel it would be a there should be some growth allowed and encouraged in order that there could be sufficient resources to enable monies to be spent on programs that aren't going to work out perhaps; or monies to be spent on programs that would allow them to compete with the United States; allow them to sell abroad; allow them to extend Canada's image abroad. That required resources and therefore that required bigness to some extent.

We think that that is a very valid position just based upon that one set of facts.

Mr. Fortier: Wouldn't that growth, that diversification get a station such as CFTO away from a principle which you expanded upon in your preliminary remarks—that is this opportunity of pinning the responsibility in the community where the station owner lives?

Mr. Goodman: No, not at all, because we are not suggesting-let us put it that way. Our interest is Southern Ontario and we believe in regional growth. Therefore, for example, we had an application that fell by the wayside in Wingham and another application was Windsor and all of this was in an area which was to some extent homogeneous and where you could do just that. We haven't attempted to have a station in Vancouver or in Nova Scotia or any place else.

Mr. Fortier: You say you wouldn't?

Mr. Goodman: Certainly under our present policy the answer is no. We believe that we should try and stay within a region where personal influence and supervision can be given.

I am not saying things won't change but that is a firm policy at the present time.

The Chairman: Senator McElman?

Senator McElman: You were referring to the criticisms of CFRB and the Star that it was unfair for the Telegram to be involved with CFTO. Could we get your comments on the hypothesis that there were to be some means of equalizing competition.

Would you prefer to see it equalized by the Star getting a television license or by the Telegram not being involved with a television license?

Mr. Goodman: Well, on the hypothesis that if there was another television channel or more service required—if I understand your

better principle for the Star to get it than the Telegram not to get it? a mi aniwaiv ad of

Senator McElman: Yes.

Mr. Goodman: Well, we think it would be a better principle for the Star to get it. We are not concerned. The point is you have to weigh all the factors. You have to assess and compare what the Star is going to be able to contribute on that application to those other people who apply. I mean, there may be other factors. CFRB may have a right to it based upon the question of experience and everything else. I think the CRTC has to take all the facts in question and assess them.

At the time we made our application there were three newspapers involved and in those days the Globe and Mail was a conservative newspaper—

The Chairman: You mean it is no longer conservative!

Mr. Goodman: It certainly isn't and you can have it with my pleasure.

We said at the time that we believe that the importance of news and public affairs was very great and the fact that the Telegram was part of this application was beneficial. Now, at the time we made the application there was a radio broadcaster involved, there was a film person involved and I guess that's about it-two radio people involved.

We think it is a question of them settling the application, using all these factors and coming to a conclusion. We think it would be a great mistake to suggest that joint holdings per se are wrong.

Senator McElman: Well now, if the Star was also strongly associated in a strong television station, would they become then a much more competitive unit to the Telegram -CFTO combination?

Mr. Goodman: Only to the extent that it might prove the quality of the Star, but other than that we say no. It is just a question of excellence. We don't think that the joint use of the two in itself is important—only to the extent it increases the way that it is used and the type of broadcasting that you get out of

Senator McElman: You don't see then any distinct advantages flowing from such an association in the day-to-day operation?

Mr. Goodman: Well, as I say, there are certain advantages. They have the knowledge of news, the use of news and the expertise. All of this is very important, but we don't think that there are competitive advantages, no.

The Chairman: Well now, are we talking at this point of the television advantage or the newspaper advantage or are we talking about both?

Mr. Goodman: Well, I am talking about television primarily.

The Chairman: The FCC is considering a regulation—and as I understand it it would be some years before the regulation becomes a reality, if it ever does—which would, as I understand it, preclude this kind of cross media ownership.

If there was such a regulation in Canada and Mr. Bassett had a choice of owning his television station or his newspaper, which would he pefer to own?

Mr. Goodman: That is really one question I don't feel qualified to answer and I just can't answer that question.

The Chairman: I think Senator McElman put this question to you, but would you prefer to see the Star—assuming for the moment, for the purposes of the discussion only, that we concede Mr. Honderich's point—would you prefer to see the Star with a television license or would you prefer to see the Telegram without its television license?

Mr. Goodman: That question I answered. I would prefer to see the *Star* with a television license.

The Chairman: This may not be a question which you feel you can answer, but I think it is one that you should take a run at in view of a lot of the comments you have made here this morning. How has the Telegram improved since the advent of CFTO? You said that there was a great advantage in cross-media ownership and I think you said that they would have a lot to learn from broadcasters, particularly when it comes to entertaining. Is the Telegram a more entertaining newspaper since the advent of CFTO?

Mr. Goodman: Well, I think I can have a run at that one, but once again it is only a layman's run.

I think there are more advantages that flow the other way. More advantages flow to

broadcasters from newspapers than to newspapers from broadcasters. There are several reasons.

First of all I believe that newspaper people are more courageous than broadcasters and I believe that the importance of news and public affairs on television is more important than entertainment in newspapers.

On the other hand, you see things like the "After Four" section of the *Telegram*—the *Telegram* used to advertise itself as being the liveliest newspaper at one stage in the game—the idea of life and the young people and that whole aspect, and I think there is some flow from broadcasting into newspapers.

The Chairman: Is the *Telegram* a more entertaining newspaper than the *Globe and* Mail?

Mr. Goodman: Oh, yes. The Globe and Mail, what a dreary newspaper!

Senator Prowse: They weren't quite that unkind to you.

The Chairman: Well, specifically, you used "After Four" as an example of how the telegram has become more entertaining?

Mr. Goodman: Yes. For young people you know, that is the field in which that they are becoming more entertaining—for more young people.

The Chairman: You don't think "After Four" would have happened...

Mr. Goodman: I think there is a general development in newspapers that way, so I wouldn't say it was only because they became part of CFTO, but that, nevertheless, is the effect of broadcasting on newspapers, and it becomes more immediate.

For example, I think that other things in broadcasting have affected newspapers. The number of times and the instantaneousness of broadcasting media, of getting out the news by the broadcasting media; how quickly they can cover stories—I think that has had an effect on newspapers.

The Chairman: Why wouldn't the existence of CFTO in Toronto make all of the newspapers in Toronto more entertaining?

Mr. Goodman: I think it does.

The Chairman: Well, you said the Globe and Mail isn't an entertaining newspaper.

Mail?

Mr. Goodman: It just fails to work with the Globe, that's all.

The Chairman: You have made several references to newspaper people being more courageous than broadcasters.

Mr. Goodman: Yes.

The Chairman: In your opening oral comments, you made the point that this is because broadcasting is a regulated industry.

Mr. Goodman: Well, that is not the only reason. As I said there are two reasons.

First of all the traditions of newspapers go back a lot longer. The professionalism of newspaper people goes back a lot longer. They have a history and a tradition to rely upon and I believe that that has an effect upon your traditions.

And secondly, I said on the other side of the coin is the fact that it is a regulated

industry.

The Chairman: You made the point that you were not trying to build up Brownie points with the CRTC. At the same time you did say they were a competent board and that this was an objective appraisal because of the two applications which have been turned down. Yet Mr. Bassett, who presumably has this background as a courageous newspaper person, and I say that with respect,-yet with his background in the newspaper business, with the comments that you have made about the kind of board that the CRTC is-competent and so on; yet we have Mr. Bassett saying before the CRTC last week that he won't editorialize on his stations.

Mr. Goodman: That's right. Would you like me to answer that further?

The Chairman: Yes.

Mr. Goodman: Well, I believe this is a field that you could come down with some difficulty. You could come down in two ways in this field. Frankly I feel that when you come to an important public problem, that a better contribution can be made by presenting both sides, the factual knowledge of both sides of important public questions, than by merely coming out with the view of a station because I think there are certain inherent dangers.

There are certain inherent dangers in a system where right across the country the ing is ever black or white and therefore try to

You don't think it works with the Globe and government is licensing a group of broadcasting stations and then these stations themselves are going to editorialize. This puts a tremendous instrument in the hands of any government, that I think should be of some concern, not on the basis of the fear of an individual station owner but the fear of government having at its hand a method of getting support from a vast body of media.

Furthermore, the second concern is that it is more important that the public be informed and then come up with their own conclusions. I think that there can be courage shown by broadcasters by making certain that when there are certain problems for which there may be vast public support that there can be certain arguments that must be raised which would go the other way.

They could present these arguments, they could present the facts about these arguments and therefore influence public opinion in that manner, rather than by merely putting their own imprimatur upon one particular side.

I think that they can provide a great service by making certain that all the facts on any problem are known.

For example, I will give you an example of a benefit—one that you and I were in a situation together. I am not sure whether it was in 1965 or 1968—'65 I think. The CBC, when the election was announced, put the Prime Minister on but wouldn't put the Leader of the Opposition on, but the private network immediately put the Leader of the Opposition on and forced the CBC to change its policy. Now, this is the sort of thing that broadcasters can do. This was immediately after the election was announced—I am not sure which election it was but it was one of those two elections.

Now that, I think, shows the benefits of being able to have two sides presented on an occasion when perhaps just the government side is presented.

The Chairman: Would you like to ask any supplementaries, Senator Prowse?

Senator Prowse: Yes, Mr. Chairman. How do you get the two sides presented?

Mr. Goodman: Well, you look for people who are knowledgeable on any given question and on most public issues there usually are two intelligent and objective positions which can be taken on most public problems. Noth

find a proponent, a knowledgeable proponent leave the whole thing to the decision of even of any side of an issue and make sure it has the most well-intentioned unobjective human an opportunity to be heard on any public affairs program.

Senator Prowse: Well, I have a feeling that there is no such thing as an objective person.

Mr. Goodman: Well, I think you are probably right. However, some people are more Objective than others.

Senator Prowse: However, when we come down to it, everybody has a bias somewhere.

Mr. Goodman: That's right: I agree with that.

Senator Prowse: So the person selecting your news and selecting the people that go on—you may give them an appearance of objectivity but you can't really give them the reality of objectivity. Is that fair enough?

Mr. Goodman: No, I can't quite accept that, Senator. You can look for someone who is accepted as being a knowledgeable person of a definite viewpoint, and if you search for the two most knowledgeable people of differing viewpoints, you have done all that a broadcaster can do.

Senator Prowse: Well, if I am going to check two people and I am going to be objective, I am going to pick people that I think can give two viewpoints, and I may miss a third person who has a right to a viewpoint.

Mr. Goodman: Well, one thing I am certain of and that is there will always be human

Senator Prowse: That's right. Now, don't you think that the public might be better Served in getting this diversity of opinion if you clearly stated what your bias was?

I was very impressed when John Bassett appeared before this Committee talking about the Telegram. He said that the name of the same was responsibility and I am a little surprised that it doesn't carry over now into this broadcasting area which is perhaps even more important.

Now, you state your system, you state your attitude, and then if we had an equal time rule or a right of rebuttal rule like they have in the United States so that somebody who feels that they have been unfairly dealt with have a right to equal time, do you feel that that would give perhaps a better guarantee to the public getting the diverse ideas than to

being?

Mr. Goodman: Well, Senator, I think you have a very valid point. If it was not for my concern over the possible misuse because of the licensing power, I would agree with you completely.

Senator Prowse: Are you saying that the reason you are not going to express an opinion is because you are afraid that the licensing people might disagree with you?

Mr. Goodman: No, not at all. My fear was that at some stage—and it isn't now in Canada-but at some stage governments can use their licensing powers to get over ideas that are not in the public welfare.

Now for example we have seen that in other countries and we have seen that during elections in Europe where broadcasting systems are used for the benefit of the government in power.

Now, other than that concern I agree with you. However, I still have that concern.

Senator Prowse: It seems to me that you are now using a situation that existed somewhere else at some other time...

Mr. Goodman: Right.

Senator Prowse: ... as an excuse for not exercising the responsibility you have today. If you believe something and you believe that it is important for the country, surely you have a right and a duty to explain that belief so that people can evaluate it and then leave to the licensing power the single right not to criticize you but to insist that the opposite view shall be given an equal time.

Now, they do this in the United States. I watched it during the election campaign down there in New York City.

Mr. Goodman: Well, as I have just finished saying, Senator, I have great sympathy for this position with the exception of the one reservation I have given you about the power it puts in the hands of a government.

But don't forget, using your own reasoning, the choice of the person who is going to rebut you in itself is going to be a subjective decision.

There is always going to be subjective decisions made where people have any control. Senator Prowse: Yes. But if you take an opinion that is opposite and is obviously opposed to the opinion of another person, that party then comes forward.

Now, I think it works pretty well in the United Stated and I noticed this when I watched the mayorality election in New York City.

Mr. Goodman: I think it does, Senator, and there is much merit in it, but I have the reservations I have given you and I don't think I can assist you any more other than saying I have the one reservation. I can see the benefits of what you are saying but I still have that one serious reservation.

Senator Prowse: Well, aren't you denying the public; you are trying to give them mealy-mouthed, uncontroversial...

Mr. Goodman: Oh, no. We are prepared to give them the most controversial, sharp-tongued views that can be obtained, but we are simply giving the views of other people. We will give them all the controversy and we do give them all the controversy, and we feel it is absolutely essential that broadcasting does give them all of the controversy. All that we are doing is not giving them our views on the matter.

Now, you way wouldn't the public be better protected if they knew you views? I think there is merit in what you say; but on the other hand, all that I have done is I have weighted the merits of your points against the dangers that I see inherent in the system, and I have come down on the other side—because I am concerned about the dangers.

If there is someway to protect against the dangers then I would have come down on your side of the problem. But don't misunderstand me. We are absolutely prepared to give them the two most controversial views that exist on any given problem, and do.

Senator Prowse: Well, let us take "W-5."

Mr. Goodman: All right.

Senator Prowse: You put people on and you let them...

Mr. Goodman: That program is a network program. It is made in our facility but it is a network program.

Senator Prowse: Well, they come on and they make their statements and I have yet to see anybody appear on any television pro-

gram where he has been given an opportunity to reply to "W-5".

The Chairman: Mr. Nichols, would you like to reply to this?

Mr. Nichols: Yes, Mr. Chairman.

The Chairman: I will let you comment on this and then I think we should get off of "W-5" because it is a network program.

Mr. Nichols: I think there is one important difference between the two mediums. Obviously, the advantage that television has, and I think it is a positive advantage, is to present views of people who are involved in public controversy without bias.

I think, generally speaking, these people discuss matters which get into public controversy in the area of public concern, such as in the area of government, whether it be municipal, provincial or federal, and if you take persons who have been elected, you are really not choosing them that much. They are, the spokesmen; you give them an opportunity to be heard; then the people can hear directly from elected representatives on the different points of view. I think this is the positive advantage that television has to offer. There is no interpretation when you put a person on camera in a television station.

Senator Prowse: Right, you let somebody on from one party to make a statement and I don't think any member of Parliament—and I am certainly speaking for myself—would make any claims to the possibility of being unbiased. I must be biased.

Mr. Goodman: Of course, Senator.

Senator Prowse: Every decision I make in my life comes from a philosophical basis or something.

Mr. Nichols: Yes.

Senator Prowse: Now, you put on a member and you put on a member week after week and you are getting his picture. Now, what provision do you have to explain why he might have that position or give the position to the opposite one he has?

Mr. Nichols: Well, I was talking about items that got into public controversy and exposing people to opposing viewpoints and they have approximately the same amount of time. You may have the opinions of the one person followed with an interview with a member of the opposite group.

The Chairman: Mr. Nichols, I think you have given a fair answer and you say one of the greatest advantages of television is this, and I concede that. Wouldn't you concede to me that there is an inherent opportunity for bias in the minds of the viewers by such things as camera angles, amount of time and the questions that are asked?

Mr. Nichols: Yes.

Mr. Goodman: That is a danger that has nothing to do with who owns the television station or who manages it. That has to do with the fellow who is behind the camera.

I can remember so well in 1965 on the final night of the election when the CBC did two stories—they did one message from Mr. Pearson and one message from Mr. Diefenbaker. What they did with Mr. Diefenbaker was a disgrace compared to what they did with Mr. Pearson. The camera angles and everything else.

Now, all I am saying is I don't think Alphonse Ouimet did that. I think that either the producer of that particular programme or the cameraman—likely the producer of that particular programme—was using his bias, and what was Ouimet going to do? It was done and I wrote screaming letters, but you know, it was all over with by that time.

This is something, as Senator Prowse has said, that is going to crop up all the time. People have views and all you can do is try to safeguard yourself to the greatest extent that you can, from any prejudices.

Senator Prowse: Well, let us go right back to the example you used. I think that it would be generally agreed that the CBC makes an honest attempt at the executive level to make sure that they don't get accused of bias.

Mr. Goodman: Yes, I think they make the attempt.

Senator Prowse: Now, I agree that the bias shows because of the particular feeling of maybe a producer or even a cameraman. However, this is the point that I am getting at. This is going to happen and this is where the days.

the danger is—not in the licensing authority.

The danger is when you tell the public and try to establish with the public the idea that you are completely objective. The public can be then subjected to completely biased pictures because of the particular bias of a particular cameraman and there is not, at the

moment, any way in which anybody can have a remedy.

Now, what I am getting at is this. Don't you think it would be useful; one, for the station to give an opinon first of all, and two, to provide that where an opinion on any controversial matter is to be subject to criticism from any area of the public, that those who take the opposite attitude ought to be accorded equal time to answer.

Mr. Goodman: Let us take the last one first.

Senator Prowse: All right.

Mr. Goodman: I agree that on any controversial subject there is an obligation on broadcasters to have the opportunity for both points of view to be heard. I think I made that clear.

Now, equal time and equitable time. There may be one view that, for example, that is overwhelmingly supported by the public and one that isn't. I don't think you have got to say that they both should have the same amount of time, but they have to have equitable time.

As far as the other points you made before, my position is still the same. I can see some advantages to it, I can see some disadvantages, and because of it we believe there are certain inherent dangers which we may be wrong on, we come out on the other side.

Obviously, if I am seeing something it is nice to know what the bias behind it is, and that is what you are saying. When I see something being produced I would like to know what the bias is, but even if we do what you suggest, you are still going to have the bias?

Let us suppose that Mr. Bassett said that "I am for the Spadina Expressway" and then along comes the producer and that producer is not for the Spadina Expressway. He is still going to be able to inject his bias into the production of that programme.

Senator Prowse: That is the last one.

Mr. Goodman: I beg your pardon?

The Chairman: That would be his last program.

Mr. Goodman: Well, that is pretty difficult to prove.

Senator Prowse: Yes, Mr. Bassett said it would be.

The Chairman: No, in fairness to Mr. Bassett he was replying to the weekly newspaper editors.

Mr. Goodman: Well, that is pretty hard to prove. I think this is a problem that we are always going to be faced with, and all I think our obligation is, is to constantly assess these and try to arrive at an honest answer.

The Chairman: Mindful of the fact that Mr. Goodman must soon leave, do any of the Senators have further questions?

I know you have one, Mr. Fortier, and I know I have a couple, so perhaps I will put mine very quickly.

Senator McElman: May I have a supplementary on that, Mr. Chairman?

The Chairman: Fine.

Senalor McElman: Mr. Goodman, you have spoken of your concern, your reservations with respect to the system. One of the witnesses we had last week was Countryside Holdings—they have five radio broadcasting holdings in Ontario. They expressed the fear of the CRTC and they said, pre.ty much in these words I think, that no broadcaster would support or promote an unpopular cause because of the licensing factor.

We moved from that to—I believe it was Bushneil, Mr. Chairman, and we asked Mr. Gr.ffi hs if he had a similar fear of doing unpopular broadcas ing—let's say edi orializing—and he said that they would have no fear of the licensing situation in the existing sys.em.

You have used the words "concern" and "reservation." Do you feel that a broadcaster should acqually fear the CRTC?

Mr. Goodman: No.

Senator McElman: In the type of broadcasting he does, as long as he is doing an honest job?

Mr. Goodman: No, and I don't think you have to.

Let me make it clear. My reservations had nothing to do with the CRTC. It would be the power that would be in the government's hand to try to get the control. Under the present system, I have absolutely no concern that supporting an unpopular cause would do anything but earn you the commendation of the CRTC. I think that Mr. Juneau and Mr. Boyle would be all for anything that supports

unpopular causes. That is of no concern at all to me.

I think it is a philosophic position that the station has taken, but I don't think that this would cause any problem, and I am absolutely confident that if what we did was a proper, honest job of reporting, and if you do that, you would have no problems whatsoever.

Senator McElman: Because of the possibility of misinterpretation of what you said, I thought we should get it clear.

Mr. Goodman: I very much appreciate that ques ion because mine was a philosophic approach concerned with powers of government. It had nothing to do with the CRTC at all.

Senator Prowse: Your concern is with the possibility that some time in the future, a government might step in to stop you from expressing an opinion?

Mr. Goodman: No. My concern is that sometimes a government might step in and try to force a series of ideas on a country through a system of broadcasting.

I don't think that individual situations have any cause for concern at all. I am thinking of some ime in the future, you know, that the powers of Parliament might be clipped and there arises in this country a government which is trying to take dictatorial powers. The habit of forcing broadcasters to comment in favour of any particular plan, could be a very dangerous ins.rument in the hands of government. That is my only reserva ion. It is a reservation which I feel will probably never happen in Canada. But it might. And on that basis alone I am opposed to it.

Senator Prowse: Don't you think that if the public were trained to expect an opinion from a station and an answer to the opinion, that it might be then more difficult for a government to do that, than if the station were walking carefully so that there was no possibility of somebody stepping in?

Mr. Goodman: I really don't know, Senator. I am just concerned about that one thing, but I can see advantages to both sides of the coin.

The Chairman: I would like to talk for a few minutes about the concentration of media ownership in Canada.

anything but earn you the commendation of You have men'ioned the fact, for example, the CRTC. I think that Mr. Juneau and Mr. Boyle would be all for anything that supports ly in Toronto, and I certainly agree with that

Do you think there are media monopolies anywhere else in Canada?

Mr. Goodman: Well I suppose there are situations in other cities where there isn't the competition that takes place in Toronto.

The Chairman: Do you think the fact that there is so much competition in Toronto is in the public interest?

Mr. Goodman: Yes, I do.

The Chairman: Would you be concerned about situations—without naming one—where a television station or a newspaper had a monopoly situation in Canada?

Mr. Goodman: I have a philosophic concern only, rather than a practical concern, yes.

The Chairman: You would have a philosophic concern and your practical concern presumably would be judged on merit?

Mr. Goodman: That's right.

The Chairman: Are yor concerned about the increasing concentration of ownership of media generally? For example, of the trend towards newspaper chains?

Mr. Goodman: Again, I would say I am not a great expert in this field, but yes I believe it is something that should be considered. You know, to some extent you have to balance the benefits of bigness on one side as opposed to the advantages of individual ownership on the other side, and it is a constant balancing process.

I look with concern upon too much concentration from a point of view—I don't like a system where the main concern of the owners is to make money. I think that making money is a legitimate objective and one that most of us try to achieve. I am concerned however where the primary concern isn't to run a good newspaper.

I think that when we have too much concentration in chains that there could be a lessening of the professionalism in the journalism that is involved.

On the other hand, I suppose there is more efficiency as well. It depends on the type of beople you get to be editors on your individual newspapers. They could probably make an argument of the freedom that they give to the individual editor in a chain of newspapers to run his own newspaper and the merit of that individual editor.

21514-3

All of these things have to be balanced, but I think there is some concern. But above all, I would tell you this. I would be concerned at seeing control of the Canadian newspaper pass out of Canadian hands. That is my major concern.

The Chairman: But you would be equally concerned about seeing the control of Canadians newspapers or television stations passing to a single person's hands?

Mr. Goodman: Yes.

The Chairman: Well, the question I put to you is the same that I have put to many other witnesses, and that is, how much is too much?

Mr. Goodman: You can't have any formula.

The Chairman: Well, that is very interesting. You feel you cannot have any formula?

Mr. Goodman: You can't have any formula. I am a pragmatist. I believe that you have to judge each situation upon its merits and once you try to create a formula I think you are going to get into trouble because there are all sorts of imponderables that arise at a later date.

It sounds attractive to search for a formula. but I think it is very dangerous due to the great injustices that would be done and the public interest would not be served.

The Chairman: And yet you said just a few minutes ago in the discussion you were having with Senator Prowse that your concern wasn't now. It was at some stage. Wouldn't you be concerned at some stage if some enterprising newspaper publisher might decide to expand his holdings and ultimately he might own half of the newspapers in Canada, then three-quarters of the newspapers in Canada?

Mr. Goodman: Well, I have enough confidence-first of all, I am not concerned about that because I believe there is enough strength in Canada to prevent that from happening. That type of monopoly and concentration, you are not going to see. There are just too many people of ability and capacity in Canada to allow that to happen.

The Chairman: Well then perhaps we would return to this question of cross-media ownership in newspapers and stations.

Mr. Goodman: First of all, just let me make one thing clear. You know, you are only getting a very uninformed layman's view on the wasted insofar as the television station is connewspaper business. I must make that clear. cerned. We haven't reached the stage, I would

I must say that I have had some interest in politics and I have been able to form an opinion and I have an admiration of the standards of journalism.

The Chairman: You are an avid newspaper reader?

Mr. Goodman: I sure am.

Mr. Fortier: Mr. Goodman likes Conservative newspapers and he doesn't like Liberal papers!

Mr. Goodman: As well as the Telegram I also read the Star and also the Globe and Mail.

Senafor Prowse: There must be some comic relief.

Mr. Goodman: I just feel that the standards of journalism in this country by and large are good. I think we have to keep a constant view and we should be striving for more professionalism than we have.

The Chairman: You have been very rough on the Globe and Mail, I might say.

Senator Prowse: You would admit unfairly, wouldn't you?

The Chairman: Well, in any event, the question I was going to put to you is this. Are there any disadvantages which accrue to the Telegram or its readers because of the joint ownership of CFTO?

Mr. Nichols: Absolutely none.

The Chairman: None?

Mr. Nichols: None.

The Chairman: For example, it doesn't matter if the publisher is not able to devote his full time to running a newspaper—he must devote most of his time to running a television station?

Senator Prowse: Plus other things.

Mr. Goodman: I know, but I want to tell you that he devotes a fair amount of time, and as I said, the time he spends on one is of some importance to another.

For example, if you are finding out what is happening through the newspapers, if you are finding out what is important nationally, internationally and locally, that time spent isn't

wasted insofar as the television station is concerned. We haven't reached the stage, I would hope, in Canada, that we are going to say, either by expressing an opinion or legislatively that a man must devote himself only to one enterprise or we would have some pretty narrow people.

I was going to say that you can't argue, because I may be the director of a hospital or a university or doing something of that nature, that my clients are suffering. I was just going to say that you can't accept that argument.

The Chairman: Well, I wasn't implying anything in my question. What are the advantages which accrue to the reader of the Telegram because of its association with CFTO?

Mr. Goodman: Well, as I said, I think there are advantages to the readers of the Telegram, but I think they go the other way too.

The Chairman: Well, what are the advantages to the viewers of CFTO?

Mr. Goodman: Well, we have by far the outstanding news program in the whole country.

The Chairman: And this is because of your association with the Telegram?

Mr. Goodman: Well I think so—who could say what the exact reason, is, but the background of Mr. Bassett in news and newspapers has made him feel it is essential that we spend money and time on news programs.

The Chairman: Isn't it more than that, Mr. Goodman? Isn't it the fact that your news reporters work out the Telegram?

Mr. Goodman: Absolutely.

Mr. Delaney: Well, we have, in Toronto, 12 news people working in our organization. We need a central area in downtown because we have 2-way radio telephone communications. The most logical place for us to work out of, hang our hat and use telephones and be where news is happening, is at the Telegram.

The Chairman: Why not over at the Star?

Mr. Delaney: Well, probably the rent is right to start with, and secondly, that isn't where the whole basis of our news operation emanates. We also keep newsmen, news crews and cameramen, all film processing and 2-way telephone cars running out of CFTO as well.

The Chairman: But still the association with the Telegram is a distinct advantage to your news department.

Mr. Delaney: You were asking for advantages and I gave you a few.

Mr. Goodman: That is my whole thesis. My Whole thesis is that there are advantages to us but the advantages are only that they increase the excellence of our product. That is my whole thesis for being here today. There are advantages, but they are advantages which accrue to the public.

The Chairman: Is it fair that CFTO enjoys this advantage? You have mentioned that you are competing in the Toronto market with CBC and with CHCH in Hamilton. Doesn't your association with the Telegram give CFTO an unfair advantage as against its two prime competitors in the market?

Mr. Goodman: No.

The Chairman: In the area of news.

Mr. Goodman: What is unfair? You mean because we have a more excellent product, that makes it unfair?

The Chairman: No, I mean...

Senator Prowse: You have more money to buy the product.

Mr. Goodman: The Star has more money than we have, I must say.

Mr. Nichols: It hasn't got more money than the CBC I will tell you.

Mr. Goodman: That's right.

The Chairman: Well, just a moment. It says here 12 staff reporters and cameramen work out of the Toronto Telegram offices on Front Street. Now, no other television station that I know of in the Toronto market has 12 staff reporters working out of a daily newspaper. Surely it is an advantage; now the question becomes: is it an unfair advantage?

You have made much of the fact that there is a great deal of competition in the Toronto market and I take your point. I think your point is very well taken, but when it comes to news programming, CFTO enjoys an advantage, and we have agreed on that, but the question then becomes is it an unfair advantage?

Mr. Goodman: That's right. First of all it doesn't have to be an advantage. I recall—I relling about the excellence of "World Beat" 21514-33

think it is CFRB and the Star-they have an association. There is nothing to prevent CHCH in Hamilton making an association with the Spectator and there is nothing to prevent ...

The Chairman: No, but you have made the point that the Spectator—you said earlier that CHCH is trying to compete in the Toronto market?

Mr. Goodman: Well, let's do it with the Star then.

The Chairman: Would there be the same incentive for the Star and the Globe and Mail to have 12 staff reporters and cameramen working out of the Star or Globe and Mail offices if the ownership isn't in common?

Mr. Goodman: Well, that is just a question of location. The 12 reporters on our payrollthey are not Telegram reporters.

The Chairman: Well, let me ask you another question. Let us just get away from that ...

Mr. Goodman: Well, let's not. As I understand, CFRB and the Star-at least I hear the news or it may be one of the other radio stations, but I think it is CFRB and the Star, although I am not sure of that, but ...

The Chairman: But we are talking television.

Mr. Goodman: All right, but I am just showing you that these associations can be formed. It is important to radio as well.

The Chairman: Does CFRB have 12 staff-I don't think they have 12 people in their whole news department.

Mr. Goodman: But what does 12 people in our news staff have to do with the Telegram? That's got to do with our interest in the news: and that is why "World Beat" has been accepted as the number one news programme across the country. It is because we are prepared to cut our profit, and have always done so in order to be first in the field of news, and it is because we have that orientation that we are prepared to do that.

The Chairman: Well, I am not quarrelling with you.

Mr. Goodman: Well Senator, I am not quarrelling with you, either.

The Chairman: That's good. I am not quar-

at all, but I am wondering whether your television competitors in the Toronto market have the same advantage you have because of your association with the Telegram.

Mr. Delaney: I am just wondering if we could put one thing aside for the moment. CHCH is not licensed as a Toronto station.

The Chairman: Well, Mr. Goodman made the point...

Mr. Delaney: No, he said that they were trying to compete.

The Chairman: Yes.

Mr. Delaney: But they are not licensed.

The Chairman: Are they a Toronto station or not?

Mr. Delaney: They try to be.

The Chairman: Are they a Toronto station?

Mr. Delaney: They are not licensed as such.

The Chairman: Well, the opening comment I think...

Mr. Delaney: Well, if you can bear with me for a moment.

The Chairman: Certainly.

Mr. Delaney: The point is that we really do have two Toronto licensed stations. CBC and CFTO.

The Chairman: Yes.

Mr. Delaney: I am sure you will all agree that we don't have the subsidy that CBC has in the area of news. So if we do have an advantage with a working location out of the Telegram, it is one we should certainly grab.

The Chairman: You know, I am not quarrelling with that at all. I think probably the presence of these 12 reporters for the Telegram improve the calibre of this newscast—I don't argue with that at all.

Mr. Goodman: As I say, they can make thier own arrangements if they wish to.

The Chairman: Well, let me make another case in point to just get away from news. This is an ad which appeared in the March 18th Toronto Telegram—a full page ad for CFTO. Would that be paid for by CFTO?

Mr. Delaney: It certainly is.

The Chairman: That is a paid-for advertisement?

Mr. Delaney: That is a paid-for ad.

The Chairman: At full rate?

Mr. Nichols: At full rate with no discount whatsoever.

The Chairman: Well then, CFTO must do more newspaper advertising than any other television station in Canada?

Mr. Delaney: We certainly do.

The Chairman: Why?

Mr. Delaney: Well, I will tell you why. When we started in business as you know, the ratings in the first year indicated that CFTO was not the most popular station. The publisher, who also happens to be the president of CFTO, set up ways and means (now I am dealing with the first two years of CFTO) to have massive amounts of newspaper publicity available to us to draw our programs to the attention of our viewers in the coverage area.

I think that one thing was as much instrumental as any in bringing the station to the success that it has; but certainly CFTO has a budget which is drawn up the 1st of the year, it is approved by our president, and we pay for all our ads.

The Chairman: Well, Mr. Delaney, why haven't I ever seen that ad in the Globe and Mail or the Toronto Star? Why is all of your advertising in the Telegram?

Mr. Delaney: We place it where we think it does the most good corporately.

The Chairman: Well, what do you mean by that?

Mr. Delaney: Well I mean that I have a budget laid out and I try to cover my newspaper through the Telegram, I try to cover my T.V. weekly through the T.V. Weekly that appears free in the Telegram and trade magazines.

Senator Prowse: In other words, if I take \$10 out of one pocket and put it into another, this is better than taking \$10 out of one pocket and giving it to somebody else to put it into his pocket?

Mr. Goodman: Senator Prowse, all through Canada, associated companies in every field are benefits to their associates. The position I am taking is that it hasn't been an unfair advantage because the *Star* remains with the largest circulation in Toronto.

The Chairman: If I may make a point—I think it is very important.

I am not the least bit interested in the Star or the Globe and Mail. I am interested in broadcast competition, I am interested in the CBC and...

Mr. Goodman: Well, let's take broadcast competition. It seems to me that what was most important to Canada when we came in was to try and bring back the great majority of people who resided within our contour area to look at a Canadian station.

The Chairman: Right.

Mr. Goodman: We made application for this license and we said we are about to begin the battle of Buffalo. We have succeded in bringing back from looking at American stations a great number of Canadians.

The Chairman: Yes.

Mr. Goodman: Well, all I have to say is that if there are some advantages from being associated with the *Telegram*, they have been advantages which have reflected in the product given to the viewer.

As far as competition is concerned, the Canadian Broadcasting Corporation, who own the other station located directly in Toronto, (although I say all six are competitors) the advantages that they have over and above the Telegram are immense.

For example, apart from \$160 million that is granted to the whole system, it enables them to set rates far below our rate and it gives them commercial advantages upon which you can question Mr. Chercover, because he has the details at his fingertips and I don't have the details.

But I do know enough being at CTV meetings that what is being done is that in effect the \$160 million is, to some extent, assisting commercial advertisers to get into the market against us. So whatever advantages we may have with this association are far outweighed by the advantages that our competition has.

The Chairman: Well, we will certainly be following that up with CTV.

Mr. Nichols: One other thing in connection with this that I certainly think is rather important is this. Some years ago we entered into what we called a trade agreement with the Toronto Star, in which we offered them air time on our station for space in their newspaper, and they took advantage of that.

After a short while they discontinued it, and that is one of the reasons...

The Chairman: That is the arrangement with the *Telegram* then?

Mr. Nichols: Yes.

The Chairman: Well, I see a great deal of Telegram promotion on CFTO and I watch CFTO a lot. That is a contra arrangement?

Mr. Nichols: That is correct.

The Chairman: And you have the same arrangement with CHFI, don't you?

Mr. Nichols: Yes, we do.

The Chairman: Did you offer it to the Globe and Mail?

Mr. Nichols: I couldn't tell you whether we did or not. This was discontinued by the *Star*, not by us.

The Chairman: Does CHCH and the CBC attempt to enter into these kinds of contra arrangements? I realize it is an unfair question because you probably don't know.

Mr. Delaney: I know that Hamilton has a co-operative arrangement with the Star, as does Barrie, because I know that Barrie, with the size of the operation, couldn't possibly afford the amount of newspaper space that they used during rating periods in the Star.

Now, the *Telegram* has an arrangement contra also with the CBC. So the CBC has equal opportunity to advertise in the *Telegram* the same as I do.

The Chairman: The next question I was going to ask you is if you concentrate your advertising during rating periods? Most broadcasters do something about this, don't they?

Mr. Delaney: No we don't. As you noticed, we do a lot of advertising, and we advertise 12 months of the year. We are in a promotion market where if you let up for an hour, it seems that you lose some points. We just don't believe that the time to advertise is in the fall.

There is a coincidence that I might draw to your attention, and that is the fact that new shows start in the fall and the ratings start in the fall. So naturally you advertise in the fall. But we advertise 12 months of the year on CFTO.

The Chairman: Well, if I could just sum up my question in this area and then I will go to Mr. Fortier. In this whole area of concentration of ownership, it seems to me what you are saying to us is—and I don't want to put words in your mouth—but it seems to me what you are saying is that everything has to be approached on an ad hoc basis. You have to look at each situation and there can be no guidelines.

Mr. Goodman: Very definitely.

The Chairman: Senator McElman?

Senator McElman: I wanted to get this question to Mr. Goodman before he leaves.

The Chairman: Mr. Goodman will be here until 1 o'clock.

Senator McElman: Well, it is getting close on to that now, Mr. Chairman. We have had some testimony from witnesses who disagree with Roy Thomson's statement that "a broadcast license is a license to print money" and from others who say that it is a very risky financial undertaking. In this light, why would Mr. Bassett wish to purchase the Windsor television station and then agree to pass it over to the CBC?

Mr. Goodman: Well, if you find the answer, let me know!

I will tell you why. You know, I am very close to this situation and I have carried on all the negotiations with the CBC. We bought the station because there was a challenge, because we felt it was an opportunity in an important Canadian market, and right next door to an important American market. To use this to broadcast, to mirror Canada to the United States was a very exciting challenge, albeit a very difficult one.

Most of Mr. Bassett's advisers recommended against him proceeding on commercial grounds. When the application was turned around so that we couldn't own it but that we had to do it with the CBC and get out in 5 years, there was absolutely no commercial benefit to us. As a matter of fact, it was going to be a drain on our borrowing power and a drain on our manpower. But we felt that it was still an interesting broadcasting challenge.

Furthermore, we had some negotiations with RKO or Western Broadcasting, which is controlled by RKO, and we felt an obligation to them. We didn't want them to feel that this

was some sort of a banana Republic where they had an investment which they would lose, and they might well have lost it if we hadn't gone through with this situation.

We just felt that we negotiated in good faith and when the decision came about—we wouldn't get seriously hurt—we had an obligation to go through with it. There was nothing more to it than that.

At this moment we are still waiting—we still don't know if it is going to be approved by the Treasury Board. We have reached agreement with the CBC and we are waiting for Treasury Board approval, but if the Treasury Board doesn't approve of the arrangements made, then we can't proceed. As I say, it were merely an interesting challenge to see whether we could do something to turn it over. We thought that there would be benefits, sort of long-range benefits for a private station working in partnership with the Corporation. It intrigued us.

But you know, I get asked that question, I would say on an average of every day, by broadcasters, but they don't put it as delicately as you have. They say "What in the hell did you go into that situation for?" It simply is Mr. Bassett's view that there is an opportunity to retrieve a Canadian market and have an interesting experiment in working with the CBC.

The Chairman: Mr. Fortier?

Mr. Fortier: What is the future of the CBC in the present context of broadcasting evolution in Canada, Mr. Goodman?

Mr. Goodman: Well, I think it continues to play a very important and significant role. I think the reasons the Corporation was set up in the first place are even more pressing today and I believe that we must continue to have a public national service. Now, whether it should be a commercial service or not is something that might be enquired into, but I don't know enough about it to have any views. I am inclined to believe though that it is absolutely essential to Canada to continue to have a public service in the form of the Canadian Broadcasting Corporation.

Mr. Fortier: This marriage, for a fixed period of time which you are experimenting with the CBC in Windsor—a lot of people might wish to take advantage of that—do you think there are other areas in Canada where conceivably this could be entered into?

Mr. Goodman: I would think that it might be worth some thought. This would be a good opportunity of trying it out and seeing what happens. We hope there may be some benefits to the corporation from being in a minority position with us for several years. We are going to be running that station and one of our employees is going to become an employee of the partnership, he is going to be President. Mr. Bassett is going to be chairman of the board, and they are going to have an opportunity of seeing how we would run a station with a view to profit.

I think they must sort of have been smiling when they did it, but the CRTC has started an experiment which may lead some place.

Mr. Fortier: In the long run do you believe that the taxpaying public or the viewing public will benefit from that association with Mr. Bassett, meaning the shareholders of Baton?

Mr. Goodman: Yes, in view of the fact that we are going to be running the station. The agreement is that once they want to buy more than 49 per cent, they have to buy the whole thing. So therefore, I think that the benefits will flow more to the CBC than to us; but we hope to get some benefits from our association with the CBC as well.

We hope to get some ideas because they will have people sitting on the board, and we hope we will learn something from those people and we hope that they will learn something from us.

Mr. Fortier: One question which was not put to you on this matter of cross-media holdings, and which I would like to try on for size is this.

You pleaded in your very eloquent manner the advantages of cross-media holdings in a city such as Toronto, and you answered a question from the Chairman that there were markets where this was not to be encouraged in Canada. In those markets, which we don't need to identify, where cross-media holdings would appear to you to be advantageous, do you think this Committee should recommend that they be sought?

Mr. Goodman: Well, that they be sought—not necessarily, because while I say there are disadvantages, I think your recommendation should be that they not be inhibited or prevented. I am content to believe that the

growth of the communications industry is such that this will happen in its natural course.

I don't want to put an undue stress on this. I don't mean that every time a newspaper makes an application for a television station and somebody else applies as well, that the newspaper should get it. I don't want to put that connotation on my remarks today, because that would be ridiculous.

I just want to say that that is one of the factors that under some situations could well be a plus factor to be considered. On the other hand, there are many other factors that could be considered and if you make a recommendation that it should be sought, it might sort of overweigh it. I would just let the natural forces take charge and just make sure that there is no prohibition.

Senator Prowse: That would apply to an area like Toronto where you have complete competition in all media. Am I correct?

Mr. Goodman: That's right.

Senator Prowse: What would be the situation where you have a smaller community and you have a newspaper and a radio station and a television station all owned by the same corporation and they are the only ones really in there?

Mr. Goodman: Well, let me say this. As I said to the Chairman, I have some philosophic concern but I haven't really given that situation the thought that it merits. I hesitate to come up to this Committee and make statements which may no be factual, where I don't have enough knowledge, which may be detrimental to those people who are in that situation until they have had an opportunity of explaining why they feel it is in the public interest for that situation to exist.

In other words, as I go by, I don't feel like taking a back-hand slap at somebody when I really don't have all the facts.

Senator Prowse: You have got a philsophical...

Mr. Goodman: Concern about the concentration of all media in a small area on the one hand, and that is as far as I can go.

Mr. Fortier: The bold, courageous journalist about whom you spoke earlier, Mr. Goodman, and which you encountered....

to tisis Committee.

Mr. Goodman: Daily.

Mr. Fortier: . . . daily in the field of written journalism, more so than in the field of electronic journalism, should he be entitled to protect his source of information legally? I can't resist the temptation of asking an eminant counsel such as you, a question of that type.

Mr. Goodman: Well, let me say this. I think that the whole question of privilege of communication is one that the Law Reform Commission should give some thought to.

At the present time, as I understand the law, only a lawyer is entitled to that privilege, and a journalist isn't. A priest isn't, nor is a psychiatrist. But I think the time has come to re-examine the whole matter and the journalist would only be one, along with the priest or the psychiatrist or anybody else, that might be entitled to that privilege in communications.

I think we have to weigh the public interest to see, but I am inclined to believe that the public interest might come on the side of giving them the privilege. Once again, I am passing these great opinions off as though they are nothing, without any thought, but I have given some thought to this aspect of it just as a lawyer.

I am quite convinced, for example, that psychiatrists should definitely have the privilege of communication, and I think a priest at confession should have the privilege of communication, and I think it could well be extended in the public interest to a journalist.

It is a question that I think some real thought should be given to.

Senator Prowse: Except that a journalist is repeating what he says he heard from somebody and a psychiatrist and a priest presumably are not talking to anybody but God.

Mr. Goodman: Well, I am prepared to allow the priest to talk to God, but I am not yet prepared to allow the psychiatrist.

Senator Prowse: They are playing God!

Mr. Goodman: That's right.

Mr. Fortier: Yes, Mr. Chairman, I would like to pursue this with Mr. Goodman.

The Chairman: I might say to Mr. Goodman that he is one of the more respected lawyers who have appeared before us, and this is a matter which is of particular concern to this Committee.

We have heard lots of evidence about it and we would be grateful if at your convenience you could send us your views?

Mr. Goodman: I would be delighted to, Senator Davey.

The Chairman: It is a matter of great concern to us and I know Mr. Fortier would like to pursue it. Time doesn't allow it, but if you could, not in your capacity as being associated with Baton, but...

Mr. Goodman: I would be delighted.

Senator Prowse: This will be a free brief!

Mr. Goodman: I had thought about the problem as it relates to the whole body of privilege, and I have come out to my own mind for extending this whole body of privilege.

I must admit, however, that I haven't given it sufficient thought as to how it affects the press.

Mr. Fortier: A week or ten days ago the Association of French Journalists appeared before us and they expressed the view that in this age of condensation and manifestation and so on, their ability to get first-hand stories from people involved in this age of condensation was diminished greatly if they could not assure their interlocutor that their source would be protected. They gave evidence of instances in the Province of Quebec where they had been brought before the court as Crown witnesses and they said their efficiency diminished and thus the public interest was harmed.

Mr. Goodman: I think there is merit in that position.

Mr. Fortier: And I can also see the other side of the coin. Should the CRTC, Mr. Goodman, get into the area of censoring programming? This is a view again which has been expressed before this Committee on occasion.

Mr. Goodman: Well, I am personally opposed to censorship. Of individual programs are you talking about now?

Mr. Fortier: Yes.

Mr. Goodman: My view is that they should judge the type of programming put out over a period of time in the justification for a person holding a license. But I hesitate to think that they should censor programs, but I have a bias against censorship.

I just think that they have a responsibility to make up their minds whether this man has the responsibility to hold a license and once again I would object to the individual censorship of programs by the CRTC.

The Chairman: I would have to suggest, Mr. Fortier, that this be your final question.

Mr. Fortier: Well, Mr. Chairman, this will require a very long answer, but Mr. Goodman spoke a number of times this morning about alternatives to the Canadian content proposals presently being discussed before the CRTC, and I was going to ask Mr. Goodman what those alternatives were?

Mr. Goodman: Well, let me say this. I think this afternoon's hearings will give you a well-informed person to comment on them. My views are in accordance with the views that Mr. Chercover has been expressing. As a matter of fact, I did some work with Mr. Chercover on this matter and I think he is much more competent than I am to give you the factual information.

Mr. Fortier: Fair enough.

The Chairman: Well, then I would simply thank these witnesses and say to you, Mr. Goodman, that for some considerable years now, I have had a great political respect for you—sometimes it has been a hard won political respect.

As you know I have personal respect, but I add to that, this morning, professional respect. I think you have handled yourself, as I knew you would, exceedingly well. You can tell Mr. Bassett, not only that you are not the poor man's John Bassett but also that we didn't miss him as much as we thought we might. And I would include an expression of appreciation to Mr. Nichols and Mr. Delaney as well.

This is the first session of the final week of our hearings. Beginning next week we turn our attention to report writing and this has been a very useful discussion.

As I said at the outset, this is not the CRTC. Indeed, the CRTC is but one group, one organization we have heard from in the course of our study of the broad media spectrum. I think it would be pointless to undertake this kind of a study without reference to broadcasters. So we really don't apologize for bringing broadcasters before the Committee and indeed they might be annoyed if we didn't do it.

We are delighted that you have come here this morning, and thank you.

Mr. Goodman: Well, Senator Davey, we appreciated the opportunity. Thank you very much.

The Chairman: Thank you and the meeting is adjourned.

The Committee adjourned at 1.00 p.m.

Upon resuming at 2.30 p.m., Apr. 21, 1970

The Chairman: Honourable Senators, if I may call the session to order right away.

This afternoon we are receiving a brief from the CTV Television Network Ltd. Seated on my immediate right is the President and Managing Director of CTV, Mr. Murray Chercover.

On my immediate left is an old friend of mine, Keith Campbell, who is Vice-President of Marketing for the CTV network.

I would say at the outset, gentlemen, particularly to you, Mr. President, that the Committee understands and appreciates that your business office is not in Ottawa and you do have occasion from time to time to return to Toronto.

Mr. Chercover has just finished some 25 hours in front of the CRTC. He was telling me a few minutes ago that he is returning to Ottawa Thursday to appear before the Commons Committee on Broadcasting. For all of these reasons we are doubly appreciative that you have been able to be here this afternoon.

We are grateful, first of all, because we do realize it is an imposition. You don't look tired but you must be.

Mr. Murray Chercover, President and Managing Director of CTV: Let's see if I can stay awake during the session.

The Chairman: We will try to keep you awake. The other reason we are grateful you are here, is because of the nature of this particular study, which is to examine the overall media spectrum in Canada in which CTV, I am sure you will agree, plays a vital role; as indeed does the CRTC, which is another of the organizations and agencies and groups who have appeared before this committee and about whose activities we will be deliberating, as early as next week, when we turn to the report phase of our study.

Now quite understandably the brief you prepared and which I have in my hand

arrived in the hands of most of us only this morning. I think very few of the Senators have had an opportunity of studying it in the detail it deserves. It is my understanding from some of the Senators that it deals substantially with many of the questions we put to you in our Guidelines. That being so it will form a variable part of our record.

I am going to suggest now, Mr. Chercover, that you begin with an oral statement in which you can certainly talk about this brief and there might be other matters you want to talk about too. We will then turn to the questions on your oral satement and on the written brief and on other matters which may be of interest and concern to the committee. I am sure if you wish to have Mr. Campbell share the work load of answering the question we will be delighted.

Welcome. Relax. Let's talk about CTV.

Mr. Chercover: Ladies and gentlemen. Before we begin I would like to introduce my Executive Assistant, Mr. Derek Brown, who is sitting with the press; and Mr. Finlay MacDonald, who is President of our only O & O, or even partially O & O, CJCH in Halifax.

Perhaps it would be useful, since in fact we did deliver our brief rather late, if I were marely to highlight a few of the points.

First, the structure of CTV, which is the unique instrument not only in Canada but anywhere in the world. It is a network which is owned by its affiliates. Now the normal practice is to have ownership of a significant group of key affiliates in major markets, on the part of any commercial network, to provide a number of things, not the least of which is a revenue base from the resources of those stations, and more important, perhaps, an opportunity for guaranteed exposure of programming, in the key markets.

We are not in that mode, as it were. We are a co-operative and that makes us very unusual and more particularly in the commercial environment.

We do have an O & O, as it were. We own 75 per cent interest in CJCH halifax but with apologies to Mr. MacDonald and to that very provides us with economic support structure.

I have listed for you the nature of the specific member stations which we have currently. It should probably be of interest to you to know that while the ownership and the obligations pertaining to the operation of the network is shared proportionately by the stations in relation to their ability to pay or

their size or their scales, their control or influence over the network is restricted to one voice or one vote per station.

Indeed when we purchased CJCH, or the majority interest in CJCH, both the condition of our application to the Commission for the right to conclude that arrangement, and the ultimate approval which we received from the CRTC, contained requirements to maintain the representation from CJCH and from the Halifax region on our Board.

That is the background of the structure of the company. There is more detail contained in the brief.

Now in relation to our programming orientation, since we purchased the shares of the network outright in 1966 we have devoted ourselves to the principle that the network is one thing, first and foremost and in terms of our orientation, we have supported that view and that it is a programming service to the community life. The network is not a sales agency, with all due respect to Mr. Campbell who does a magnificent job. It is not either a microwave contract or distribution system or an origination centre; although all of these things are required in order to fulfill our purposes.

What it is first and foremost is a programme service. If that service is not of value and of attraction to the community, it cannot become a sales orientated agency; it cannot generate support; it cannot distribute programmes; or if it does, it is irrelevant because there are not receivers out there.

There is a two-way proposition involved. We must communicate and ensure that the receivers are on our frequency, as it were; but more important we must be sending on their frequency. I don't mean that technically, I mean that in terms of the kind and nature of service which we provide.

Now I have pointed out in the brief that our basic service of regularly scheduled programmes is approximately 50 hours per week, half of which is in our hands for sale. We differentiate between the half which we sell and the half which is in the station's hands, by calling the 25 hours and ten minutes which we sell "network sales time." In our affiliation agreement, the specific allocation of those times, as between prime and non-prime. Saturday morning, week-day afternoons, week-ends for sports and so on, is clearly delineated.

network is shared proportionately by the stations in relation to their ability to pay, or duled services we do mount such things as coverage of Apollo or press conferences in Ottawa or national political conventions or any events which happen in the world, or more particularly in Canada, which dictate that the service should be expanded, deleted, pre-empted, changed, or accommodated either within the network sales environment or even if it crosses into the stations' sales time.

We have been faced with the challenge of an extension of the alternative service. Everyone knows the history that in 1966 a White Paper was brought forward relating to the future of broadcasting in Canada. Based on that White Paper in 1968 we received a new Broadcasting Act. The White Paper specified that the alternative service was now almost a necessity. It was an amenity, almost a necessity of life.

Certainly the pressures mounted from communities not having primary service, and more particularly from those not having second service, have been indicative that that was an accurate assessment of the problem. We developed, within our structure, a procedure whereby we could indeed extend and provide coverage even though it is well-known throughout the industry that there is no economic advantage, or indeed economic reality, in extending beyond our back-bone network as it is currently structured.

The additional markets we anticipate going into will not provide revenue in proportion to the costswhich they will incur. Nonetheless our stations have developed a broad plan for satelliting where such a system is acceptable and where there is an incumbent CBC privately-owned affiliate and CBC intends, when funds are available, to move forward.

We expect to have to accommodate those affiliates as members of our consortium in either of two forms. The first form is the form of a full fledged card-carrying—and we call it "load bearing" shareholding affiliation. The affiliation with CTV is a matter of shareholding and thus assuming your proportional share of the obligations of the network, whatever they may be.

The second method is a form of supplementary affiliation whereby we will provide the entire programme service, the network station sales time absolutely free of charge and/or obligation to those stations accepting that they will have to carry the network sales time programme package, inclusive of the commercials. They will have some 5,000-odd availabilities in the station sales time portion of our service which they will be allowed to

sell free and without hinderence on the part of the network. That is a step along the way towards this alternative service, full alternative service.

We have made many adjustments over the years sine we took over the network. Perhaps the point of history would be of interest to you.

When the new eight stations, the backbone of this current network, were licensed in 1959 and 1960, there was no network. A group of stations then formed an organization called the ITO, Independent Television Organization. It was incorporated as a non-profit co-operative arrangement whereby we would co-operate to cause programmes to be produced, to acquire productions, to serve the interests of the collective group stations in the most efficient possible manner.

Very shortly after that, the BBG in its wisdom decided a second private network would be a feasible enterprise, even though Mr. Fowler in his report in 1957, I believe it was in 1957, said this was an impossible economic prospect and that this country could not and should not consider an alternative network.

So we set up our co-operative and operated it for a very short time. It was then put to rest for a very short period. When the CTV was first licensed, we felt the network should be given an opportunity to fulfil the undertakings we were prepared to do for ourselves. original shareholding Unfortunately the arrangement in that network resulted in a conflict of interests between broadcasters who were licensed at the station level and who were suffering extraordinary operating and other kinds of losses. As a matter of fact, it is probably well known to you that some of them had to re-organize drastically with refinancings all across the country.

The conflict of interests was resolved finally when we bought the network in 1966. Many adjustments have taken place in the formulae and sharing arrangements which are part of the affiliation agreements. All I need say is that the shareholders have on each occasion, where previously conceived ideas of operation proved to be unacceptable or proved to be incapable of fulfilling our requirements, have made the necessary adjustments and paid the freight proportionally.

I don't think with all the testimony I have given in the last few days that I have to emphasize the nature of our Canadian commitment. I should bring certain figures to your attention in the brief.

Our Canadian content prime time programme costs have risen by 80.5 per cent during the last three years; while the foreign programme content in that same time category has risen by only 7.5 per cent, less than the normal inflationary cycle. Over 76 per cent of our total programme budget on the network sales time portion of the schedule, is developed to programmes in the Canadian content classification.

I think that is a fairly important statement because when we deal with the Act itwelf; the operative clause is section 2(d), which speaks of the programming provided by the Canadian broadcasting system and concludes with the statement:

"... and the programming provided by each broadcaster should be of high standard, using predominantly Canadian creative and other resources;"

Now we believe that spending 76 per cent of your programme budget on the Canadian portion of your schedule is precisely and specifically meeting that requirement.

We also, I think, should point out to you—I don't know whether that figure is contained in the brief, but it is a very interesting figure—that our total programme service, that includes all these extras I have spoken about, football and hockey, which are outside the network sales time or the regular service, and events of national or regional importance—election coverage and so on—the total programme budget comes close to \$12 million and represents over 70 per cent of our revenue. Now that is a fairly significant figure.

We have gone a lot further in the area of programming aside from our basic devotion to the principles of service, dealing with the issues that concern Canada and Canadians.

We have also been in the forefront of development of an international orientation in programming; and we believe this is one of the real hopes for this industry and this country.

We have faith in the creative resources of this country. Perhaps our having stayed here over the past few years when times were not easy is indicative of that faith. We believe in the creative resources that are here and we believe we can meet the challenge on the international market place.

We do have to temper that with reality that requires in addition to talent a good deal of money. We have to invest up front and it is a speculative investment. We have been doing that more and more. There are quite a con-

siderable number of specifics contained in the brief which you might be interested in or in our brief to he CRTC, which we would be happy to supply to you.

On the concentration of ownership issued, we demonstrate the fact that we are a consortium operation, one form of concentration of ownership. It is not perhaps the form you precisely were concerned about. Nonetheless it is a concentration of the resources of twelve shareholding affiliated stations and the network itself, in order to achieve the goals and the objectives that we put forward for ourselves and which have been put forward for us in the form of the Act or regulations.

I might point out that our orientation towards quality and towards programming service have all been elective on our part. We could meet the precise requirements of the current Canadian content regulations on a much cheaper basis, a much more economic basis. We don't do that and we haven't done that. The reason is because we don't believe that the industry will survive unless we develop viable and useful, productive programmes which can be exported from this country. That is only one of the reasons.

We also believe the collective orientation has brought the kind of loyalty that we can demonstrate if this group should be interested in pursuing performance with the audience. We believe we have made connections. We believe our frequency is right with the community and I think we can demonstrate that not only in practical terms of household viewers but also in terms of the critical response of the intellectual community, the academic community, of the political community.

Now on concentration of ownership, one more comment. If we are going to have the kind of speculative resources which will enable us to put four and five and ten times the amount of money into programming, which can be reasonably considered to be recoverable in the marketing circumstances of Canada, per se, we must have certain units in the structure which are by themselves large enough to allocate the funds for this kind of speculative activity.

At the same time, we are concerned about size wherever the amalgamation of units within our structure, or the apparent intent to provide an amalgamation of units outside CTV structure, may be inimical to the interests of CTV. We believe we have to remain viable and without wishing to use a clickewe have to do well before we can do good.

In the matter of changing technology, I am going to hope that you will ask questions here. I want to speak to this issue because it is of great concern. There seems to be a rather widespread acceptance, particularly in the intellectual community, that technology will dictate our inevitable behaviour.

I don't believe that it is necessary. I believe, for example, if we had known in 1910 what we know today about the internal combustion engine and the automobile we would not have allowed technology to dictate the nature of our society. I also believe sincerely that we are in a better position today in technological terms to predict the outcomes of these various new techniques.

For example, today it is possible, with reasonable validity, to project the multiple channel CATV satellite direct-to-home transmissions that are part of this whole new technological excitement. It is also possible to predict, and I do so without reservation, that Canada, cannot at this time in its development, with its sparse population, afford a 42 channel system and retain an indigenous system that provides for a reflection of Canada to Canadians.

The very simple fact is, if we accept the technocrats enthusiasm for change and we contemplate multiple channel system, we must first of all examine the national objectives which are pretty well annunciated in that Act. If we agree with those principles that Canada should retain its identity and this instrument of communication should be one of the most important elements in maintaining that identity, then it seems to me we have to recognize CATV for what it is. It is a very fine instrument in an urban structure.

Now we are growing as an urbanized country and by the 1990's we expect that 80 per cent of our population will be in the urban areas. Even then, we are talking about the penetration of a service, which is at the election of each individual, unless somebody is going to pass some legislation that requires the viewers to sign up for cable service. We are talking about a maximum of 55 to 60 per cent penetration potential after 80 per cent or more of he population is in the tight, tight urban areas.

That kind of penetration does not compare very favourably to what CBC delivers now and what we deliver now, even though we have not completed the process of the extension of the alternative service. We now cover a little over 80 per cent of the country. We

expect with the licensing of the certain areas, which have been specified by the Commission for the immediate future, that we will soon be up at the 90 per cent level. The last few percentage points are by far the most expensive and most difficult.

Cable does not provide an answer for that problem; and the fragmentation which will result from an early imposition of cable and multiple channel services, will further diminish our ability, which is solely dependant on the generation of the revenue in the advertising community.

Now I also say that we have to anticipate whether—assuming that our viability as a marketing instrument is destroyed, which is possible and perfectly acceptable—don't suggest for a moment that should be a limitation of social change—if that were the direction the country chose to go, because the social, political, cultural interests of the nation would be better served by going in that direction, I vote "Yes, let's go that way."

But can we expect additional taxation to provide the resources for these multiple channel programme services. I say in the brief that we hardly do a satisfactory job, with the resources at our disposal today, on two channels nationally and the French channel that is not national yet. How do we handle 42 or 70 channels of different programming? Certainly not by going to the Federal treasury and saying multiply \$166 million by whatever it is. We really cannot afford that.

I think there was a man who most of you probably know better than I, Donald Gordon, who once talked about the problems of Canadians affording two cars in every garage and the same kind of affluent life with a swimming pool, a boat and a cottage that their contemporaries in the United States could afford.

Now, it didn't do him a great deal of good politically to be honest but I have no option. I have to say I am prepared to go ultimately in the direction that is best for this country and I don't believe this country can afford the fragmentation and the muliple-channel service if it continues to maintain a national orientation, a national federal identity.

Senator Prowse: Pardon me, were you saying Donald or Walter Gordon?

Mr. Chercover: Walter. Excuse me.

On the subject of satellites, we have been party to the Telecommission studies which talked about the social and other economic implications of satellites. The satellite may be a decision for Canada that has to do with the technology of building and selling satellites, but let us face the reality of satellites. This is not an economic instrument for the distribution of programme services for seven time zones. We cannot change the metabolic clocks of our citizens.

The only option we would have, if we were to use this instrument, is to go up and down seven times to conform with the metabolic and sun-based timetables. Otherwise perhaps the suggestion may be not facetiously made that the viewers in Vancouver would convince their employers and their neighbours to change the whole timetable and set everything on the Maritime time and start from the East and go to the West. The Vancouver viewers would watch the early evening news at 2 o'clock in the afternoon.

Senator Everett: Wouldn't video-tape answer that?

Mr. Chercover: No. Because how do you use videotape in relation to a satellite? You have to re-distribute, which means now you are using a satellite system, put it up and down once, and then you are using a ground-based system to duplicate it, to re-distribute, which means now you are using a satellite system, put it up and down once, and then you are using a ground-based system to duplicate it, to re-distribute in the region, so you are adding cost which does not contribute to programmes or to service to the viewers.

This is covered, I think, in some detail in the brief and you may wish to examine it and question me on that.

When we get to the question of direct satellite-to-home, we then have to ask why are we proceeding wih CATV; because if multiple channels direct satellite-to-home is the next step in this technological surge, we are going to obsolete not only the ground-based microwave system which we now have, we are going to obsolete not only the direct-to-home ground based transmissions and network structures that exist, but we are also going to obsolete the CATV systems which we are desperately trying to install at the moment.

I ask if it would not be quite appropriate at this point to put the brakes on and say "Whoa, let us reconsider the whole spectrum."

I said in a private meeting with the Chairman of the Commission—I went through all

of these inter-connected and inter-related policy areas and he said "Yes, it is a very complex administrative problem." I said, "No, sir. It is a medical problem." He said "What do you mean by that?" I said "Everything inter-relates. You have an illness that is centred in a part of your body that you don't have any consciousness of but your right ankle hurts." "You just simply must get to x-ray and a metabolic check of the entire structure of communications."

We are faced with the pressure for the extension of service and we are prepared to proceed but we are confined by government policy emanating from the Department of Communications that says in order to have an orderly system we must give precedence to our friends the non-carriers.

I have no objection to giving precedence so long as they meet the price and provide the service. But when we can do the job for ourselves at half the price, and at the end of a ten-year period of amortization own the system, why should we be required to spend the money in order to integrate with a system that exists and is in the hands of another private owner, when the use of this proposed facility is to provide a service to an uneconomic area.

We say from time to time "Hold on." We have been studied and examined and probed and almost dissected. In fact these studies are all not connected. They are happening in different pockets throughout the structure of this country.

I would like to see all of them marry for one massive period of examintion and one realistic re-evaluation and set some directions for the future.

Now we have been asked to comment on American competition in advertising. We certainly do encounter significant competition from the United States and without precisely reading this brief you are fully aware by this time, I am certain, that there are border stations in the United States that are licensed purely and simply to serve Canadian communities. That is the simplest way of putting it. Their offices are in Canada.

In the case of KCND, Pembina, North Dakota, their offices are in Winnipeg. They have Canadian representation. In the case of Bellingham, Washington, KVOS is licensed. There are two or three hundred and ninety-four souls, I believe, in Pembina who deserve an American service, I am sure, but their office and sales are all undertaken in Canada.

One of the great tragedies is the significant proportion of money that flows out of Canada. We assume conservatively in the range of 10 to 12 million dollars, which is a fair amount of money, flows out of Canada to support advertising which is not legal in Canada under certain statutes, for example the provincial statutes respecting beer and wine advertising, in the case of British Columbia.

Now that seems to us to be an inappropriate arrangement and we have long advocated that the Act—and I cannot recall the specific piece of legislation in precise terms, but the Act which resulted from the O'Leary Commission...

Senator Prowse: 12A?

Mr. Chercover: Section 12A of the Income Tax Act. If that were extended by a very simple phrase—it is limited now to print media—and extended to broadcasting media, you would be a long way along the road to assisting us in that area and providing additional revenue potential to support the service we are trying to provide.

Senator Everett: Is that true just of KVOS?

Mr. Chercover: KCND and Buffalo—all three stations.

Senator Everett: KCND are taking liquor advertising?

Mr. Chercover: Brewery advertising; and the Bellingham station as well. The three Buffalo stations do and Plattsburgh does. The fact is in Buffalo they are not breaking a regulation. I must say the Canadian advertisers have been careful to keep their commercials in conformity respecting the nature of advertising which is allowed in that category.

For instance they don't go to the United States and make the bottle glisten and pour the brew. They contain themselves to the nature of the advertising which is currently in force in, for intance, the Province of Ontario and Quebec. Under the Ontario regulation, they are allowed a certain form of advertising and a certain volume and they do acquire more time in the United States.

That is a problem that also has to do with the provincial legislatures, as well, in terms of their preparedness to accommodate a larger volume or any volume. It is precluded in British Columbia altogether as at this moment.

Senator Everett: What is precluded?

Mr. Chercover: Brewery advertising.

Senator Everett: Altogether?

Mr. Chercover: Altogether in British

Senator Prowse: Except from Bellingham?

Mr. Chercover: Except from Bellingham which is getting to 80 per cent of the province directly.

Senator Prowse: Ninety per cent of the business is Canadian.

The Chairman: We are not in the question period. Perhaps you could ask your questions in the question period.

Senator Prowse: That was a good time to ask that question.

Mr. Chercover: I don't mind being interrupted.

The Chairman: Don't say that or you will never get started!

Mr. Chercover: I won't belabour that point. I think it is quite clear what the problems are. There have been conversations, indeed some expert testimony to the effect if there was another channel in Toronto that in fact there would be more accommodation or potential accommodation for advertisers in Canada who would not have to go to he United States.

Let me say first of all—hogwash. The fact of the matter is there are availabilities on CTV; there are availabilities on CBC; there are availabilities on CBLT; there are availabilities on CFTO; there are availabilities on CHCH, Hamilton. Not one of those stations, however proud they may be of their sales record, is in fact sold out.

In fact another station in Toronto, which is already well served with media, would only serve to damage the system which we have operative and only serve to further withdraw funds from what we call the peripheral or less viable markets.

If a new station goes into Toronto I can assure you that the revenue loss will not be felt at CFTO or CBLT or CHCH. Not for one moment. The revenue will come and will be withdrawn from Regina and Moose Jaw and St. John's and a few other smaller markets across this country.

First of all, don't let anyone suggest to you there is no room to accommodate more adver-

tising in this media in Toronto because there is. In the second place, it would not serve to expand, as some people suggest, the opportunity for advertising in Canada. In fact by virtue of additional fragmentation which would take place in these critical market areas, it would result in dilution of revenue from those less able to afford it, the smaller stations in the communities across the country.

Now you asked for some comment on news and information programming. We regard this precise narrow area of programming to be the most important of the elements of service which we provide. Most particularly, because we essentially lack a national press in Canada, we have concentrated our resources in this area.

We acknowledge the admonitions of the Act that we must provide a reasonable balanced opportunity for the expression of different views on matters of public concern, but I took some exception with the Commission recently on this matter of a brief, which was filed by some young lawyers from Toronto who wanted equal time to oppose advertisers, because, in fact, every issue, which that young group of lawyers could identify as a public issue, is only now a public issue because the mass media made it a public issue.

We broke and expanded and brought the public focus to the issue of phosphates in detergents. We, the CTV and CBC.

We, in broadcasting, ahead of print by a mile brought the issue of mercury pollution to the public attention.

For 25 years we have seen the academics, and I don't mean to be in any way critical, studying the problems of environment and studying the problems of ecology, dealing with them in learned texts. This is what I call the closed circuit or introspective feed-back system.

It is interesting the political system did not respond until these issues became issues of public concern. They cannot always be made, be brought into focus properly and have full balance but there is an interesting fact.

We live in a multimedia society—thank heaven; and a free multimedia—again thank heaven. It is interesting if a single journalist, who by his nature must be committed to do anything of usefulness, does overstep the bounds of balance, complaint and redress is very quick to occur; not only because we

elect to show the alternative point of view but because the public dialogue is set up.

For example, when a company (and I won't name any company) feels that they have been mistreated or maligned or otherwise done a disservice, the pressure they mount in the press or in other places where they have access, or in our own network, results in the reflection of the other point of view and that other point of view is fully aired.

Now there are some circumstances where I would ask you: is there an alternative point of view? For instance, is there a point of view in favour of pollution? Who is going to stand up and justify the destruction of the balance of our nature and the destruction of our future or our childrens' future? I don't know of anybody who can. In fact the key to this whole thing is to focus issues precisely and with sufficient drama so that the general public becomes involved, because the result of the general public's involvement and/or concern is political action.

We have, I think, done fairly well in this area. A commitment of this kind, whether it be on the basis of the individual journalist, or of the corporate entity, is essential to the preservation and the enhancement of a political, social, economic structure such as we live in.

We are not of the opinion that a press council in the broadcasting field, or for that matter in any field, has proven to be of significant value or effect. We have already got, thank you very much, a good deal regulatory authority to deal with in relation to television.

The question of public opinion I have in part, I think, dealt with in dealing with the matter of issues of public concern and indeed on the question of the pressure groups there are only two positions. If a pressure group, whatever it may be, political, professional or social, reacts to something we do, it is possible that we have either reported and investigated the opposing point of view of an already organized pressure group. Then we can be said to have done our job well; we have exposed to the public the opposite point of view of an established pressure group. Or it can mean, on the other hand, that we have created a reaction by expressing a point of view that a large body of the general public had not as yet focused on in the form of a pressure group.

We are not unduly, in my opinion, swayed by the existence or the actual pressure of

pressure groups. Indeed we are not swayed in our journalistic endeavours by the pressures that so many people impugn to the advertisers in our community. I have never had an instance, in all the years I have been in broadcasting, of pressure from an advertiser, whether it be a news programme or any other programme. I have known of one-but I have never experienced it-where they have endeavoured to influence the course of reporting of news or actuality or factual or informational programming.

As a matter of fact, I am delighted that we get more and more corporate identification and support in sponsorship for programmes that deal with the social issues that face this country and the world.

I think that, Senator Davey, summarizes my comments. There are other points, which you brought forward, with respect to recruitment of journalists and non-Canadian news that are dealt with in the brief. I am at your disposal.

The Chairman: Thank you very much, Mr. Chercover. That is a good explanation of the

I think the questioning this afternoon will begin with Senator Everett.

Senator Everett: Mr. Chercover, there are so many areas in which you are an expert upon which we would like to question you, and if I start on a slightly peripheral one, I apologize. In view of the fact you are trying to get away, I will perhaps keep my questions short and you will keep your answers short.

Mr. Chercover: I don't know if I am capable of doing that, Senator. I will try.

Senator Everett: In your evidence and also in your brief you ask whether there was a view in favour of pollution. In other words, it is a onesided issue.

I wonder if there is not a view that says we should be careful about committing too much of our resources to the war on pollution? I Wonder if you have given consideration, as a man who is very influential in what Canadians think, to whether or not you are not in danger of carrying the argument too far so that the resources that are committed are too

I agree with you that politicians do not create these issues. They follow the media. Very often it is the media that create the issues and the politicians follows.

21514-4

I wonder if there is not a counter-argument to pollution?

Mr. Chercover: Well, I have been reading everything I can find.

Senator Everett: One that says "Yes, pollution is a "motherhood" concept but how far do we go on committing our resources to the eradication of it?"

Mr. Chercover: I absolutely agree with you. There is always a danger of overreaction and always the danger of overemphasis. But when we began to deal first, for example, with the matter of phosphates-which incidentally I acknowledge have not been absolutely finally proven to be the key element, there is new evidence, now, which indicates perhaps there are other factors—the fact of the matter is that we pursued the issue off he record with the responsible agencies of government at the Provincial and Federal level and we got no reaction. We did in fact pursue the attitudes and the policies of the various departments in question before we dealt wholeheartedly in the area.

Now we haven't had an item on phosphate pollution for the last eight weeks, I don't think. We have the ball rolling. Now it is clearly a matter of study by an appropriate government group with the technological, scientific and other resources at their disposal.

Senator Everett: Are you soft pedalling pollution now?

Mr. Chercover: No, we have just moved on to a few others.

Senator Everett: Speaking about leadership qualities that are involved, it seems to me that we are following an American argument vis-a-vis pollution.

Mr. Chercover: We started long before they did, sir.

Senator Everett: Talking about pollution generally?

Mr. Chercover: Yes, sir.

Senator Everett: I am glad to hear that.

Mr. Chercover: Long before.

Senator Everett: What about poverty?

Mr. Chercover: We have dealt with that and very precisely in the very recent past. We have had a continuing series of features examining not only poverty generally but poverty particularly in the environment of our native peoples, poverty particularly in the context of unemployment and the problems of the unemployable. We had a feature on several weeks ago.

Senator Everett: Do you think you are moving the public?

Mr. Chercover: Yes. We have had a response that indicates that the public is becoming aware of it. I have a flow, and I call it a flow because it is not just an occasional drop, a flow of mail across my desk from people who have seen a specific series and they demonstrate concern by responding, by offering contributions, by suggestions of further coverage, by suggesting other techniques.

For example, we had a programme not long ago which was not on pollution and was not on poverty but was on history. We took the recent McClelland and Stewart book by Frank Rasky, "The Taming of the Canadian West." We did a visual treatment of the short history of the development of some of Canada's mythology, which is not now identified as mythology.

Unfortunately Canada lacks, in public terms, the same kind of mythology that the Americans have built up about the pioneering era of the Old West and so on. We have as interesting and as fascinating a background, the development of the RCMP and the pushing through of the railroad and so on.

That was an interesting result. Several of the critics in the print media—I think they over-responded—were very critical of the programme. A great many people in the public environment wrote in and said "Thank you. Please let us have some more." Some of the most moving and poignant letters came from teachers who begged us to make it available to them because it was a visual and dramatic way of teaching something, which they try to get across in a text book environment, but are not quite as successful as they could be using the audio-visual techniques.

We will be re-running the programme at an early time with a specific promotion so the younger people can watch it.

Senator Everett: Coming back to poverty; here is an issue in which you would have been well in advance of the public and maybe the politicians; in fact I think certainly the politicians. What action do you intend to take to create in poverty the same issue that we have created in pollution?

Mr. Chercover: Knowledge, information. We intend to continue to inform the general public but in the way only this medium can, with impact.

For instance, it is well over a year since we went into an Indian community and filmed the circumstances in which those native peoples were living.

It is well over two years since we first initiated a study in the Halifax area and in fact exposed the conditions in which those people were living.

It is not a table of statistics that moves the general public. If you pick up a piece of newsprint and you see that poverty is of concern in a ghetto area of whatever—we did it in Montreal 18 months ago. We go into the environment.

For instance, in relation to the reservation story, which was a shocking visual experience, we go into the home with a man with his children and see the conditions under which they live at 40 degrees below zero and see the nature of their grocery stock in those conditions.

We invited the Minister responsible to come to the programme to talk with the representative of that particular tribe. He didn't want to do so unless we gave him authority to edit the film, which we would not do. We put it on without him and told the public he was not prepared to come on.

Senator Prowse: Did you tell them why?

Mr. Chercover: Yes, we did.

Senator Everett: I have one last question on the subject.

Do you propose, then, that the news and information side of your undertaking will be to a much greater percentage, devoted to the war on poverty?

Mr. Chercover: I don't think to a greater percentage. We have a responsibility observe the scene, to reflect Canada.

Senator Everett: I am talking about the responsibility you talk about here also move Canada in certain directions.

Mr. Chercover: Sir, let me say we have, over the past two years or two and a half years, continuously and precisely focused on the issue of poverty. It is longer than that. We have continued to do so. We will continue to do so, not to over-emphasize that in relation to the many other problems we have.

Mr. Fortier: Do you believe that on issues such as these two, pollution and poverty, it should be the role of the regulatory agency, such as the CRTC, to go to you and say, "This has become a very topical problem in Canada. It should be emphasized by the mass media. Mr. Chercover, your network must produce more programmes on pollution, must alert the people of Canada." Do you think this should be their role?

Mr. Chercover: No, I don't. I think the role of the regulatory authority or a Senator or a Member of Parliament or a civic or social leader should be to press the media at all times to look at all levels of society. There is only one option, if the regulatory authority is going to determine priorities, and that is they must take over the programming and I don't believe they could.

Mr. Fortier: You don't believe this should be one of their functions?

Mr. Chercover: No, I don't; not even in the positive mode that you suggest. It is a form of inverse censorship.

It is my view, for example, Pierre Juneau and I talk with one another; Harry Boyle and talk with one another, we communicate. They only need to lift the phone and say "Don't you think this issue is not getting enough social concern". They will get a response.

Mr. Fortier: Do they do it?

Mr. Chercover: I have never had a suggestion of any kind from them in those areas but have had some quantitative proposals.

Mr. Fortier: Ipso facto do you think they should have the right of doing what they did in the "Air of Death"?

Mr. Chercover: I think what they did in the "Air of Death" was a response to a political situation which was developing and which had nothing to do with their normal function of role.

If you will recall the Province of Ontario decided to challenge the validity of that programme and the CBC—for whatever good and sufficient reasons, which I don't care to interpret—elected not Province. to respond to

The Province then elected to create a Royal Commission and since the CBC would not

tion and the provincial policy on pollution and a blackballing of the CBC.

The result of that was immediate knowledge inside the system that there was going to be some six or seven provincial Royal Commissions of a similar nature to do the same thing and the CRTC stepped in to call a single Federal hearing, I think to avoid what appeared to be a snowballing situation.

The fact of the matter is that observing, number one, the programme-looking at it-you couldn't argue with it. The proper techniques were followed, no misrepresentation, no distortion. The fact of the matter is that subsequent to the hearing there has still been no statement of any kind as a result of that hearing. The provincial government imposed regulations on that company and indeed, recently, I read a report, not more than ten days ago, that the levels of fluoride poisoning and pollution in the produce and in the animals in that community has now been diminished to safe levels. After the fact, to be proven right, if you have been up in front of a tribunal and judged to be wrong, is not a comfortable feeling.

However, I think first of all if there is an impropriety or an imbalance develops as a result of exposure, that particular programme was a case in point. As I recall the result of the squealings and reactions and bleatings of corporations and departments of the Provincial Government that emanated from the "Air of Death" exposure was across every newspaper in the province and nationally.

The mere suggestion that the programme was improper, long before the decision on the part of the regulatory agency to hold a hearing, resulted in a constant dialogue. I say that is a service the public should receive. That dialogue once created, creates it own balance. of necessity.

Mr. Fortier: The question which comes to mind, which I don't think is divorced from what you have just said, is on the quality of programming. You make the point that you are seeking quality rather than quantity.

Mr. Juneau said before this Committee the more quantity there is the more likelihood there is of quality.

don't Mr. Chercover: I accept statement.

Mr. Fortier: Would you accept that the appear or testify at that Royal Commission, it CRTC when a station comes up for a renewal turned out to be a whitewash of the corpora- of license should be empowered to tell the

21514-41

owner "We have looked at your programmes in the last two years and you have had 80 per cent Canadian content but your programmes have been very poor and consequently we won't renew your license." Do you think that should be one of the fields of jurisdiction?

Mr. Chercover: Absolutely, yes. I do suggest they should be looking at the community and the programmes, not merely reflecting the feed-back that happens in this particular environment.

There is an insular quality here: For example, there is an academic establishment, there is a so-called intellectual establishment; you know there is a political establishment. Those establishments feed back on one another. They have to go out into the community and observe the effect of the performance of the station.

I don't believe you can live from aloft in the performance or fulfilment of an obligation. I believe you have to actually know what is happening in the community and the kind of identification that is being made.

I have heard 20 times in the last ten days that the youth are turning off in this country. That is not true. First of all, I can statistically demonstrate that there is a greater percentage of that key 14 to 21 or 23 years old age break, that is supposed to be turning us off, watching us than the percentage of the audience as a whole. Interesting but a fact.

Senator Everett: You make the statement here, Mr. Chercover, at page 14:

"In any event, we act in the context of a multi-media society. In the event of an unbalanced position put forward by anyone, the public dialogue which follows ensures that balance is ultimately achieved."

It seems to me, in England, there is a tradition of an ethic amongst the wide sectors of the population to expose themselves to three or four national newspapers which, individually, do not give a balanced viewpoint, but collectively they do get a balanced viewpoint. I think that is the best way to get the news.

Do you really think, in Canada, while we live in a multi-media society, that the public has this tradition, so that it is influenced by this balance that is so necessary.

Mr. Chercover: Which public?

Senator Everett: That is what I want you to answer. You can define the public whatever way you want.

Mr. Chercover: I cannot define it in any single way. First of all, it is the public in its entirety; and within it, there are thought leaders and people who influence agencies of government; there are environmental elements themselves; there are the regulatory agencies; there are the representatives of other journalistic media; there are the academics; there are the public at various socioeconomic and educational levels; and each one of the public is a different public.

I don't believe that we always achieve total penetration by any means, nor could we. For instance, the audience on a programme like "W5", 500,000 households and over a million viewers, is a representative audience not of the general public but of people who are particularly concerned.

I would hazard if we were to do a socioeconomic breakout, or an educational breakout, we would find more people in the economic, political, intellectual orbit watching the programme of that kind than the general public in that sense.

I believe that the ultimate effect is still achieved in Canada. One of the things we try to create is feed-back. That is one of the reasons we answer and read all the letters we get, and we get a great many. That is because we want communication and contact with the public.

One of the reasons we test response is not only in numerical terms but also much more precise terms, in terms of effect and the desirability of programmes with a number of techniques, is because we want to build a feed-back.

We have specifically sought on several occasions to involve the public, whichever public it was, whoever was available or interested, in some of these debates and issues. We are gradually beginning to get a response, getting people to come to television either directly or to comment on issues which are in debate. That is a necessary part of the exercise. We are getting some of it.

For instance, we often find when we deal with an issue up front, there may be a feature story in the newspaper and there may be, in the same edition, two letters to the editor which in fact may have motivated the feature story.

Senator Everett: We keep hearing in this Committee, and one of the questions we ask is: is there any control of exercise over what your editorial people write or report on?

Mr. Chercover: I will give you an example, sir, if I may. I may be able to answer it in part.

Senator Everett: I haven't asked the question yet.

Mr. Chercover: Go ahead and ask the question.

Senator Everett: We keep hearing about this. I am getting more interested in not what interference there is with the journalist but what control do you exercise over him?

In other words, we have heard that he is left alone to do as he wants to do so that, as you put it, there is no problem of journalistic balance. I am more interested in how you control journalistic energy?

Mr. Chercover: We, first of all, have not experienced any. That is a fairly important factor. I think the reason we have not is because the people who are operators in the network are themselves active in the field of programming and journalism.

For instance, I am involved with programming as my primary function. I have to know how to read a balance sheet, I have to know how to account for what we do, and I have to work with Mr. Campbell to achieve sales, but those are incidental to my primary function which is to ensure that we have a programme service that is valid.

One of the ways in which we do that is to look for people in the journalistic field of endeavour from varied interest areas and varied political backgrounds. So we are not necessarily demanding total objectivity of any individual but rather we are seeking to put a creative sense of balance within the structure.

Secondly, we have not had the problem of anarchy because the news features and information programmes are all a unit. They are not separated into divisions which deal only in hard news or deal in the alternative to hard news, which is opinion programming.

A good example might be that we have pioneered in the area of putting a byline column on the air, the opinion of the creator. We have a good example of that in Ken Lefolii's work at the moment.

The Chairman: Does he have complete freedom?

Mr. Chercover: Yes, he does. As an example he was covering the hearings this week and out of deference to my concern, he called

me, not to offer me the option of editing but to offer me the opportunity to see on Sunday what he was going to put on on Sunday night. I thought was very gracious of him but I said, "Thank you, but no thanks." "I will not come to see it. I would love to comment on it afterwards but I will not look at it."

Mr. Fortier: And yet you are a man who should know. Tom Gould, your Director of Public Affairs, writing in the *Star* on Tuesday, March 17th, and he must have known what he was talking about, wrote this:

"Television journalism is groping with the tyranny of the stopwatch. Brief, superficial reports are crammed into a limited number of minutes. Cameramen, reporters and editors all seek good visual material and when it isn't available they often shape the story to fit the film they have."

Is this factual?

Mr. Chercover: No. The fact of the matter is Tom was dealing philosophically, and quite properly, with problems I could deal with. I could sit here and give you a litany of sorrows about the pressures of money, the pressures of time, the pressures of pressure.

Mr. Fortier: You don't think he was commenting on episodes which he had lived?

Mr. Chercover: Perhaps. He has also worked for some other corporations in broadcasting in Canada besides ours.

Mr. Fortier: Gould continues:

"We thrive on conflict, and create it where it is non-existent, by describing events in the vernacular of the boxing ring."

Mr. Chercover: Well, I simply don't accept that. Tom brought me the piece and I said "All right. You wrote it. It is your opinion. Be my guest."

Tom is only one person in our entire news service, one person in our entire information staff. He is a first-class journalist, a greater reporter, and a heck of a guy. That doesn't make him absolutely right on every issue.

Senator Prowse: He did show it to you before?

Mr. Chercover: He brought it to me just because he wanted to borrow from me several pieces which I had done about the problems of media and identification with the public.

I had given some papers, which Tom knew about, that had to do about the concern, the disaffection of the public for the media. There is a significant disaffection that has grown in the North American society, not just in Canada but more particularly in the United States. We have all heard the phrase "The silent majority." Nobody likes the bearer of bad news. We know that and we know we have a problem.

Tom wanted particularly to get the background of some of the research material that I had done. I gave him the files and he talked about the article with me.

Mr. Forfier: Let's forget about Tom Gould's opinion. We are interested today in getting yours.

Do you think that television journalists in Canada generally, and specifically those who are associated with your network, are fair?

Mr. Chercover: Yes. If they are not I have an obligation to go back to them after the fact and I do. I say "Do you believe that you properly reflected both sides? Did you go to the manufacturer? Did you enquire of the Minister in question?"

Indeed there have been occasions when we have come back at the same piece as a result of their retrospective acknowledgment they had not been fair.

Mr. Fortier: By and large do you find they dig as deeply as you expect them to?

Mr. Chercover: I find the instinct on the part of the more responsible journalists whom I have had contact with, is to dig very deeply and to do their very best within their limitations in terms of time, money and whatever.

I do believe that it is essential that responsible people observe what is going on and react after the fact as well as before the fact. It is not sufficient to give good direction to people. You must also then observe what they do.

Mr. Fortier: You have had a fair amount of experience in the United States. How would you compare our electronic journalists with the American ones you have come in contact with?

Mr. Chercover: I would not speak of them in the same breath. The fact of the matter is that this country is better served, by so great a degree, in the area of investigative reporting and responsible journalism in the broadcast media, that you cannot compare them.

I would suggest to you if you were to examine—never mind hard news reporting, anybody can report what happened today in Parliament, what decision was made and what happened on the battlefield—but I would suggest to you that notwithstanding budgets, slickness and all those qualifications, that if you examine the only regularly scheduled public affairs programmes on the two largest American networks and compare them in any respect in terms of social responsibility or quality of journalism with what we do on Sunday nights, you would not put them in the same category.

For example, since the pressure has mounted in the United States, and it has...

Mr. Fortier: Do you agree with Vice-President Agnew's criticism?

Mr. Chercover: No, I don't. I think that Vice-President Agnew was out of line in respect to the pressures that were put on the broadcasting industry. But before Mr. Agnew's comments and since the Chicago confrontation, the most important item covered on those Tuesday night major public affair shows was the life of a professional football player in documentary form.

Now what possible value did that have? That is not an issue.

Mr. Fortier: Do you seek to educate your journalists at CTV?

Mr. Chercover: Yes, indeed.

Mr. Fortier: How do you do that?

Mr. Chercover: First of all, we offer them opportunity to pursue additional studies where such academic approaches appear to be useful to their role.

More important I can name producers and directors and story editors with us now, to whom a very few years ago, coming in from the community, from the academic community as political science majors or from whatever source motivated their interest in broadcast journalism, by all that is holy I should have said "That is very nice. Nice to see you but you don't know one end of the camera from the other. You don't know how to interview. We will see you when you get some training."

We hire young people, quite a number of them, and we start them out in research functions or story editor functions at the junior level. We give them responsibility and after they picked up the ball and run with it for a

expand.

All the while they are doing this they are observing senior people. We bring all our researchers to our weekly programme conferences which follow "W5" unit gathers every Week and recaps and tears apart the programme from the previous week. We allow Our most junior researchers to criticize the efforts of the producers and story editors and the most senior people.

By criticizing and observing the comments, not only of the units but of the senior people in the news and public affairs area, and my own participation which is quite regular, they are assisted in setting in their own minds a kind of sense of values.

Mr. Fortier: Those editorial conferences Which you hold every week, do you exercise a right of veto at all in the course of those discussions?

Mr. Chercover: I think it would be proper to say that I could but I don't do that. I don't work with my people that way. I try to convince them; I try to argue with them with logic; I try to demonstrate to them where an impropriety or imbalance may exist.

Senator Everett: But after having gone through that part of the exercise you have not convinced a particular writer that his course is wrong, do you not at that point exercise the veto?

Mr. Chercover: Well, as I said before, I haven't had the occasion to do it before the fact. I have had occasion to insist...

Senator Everett: I am talking about before the fact.

Mr. Chercover: You cannot tell before the

Senator Everett: You

Mr. Chercover: On a story line, for instance...

Senator Everett: And you decide his is taking the wrong direction?

Mr. Chercover: If I argue he says "You have to let me finish the story. You have to let me do the actual filming. We will look at it again on the Saturday preview or the

while and demonstrate they can hang on to First of all each individual, and it doesn't that much, we give them an opportunity to matter whether it is in the field of journalism or any other field, must have an opportunity to make his own mistakes. You cannot absolutely ensure that there are never going to be any mistakes, because if you do, you limit growth and the contribution of people around you.

> If I dictate from my experience everything that happens, keep my lines out at all times to every aspect of our programming schedule, then no one is being trained to possibly step into my position; nobody is experiencing the challenge of the system, facing responsibility to the public and being brought to face it after the fact in the event of a mistake. Mistakes are part of learning and growing.

The Chairman: A supplementary. Why did Ken Lefolii suggest that you might want to see that particular last Sunday night programme in advance? I gather he said "would you like to see it".

Mr. Chercover: He didn't ask if I would like to see it to suggest that I might want to change it. He said I might want to see it for my own information because I was coming back to talk on the same subject further.

The Chairman: You saw it on Sunday night for the first time just as I did.

Mr. Chercover: Exactly.

The Chairman: Did you think it fair comment?

Mr. Chercover: I did. Naturally I was not entirely thrilled by the fact he spoke of "an orgy of self-congratulation".

The Chairman: He described your presentation...

Mr. Chercover: It is his opinion. I am perfectly happy to let him have it.

The Chairman: How about his comments about Dr. Davidson? Were they fair?

Mr. Chercover: Since I was there and observed it I would have to say "Yes."

The Chairman: Didn't he become rather personal in his reference to the fact that he said it was his opinion that he has been black-balled by the CBC?

Mr. Chercover: It is his opinion.

Sunday before we run it to air." are the answers that I wanted to get. The Chairman: Okay. That is fine. Those

Senator Everett: I want to come to cable TV, but before I do, at the top of page 9, talking about concentration, you say:

"That is to say, if some of our stations allied themselves in a mini-network through group selling techniques, then we would be opposed to such a development because it is contrary to the raison d'être of CTV and the result would be to impair the smaller stations and ultimately cause their service to be adversely affected."

Are you talking about Bushnell Communications Limited?

Mr. Chercover: Not necessarily.

Senator Everett: Could you be?

Mr. Chercover: Could be.

Senator Everett: I am also quoting here from an article written by Patrick Scott Oct. 15, 1969 in which he seems to refer to a CRTC meeting; he starts off:

"The foundations for a third Canadian television network were laid here yesterday."

In the middle of the article he says:

"... Chercover, who as president of CTV conceivably turned the first sod here yesterday for his own network's grave."

Mr. Chercover: He didn't listen to everything I said.

Senaior Everett:

"Chercover told the commission that CTV had no objection to the principle of one network affiliate buying another."

Mr. Chercover: That is right. There was a rider. He didn't report it but there was a rider. I think it might be useful for me to report it here.

I said to the Commission I had no objection, indeed I saw the benefits that were potentially there in creating larger economic units in order to speculate in programming.

However, I said that if that particular application, which was not then in question at all-if any applicant demonstrates an intent to undertake activities which would be inimical to the interests of the network, that I would be there at the time of that application and I would oppose.

I was referring at that time to the possibility that Bushnell might combine Ottawa and Montreal for sale, to which I would object absolutely and would do so in public and I expenditure is a three to five

Senator Prowse: And have now done?

Mr. Chercover: And have now done.

Senator Everett: I guess you have done a great deal, Mr. Chercover, of what you refer to as "co-production"?

Mr. Chercover: Yes, we have.

Senator Everett: Is this perhaps an answer to the CRTC Canadian content requirements?

Mr. Chercover: It is indeed. I have been giving it to them for several days as hard as know how. But the basic problem is, of course, you cannot do a great many things simultaneously. A lot of people can rub their tummy and pat their head. That is a simple mechanical thing. There are dollars involved here and there is a policy that bankers should not be in broadcasting.

If they propose a quantitative enhancement on the scale which is contemplated, then the resources which we have to devote speculative ventures, will keep money tied up as much as two or three or four years, in the hope of ultimate return of sales in foreign markets; and it is very much limited.

Senator Everett: Does the financing not tend to come from your partner in the States?

Mr. Chercover: No. On the contrary, we do not have very many partners who are prepared to put up all the money. We have partners prepared, as partners, to put up a proportion of the money.

I spoke this morning of one dramatic series venture we now have in development and which will be coming this coming fall, a commitment for 195 one-half hours of original dramatic or situation-comedy programming. It is an area we have long wanted to get into. My own background is in that.

I have been very unhappy to have to tell people like John Basset: "Forget your inclinations. You can't afford it." The fact of the matter is we will put more than a million dollars above the normal licensing monies which are normal to the Canadian market for the exposure of a programme of this kind, or acceptable in the Canadian market in relation to the revenue we can generate.

We will put more than a million dollars in it and be in it and we won't start to recover until some time during next season when well begin to will begin to see a small trickle of money But the likelihood of our recovering that have the clearance of my board to so do. proposition. The of all more aw applied

Everyone in the programme business knows in fact that this is the case. American producers, who have a home market which can generate 200,000 dollars an hour for programming, often find themselves exposed until the programming has gone through the initial network run and is in rerun and foreign syndication. They don't become profitable, they don't get their full investment back in their hands until an extended period of time has gone on.

One of the measurements, it may amuse you to know, of the value of a company in the production business is the extent of their exposure for inventory not yet made, the extent of their financial exposure.

A company, which has no obligations at the bank and no programmes in the process of development and production, is a company that within a very short space of time will cease to exist. A company, that has no assets except future projected assets based on programming but is in debt millions and millions of dollars, may turn out to be a valuable contributor. Programmes have to be manufactured. They take time, energy, money.

Now the answer to the CRTC is in a direct orientation of this category of programming; but unfortunately it is not enough. We have been using every resource at our disposal and building the credentials of the Canadian industry for four years and our volume is quite substantial today in this field and is getting more substantial.

We just announced the first ever Canadian programme produced for a series exposure on an American network. It is a breakthrough—it has never been done before.

Mr. Fortier: It seems to me you are almost pleading a case. If this is an unfair question say so. You are almost pleading a case for the big affiliates leaving the CTV network.

Mr. Chercover: Why?

Mr. Fortier: They are the ones who are going to produce.

Mr. Chercover: Their facilities may be used. We produce. We produce the facilities wherever we buy them.

When I use a company like Film House Ltd. in Toronto and my people put the programme together and go out in the film units, is Film House producing or are we?

Mr. Fortier: I was going to oppose that to the big affiliates such as the Toronto, Ottawa and Montreal ones being in a position to pro-

Everyone in the programme business knows duce their own programmes, and then setting that this is the case. American products, who have a home market which can gen-

Mr. Chercover: There is not a conflict of that kind. There are never enough programmes produced at this scale and with this amount of investment.

Mr. Fortier: That is today but projecting as far into the future as you can...

Mr. Chercover: We are a consortium; we are a unit. This is one of the classic tragedies of communication that people don't realize that CTV and its stations are a consortium. They are bound together, they are units.

If we are fortunate enough to have two or more producing units within the structure, who are prepared to speculate with good money and bring programme projects into the network for placement in Canada and at the same time seek, with a great deal of aggressiveness, foreign sale of those properties, or to co-operate with the network or co-finance with the network, it is all to the good.

Mr. Fortier: That is the vision you wish to encourage?

Mr. Chercover: Yes.

Senator Everett: What are some of the figures that are involved in a co-production? How much equity do you have to put in?

Mr. Chercover: It varies from one extreme to another. In the case of the dramatic series, our equity position, our full financial commitment from the start of production to the conclusion of production of the full number of episodes planned, will be something in the range of a million and a half dollars.

Senator Everett: That will be equity?

Mr. Chercover: That is our financial exposure, cash flow. Our equity position will be 50 per cent of ownership world-wide and 100 per cent of the right in perpetuity in Canada. It is actually somewhat more than 50 per cent; but in dollar terms, our equity is, in part, balanced by their ownership of an indigenous or creative element, an artistic property.

Senator Everett: So I understand the terms, what is the total outlay for the series?

Mr. Chercover: The total outlay will be well over \$2 million.

Senator Everett: The question I am asking you is: how will you finance that \$2 million?

Mr. Chercover: At the moment I don't know. I frankly don't know. I made the commitment and I don't have the cash. I am going to go to one of our stations and ask for their assistance, ask them to become a financing partner, so in fact CTV's ownership position will be shared with one of its affiliates,

Senator Everett: Let's take Blue Water Gold...

Mr. Chercover: It was a feature film.

Senator Everett: We are talking about the past there. What was the total cost of that?

Mr. Chercover: Our total involvement...

Senator Everett: No. Total cost?

Mr. Chercover: The total cost of the programme was in the range of \$450,000.

Senator Everett: And you were a partner with Metromedia Producers Corporation, I think, in that?

Mr. Chercover: Yes; and our cash involvement was \$100,000 plus staff.

Senator Everett: How did you finance that \$100,000?

Mr. Chercover: That \$100,000, I was able to take out of our limited cash flow position and actually directly invest. There is no other partner.

Senator Everett: If you had not been in that fortunate cash flow...

Mr. Chercover: I was not. I had to go to the bank.

Senator Everett: Would you have had any difficulty financing that \$100,000?

Mr. Chercover: Not only difficulty, it would have been impossible. I don't know of any banks interested in going into this speculative field of activity.

Senator Prowse: You just said you borrowed from the bank.

Senator Evereti: There were lots of angels on Broadway.

Mr. Chercover: I know that. The very simple fact is we would never have been able to achieve it. We went to the bankers and said we would like to expand our line of credit and they said "What for?"

Senator Everett: That may have been the result of the present tight money policy.

Mr. Chercover: They said "What for?" I said "Because we are undertaking a number of these ventures. We have been successful and here is one showing a profit and now all of those profits are not going back into the consortium. We are going to have a co-production pool so we can undertake more such ventures."

They said "It is nice but you can't have some more money at the moment."

Senator Prowse: You just said you borrowed the money.

Mr. Chercover: I have a line of credit with the bank now which fluctuates up and down with our receivables.

Senator Prowse: The bank did finance?

Mr. Chercover: In fact. I was not able to get them to expand that line of credit so I could undertake more ventures in this field.

Senator Everett: What proportion of ownership of the show have you got for the \$100,000?

Mr. Chercover: Plus staff and personal function; the total was one-third of the equity. We got more equity than our dollar contribution proportion.

Senator Everett: That was shown on ABC and CTV.

Mr. Chercover: That is right.

Senator Everett: What of the \$450,000, have you recovered on that?

Mr. Chercover: The American partner, in the portions which they controlled, went considerably overbudget. The ultimate licensing income that we have achieved so far was \$450,000 from the ABC and we allocated, internally, \$25,000 of our cash investment as licensing for the Canadian market.

The fact of the matter is the programme costs ultimately incurred by the Americans. They did not over-spend on the portion we had control of, which is all the lab work, film stock, editing, track laying, second unit film crew which we sent to location etc. We controlled our portion of the budget beautifully. As a matter of fact there was a slight surplus at the end but they blew their portion substantially. They are about \$200,000 away from achieving the recovery position on their portion of it. We did recover. We did control ours and we did recover \$25,000 in effect on the bookkeeping via licensing which we allocated.

Our normal purchase of the feature film would be under that level but then there are no Canadian feature films, but our two, that we have been able to buy for Canadian television.

Senator Everett: I am sorry, I haven't followed you. I will have to go back again.

You have a hundred thousand dollar investment in this film?

Mr. Chercover: That is right.

Senator Everett: You did not overspend your budget?

Mr. Chercover: That is right.

Senator Everett: What return have you had on the hundred thousand dollars?

Mr. Chercover: None. Yes, I am sorry, we have had beneficially the \$25,000 license fee we have allocated so that we could broadcast the programme.

We have allocated \$25,000 of the \$100,000 investment to licensing. When we are producing or a partner in a production venture, we must take off our broadcaster's hat and put it aside briefly. We set up a venture where there are two producing partners and whatever proportions we can negotiate which are appropriate are achieved.

Then CTV has to say to itself as a producer: "How much is this worth in relation to the normal licensing pattern?" We cannot cheat our stations or we cannot cheat ourselves by saying we won't charge any license for the use of that property in Canada.

So we in fact charge ourselves a license fee, quite properly, for the use of the programme, for the exposure of the programme in Canada.

Senator Everett: What was the total cost of the package?

Mr. Chercover: My understanding is that including our \$100,000 commitment they went well over \$700,000.

Senator Everett: Now presumably there has been revenue from that?

Mr. Chercover: Yes, \$450,000 from the ABC network. We have not as yet arranged theatrical release or television release in foreign markets nor have we had second release in the United States.

There is a pre-commitment for ABC O & stations and Metromedia O & O stations,

to take third and fourth runs on the title. The other part of this venture...

Senator Everett: Added to that was the \$25,000 licensing fee?

Mr. Chercover: That was out of our hundred. It was an internal allocation out of our 100,000. It is very complicated.

Senator Everett: Well, we will go back at it again. 450,000 is...

Mr. Chercover: Is the original budget.

Senator Everett: The net revenue so far?

Mr. Chercover: That is right.

Senator Everett: In terms of your original budget you have got your investment back if you had not overspent?

Mr. Chercover: No, no. We haven't got any portion of our budget back because after they exposed us to their overexpenditures they prevailed upon us—I suppose we could have argued that "You made the mistakes, gentlemen, without any help from us. It is too bad"; but the relationship goes much further than one programme.

We said "Very well, you overspent the budget. We will allow up to this amount. Before we can start recovering on our investment we have to see you recover your original commitment."

We have also gotten an agreement from them to the effect after they have recovered investment we will get first dollar recovery but we are a distance from that and I doubt if we will ever achieve it. I don't think we will ever actually come out on this property.

There is one advantage I think I should further mention to you. As you probably know, many programmes are piloted for series consideration via the feature film route. This property was one such programme and it is still in consideration by the American network as a series. We will automatically be a partner in ownership of the series rights in the event that this does go forward.

That is a very speculative advantage but it is there.

Mr. Fortier: May you not make the decision yourself and then bring your American partner along with you?

Mr. Chercover: No.

The Chairman: I am going to suggest that we attempt to finish the whole session prior

break. We will reconvene here at 4.20 and go through until 6 o'clock.

If we have to come back, we will but it may be that by 6 o'clock we can finish. I would like to adjourn now for eight minutes and will the Senators please be back at 4.20. ... Short adjournment

The Chairman: I would like to call the session back to order. Do you have more questions, Senator Everett?

Senator Everett: I have a thousand more.

Mr. Chercover: May I make a comment to Senator Everett?

The Chairman: Yes, of course.

Mr. Chercover: I wish he had chosen one of our successes rather than one of our failures.

Senator Everett: In future I will.

The Chairman: Senator Everett, carry on.

Senator Everett: I yield to Mr. Fortier, Mr. Chairman.

Mr. Fortier: Thank you, Senator.

Mr. Chercover, you have a competitor, I believe, who goes by the name of CBC.

Mr. Chercover: I have heard something about that, yes.

Mr. Fortier: CBC stands for what? Canadian Broadcasting Corporation. What does CTV stand for?

Mr. Chercover: C (no period) TV.

Mr. Fortier: Didn't it used to be Canadian Television?

Mr. Chercover: It never was. That appellation has been appended, thank heaven, by a lot of people who call us Canadian Television Network Limited. Our corporate name is CTV Limited.

The Chairman: You were never ...

Mr. Chercover: No. Don't tell anybody. I like it the way it is.

Mr. Fortier: Is CBC a fair or unfair competitor?

Mr. Chercover: Unfair.

Mr. Fortier: In what way?

to dinnertime and that being so I think we Mr. Chercover: It is very simple. The CBC might adjourn now, to give our reporter a utilizes the public fund to provide services to the advertising community at a more benefical rate than would be normal if they had to operate within the confines of a normal undertaking.

> Mr. Fortier: In the long run is that not benefical to you and me as taxpayers?

Mr. Chercover: No.

Mr. Fortier: Why not?

Mr. Chercover: There are several factors. The first is, that if in addition to effective subsidization of the advertiser, it is giving him cost efficiency which is superior to that he could normally experience in buying his time, it is clear that more dollars should flow to the corporation, thus providing greater relief to the taxpayer.

But more important, in the purchase of foreign programmes, the CBC has been reluctant-and I don't blame them if they can avoid it—to precisely define their actions in this area. They spend on an average twice as much as we do and the market dictates the under which you buy foreign terms programmes.

Now they have been known to lift properties from CTV in the past and it doesn't bother us. We then let them place them as effectively as they wish and then beat them with whatever we have left. That is another issue.

Let me put to you a rhetorical circumstance. If the CBC were told or decided on its own to set up a completely separate operating commercial division, and they were told that within that division, or that division was instructed that its end goal was to break-even or make a profit but they had to meet the obligations of licensing which apply to us of to anybody else operating in this area; if they could have a mixed bag of hours similar to ours, 25 hours or prime and non-prime, Saturday morning for children and afternoons for women or whatever, the balanced kind of commercial service that is required for the advertising of the various products that are usually advertised on television; and if they then went to the Corporation, and said: we went to use the want to use the facilities of studio 7" and the amortized rate of that facility, including capital depreciation, heat, light, power, et cet era—the usual way in which you pro rate the use of a facility—were paid back to the mother corporation; if the manpower rates were paid, including 4 per cent for vacation and all the benefits included in the union agreements; and if they were to make their programmes, as any other producer has to, in the market place and then allowed to buy their programmes from foreign sources at whatever price they wanted to; if they were allowed to price their time to the advertiser at whatever price they wanted to; so long as they hit the bottom righthand corner with a break-even or profit they would be competitive in a proper sense and they would not be representing a subsidy or drain on the taxpayer to provide for advertising services at a lower rate than the advertiser can get otherwise.

Mr. Fortier: Is that the role you would like to see the CBC play?

Mr. Chercover: Yes. We would not like to see the CBC entirely out of advertising, frankly. I think that it would be damaging to the general welfare of...

Mr. Fortier: The general industry?

Mr. Chercover: Of the entire industry.

Incidentally, while it is popular in some circles to denegrate advertising, we have acknowledged the Act and the White Paper before it, visualized and anticipated the selling of goods and services and the proper execution in the community, under controls, so there is not improper representation or products that are harmful or whatever. They envisioned that continuing and providing the funds necessary to maintain this rather unique mixed system that we have in Canada. I don't argue with that. I think that is a proper approach.

I don't argue that the CBC should go entirely into 100 per cent Canadian minority interest kind of programming. There are people who put that position forward.

Act very carefully you will find under section 2(d):

"the programming provided by the Canadian broadcasting system should be varied and comprehensive and should provide reasonable, balanced opportunity for the expression of differing views on matters of public concern, and the programming provided by each broadcaster should be of high standard, using predominantly Canadian creative and other resources:"

Now that applies to the entire system and it applies equally to us as it does to the CBC.

Now when we get down to the establishment of the corporation under 2(f) it says that there should be provided through a corporation established by Parliament for the purpose a national broadcasting service that is predominantly Canadian in content and character. That is where that phrase applies. It doesn't apply to the entire system. It applies to the CBC.

Mr. Fortier: As you well know, I am sure, Mr. Juneau finds similar purport earlier in section 2.

Mr. Chercover: He fails to quote the entire paragraph.

Mr. Fortier: We had a long discussion with him on that.

Mr. Chercover: The paragraph says the "system should be effectively owned and controlled by Canadians so as to safeguard"... That is an ownership directive. It is not a content directvie, at least in my semantic reading.

Mr. Fortier: I am happy to say I agree with you on this count.

Mr. Chercover: I am happy you say that too.

Mr. Keith Campbell, Vice-President of Marketing: If I may expand on that...

The Chairman: Yes, Mr. Campbell.

Mr. Campbell: An example of the kind of stand, the CBC puts forward in the City of Montreal, which is a competitive market in an all media sense, our affiliate there is CFCF and the rate, as you know, is \$525 for a 60 second announcement.

On an average in prime time, our affiliate delivers about 121,000 homes. CBMT, which is the English language competition provided by the CBC, has an average audience of about 91,000. There is a marked differentiation there. The rate the CBC charges for a minute in that segment is \$325.

Moreover in the French sector, CFTM, which is an independent station, as you well know, has an audience of 255,000 prime time. Their rate is \$750 a minute.

CBFT, only 20,000 homes lower, they are delivering 230,000 homes in prime time and their rate is exactly half, \$375.

Mr. Forfier: What about the argument which I have heard adduced by the CBC, that it keeps the competing CTV affiliate more honest?

Mr. Campbell: I see nothing honest in giving away your inventory.

Mr. Fortier: Meaning if it were not for the CBC low-cost of advertising, CTV affiliate's costs would be even higher than what they are today?

Mr. Chercover: I don't know where the argument comes from. I don't know what justification there is for it. The fact of the matter is advertising efficiencies are measured—and Senator Davey certainly knows this—on the basis of cost per minute efficiencies depending on a demographic breakout that you want and region frequency studies and so on. The fact of the matter is, and Mr. Campbell can do this better than I, the average cost per minute on the CBC competitive to CTV runs in the range of \$2.80 compared to \$4.20.

Senator Prowse: Is that stations or persons?

Mr. Chercover: Networks. Costs per thousand delivered, network to network comparison, \$2.80 a thousand.

Mr. Campbell: The full network rate costs per thousand for CBC is \$2.80. Metro net is \$2.82.

Mr. Chercover: Whichever you prefer.

Mr. Campbell: Certainly if we were terrified by the CBC and let them set our rates for us...

Mr. Chercover: We would not be able to do what we are doing.

Senator Everett: What is the prime time spot rate on CTV?

Mr. Campbell: Thirty-five hundred onetime rate, reduces to twenty-eight hundred with applicable discounts for long term.

Senator Prowse: Thirteen or twenty-six?

Mr. Campbell: Metro net seventeen hundred to about fifteen hundred, depending on the particular discount structure.

Senator Everett: What is CFTO?

Mr. Campbell: \$600. CBLT is \$475.

Senator Everett: CBW?

Mr. Campbell: CBW, Winnipeg. That I will have to look up.

Senaior Everett: CJAY?

Senator Prowse: Mr. Chairman, I have a question when he gets through with this.

The Chairman: If yours is a supplementary go ahead while he is looking it up.

Senator Prowse: What is the total income spent on TV advertising in Canada in the last year for which there is a record?

Mr. Chercover: 130 million.

Senator Prowse: Out of that 130 million, 35 million goes to CBC?

Mr. Campbell: They report 34.8.

Senator Prowse: You get 100 million?

Mr. Chercover: We don't get 100 million. All the private stations in Canada, including the CBC private affiliates, all our private stations, which number 12, and CTV combined, get the rest.

Senator Prowse: You know what I am getting at because I don't have to draw you pictures. Out of this whole thing, if CBC got really competitive and started to take their full crack out of it, there would be a lot less left unless somebody had a lot more to spend. Isn't that right?

Mr. Chercover: No, I don't think so. I don't think they would take much more out in terms of deleting it from the rest of the system. If an advertiser is prepared to pay \$4 per thousand or better for audience delivered he doesn't care who is delivering it. He will be on CBC.

At the moment they are taking advantage of a cheaper rate. I think there are more advertising dollars to be spent in Canada so long as the efficiency remains within the range which I have described.

Senator Prowse: What you are saying to me now is that the CBC could be making more money by charging higher rates for advertising without interfering in any way with the income available to the private stations?

Mr. Chercover: That is my opinion.

Senator Prowse: Could you give me an estimate as to how much more? This could be important to the taxpayer.

Mr. Checover: I am sure it could. I couldn't be accurate in this area.

Senator Prowse: You can be pretty accurate, Mr. Chercover. I don't think anyone has any illusions about your ability to be accurate.

Mr. Campbell: If you add even 15 per cent to the CBC rate you relieve the taxpayers of \$6 million right there. We should not comment on it but the fact is the CBC, by their own statistics, announced their sales cost and it is interesting to note that the CBC spends 8½ cens or better, that is a conservative estimate, out of every income dollar on what they called direct sales costs. We do it for 3 cents.

The Chairman: How do you do it for so much less?

Mr. Chercover: It is not an unusual figure.

Senator Prowse: Three cents?

Mr. Chercover: Yes.

The Chairman: Why is theirs so high?

Mr. Chercover: I don't operate there.

The Chairman: Now you fellows both know...

Senator Prowse: Any fellow who is as good as this fellow...

The Chairman: You have worked for the CBC and Keith Campbell has...

Mr. Chercover: He was stolen from the CBC. As a matter of fact he was such a good buyer we had to hire him. He was probably the most resented buyer in the country. He used to buy more efficiently on behalf of his advertisers, even from us, than anybody else in the business.

I would be misleading you if I said I could give you an estimate. I think if I can tell you we can sell \$4.20 per thousand as a reasonable rate and achieve a reasonable percentage of sellout, you can take that kind of factor against their \$2.80 or \$2.82 and simply apply it to their total revenue, it seems to me.

The Chairman: I would remind Senator Prowse that he is not the questioner. You are still on a supplementary question.

Senator Prowse: If am out of line I will get him later.

The Chairman: Finish it off.

Senator Prowse: What I want to know is this: you sell advertising at \$4.20?

Mr. Chercover: Yes.

Senator Prowse: And the CBC sell it at \$2.82?

Mr. Chercover: That is right.

Senator Bourne: Practically 33 per cent cheaper?

Mr. Chercover: That is right, sir. If you take 33 per cent of their current revenue you can see the saving that might be effected or the enhancement of service that might be effected.

Senator Prowse: Do you have against that your cost of sales?

Mr. Chercover: Certainly.

Senator Prowse: Yours is what?

Mr. Chercover: Three per cent.

Senator Prowse: Can you put it into a line that I can equate here?

Mr. Campbell: Three cents of every dollar that comes in.

Senator Prowse: How many dollars come in?

Mr. Chercover: It is very simple, sir. We cannot obviously project the amounts of money coming into the stations but at the network level, I think it is now generally public knowledge that our direct income, from the sale of advertising, is in the range of 14 million of net agency commission exclusive of special events such as football.

Senator Everett: I think the point he is making is if you can say that the cost per dollar of sales of CTV is three per cent, then the CBC is $8\frac{1}{2}$ per cent and then you can give the total dollar sales on which that is based.

Senator Prowse: From that you can come back.

Mr. Chercover: I just did.

Senator Prowse: No. Just a minute. Let me do this. I am told now that your cost of advertising is \$4.20 per thousand for sales.

Mr. Chercover: No, no. Excuse me, sir. Our cost per thousand delivered average to the advertiser on the rates that we utilize sale on is \$4.20 per thousand.

Senator Prowse: All right. Now what is the same cost if I were buying advertising on the CBC?

Mr. Chercover: At the moment \$2.80 to \$2.82.

Senator Prowse: Now the cost of sales for the \$4.20 income for you is what?

Mr. Chercover: Three cents on every dollar.

Senator Prowse: Ah, come off it. Let's come back and put it on the mill line rate.

The Chairman: No, wait a minute, Senator Prowse. I know what you are after...

Senator Prowse: I know what I am after too.

The Chairman: I think Mr. Chercover has given you the answer.

Senator Prowse: He has not answered. I don't have all his figures and I am not about to do all the arithmetic. He can do it quickly now and he knows the answer.

Mr. Campbell: You are attempting to relate efficiency of what the advertiser is buying to cost of CTV or CBC and selling it.

Senator Prowse: That is your price of sales.

Mr. Chercover: That is cost to the advertiser. It has nothing to do with our cost of sale. Our cost of sale is applied against our net revenue from sales. I say our net revenue from sales...

Senator Prowse: You are playing semantics with me here.

Mr. Chercover: No, I am not.

The Chairman: I don't think he is.

Senator Prowse: I think he is.

The Chairman: We can't spend all afternoon on this, Senator Prowse.

Senator Prowse: Senator Davey, with all respect, I think this is something that anybody can understand and it is very simple. We were told here that the income from sales works out at a basis of \$4.20 per thousand customers.

Mr. Campbell: No, sir.

The Chairman: That is not it at all.

Mr. Campbell: Our income is roughly \$14 million. Of that \$14 million we spend about \$420,000 convincing advertisers to spend \$14 million. It happens that what we deliver costs them \$4.20 per thousand.

Senator Prowse: If you had to pay income tax on this basis you would figure it out that quick. You say that what your income is, is you get \$4.20 per thousand listeners per minute. Is that right?

Mr. Campbell: If you want to work it on a mill line rate what we would have to do for you is take \$14 million and multiply it by \$4.20, divide by a thousand, and take three per cent.

Senator Prowse: Could you do that quickly?

Mr. Campbell: I think what you are trying to ask is how much money do we make. That would have been an easier question to answer.

The Chairman: Senator Prowse, I have been very patient, I think. We have now dealt with this for 15 minutes and we haven't any longer. I know what you are trying to do. It is obvious the answer that you would like to get, you are not getting. I don't think the witnesses are purposely not giving you the answers you want. I think there is a misunderstanding of terminology.

Senator Prowse: There is a hiatus here.

The Chairman: "Hiatus" might be a good phrase, and I don't want to extend the hiatus until the time of adjournment and therefore I am going to move away from this, with your forebearance.

Senator McDonald had a supplementary question.

Senator Prowse: Maybe I could write a letter to Mr. Chercover and he will write me

The Chairman: I think that is not a capricious suggestion.

Senator Prowse: I am not being capricious.

Mr. Chercover: I understand that. I have tried to answer. I have given you the figure of total income from regular sale of time, net after agency commission, and I also gave you the percentage of that which is applied in the area of sales costs.

Senator Prowse: May I ask one final question? If the CBC increased their cost of advertising...you are saying now that they are selling at \$2.82 where you are selling at \$4.20...supposing CBC took their rate from you and went up to \$4.19, which would still give them advantage, wouldn't the money

they got be subtracted from the amount of money that you have?

Mr. Chercover: No, sir. We are dealing in many instances with the same advertisers. The advertisers look at their placements first on the CBC, because they can get cost advantage, but they are still prepared to buy from us and from some of our stations at cost efficiencies in the range of \$4 and higher, \$4 a thousand and higher.

As a matter of fact if you get into the Toronto market, \$8 a thousand is not at all unusual with the fragmentation that exists in that market. No problem at all, you can get it. CFTO does and so does CHCH and CBLT. CBLT is lower than either two in rate.

The fact of the matter is advertisers will drop off and drop out of television after the top range of \$4 to \$5 is reached on a national level. They will drop out of Calgary and Regina a lot earlier than they will drop out of Toronto. It is not until it starts to reach \$6 to \$8 a thousand. It is more costly to advertise in a community like Toronto, which has multiple services, so they are prepared to pay more. They withdraw those funds from the peripheral or minor markets.

The fact of the matter is if we can get this kind of cost efficiency and sell to the advertising community, there is no reason that CBC cannot either. Obviously if other media were more efficient than CTV at \$4 per thousand they would be using other media. No one requires them to use television and if \$4.20 per thousand were not saleable CTV would now be bankrupt.

Senator Prowse: The reason we buy stuff at a certain price is because we get certain coverage. If we buy something else it is because we get additional coverage.

The Chairman: Mr. Chercover, you will not be surprised when you get a letter from Senator Prowse and you will answer it on a confidential basis?

Mr. Chercover: To the best of my ability.

Senator Prowse: I will even write a letter to the Chairman before this thing is over.

Senator MacDonald: When did CTV become a national network, what year?

Mr. Chercover: In fact, when it started. With its eight stations, it was national to the extent it covered from Halifax to Vancouver.

Senator MacDonald: What year was that?

Mr. Chercover: 1961.

Senator MacDonald: What were your rates per thousand in 1961?

Mr. Campbell: It is a little difficult to relate it to network circumstance because at that time we were selling programmes and costing programmes in addition to time but I can give you an index from 1961 through to 1969.

In 1961 the minute prime time rate would be about \$1,550. It is \$1,543. It is now \$2,930.

Mr. Chercover: If I may also point out, in the intervening period we did not have coverage in Kitchener, Rgina, Moose Jaw, St. John's Newfoundland and a number of other territories.

Senator MacDonald: When did you finally plete the coverage you have now?

Mr. Chercover: 1966.

Senator MacDonald: When did you finally come up with the coverage you have today?

Mr. Chercover: The last implementation of additional coverage was last September when we got the St. John-Moncton markets. All through the period, in each year from the time we started, there has been addition.

Senator MacDonald: If I may interrupt you, a moment ago you told us in 1961 you had eight stations covered across Canada.

Mr. Chercover: That is right.

Senator MacDonald: At what date did you add an additional group that gave you more national coverage almost complete national coverage? I am not talking about additions you made from year to year since.

Mr. Chercover: We didn't ever add a group. We added station by station or satellite or re-broadcaster by re-broadcaster. There was no specific period at which some magic thing happened and we expanded.

Senator MacDonald: You gave me a figure a moment ago of \$1500. I didn't quite follow you. You said in the period 1961 to 1969... Would you repeat that, please?

Mr. Campbell: In 1961 the cost of buying a minute on all stations that represent the network today would have been \$1,543.

Senator MacDonald: \$1,543?

Mr. Campbell: Per minute.

Senator MacDonald: What is the cost to buy that coverage today?

Mr. Campbell: \$2,930 a minute.

Senator MacDonald: What was the cost in CBC in 1961?

Mr. Campbell: CBC Metro ...

Senator MacDonald: Never mind Metro, all stations?

Mr. Campbell: You cannot examine all stations because CBC have privately-owned affiliates. You have to look at CBC owned and operated stations. \$1,238 in 1961 and in 1969 \$1,815.

Senator MacDonald: I am more confused than ever.

Senator Prowse: That is the purpose of the exercise.

Mr. Campbell: Not at all, sir.

The Chairman: I think that is very unfair, Senator.

Senator MacDonald: If you could buy on CTV all stations in 1961 for \$1,543 vis-a-vis \$1,238 CBC owned and operated stations, and that increased by 1969 or 1970 to \$2,930 on CTV versus \$1,815 on CBC. what I am trying to get at is has the increase in cost per thousand been relative on CTV and CBC over this period of your existence?

Senator Prowse: These figures are not per thousand.

The Chairman: I think Senator Macdonald understands the answer. Do you understand the question, Keith?

Mr. Campbell: Yes, I do. I cannot go back to 1961. I can go back to 1965.

Senator MacDonald: Fine.

Mr. Campbell: In 1965 our CPM was \$3.15. Because of accelerated costs we had to recover more revenue so in the following year our rates went up, our spot became \$3.72; the next year \$3.84; the next year \$3.94; and we are now above \$4.00.

The CBC in 1965 was \$4.47; in 1966 was \$4.20; then \$3.64 and now \$2.82.

Senator MacDonald: Those are very interesting figures.

Mr. Campbell: They are.

Senator MacDonald: Over this period what happened to the subsidy paid by the Canadian taxpayers to the CBC? Has it gone up or down?

Mr. Chercover: I am sure you know the answer.

Senator MacDonald: If I did I wouldn't ask the question.

Mr. Chercover: It has gone up. It has gone up substantially. Five years ago I think it was 104 million and it is up to 166 million in the current level.

Senator MacDonald: Thank you very much.

Mr. Chercover: I think there is another point which may be illuminating in respect to this and it is a very simple point.

Since we have brought everything down to the final position insofar as the advertiser is concerned, that is to the position of cost per thousand, it is also interesting to note that to achieve this kind of efficiency, this reduction in cost to the advertiser, has meant the CBC has had to sell more and more of its inventory and increase the number of commercial minutes per half hour during this period.

While doing so they have put out minor rate increases which when you factor with the increased number of minutes the advertiser acquires for the increased rate in fact turns out to be a continuous reduction in rate or cost to the advertiser.

The Chairman: Senator Everett has indicated he would like to ask a question.

Senator Everett: I would like to get on now to CATV situation. As I understand it, Mr. Chercover, CRTC has published a policy regarding CATV.

Mr. Chercover: Several of them.

Senator Everett: The part of the policy I think we are interested in is that portion which limits importation of U.S. stations on CATV networks, that requires the CATV operator to black out—

Mr. Chercover: That is the most recent one.

Senator Everett: —certain portions of the imported shows and encourages also the CATV operator to take an interest in programming and in fact I think he is encouraged to programme during these blacked-out portions.

Mr. Chercover: He is also encouraged to form networks in order to put...

Senator Everett: Can you tell me first of all whether CTV is in favour of the policy enunciated?

Mr. Chercover: We are in principle in favour. At the same time, reporting or speaking to a group such as this, concerned with an overview, I don't believe it is fully implementable.

You see the whole matter began with the removal from the Department of Transport, of the responsibility of licensing CATV and the application under the new Act to the CRTC.

Licensing proceeded after the establishment of the CRTC at a fair pace. It was only after the effect of fragmentation in the major markets, in the border areas and the increasing viewing of American channels began to be felt, that the Commission took consideration of this; and pressure began to mount in non-border areas for access to American signals, so those citizens could be equal with their cousins in the border areas. I am sure you are all familiar with that debate.

CRTC established a review policy with respect to the extension of service and then subsequently in relation to the issue of use of microwave, in association with CATV undertakings, to import foreign signals into the non-border territories. They held three consecutive hearings, or two rather, on the subject of those policies to be developed.

As a result they came out with the December announcement which said CATV undertakings would not be licensed to use microwave for the wholesale importation of American channels and what it would do to the Canadian system.

Subsequent to that December decision there was a good deal of unrest and unhappiness and what I call backlash of public reaction in these remote areas, saying why are we not able to have these things?

The Commission then came out in April with a new set of guidelines which did contemplate the use of microwave; did contemplate importation of foreign programming; but in order to protect the system envisioned and described in the Act for the purpose of creating a national identity and so on, they added this new twist, which was to preclude the border operators, even the ones in the border territories, from carrying programmes which were carried by the two Canadian networks.

That is a beneficial policy insofar as we are concerned. However, it is a policy which I don't believe the public will sit still for.

For example, I don't know how many cable connections there are in Canada but the penetration in Vancouver is quite substantial and many of these people have either torn down their own towers and antennas or paid a substantial amount of money for connections and service.

They are going to be told, if the policy is implemented, that they can no longer have the services which they have elected. No one is going to tell them not to put up another antenna.

Senator Everett: How many channels can they bring in in Vancouver?

Mr. Chercover: They can bring in actually four from the Seattle-Tacoma area and one from KVOS but the KVOS is a prime signal anyway.

Senator Everett: Can you get those on an antenna?

Mr. Chercover: Yes. There are only certain areas in Vancouver proper, that you can get adequate signals with a normal home set. Before CATV in Vancouver, the stations from Seattle-Tacoma were border-line; they were always reported in the rating books as "Too few to be calculated." They were just a minor kind of penetration. Someone who put up a tower and rotor could bring them in, but most average viewers would not go to that trouble until colour came along. They were not a significant factor in the Vancouver market.

When CATV began to proliferate they became a very important factor.

Senator Everett: The Seattle stations?

Mr. Chercover: The Seattle stations. Not even the Bellingham station. The Bellingham station, being a Vancouver station, suffered badly as did the two Canadian stations. Nonetheless the effect overall was reduction in viewing of the Canadian stations of some considerable substance.

Senator Everett: You think the policy of limiting that to one commercial channel is not viable?

Mr. Chercover: I cannot say that it is not viable. Let me put it to you this way, sir. You have seen the reaction on the part of the public who were deprived of something they

never had, from Calgary and Edmonton and St. John's et cetera. Now tell me what the reaction is going to be when you try to take it right away from the guy who has got it. You will remember the backlash on channel 3.

Senator Everett: Your suggestion is they will have to open up again?

Mr. Chercover: Right now we have Members of Parliament reporting for their constituencies in the border territories, complaining about the loss of service not yet rendered. This is the Calgary-Edmonton situation.

Senator Prowse: You are among friends now.

Mr. Chercover: I know. I understand. You go to the issue in Toronto—I cannot speak for the Toronto Members of Parliament. I know some of them but I cannot speak for them.

When their constituents start to say "What do you mean? I have torn down my antenna and cleaned up and signed up for this service and now I have to put up an antenna again"—they are not going to go without, if it is in the atmosphere.

My circumstance is interesting. It is different because as a professional I have to watch everything that is going on and I watch a great deal when there is a major event of some significance under way.

I may have four television sets, little portable ones, lined up, and I am watching what everybody is doing. I have had a system on my home, because I live in downtown Toronto. I watched the towers rise in St. James Town and I could watch them on my television set because my signal was deteriorating. I had a tower and a master system with a head for each channel, an amplifying system and coaxial cable throughout the house and a rotor for my colour set. I had \$1800 on my roof. Now it is not there any more. I took it down two years ago when I signed a cable contract. I gave the pieces to my engineering staff and they put it up on their houses.

That is fine. I am going to have to put it back again if I find there are key programmes I cannot watch when I want to watch them.

Mr. Fortier: That is the key. You will have access to the programmes.

Mr. Chercover: Exactly.

Senator Everett: Not in every case. Dealing with the one policy, the blackout policy, you will; but you won't have control over the time.

Mr. Chercover: That is right.

Senator Everett: If they limit it to one channel, there are certain programmes you won't even get.

Mr. Chercover: It goes even further. If you remember the guidelines there was a suggestion, and I don't disagree with the suggestion. Let me make it very clear, I am trying to point out that my interests, my company's interest, the corporation that I serve, the interests of the broadcasters and the interests of this Act would be best served by this policy.

However, I have heard the phrase expressed, as I am sure you have, the "art of the possible." What can you take away from the people and still make it work? We know that the public response to issues moves the political system. The political system may be forced to say "We are sorry. This policy cannot be implemented."

The other part of the policy dealing with the O'Leary Commission and Section 12A of the Income Tax Act, the suggestion was made in the guidelines they might elect to direct cable operators to delete from their systems, services from an American outlet which sells in Canada. There goes 2, 4 and 7 in Toronto. There goes all Tacoma-Seattle stations and Pembina, North Dakota.

Senator Evereit: Is your 55-60 per cent coverage that you foresee when the urban population reaches 80 per cent of the country, is that based on the CRTC guideline?

Mr. Chercover: No. As a matter of fact that is a projection which I think you will find some support for—it is a penetration study both for Canada and the United States. The Americans don't expect CATV to achieve better than 55 per cent coverage ultimately either.

Senator Everett: As I understand it when people go on cable, their tendency to watch American programmes increases. Is that a fact?

Mr. Chercover: That is a factor and can be demonstrated. I have statistical tables to show in the border areas what has transpired over the past few years. I will pull one out and leave it with you, if you like.

The Chairman: We have a number of cable people coming before us for the balance of the week and we would be very interested in having it.

Mr. Chercover: This is a very, very simplified table and Mr. Campbell can do a much more expanded demonstration of this. It is Exhibit 9 to our submission to the CRTC.

Mr. Campbell: Incidentally, it is not just true in the border areas. We don't call London a border market.

Mr. Chercover: Before I leave this, this is the table.

This takes you from 1965 through to 1970 in the Toronto and Vancouver markets showing the audience percentage shares of both Canadian and U.S. televisions stations. In Toronto, Canadian stations had 55 per cent in 1965 increasing to 69 per cent in 1968. That was the peak. That was the "Battle of Buffalo" that you heard about. When did cable really start to achieve penetration in Toronto? 1968. In 1969 Canadian stations dropped to 67 per cent from 69 per cent. In 1970 they dropped to 59 per cent. When you look at the U.S. percentages they correspond exactly.

When you go to Vancouver, it is even earlier. The Vancouver system is the longest established and has the heaviest penetration of any metropolitan center in North America, not just in Canada.

Senator Macdonald: How do you classify Ottawa? Is that a border area?

Mr. Chercover: It has not been up to now but I can assure you that Mr. Griffits, who didn't concern himself with pre-release before the establishment of cable, is now demanding pre-release like all the other stations.

Mr. Fortier: Mr. Chercover, you were quoted in the *Toronto Telegram* some months ago as seeing a growing demand from the public for what you call "social orientation programming".

You went on to say: "Most program directors underestimate the capacity of the audience."

Mr. Chercover: Quite right.

Mr. Fortier: You have always heard the classic "they are all 12 years old out there, let's feed them the mindless whatever it is".

Again you continue: "I don't believe that. I can show you graphically the growth in interest in information programming..."

I am sure the members of the Committee would love to see this graph.

Mr. Chercover: I don't have it with me but I will give you some specifics.

1965 was the first year for the National Geographic series, the series which deals with the origins of man, the insect world, the nature of our environment, and it is a good programme series. I don't care where it comes from. In 1965 that programme enjoyed, as a short series of specials, approximately 19 per cent less viewers than the average prime time entertainment programming.

In 1969 those same programmes from that same series—I don't mean identical but the four episodes broadcast from that series in the season 1968-1969—enjoyed 23 per cent advantage, superior to average prime time entertainment programmes.

PRIME TIME AUDIENCE PERCENTAGE SHARES CANADIAN VERSUS U.S. TV STATIONS

	all to you are govern	formed the bu	B. HYDES S	92 5 97 - 19	rog lud	tedt vir	in doll
		TORONTO		de schoo			
	January	1965	1966	1967	1968	1969	1970
*Canadian *U.S. Stat *CFTO, C *WBEN, V	Stations ions BLT, CHCH VGR, WKBW		60 40	63 37	69 31	67 33	59 38
		VANCOUV	ER				
***U.S. Stat	Stations		57 43	56 44	57 43	52 48	51 49
***KVOS, E	CHAN & CHEK COMO, KIRO, KING & K	TNT					

Source: A. C. Nielsen NBI Reports.

growth of audience attention to informational educational break are in fact rising not orientation programming, I don't know what

I will go further and point out there have been very careful studies made, some by us and some by others, of the audience trends in terms of educational break. One thing which we all know about is the fact that the North American youth are being better educated in greater numbers, greater percentile terms, in terms of entire youth groups, today than ever before. I think America passed the 50 per cent market in terms of university level of education. That is an indication of change basically in the audience.

Mr. Fortier: Is it the audience which has changed or is it the programming producer who is making available better programmes?

Mr. Chercover: I think both.

Senator Prowse: Or is it colour?

Mr. Chercover: No, it is not colour. First of all, there is the fact that most teachers, most educators will acknowledge, and that is that the child brought up in a television household is ahead by substantial degre in terms of general knowledge of his environment and circumstances.

I have had some personal experiences in this area with my own children with their teachers. There is general acknowledgment at the high school level that there is a rather substantial difference between a child who has been brought up with television and a child who has not. They are ahead, they speak better, they can read better, they can do a good many things better, and they have more general knowledge.

Not only that, but now we see more and more of those same grade school and high school levels going on to further education. Higher educational levels are growing in terms of television hours viewed per week. That is in spite of the fact that most people don't want to admit they watch a lot of television. It has always been popular for people who produce plays to say that they read books and don't go to plays; or for producers of motion pitures to say they only go to plays. It is also very popular for all intellectuals to say "I never watch television. There is nothing on it."

The fact is the hours viewed weekly—these Roper studies are done year by year by year

If that is not a graphic demonstration of and then done in ten-year breaks-on every falling.

Now the interesting exercise—and I can obtain copies of this for you if it is of interest—is the exercise where this question is put directly to the respondent in a quite scientific sample: "Would you like to see greater variety of choice in your television viewing?" The break-down shows the responses by grade school, high school and university-level education. Obviously the answer in favour of the status quo, at the lowest level of education, is like 79 percent. The answer in favour of massive change is in the higher educational break; 68 per cent want more choice.

I think broadcasters generally, programmers generally, are responding and aware of these things.

Mr. Fortier: Yet how do you account for the fact that the most popular programme in Canada is "The Beverly Hillbillies"?

Mr. Chercover: It is not.

Mr. Fortier: It is the one that has the highest...

Mr. Chercover: It is one of the highest. First of all, sir, everything is not all things to all people; and each programme is not all things to all people.

Mr. Fortier: Are you speaking here now of programmes oriented towards minority groups?

Mr. Chercover: No. I say that the audience is many audiences. Keith, what would the audience delivered on "Beverly Hillbillies" total in Canada?

Mr. Campbell: If you are speaking of the BBM figures, which I think the gentleman is, it would be about 1.7 million.

Mr. Chercover: We have 21 million people, 95% of whom have access to television. That is not the uadience, a million and a half people.

The Chairman: What is the biggest programme?

Mr. Chercover: I think NHL Hockey is of the entertainment any bigger than programmes.

The Chairman: What is the biggest entertainment programme?

Mr. Chercover: It depends whether you take absolute numbers in the total coverage area covered by the CBC, because they have an 18% or so advantage over us in total homes available; or whether you do a comparative study in the comparative markets.

If you give us a comparative study in comparative markets we can tell you which programmes.

The Chairman: What is your most popular programme?

Mr. Chercover: Dean Martin.

The Chairman: I wonder how many people watch it in round figures?

Mr. Campbell: Again about 1.7 million.

The Chairman: Your point is that around 18.3 million people are not watching. Doesn't that make the point that 18.3 million don't want to watch Dean Martin?

Mr. Chercover: It doesn't make that point.

First of all, statistics on viewers, even socalled addicted viewers who say "That is my favourite programme"—how many times do you think they watch it every year? Amongst those people who are habitual television viewers, who identify a programme as their favourite, the answer is 1 in 3 episodes.

The Chairman: I accept your statistics but I am surprised by it.

Mr. Fortier: You don't think that the average viewing public, a view which has been expressed before this Committee, is looking for the lowest common denominator type of programme?

Mr. Chercover: I don't know how to identify that average audience. A proportion of the people who watch Dean Martin, because he is very entertaining and sometimes a little blue, are also people who move over and watch the "National Geographic" or "W5;" but not all the people who watch Dean Martin watch "W5" and not all the people who watch "W5" watch Dean Martin.

Mr. Fortier: Why is there a trend in Canadian television broadcasting for CTV, for example, to set up a similar type of programme against CBC?

Mr. Chercover: There is not. It is the other way around, if you don't mind.

Mr. Fortier: CBC does it?

Mr. Chercover: I don't know why. Let me put it to you this way...

Mr. Fortier: You know what I mean.

Mr. Chercover: I know what you mean exactly and precisely and let me tell you historically what happened.

"W5" was launched in the season 1966-1967 and CBC had just dumped "Seven Days". In response to questions at the political level, in response to questions from the critics, CBC were undecided on what they were going to do on Sunday night at 10 o'clock.

We stepped in and announced our programme. There was no programme scheduled at 10 o'clock on Sunday night on CBC. We announced "W5" and we launched "W5" and we were on the air for four weeks with it before the CBC announced their programme which was to go on.

Now it was a public affairs programme and they had been in that time period. They could have done anything they wished but they didn't.

After four months on the air and a good deal of bickering and a lot of public response to the fact that critics couldn't watch both and Parliamentarians couldn't watch both and people in the regulatory agencies couldn't watch both, we, CTV, elected to move to 9 o'clock opposite "Bonanza". That was a pretty gutsy decision. It didn't help our position in ratings and didn't help in terms of audience.

We elected in the public interest to provide an alternative against an American programme. Now I am being criticized because "W5" runs against a Canadian entertainment programme at 9 o'clock made by the CBC because they dumped Bonanza out of there three or four years later.

The Chairman: Who had made that criticism?

Mr. Chercover: The CRTC asked that question.

The Chairman: They didn't ask it critically, did they?

Mr. Chercover: I could take it only critically. They asked the question about "Untamed World", which we had in the time period where they had cartoons. Eight weeks after we were on the air they brought in their "Nature of Things", or whatever it was.

Mr. Campbell: To project a note of humour, the CBC was being queried on this very circumstance by the Commission last week and the Commission posed the very same question: why are you running a Canadian programme opposite a Canadian programme so it denudes the opportunity of Canadians to watch Canadian programming?

The CBC response was "Indeed, sometimes these things were accidental."

Incidentally, they do have one valid point. The CBC has access to certain periods of option time. They don't control the totality of their time for all stations affiliated with them. They advised the Commission they were moving. The Commission would be happy to know they were moving a Sunday night 5 o'clock show to Tuesday at 10.30.

I had to remind them at the coffee break they were indeed doing the very same thing, moving againt another Canadian show, and they were surprised to find that out.

Mr. Chercover: But if we go on the volume and quantitative proposals that are in front of us, the fact is that options and/or alternatives are going to be more and more restricted.

The Chairman: You commented on the Dean Martin programme and said the programme tends to be blue. You have been in Ottawa so perhaps you didn't see an article in the Toronto Star on Monday. It was based on a study done by a sociologist and said "The new nudity will invade television and school stages next." Do you think that is true?

Mr. Chercover: No, I don't think that is true. I think that the entertainment industry, as such, is an industry that can be related to a pendlum and we are in the pendlum swing.

I think that in theatre and in motion pictures that this is going to swing back, frankly.

The Chairman: You don't think it will swing as far as television?

Mr. Chercover: I think we now may be on the extreme of the swing in terms of literal treatment of sex. There is a tremendous amount of opportunism involved in the volume of this activity at the moment under the guise of dealing frankly. It is just simple opportunism. I have seen many programmes in which there was no artistic merit and no programming merit. It was arbitrarily done for the purpose.

Indeed there are some producers, well known to me in the United States, who are making motion pictures for specific theatrical release but double-shooting the bedroom

sequences with clothed sequences that don't destroy the germatic effect in any respect whatsoever. They are doing this in order to be able, against the backswing, to release the films in a more contained environment should it develop in the theatrical environment, or in order to be able to release those same films on television.

The Chairman: That is called "cover your bets" or "uncovering your bets."

Mr. Fortier: We have heard much about the experiment which you carried out at Carleton University with "W5."

Mr. Chercover: Which one?

Mr. Fortier: The one where the producer came to an arrangement with the university whereby "W5" programme had access to the university's facilities and what they were doing.

Mr. Chercover: That proved to be useful.

Mr. Fortier: That did take place?

Mr. Chercover: I don't know why you heard a lot about it. It was a very simple arrangement. The producer in question gave them access to the research, consultation and advice. We didn't have it exclusively with Carleton.

For instance, the Pollution Probe people at the University of Toronto have been very active with our public affairs unit. So active that I had to chastize them for sending threatening letters to a company under the guise of "W5".

Pollution Probe at one point got a little over-enthusiastic with a Peterborough manufacturer and threatened him with an exposure on "W5" if he didn't conform. He had already conformed.

Mr. Fortier: The reason why I said we had heard a great deal about it is that it strikes me this is an area where, as you have said, you are not programming for the minorities but you are programming with the minorities.

Mr. Chercover: For instance, let me give you an example: "The Ottawa River is Dead and Dying" was a single half-hour on the specifics to dramatize industrial and municipal waste dumping in this particular river, which is, of course, in bad shape. That was done in concert with the Ecology Department of the University of Toronto. We don't restrict ourselves.

We may have a special arrangement with one university because they wish in a journalism course to emphasize and to integrate with an active functioning journalistic unit because it may be useful. We have done programmes, for instance, with the psychology Department at the University in Alberta.

We did a treatment on an unemployable individual who is being treated by the social service unit in the university there. It was a very important piece, very well done and very well received.

Mr. Fortier: You consider these have been successes, these experiments?

Mr. Chercover: Yes, the relationships are excellent.

Mr. Fortier: And I suppose that it has quite a bit to do with your social orientation programming whereof you were speaking earlier?

Mr. Chercover: Yes. The only problem is we tend to find the academic community has its mind made up. I don't mean that in a critical way.

I remember particularly at the Harrison Hot Springs conference on "Communication in the Seventies" I presented a piece there on the technological changes. There were two things that bothered me. First, Ken Lefolii, for whom I have a great deal of respect, was the moderator, and Ken made a long introduction of the general topic and in effect assigned to the various participants in the panel their corporate viewpoints. When it finally got around to me I said: "I want to take exception. I was asked here by a political party to add my comments on the subject of the future. I didn't come to represent the interests of CTV per se. I came here to enter into a dialogue (and I say that in this brief). I am not concerned with the preservation of the current financing arrangements for CTV, which come from the advertising community, if this political party and the public and the country itself make a decision, a conscious decision, that they want a different system, for good and valid reasons, then bye-bye

I delivered my paper and it was as clear as a bell that I was not taking a corporate position. The lady from York University, however, who deals in media, and is a very bright lady, Thelma McCormack...

The Chairman: She appeared before the Committee.

Mr. Chercover: ...appeared immediately following me and promptly allocated to me things which I had not said. She didn't even listen. She promptly reviewed the positions that she expected me to take.

Mr. Fortier: It is like when you are prepared to thank a speaker...

Senator Prowse: She wasn't going to let the facts interfere.

Mr. Chercover: Please don't let the facts interfere in any way.

Mr. Fortier: Is there a future for AM radio in Canada in the media spectrum?

Mr. Chercover: Certainly.

Mr. Fortier: Do you think that it is going to develop on a course parallel with television?

Mr. Chercover: First of all, let me state that although I did start my career in radio and had some experience in that area, I don't regard myself as any kind of expert in radio broadcasting. It has changed dramatically in the years since I have left it, and it is a good many years. It is highly specialized and its successful operators are people who talk a language that I don't entirely understand. No criticism intended. I think they are doing very specialized things successfully.

Mr. Fortier: You don't view it as a competitor to television?

Mr. Chercover: In real terms, yes, of course.

Mr. Fortier: Insofar as audience is concerned?

Mr. Chercover: No. I think as print media has adjusted to the realities of television, so too has radio. I think that they are providing a continuous news service, for example, on the hour, on the every half hour in some instances. In many circumstances they are highly oriented to information on a continuous basis; others play good music; there are those that are strictly rock and roll. They are much more precisely orientated to a specific segment of the audience, and I think that is good.

Mr. Fortier: How have the print media adjusted to the advent of television?

Mr. Chercover: I believe the better operators in print have developed a stronger orientation to backgrounding, to depth reporting, to analysis, to features; and successfully so.

As a matter of fact, as a forerunner of what may be something that we will see more of in the future, there was recently launched in the United States—and I don't know whether it is still going, it may not be—I think it is in indicator—a total feature newspaper which had only one news orientated story. The rest was all features.

The Chairman: A daily?

Mr. Chercover: It was a New York launched weekly. It did at least receive some publicity.

Now I have been in many cities in the world and many cities in North America and I think we are particularly fortunate in Toronto in that we have a remarkably competitive situation in the daily press field.

When you look at the Star or the Telegram—particularly those two because they are heavily orientated to features—and compare them to most newspapers in the entire North American continent, in terms of the quality and depth and skill of their undertakings in the entertainment field, and specialized interest areas; or look at the spread of opinion and the opportunity for the expression of opinion in the editorial area, which is now starting to be more significant than ever before; I believe there is an adjustment that has already taken place in part and will continue to a greater degree in the future. I think they are complementary.

Senator Prowse: Didn't radio first create the competition? Newspapers used to pretend there was no such thing as radio and then, by the time they finally got it through their heads that radio was there, T.V. came along and so the second adjustment was much simpler for them.

Mr. Chercover: Yes. I have talked to a number of responsible and well-placed people in the publishing field and I believe that they are conscious of the need to change their orientation. I don't say it is universal conscience but certainly a number I know personally are conscious of it.

Mr. Fortier: How have you been able to work out the obvious difficulty which you must have encountered in seeking to line up programmes for next year in view of the CRTC proposals which are hanging over your head?

Mr. Chercover: I must tell you that we have not and we may be in serious trouble.

There is a long line of history going back to the BBG, before the CRTC. We have been up for license renewal for five years.

The first thing we had to correct was the fact that our license terminated at the end of June and the broadcast year is a seasonal thing that goes from September to September.

We said "The first thing you have to do is put us in line. If you take it away from us in June somebody is going to pick up three or four months of obligation or we are going to fail to meet three or four months of obligations." They did indeed adjust our terminal date to a September date.

We then reviewed with the BBG, and then with the CRTC, our time-table on our license renewal and we suggested to them a November date-and they agreed on a November date. The reason they agreed with it is very simple. In November we are evaluating performance of current programming and in development for the following season. We usually make our selections, both from foreign and from Canadian programmes available, in the period of February and March. We announce our schedule usually at the end of March. We usually begin our process of selling to the advertising community as at the 1st of April and from the 15th of April. Our declaration dates with the major advertising elements in our schedule, have been historically April 1st through April 20th, depending on the time-table and procurement and setting the schedule.

Mr. Campbell can verify this. I will state unequivocally that every 10 days that passes between now and June 15th that we don't have our schedule on the street, will delete half a million to \$600,000 from our next year's revenue and it will not be recoverable.

Mr. Fortier: Every week?

Mr. Chercover: Every 10 days, half a million to \$600,000. We book fully 75% of our revenue on an annual basis in the period April 15th to June 15th. Lock it in solid. The bulk of the full cycle, the first quarter, the heavy quarter, is concluded in this spring selling period.

Senator Everett: You say that will not be recoverable?

Mr. Chercover: It will not. If an advertiser decides that it is too bad "We can't be sure what the shape of CTV is going to be" the answer is very simple. "We will look at whatever other options there are because we have

go with print" ... whatever the other medium

Mr. Fortier: CBC is in the same fix?

Mr. Chercover: Of course they are.

Senator Everett: Are they really?

Mr. Chercover: Not to the degree we are because they can always fragment their programmes and add more minutes.

Mr. Fortier: The view that was expressed by the CAB to the CRTC on their proposals-Your network is a member of the CAB still to this day?

Mr. Chercover: It is only a network member and it is not a full member in the status of a station because it is a station association. We are a supplementary member.

Mr. Fortier: Do you subscribe to the presentation made by the CAB last week?

Mr. Chercover: By and large not in specific terms. For instance, I made a presentation, Which is available to you, which covers the points of economic concern.

Mr. Fortier: Mr. Chairman, since we have so little time I wonder if Mr. Chercover could file the presentation he made to the CRTC?

Mr. Chercover: If I could keep this one, I have only a single one. I could have copies made.

The Chairman: That is fine.

Mr. Chercover: I said in the brief, in relation to the question that you ask, that we in fact Were not able, strangely enough, "to convince talent, producers or distributors to allow us to take options on properties which Would then be dropped if the results of the deliberations should dictate. I couldn't get a single performer or producer, in Canada or elsewhere, to say "Yes, you can have this property if the regulations allow and if they don't—send me flowers."

It is interesting too, we couldn't get advertisers to come in on the basis of "We think this programme will probably be in the schedule subject to the determination of the Commission."

Mr. Fortier: But by and large the criticism of the CAB, as I understood it, was directed at the very objectives of the CRTC.

to have the kind of weight. We may decide in Mr. Chercover: First of all, the CAB brief this community, we will go with car cards or started out by identifying with the objectives bill-boards or direct mail or we may decide to of the Act and arguing with the methods. Now I did exactly the same thing, in all fairness.

> Mr. Fortier: But you suggested alternatives?

> Mr. Chercover: Yes, I did. I also did not suggest that there was any lack of talent: but talent needs to be mounted with resources, needs to be supported with resources, and resources cost money. Time is one of the key resources and time is not in our favour. If we launch a large new volume, a greater volume of programming, which has no time for development except between now and the fall. with the resources at our disposal, the probability is we will accelerate the retreat to American channels.

> Mr. Fortier: Is it merely the time-table that worries you?

Mr. Chercover: It is economics.

Mr. Fortier: Over along period of time, won't the economics become more acceptable in your projections?

Mr. Chercover: No. I pointed out very clearly, and I am happy to go into this, there are certain absolutes. One of the absolutes, that we have to deal with in Canada, is 21 million people. Let us start from that. Let us say we have a micro-wave system which is the longest in the world. We have seven time zones and we deal with time zone delays and delay-centres which cost money, and double rejections which cost money. We have 65 per cent of our viewers who have access to a multiplicity of signals from the border, so it is further fragmented. Of that total of 21 million, 6 million odd are essentially Frenchspeaking, and while many of them are bilingual they clearly prefer, clearly and demonstratively prefer to watch in their native tongue.

You know there are lots of options. If I may be briefly facetious I would say: if Canada had made the choice originally, to go with a different standard and line system from the United States, we would have had an effective electronic curtain. We didn't do that. Were we to decide, to-day, that it was politically within the art of the possible to withdraw our current standard and impose new standards, and impose, for instance, the standards of Great Britain and use a 625 line

system on a 50 cycle basis, then all the television sets would be obsolete and all the transmission equipment would be obsolete. Everything would have to be changed but we could make it.

If we went further and said that the official language in Canada, aside from that portion which speaks French, is now Ukranian-or Italian-and force our people into that mode we could also achieve the goals.

We are not an island nation. The British have a population of 50 million and almost no cost of distribution to deal with; no competitive electronic media, the BBC is not in the commercial business at all; a low cost of distribution; no cable penetration or direct signal penertation because who watches Dutch televison? Nobody listens in Flemish or Walloon. Nobody.

The fact of the matter is we are not in that fortunate position. I wish we were. I find myself always in the position of saying "here are the facts". Now it is not popular. I know it would be easy for me to walk into the Commission and open my arms and say "We accept. We believe. It is motherhood and we are with you."

I listened to Mr. Gerussi's impassioned representations respecting his family's immigration to Canada and he delivered it more effectively than he did when it was in the revue in 1965 "All About Us" word for word. It is a beautiful piece of emotional material.

The Chairman: He has been practising!

Mr. Chercover: Absolutely beautiful. My father came to this country as an infant in arms from Russia. I know about that. His father carried him into Winnipeg and they struggled to establish themselves. They sold horses to the pulp and paper industry all across the country. My mother's family immigrated from Austria and I know what struggles they had in Montreal, especially him. They met in Montreal, thank heavens, and I was born in Montreal. I am a committed Canadian and I didn't go away. But I don't ask for accolades for not going away, and I do not chastise those artists who have gone away because that is going to go on whether or not we set up new opportunities or whether or not we extend the volume. The fact of the matter is that it is going to go on. It does everywhere else in the world.

Mr. Fortier: Let us get more basic.

Mr. Chercover: How can you get more basic than this?

Mr. Fortier: And look again to the objectives of the CRTC which you laud and which the CAB also found to be encouraging. Are you saying that it should not be the role of the CRTC to impose these objectives on the broadcasters of Canada?

Mr. Chercover: No. I'm not saying that. I have not said that and I did not say that to them. I said to them that I regretted and I was apprehensive at the lack of any incentive for quality in these regulations. I am fearful of the results that will come from an orientation to quantity as opposed to quality.

Senator Everett: Do you agree with Mr. Griffiths?

Mr. Chercover: I don't know. What does he say?

Senator Everett: I though you would know. "A bid for Canadian quality and Canadian content".

Mr. Chercover: Is that out of this morning's paper?

Senator Everett: This mornings Globe and Mail.

Mr. Chercover: That was a prerelease.

Senator Everett: Do you want it?

Mr. Chersover: No, thank you, I saw it. We suggested, amongst the options, the deferral of the implementation date for the simple reason that we can maintain the viability of the unique Canadian broadcasting system; provide an opportunity for consultation to develop the regulatory structure which will produce results within the capacity of the structure; and perhaps more important, to provide after the establishment of achievable goals, an opportunity for realistic develop, ment time for programming. It is so we don't embarrass ourselves with bad programmes which will simply make achievement of the ultimate goals less feasible.

Mr. Fortier: By setting back the timetable?

Mr. Chercover: Yes.

We also suggested maintaining the current Commonwealth multilateral agreement. There are a lot of reasons why, one of which is the Secretary of State is negotiating a similar one for the film industry. Why should we be taken out of the television agreement when it enhances the marketability of Canadian films abroad, which is one of our objectives.

Dealing with the classification of time, I accept a 25 per cent increase in prime time Canadian content and I asked for an increase from 40 per cent to 50 per cent maximum. This would be a full increase of 25 per cent. It is not an insignificant suggestion.

We recommended adjusting the commercial regulation proposals to conform with their own stated objective because they want to have imposed...

Senator Everett: Sir, will you go back to that 25 per cent increase?

Mr. Chercover: We have a 40 per cent prime time requirement. I say go to 50 per cent.

I asked them to examine our proposition of continuing the differential in content requirements between the public and private sectors, recognizing the Act does differentiate between the two elements, and places different and specific responsibilities on the public sector. And it does.

Mr. Fortier: What we are arguing about is really 10 per cent.

Mr. Chercover: Their proposal is the same. Their proposal in terms of the regulations is common and doesn't give another year to get there

Senator Everett: What do you think about Mr. Griffiths...

Mr. Chercover: Let me go further and finish.

Of paramount importance was our urgent recommendation for reconsideration of the entire proposed package of regulations to incorporate incentives for excellence. We acknowledge that the qualitative approach is exceedingly difficult to administer, however, the quality of the overall programme service—and more importantly the quality of the Canadian elements of that service—are the only factors which can further strengthen a national identity, and create a strong base for high standard programme production in Canada.

Then I made some suggestions. I said "Here are some suggested qualitative measurements. It may be difficult, but here they are".

Mr. Fortier: A system of Brownie points?

Mr. Chercover: Firstly, Cost. Exactly how much money are you investing in that pro-

gramme, Mr. Fortier? Twice as much as that one? Four times as much? It is worth more.

Mr. Fortier: It comes back to the discussion we had two years ago on the CRTC involving itself in programming.

Mr. Chercover: I know the problem but I must point out again, and I will come back to this, that every option that we have taken, that has resulted in a programme that has had significance and has had recognition, was an option which we elected and which was not required under a quantitative rule.

Now we go to the second suggestion: programmes which are designed to orient or inform viewers or stimulate public dialogue with respect to issues of concern to Canadians.

That is not so difficult, is it? At least it isn't to me.

Senator Everett: It might or might not be.

Mr. Chercover: And lastly, programmes which by their intrinsic merit or quality, or as a result of simple salesmanship achieve penetration in foreign markets which contribute to a revenue flow to the Canadian production industry and to the Canadian talent pool.

That is not hard either. At least it isn't to me. These are positive incentives for excellence. The British feature film industry, which it was suggested by representatives of the Commission, was created by tariff walls, one thing and another-No bloody way. First of all, it was created by a massive subsidy programme on the part of the British government; in the first instance by regulations that precluded the viewers from having access to these foreign films unless they came in from proper techniques. 65 per cent of our viewers don't have to ask permission. If the theatre has been closed and there is no feature playing, you don't go to the movies. The theatre is not closing here, I am afraid.

There is another factor, the government and the neophyte or baby industry got together and created an incentive program to convince, in fact to coerce foreign producers, and particularly rich American producers to come to England to produce. In fact they did and the periods of high production for the British film industry are those when Americans are most active there.

To indicate how successful it has all been you only need to go to look at a number of British-based and trained creative people in States.

Mr. Fortier: You have a few on your staff?

Mr. Chercover: Yes indeed we have.

Senator Everett: 50 per cent prime time with the Commonwealth rule ...

Mr. Chercover: There is another thing. Because there was a mistake which has been hanging over our heads for years relating specifically to the decision that was so widely discussed about the classification of World Series as "Canadian", it effectively wiped out all the other things. For instance, under the new regulations the Apollo Moon Shot would not be considered Canadian.

Senator Everett: It is now under the present regulation?

Mr. Chercover: Of course it is. It is a news event with broad interest for Canadians. Let me give you an example...

Senaior Everett: I have heard where they talk about an international programme and a foreign programme.

Mr. Chercover: That idea of a unique or special category which would have no classification Canadian or otherwise, operates against inclusion in your schedule of better programming. It is a bad policy.

A simple exercise is to say if you have a 100 hour schedule and you want to run 5 hours a week contributory program that is usual to the community, your schedule will be measured against 95 hours. All that means is, if you have only access to 50%, you have 50% of 95 instead of 100. To a broadcaster who looks at his public responsibility and sees a programme from a foreign source which could receive this special unique classification, as he does, he must recognize diminishing revenue potential in the commercial or entertainment package. So it is a very bad policy.

I don't know whether you want an example of an interpretation. Under the existing regulations there is a classification for events in which Canadians participate. I will give you one that was turned down and see how you feel about it.

A couple of years ago there was a major convocation of people working in the field of mental retardation (which happens to be one of my interests) in Chicago. It was called The

the arts and crafts of theatrical productions Kennedy Award Dinner. Harry (Red) Foster, that immigrate to Canada and the United who is known to you, Mr. Chairman, and who has been very active in this field in Canada, went to that dinner along with several other Canadians to receive unique awards for the research and work which has been done in Canadian Institutions contributing in this field

> Now I cleared the network-national commercial programming-I wiped it out. I arranged for a feed. There were three Canadian acts in the entertainment segment of that thing. That is irrelevant too, really. Some of the things that happened were extremely moving and important to me.

> There was a break-through some years ago in this field. There was a marvellous old couple who were researchers in this field in the late 20's and 30's and who were drummed out of the university for their incredible experiment in which they applied love. Terrible things. They adopted three of the retarded children under their care in the laboratory and one of those children is now a Fellow in psychiatric medicine at the same institution. He was called on to come forward. His I.Q., which was something under 30 when they adopted him as a baby, was over 148.

> Now can you imagine-First of all, you know there are hundreds and thousands of families in this country who have been afflicted by this terrible, terrible tragedy. Now the hope and faith that must have come through to those people when they saw this young man with the courage to come forward and say "I was", and out of the wings came this marvellous old couple who had literally given up their lives, their positions, in the faith that this technique could contribute. And indeed it has now been accepted and proven to be an effective method even if it only helps slightly. You are not going to achieve what they achieved in that one circumstance but that child was recoverable completely. Other children are now being delegated to a life as vegetables, in institutions, who might be recoverable to the point of living a happy and productive life.

> Now if for no other reason than the content of the program I would judge that to be "Canadian", under "matters of broad general interest to Canadians", and also, because two Canadian research organizations were there to receive International Awards, under the clause which says "events in which Canadians," participate" it should have been "Canadian". The fact of the matter is we acted. We

cleared the time. We presented it across the country and we received an enormous response. I still receive letters from the public on the program. The then programme officer of the CRTC said it was not "Canadian".

Mr. Fortier: Did you get authority from your Board...

Mr. Chercover: No, I didn't.

Mr. Fortier: Before wiping out other programmes?

Mr. Chercover: No.

Mr. Fortier: I am reminded here of the statement which was attributed to Charles Templeton and was reproduced in the *Star* last September. You probably know whereof I speak.

"Murray has guts. I have seen him lay out a lot of dollars without any authority whatsoever, knowing it had to be done and done now."

Did that happen very often?

Mr. Chercover: Yes, all the time.

Mr. Fortier: Any instance where the Board has said: "Chercover, you should not have done it and rake you over the coals?"

Mr. Chercover: No. As a matter of fact there have been many discussions at the Board level on the technique that is utilized in the active decision-making process. By and large I would say our Board supported the view that as long as I have the name, I have to have the game.

Mr. Fortier: That is the way you have proceeded?

Mr. Chercover: I proceeded before they said.

Mr. Fortier: Do you have any trouble with any one of the Board members more than with others, without wishing to intrude into the secrets of the Board Room?

Mr. Chercover: I would say very simply that the best people are always the most difficult. The more committed they are to whatever their point of view, the more difficult they are always to deal with if you are dealing in an area of controversy or an area of value judgment. I would not say that I have trouble with the Board in that respect. I have had significant and remarkable co-operation and assistance throughout the history.

When this operation was undertaken, when we undertook to buy the network, I made application in part on behalf of the ITO. And as I was doing it, since I was operating ITO, I recognized, that if we were successful and achieved the purchase of the network and I did not go with it, that my national role would be coming to an end. I had served as Programme Chairman for the network for the previous 5 years and I had served independently of the network, in effect out of my hip pocket, as a programming and operational officer of ITO, because when the network failed to meet its early obligations on the Canadian programs, we began to handle them ourselves co-operatively. I faced that possibility. Unfortunately they decided to ask me to come down and run it.

I have no complaints. It is not an easy life, by any means, operating a co-operative where many different points of view are valid and useful and contributed, because you must make adjustments, you must consult.

The Chairman: I am smiling when you say "valid and useful". Some must also be terribly annoying.

Mr. Chercover: I feel that people who want to be free of any kind of obligation are sometimes annoying. I don't say I have not been under pressure, but nothing worth doing is that simple or that easy. As a matter of fact the greater the challenge the greater sense of accomplishment if you do something.

The Chairman: I have been particularly grateful to Senator Bourque, who has been very patient with me as Chairman. He indicated sometime ago that he wanted to ask a question. I apologize to him.

Senator Bourque: I had two questions. My wife and I, when I am at home, always listen every night to "Pulse" at 6 o'clock and CTV again at 11 o'clock. Sometimes the announcer will be from Ottawa or somewhere else and he will be announcing something and just in the middle of that it is changed and on comes an ad.

Mr. Chercover: Are you speaking of "Pulse" or are you speaking of the "CTV National News"? The "CTV National News" is never cut in that way. There were cut-ins in Montreal, alternative commercials. Normally, the stations start the news with the introduction to the format. It simply says "CTV News with Harvey Kirk". We do a commercial. We follow that with the body of the

news. Usually after the closing remarks of the news, the presenter says "I will be back in a minute with the Newsmaker to watch or the editorial comment." Then we have a commercial. Then he does the editorial comments.

Senator Bourque: Last week I was not home but my wife says your Ottawa correspondent started speaking about the Prime Minister and he showed the house where he had been born—just a stones throw from my home—and all of a sudden—bang...

Senator Prowse: Damn Tory!

Senator Bourque: And immediately, you see, an ad came on and he didn't come on again.

Mr. Chercover: I am surprised at that, sir, the only possible answer I can give you—I have never seen it happen in Toronto and I watch the news every night—the only possible answer I can give you is that we ordered a cut-in. When an advertiser has a different product in a different territory, he may order a substitution for the national commercial in that region. Apparently a timing error resulted in a cut of that kind.

Senator Bourque: I was wondering what happened because the Ottawa correspondent was cut out right away.

Now on Page 6 of your brief there is a thing that has been puzzling me.

"Over the past four years the average direct cost per Prime Time hour for our Canadian program service has increased by 85.5 per cent, while non-Canadian programming increased by only 7.5 per cent."

There is such a tremendous increase there, that I have not been able to reconcile the figures.

Mr. Chercover: Well, sir, I will tell you what the reason is. In part, of course, it has to do with the change, in the last three years, to complete colour, which we undertook in 1966, but a very small proportion; we were fully colour in 1966 when the BBG first allowed it.

The primary reason is as a result of our elective decision to invest more and more funds in the programs which we were doing on a qualitative basis. In other words, when we took over the network the national news budget was less than half of what it is now. We have improved the national news, I think you would agree if you are a regular watcher,

over the past three or four years. Well, that costs money.

We have now services from all across Canada through the assistance of our affiliates and we pay them for their assistance to the national news; whereas the news was formerly an international film service and an Ottawa bureau.

Senator Bourque: It seemed to me it was a tremendous increase.

Mr. Chercover: It is nothing compared to the proposals that we are facing now. But we have an orientation to enhance and improve the quality of our programs, which has resulted in the viewer identity that we have achieved. For example, before we took over the network, there were three or four quiz shows in prime time. I would assure you that all of the cost of quiz shows, and more, go into the making up of one single episode of "Pig 'N Whistle".

We have been holding the line against foreign producers simply because the market here is a buyer's market. Under the existing regulations, which allow 45 per cent foreign content, the total consumption of the CBC and ourselves could only be 90 per cent of the output in one American network, which means there is more than three times the foreign product that we can both possibly consume, which means we can buy it at the market price which is appropriate.

Senator Bourque: I see.

Mr. Chercover: That is why we can control the cost of foreign programming but if we want quality in Canadian programming, aside from talent, which we acknowledge is there, and aside from the desire, which is clearly there, you have to invest some money.

"Pig 'N Whistle" is a Canadian program which competes very favourably with American programming. It only does so as a result of investment. We bring talent to the program. We spend time in the studio to mount it. We choreograph the dancers and we deal with the audience. It costs us money. It is not just a simple matter of instinct or inspiration.

Senator Bourque: Thank you very much.

The Chairman: Are there any questions that any of you have? I don't want to terminate the discussion if there are. Mr. Fortier, do you have any others.

Mr. Fortier: Not at this time.

The Chairman: With the forbearance of the Committee, I have a couple of questions I would like to ask. I say to both the witnesses and the Senators I will be very brief.

You make the point in the brief, and you made the point in your oral presentation, about extending the recommendation of the O'Leary Report, 12A into broadcasting. Would that really have the desired impact? Would not many of the national advertisers simply book those stations? So many of our national corporations are American, would they not simply book through the American stations?

Mr. Chercover: They may. I suspect you will find—you are quite aware of this—brand allocations in competition. If you are talking about major soap companies, the brand people in the United States are not likely to stand still for allocations for the Canadian penetration without getting that money charged against the Canadian corporation. So I do think there can be some advantages. It may be more limited but I think at least it provides impetus.

Senator Prowse: It is worth looking at.

Mr. Chercover: It is worth looking at.

The Chairman: There are charges repeatedly made that CFTO dominates the CTV network. How would you answer those charges? I'm sure you have heard them.

Mr. Chercover: Many times. Nonsense. Absolute nonsense.

The Chairman: CFTO said the same thing this morning.

Mr. Chercover: Well, I am not surprised. John Bassett and I have been associated for a great many years. I first went to work for him at CFTO before the ground was broken on the station. I left CBC to go there. From the outset of our relationship we have fought on occasion, we have disagreed on occasion.

Chairman: I have an article here which says that you have even won some arguments with him.

Mr. Chercover: Indeed I have. I find him one of the most stimulating people in the industry, very strong in his views. He is also very amenable to the other point of view. I have been in consultation with him many times, not so much with respect to the network but in general. He said "Oh, you don't agree with that? Tell me why." He listens and

says "Okay. Do it your way." No arguments at all but an individual with the leadership qualities and the stature of John will lead other people in. For instance, a Board environment is not a domination by any means. It certainly is not domination on the networks operation in any respect.

The Chairman: Did you agree with his decision to leave CAB?

Mr. Chercover: I was not consulted.

The Chairman: Do you agree with the decision?

Mr. Chercover: Let me say that ...

The Chairman: No one was consulted, so Eddy Goodman told us this morning.

Mr. Chercover: Did Eddy Goodman agree, may I ask?

The Chairman: He said it was a decision which John took. I think he said he agreed.

Senator Prowse: Yes, he agreed.

Mr. Fortier: It was a lawyer's answer!

Mr. Chercover: Since I am not a lawyer I guess I cannot escape—or can I?

The Chairman: I don't want to embarrass you. It is not a question of escaping. I am just wondering, it seems to me two of your most significant members have resigned from CAB and this must give you pause for thought.

Mr. Chercover: There are 10 who have not.

Senator Everett: It seems to me the witness should be given an out on a hypothetical question if he wants to take it.

Mr. Chercover: I haven't spoken to John since his resignation.

The Chairman: I don't think I am forcing the witness to make an answer, Senator Everett.

Senator Prowse: Why don't you tell him what the man said this morning. Mr. Goodman said that they objected to the way in which the presentation was made. Is that right?

The Chairman: I am sure you understand.

Senator Prowse: Not necessarily the content.

Mr. Chercover: There were some other factors with respect to the constitutionality of

the position of the Commission, which was a surprise to me.

The Chairman: I was interested in your view points, your comments.

Mr. Chercover: I will be very frank. If my decision were ultimately, and I cannot say that it will be or won't be, were to resign, I would certainly not, at this point, intend to do it while the hearings are still under way. I don't think it is productive.

The Chairman: Let me ask you a question which will perhaps be productive. It is the last question I will put to you. It is one that you can answer in five minutes or it is one that you can answer in one word. What do you think is wrong with the CTV?

Mr. Chercover: I certainly can't answer in one word because it is not "nothing".

The Chairman: What do you think is wrong with CTV?

Mr. Chercover: I think CTV is the captive of its environment and all of the policies which apply or impinge upon its operation.

I would obviously like to see CTV with more resources or programming, because that is what it is all about. Our resources are limited both by policies of the Department of Communication which imposes in the extension of services, hardships in relation to the common carriers. There are the implications of these regulations, which I add again—the quantative regulations currently in existence were not responsible for the useful and productive decisions taken by the CTV network and its affiliates in the last four years. I don't believe these new regulations will be productive of the goals that are ennunciated by the Act and the goals we have all embraced.

I feel that CTV is constrained in terms of its potential capacity by the implications of proliferating cable systems. It is outside our area of control.

I think that the only thing that I can identify with as a goal with respect to CTV, aside from the mechanical extension of our service, is the enhancement of our service, improvement of the kind of service and quality of service which we provide to our viewers. If you want more qualified journalists to work harder in investigative reporting, you have to have money to buy them. You need greater investment in financial terms to invest in international ventures which are speculative in nature but which will enable you ultimate-

ly to mount programming from a Canadian base and expose Canadian talent internationally, which incidentally they want as much as they want anything else.

Part of the brief to the Commission dealt with the communications I have had with the Minister for Immigration and he says in his letter to me, when I expressed concern to him about one of the stories I read in the newspaper, he says "Many Canadian performer organizations have made representations to me. Almost all of them are in favour of a two-way open border for performers.

"Their reasons are quite similar to yours and I find myself in substantial agreement with these arguments. They argue, for example, they stand no chance of becoming internationally established main performers unless they can penetrate the international market either through direct access to the United States or through participation in Canadian production designed to penetrate the international market."

Hurray! Now all of these things are possible and CTV, I believe, has the capacity to stimulate, to initiate, to create programs capable of penetrating the international market, providing we can finance them.

The Chairman: Thank you. One of the things which interests this committee particularly, as I said in my opening remarks, is exactly the position in which CTV fits into the overall media spectrum.

As I have said many times, in proposing the idea of this Committee, it has been conceived originally as a study of the print media. We soon discovered that print does not live in a vacuum and, certainly, there is an inter-connection and relation between the media which is so consistent that we had to get into the electronic media, as we have. We have known all along that CTV has a firm place in the media spectrum. The answers you have given today have been helpful, not only in determining the position in the spectrum, but in giving us the benefit of your thinking on a wide variety of topics.

I won't repeat all the things that I said in my opening remarks, particularly those which related to the busy time you are having.

I should say to the Senators that Mr. Chercover handed me a note "As soon as the rush is over I am going to have a nervous breakdown. I worked for it. I owe it to myself and nobody is going to deprive me of it."

Good luck with your nervous breakdown. Thank you very much for coming. Thank you Keith.

When you read the transcript you will find there were several references to things that you were going to send us.

May I say to the Senators that the schedule for tomorrow has one change which I think may not grieve you greatly, if I can find a copy of it.

Mr. Chercover: While you are looking, if I may be allowed a comment in closing, I think you probably noticed that I have not been reticent about coming forward and being very frank. It is at the same time proper for me to say it was a great honour to be called and we were delighted to be able to come.

The Chairman: Thank you. The agenda for tomorrow at 10.00 a.m. is Télé-Métropole Cor-

poration, that is CFTM Television in Montreal; at 11.30 a.m.—Television St-Maurice, Inc., CKTM-TV, Three Rivers, Quebec; at 2.30 p.m. The Canadian Cable Television Association, at four o'clock tomorrow afternoon the Maclean-Hunter Cable Television Limited. I think those things are as listed.

The session tomorrow night with British Columbia Television Broadcasting System Limited, has been cancelled. The British Columbia Broadcasting System is prepared to come here in May. However, as our hearings are ending in April, I agreed with Mr. Peters, on the telephone at the noonhour break, that we would be satisfied with a written brief which we will be receiving and which will be circulated to the Senators in the normal way for your interest and consideration.

There will, therefore, be no meeting tomorrow evening.

Thank you.

Queen's Printer for Canada, Ottawa, 1970

MASS MEDIA

The Honourable KEITH DAVEY, Chairman

10000 000

WITNESSES:

Métropole Corporation: Mr. Roland Giguere, President General; Mr. Gaston Bélanger, Vice President, Suiss and

Medicion St-Meurice, Inc.: Mr. Henri Appet, P.Eng. Progiser

Mohert Bonneau, Manager.

Millan Cable Television Association: Mr. C. R. Montine. President

at the Board: Mr. Proderick T. Marcell, President; Mr. A. Ross Mac

Oregor, General Manager; Mr. Israel Switter, Chief Technical Officer

poration that is CETM Television in Monfreal; at 11.30 a.m.—Television Statement, Inc. CKTM-TV, Three lievers Onebec; at 2.30 p.m. The Considing Carlo Television Association, at four o'clock tensition attention the Macloon-Hunter Cable, Television, Limited I Macloon-Hunter Cable, Television, Limited I think those tensis are as its adtion session tomorrow, pight with British Columbia. Television, Broadcarling System Columbia, Television, Broadcarling System Columbia Broadcarling Englem in memored to come lence in May. However, as our hearings are action in April Layrest with the Televis on the Grephense at the complete bring that we would be suchsized with a written brief circulated to the Securior in the normalism will be directed to the Securior in the normalism of

- winof gainers on ad confered. Diw execute
word because it is not a senior wor

with Grys

Good luck with your nervous hrendern.

Jank yen very much for coning Thank you without you read the transcript you will find then you read the transcript you will find then your sead the transcript you will find then were several arcternoes; to things that the chings that the schedule were several to send us much only the find the transcript you greatly till can find a conjunt several your section of a conjunt in closing the property will see not the conjunt to the c

The Chairman Thank You The agentla for yanggaw at 10 00 a.m. is Tele Membrole Cor-

" the street dissenterprojects for C

it is anytractivent and at of the policies that sortly or annings upon he servetton.

coming continuity like to me CIV with an account of programming, beautiful that when it is all about the resources are failed both by policies of the Repartment of the faith by policies of the Repartment of the faith has existent which implies in relation to the existent handling in relation to the continue marrier. Thus which I and agains—the second of the resource and agains—the second of the resource and the resource in the last four years I don't have a presented that the manuscripts of the last four years I don't have a part of the last four years I don't have a part of the last four years I don't have a part of the last four years I don't have a part of the last four years I don't have a part of the last four years I don't have a part of the last four years I don't have a part of the last four years I don't have a part of the last four years I don't have a part of the last four years I don't have all the last we have a property and the last four ways and the last we have a property and the last four years I don't have a part of the last four years I don't have a part of the last four years I don't have a part of the last four years I don't have a part of the last four years I don't have a part of the last four years I don't have a part of the last four years I don't have a part of the last four years of th

The CIV is constrained in terms of the limited for the capacity on the implications of the log capacity systems. It is not side our of martin.

the other than that I can identify the property of the propert

Hurrar! Now all of these things are possible and CTV. I believe, has the capacity to stimulate, no initiate, to create programs capable of penetrating the international market, providing we can make them.

The Chairman: Thank you. One of the Chines which intotests tide committee partiest buy as I said in my opening remarks, is exactly the position in which CTV fits into the overall media spectrum.

As I have said many Guies, in proposing be idea of this Committee, it has been conceived originally as a study of the print media. We seem discovered that print does not live in the word in the said certainly, there is an inter-consection and certainly, there is an inter-consection and reinition bytween the media which is so consistent that we had to get him be sectromic media, as we have We have known all sleng that CTV has a firm place at the media spectrum. The answers you have given today have been helpful, not only in determining the position in the spectrum, but a giving as the benefit of your fainking of wide variety of topics.

I won't repeat all the things that I said in the opening remarks, particularly those which elated to the busy time you are having

I should say to the Senutors that Mr. Colsaver lumded me a note "As soon as the rusle over I am going to have a nervous treed dust. I wented for it. I owe if to myself and account is soing to decrive my of it."



Second Session—Twenty-eighth Parliament

1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, Chairman

the preceding seeing to No. 41

WEDNESDAY, APRIL 22, 1970

WITNESSES:

Télé-Métropole Corporation: Mr. Roland Giguère, President and Director General; Mr. Gaston Bélanger, Vice-President, Sales and Promotion.

Télévision St-Maurice, Inc.: Mr. Henri Audet, P.Eng., President; Mr. Robert Bonneau, Manager.

Canadian Cable Television Association: Mr. C. R. Boucher, President; Mr. G. A. Allard, Past President; Mr. R. C. Chaston, Director.

Maclean-Hunter Cable TV Limited: Mr. Donald G. Campbell, Chairman of the Board; Mr. Frederick T. Metcalf, President; Mr. A. Ross Mac-Gregor, General Manager; Mr. Israel Switzer, Chief Technical Officer.



Second Session-Twenty-eighth Parliament

1969-70

THE SENATE OF CANADA

MEMBERS OF THE

SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, Chairman

The Honourable L. P. Beaubien, Deputy Chairman

Beaubien Bourque Davey Everett Hays Kinnear Prowse
Macdonald (Cape Breton) Quart
McElman Smith
Petten Sparrow
Phillips (Prince) Welch

(15 members)

Quorum 5

The Honourable KEITH DAVEY, Chairman

No. 41

WEDNESDAY, APRIL 22, 1970

WITNESSES:

Telé-Métropole Corporation: Mr. Roland Giguére, President and Director General; Mr. Gaston Bélanger, Vice-President, Sales and Promotion. Télévision St-Maurice, Inc.: Mr. Henri Audet, P.Eng, President; Mr. Pobert Bonnesu, Manager.

Mr. G. A. Allard, Past President; Mr. R. C. Chaston, Director.

Maclean-Hunter Cable TV Limited: Mr. Donald C. Campbell, Chairman
of the Board; Mr. Frederick T. Metcall, President; Mr. A. Ross MacGregor, General Manager; Mr. Israel Switzer, Chief Technical Officer.

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (Cape Breton), McElmann, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, December 18th, 1969.

With leave of the Senate, With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative, on division.

Extract from the Minutes of the Proceedings of the Senate, Friday, December 19th, 1969.

With leave of the Senate, With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Langlois:

That the names of the Honourable Senators Bélisle and Phillips (Prince) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 3, 1970.

With leave of the Senate, and no my smed not soup soll

The Honourable Senator McDonald moved, seconded by the Honourable Langlois:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 10th to 19th February, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, February 5, 1970.

webenner With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Haig:

That the names of the Honourable Senators Quart and Welch be substituted for those of the Honourable Senators Bélisle and Willis on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 17, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Connolly (Halifax North):

That the name of the Honourable Senator Kinnear be added to the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That the name of the Honourable Senator Langlois be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With the leave of the Senate.

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 4th to 13th March, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

The question being put on the motion, it was— Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, March 19, 1970.

With leave of the Senate.

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media on 24th and 25th March, 1970, and from 14th to 23rd April, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

ROBERT FORTIER, Clerk of the Senate.

MINUTES OF PROCEEDINGS

WEDNESDAY, April 22, 1970. (41)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, (Chairman); Bourque, Macdonald (Cape Breton), McElman, Petten, Quart and Smith. (7)

In attendance: Mr. Yves Fortier, Counsel.

The following witnesses were heard:

Mr. Roland Giguère, President and Director General, Télé-Métropole Corporation, CFTM-TV, Montreal, Quebec;

Mr. Gaston Bélanger, Vice-President, Sales and Promotion, Télé-Métropole Corporation, CFTM-TV; Montreal, Quebec;

Mr. Henri Audet, P.Eng., President, Télévision St-Maurice, Inc., CKTM-TV, Trois-Rivières, Québec;

Mr. Robert Bonneau, Manager CKTM-TV, Trois-Rivières, Quebec.

At 1.15 p.m. the Committee adjourned to 2.30 p.m.

At 2.30 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, (Chairman); Bourque, McElman, Prowse, Quart and Smith. (6)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

Mr. C. R. Boucher, President, Canadian Cable Television Association;

Mr. G. A. Allard, Past President, Canadian Cable Television Association;

Mr. R. C. Chaston, Director, Canadian Cable Television Association;

Mr. Donald G. Campbell, Chairman of the Board, Maclean-Hunter Cable

TV Limited, Rexdale, Ontario;

Mr. Frederick T. Metcalf, President, Maclean-Hunter Cable TV Limited;

Mr. A. Ross MacGregor, General Manager, Maclean-Hunter Cable TV Limited;

Mr. Israel Switzer, Chief Technical Officer, Maclean-Hunter Cable TV Limited.

At 6.05 p.m. the Committee adjourned to Thursday, April 23, 1970, at 10.00 a.m.

ATTEST:

Denis Bouffard, Clerk of the Committee.

THE SPECIAL SENATE COMMITTEE ON MASS MEDIA

The so ments record with the tree growing to a EVIDENCE or with the mondored alarmed latt we same

Ottawa, Wednesday, April 22, 1970.

The Special Senate Committee on Mass Media met this day at 10 a.m.

Senator Keith Davey (Chairman) in the Chair.

The Chairman: Honourable Senators, if I may call the session to order, please.

We are receiving two briefs this morning, the first is from Télé-Métropole Corporation, CFTM Television in Mon real. On my immediate right is Monsieur Roland Giguère, President and Director General of CFTM Television.

On my immediate left is Mr. Gaston Bélanger, who is Vice-President in charge of Sales and Promotion.

Mr. Giguère, we have a procedure here which is reasonably simple. The brief, which you sent us in compliance with our request, has been received and studied by the Senators. I would like you now to take a few minutes, ten, twelve or fifteen minutes, as you may wish, to comment on your brief, to expand it or to explain it or to say anything else which may be on your mind. Certainly it is not necessary to use all that time, but you may use any part of it or use all of it.

Then following that, we will turn to the questioning by the members of the Committee and they will ques ion you on the conten's of your brief. We will ques'ion you on other matters and by all means if you wish to have Mr. Bélanger answer any questions, you need only indicate to him.

We are delighted to have you here. Thank you for coming and welcome.

Mr. Roland Giguère, Director General—Tele-Metropole Corporation (CFTM)—TV Montreal: Thank you, Mr. Chairman. If you do not mind I would like in fact to read the brief. It is not a very long brief and then I would be more than pleased to go through a period of questions and answers.

With your kind permission I would like to deliver our brief in French.

The Chairman: We are quite prepared if you will.

Mr. Giguère: Thank you very much, Mr. Chairman.

We thank you for this opportunity to submit certain opinions regarding Canadian broadcasting.

Before defining our viewpoint in relation to different aspects of television and prior to answering your questions, we consider it useful to describe the nature of our operation as well as its motivation. Based on this knowledge, you will be able to assess the judgements we put forward in this brief.

From the moment it began operations in February 1961, Channel 10 was faced with the problems of providing programs for its schedule.

Unlike English-speaking private stations in Canada, which could resort to an incalculable number of American produc'ions to complete their programming, Channel 10, from the very start, had to envisage the establishment of the technical facilities required to produce a major propor ion of its programming as the sta ion was launched.

Two other reasons, as valid as the first, also demanded our attention: first, the precise commitment we made before the Board of Broadcast Governors to contribute actively to the development of artistic life in the Montreal region and in French-Canada; second, the fundamental taste of our French-speaking audience which renders it more receptive and more sympathetic towards productions mirroring its milieu.

Our programming philosophy affirmed itself rapidly by conquering a vast audience which has continued to grow since that first year. As an outgrowth of this, national and local sponsors quickly became interested in our product and the conjunction of this impressive audience with a remarkable goodwill became the key to our success.

An original staff of 190 persons grew to 285 persons in three years and, with the advent of

employees, including the personnel of our two subsidiaries, Paul L'Anglais Inc., a sales company, and JPL Productions, a commercial production company.

So as to meet with the growing requirements of our audience, it also was necessary to double the number of hours of programming to arrive at a figure of 18 hours daily, that is, an average of 125 hours each week.

You can appreciate without difficulty the need to double the number of studios and services required to cope with an evolution which was so rapid, dynamic and interesting.

You also can evaluate immediately the mammoth task of producing in color each week in our studios sixty-two hours of varied programming.

The advent of color created serious problems, both from the viewpoint of production as well as that of profit. An expenditure of three million dollars made it possible for us to transform our monochromatic installations to a color production system without delay.

In September 1970, we will proceed in connection with the last phase of this program at an additional cost of one million dollars. It should be noted in passing that the slow sale of color receivers, delayed marketing and the high prices set by manufacturers did not contribute to any additional revenue for our station.

Solely the spectacular increase in our ratings over the years justified the raising of our tariffs to justify our investments, improving our revenue picture and making it possible for us to meet our new responsibilities. In any event, a booming economy benefitted both advertisers and producers.

Obviously, this entire pattern was shaped within the framework of commitments made at the issuance of our license to operate as well as within a rigid observance of BBG and CRTC regulations. Generally speaking, we believe the regulations we must follow are equitable and that they allow satisfactory television for the public.

Undoubtedly, we accidentally straddled at times but we can state that we have progressed without particular difficulties in regard to these regulations. As noted earlier, the question of Canadian content never was a problem for Channel 10.

However, the Canadian Radio and Television Commission recently presented a White Paper regarding new regulations governing

color television in 1966, to 500 permanent mercial control and it appears in order for us to include here the observations and amendments which we have proposed.

> In the demographic situation which concerns us, we are in agreement, generally speaking, with the measures aimed at assuring more authentically Canadian and reasonably commercialized television. It appears clear to us that the search for and discovery of a Canadian identity constitutes an objective of major importance for the survival, the definition and progress of our culture.

> Among the means placed at the disposal of society towards this end, radio and television are undoubtedly the most direct and the most effective. They are not the only ones. And if one is to envisage a serious, long-term effort, it is imperative that the other media involved in the cultural life of our country, such as the printed word and the cinéma, also become positive factors.

> We certainly cannot refrain from commenting today on the fact that for the past nine years, we have dedicated ourselves constantly to the purpose of reflecting our audience in its reality and in its aspirations. In addition to meeting the needs and exigencies of a second French-language service in the Montreal region and in the Province of Quebec, we simultaneously have stimulated a movement whose effects have been felt in every sector of artistic activity, especially in the recording industry.

> Despite this orientation, which involves serious risks because of the major investmen's required for the production of our programs, the development of talent and the costs of fixed assets necessitated by technical requirements, we have experienced satisfactory financial progress during the decade.

> It is beyond argument that it is simpler and less costly to receive or to purchase programs already produced. As a result of this, the owner or owners of a station may, generally speaking, expect a higher return through use of these programs.

It is thus true to say that the margin of security would diminish considerably for a television station or network if the CRTC proposals were applied integrally. And this is a point which should be emphasized since an overly reduced margin could compromise the financial balance of the station. This threat to operational stability would bring about a reduction in the quality of services. Any possible or eventual fragmentation of advertising the percentage of Canadian content and com- revenue in the field of television therefore must be a matter of general concern in the future.

It should suffice to mention the avowed commercial aspirations of community antennae to cast doubt immediately on the future profitability of television stations.

Confident of the economic growth of our country and without wishing to raise undue alarm, we believe it our duty, however, to underline the fragility and vulnerability of our industry in the face of these new regulations. While sympathizing with the problems experienced by the industry generally, for Channel 10 the new regulations signify the following:

The season September 1970 to September 1971, subjected to the regulations suggested by the Commission relative to Canadian content, would be launched without difficulty since our hourly schedule even now slightly exceeds the required 50 percent. However, in Sep ember 1971, we would have to add about seven hours of live programming between 8 a.m. and 6.30 p.m., and three hours and thirty minutes between 6.30 p.m. and 11.30 p.m. A preliminary estimate indicates an additional expenditure of \$1,050,000.00 annually.

To do this, we would have to put a halt to our program of technical installation for color telecasting and invest major amounts in the preparation of new programs. Taking for granted that there will be certain changes in regulations, we already have initiated the necessary steps because the corrective measures to which I refer require a good deal of time for the creation of programs, for the purchase, delivery and installation of electronic equipment.

As I mentioned earlier, we benefit at the present time from an advantageous situation by virtue of our past involvement in the production field. We operate a well-organized production centre, with a competent and dedicated staff, and we are ready to take up this new challenge. However, we believe it would be in order for the Commission to modify its new directives slightly.

We are of the opinion that the Commission should study the possibility of reducing Canadian content of programs from 60 percent to 55 percent for September 1971 and to accord us a subsequent period of 12 to 24 months before demanding full implementation of the new regulations.

This slowdown would allow a more harmonious adaptation on our part as well as a more rational evaluation of long-term projects which could be produced. The considerable financial efforts required of our industry should not be minimized. In our case, what formerly could be considered a normal operational profit margin would drop to a questionable level of protection in the two years following the year 1970-71. Here we open a parenthesis regarding our competitor.

While the private station must create an audience for itself through acceptable services which are paid for entirely by advertising sponsorship, the state station draws largely from the taxes paid by all taxpayers and overestimates its revenues by splitting up its budgets for advertising sponsorships through solicitation of advertisers. This is equivalent to subsidizing advertising.

To achieve the new proposed objectives, it appears to us more essential than ever to insist that the French network of the Canadian Broadcasting Corporation adopt a commercial policy compatible with normal competition, i.e., that a stop be put to the subsidization of programs and networks for the benefit of national and local clients and that the time rate of stations controlled by the Canadian Broadcasting Corporation be compatible with nationally-recognized criteria. I would go so far as to say that the implementation of our expansion program is related to this process of uniformity.

Few or no broadcasters or networks have the means to cope with annual deficits of one or two millions for one or more years. You can understand readily that with an annual investment of ten and a half million dollars in our programs, the losses which I cite are within the realm of possibility. Despite constant attention to control of our costs, a rising fluctuation in our expenditures is inevitable. Increases in fees paid to artists and musicians, as well as statutory raises budgeted for a staff of nearly 500 permanent employees, are other costs which we must absorb.

It should not be forgotten that 58 percent of the 6,092 annual hours of live telecasting by Channel 10 in 1968-69 required the services of 1,977 Canadian artist-participants to whom total fees of \$1,895,000 were paid. This year, 1969-70, these fees will top \$2,100,000. The figures do not include the producers, announcers, decorators, graphic artists and technicians in the permanent employ of Télé-Métropole. The commercials produced in our

subsidiaries, are executed by Canadian participants exclusively and this company pays annually the sum of \$120,000 in fees.

You can conclude quickly that the continued immobility of the CBC's commercial rates, in regard to the sale of time as well as in regard to production, would be but an additional contribution to possible asphyxiation.

If I reiterate this aspect of the problem, it is because for Channel 10, under the circumstances, it is of vital importance. The CBC often outbids us for the stars we have developed. In such cases, we fulfill the rôle that the state corporation should carry out. However, we refuse to grant to the CBC the privilege of reselling the programs produced with these artists by subsidizing them in regard to our clients; this is an intolerable situation which definitely would compromise the eventual orientation of Canadian broadcasting.

One of the reasons for my presence today is to protest vigorously against this sytem which can no longer continue. Channel 10, which commits itself each year with an operations budget of many millions of dollars, cannot depend on the goodwill of the commercial director of CBC.

The pursuit of this policy surely will compromise in future the normal progress of the second French-language system in Quebec.

In nine years, we have had to double our sales rates to protect our enterprise. The Canadian Broadcasting Corporation, on the other hand, has budged only slightly, if at all, in its advertising rate schedule. Apply, for a moment, this sort of competition to our country's airlines. How long could Canadian Pacific resist the assaults of Air Canada if the latter, strengthened by federal subsidies, cut its fares in half?

How many Canadian newspapers could stand up to publications sponsored by the federal government, produced at high cost with the best journalists of private industry, and selling its advertising agate line and the newspaper itself at half the price of its nearest competitor?

These examples are as plain as a pikestaff and demonstrate graphically the CBC's unfair position in the commercial field. We believe this situation must change if a truly Canadian television industry is to survive.

studios by JPL Productions Inc., one of our A final word in connection with Canadian content. For the past two years, we have exerted certain pressures on American producers so that French dubbing of their programs be carried out in Canada. Among the reasons given is the fact that these programs would be accorded a Canadian percentage.

We have asked the Commission to recognize that a part, minimal though it might be, of the Canadian percentage required be allotted in this form. For our part, we have paid in the Montreal region, in the past two years, some three hundred thousand dollars to artists in dubbing fees. I am convinced that this is an aspect of artistic activity which should be taken into consideration.

It is clear that the position of the purchaser is weakened and his argument becomes less valid in favor of dubbing in Montreal rather than in Paris if the Canadian status of the program vanishes completely. By the same token, I would recommend that the French dubbing of feature films benefit from the same amendment to the proposed directives. We have not become involved in this aspect of dubbing but we believe it would be possible to create a certain amount of work in this area.

Finally, commercial policy: We have noted the absence of any special commercial considera ion for the total sponsorship of programs. Though total sponsorship of programs has dropped considerably in the past five years, Channel 10 s ill carries an important number. Application of the proposed regulations would signify the end of sponsorship of programs of 15 and 30 minutes and one hour.

You will appreciate that it would be difficult for us to require a one-product sponsor to link the four commercial messages allowed him in a half-hour and the two minu'es of a 15-minute program. This point is most important because it involves the very philosophy of program produc ion.

We always have promoted the sale of programs energetically because the sponsor, seeking a higher level of identification in a given market, is prepared to pay a certain premium. Since we began operations, we have sought program sponsors specifically to help us sustain our operational expenses which always have been very high.

Without having succeeded completely, we have retained a certain number of program sponsors and co-sponsors. It would be onerous for us if these sponsors—clients not only of Channel 10 but usually also of our associated stations—were to turn to the policy of purchasing spots. We have asked that an exception be made for sponsored programs and that, in the event of total sponsorship, the four commercial messages be considered as two breaks only.

To recapitulate our brief observations on the regula ions suggested by the CRTC even as we rei erate our support for the objectives proposed, we make the following recommendations:

- 1. Extension of the period required to attain the level of 60 percent Canadian content.
- 2. Recognition of partial Canadian percentage for programs and feature films dubbed in French in Canada.
- 3. Special category for sponsored programs.
- 4. A review of policy governing the number of breaks in so-called spot carrier programs.
- 5. For us, any increase in Canadian content must be related directly to an evaluation of the CBC's commercial policy.

All these remarks are inspired by two factors:

- 1. Our desire to fulfill adequately the important rôle of a broadcaster and to accept fully the responsibilities which it implies;
- 2. The need for a private station to gain sufficient advertising revenue to carry out this function in every way.

We have endeavored in the first part of this brief to show you a profile of what we are, to describe what we wish to become in future and the conditions which are essential if we are to succeed.

The Chairman: Well, now, I am going to suggest I do not think it is necessary for you to read the balance of the brief.

Mr. Giguère: Thank you, Mr. Chairman.

The Chairman: Because up until there I think you have been talking substantially about CFTM and I think it was good to read that to the Committee. The balance of the brief certainly some of us have read and I know I have some questions on the balance of the brief anyway.

I do not think it is necessary for you to read it. I think with respect I prefer to turn to the questioning because, as you know, we have a second brief this morning. I have some questions I would like to ask you.

The questioning will begin in a moment with Mr. Fortier. His questions will be in French, but certainly the questions I have for you will be in English. The other Senators may speak either French or English, but which ever language we speak to you in, by all means you answer in French.

Mr. Giguère: Thank you, Mr. Chairman.

[Translation]

Mr. Fortier: Mr. Giguère, there is one French network in Canada, is there not—the CBC network? CFTM in Montreal is the largest television station in Canada. I notice on page 15, of your brief, that you speak of your "associated stations", and that you also talk of the possibility of establishing a second French service in Quebec.

Can you tell us, to begin with, in what respect and in what way you are associated with other French stations—other private stations in Quebec; and, secondly, whether you are considering establishing a second French service in Canada in the near future?

Mr. Giguère: In answer to the first part of your question, in Quebec City and in the Chicoutimi area, there are two television stations (one owned by the CBC and one affiliated with the CBC), and two independent stations. With the Quebec City station, we have...

Mr. Fortier: CFCM in Quebec City and CJPM in Chicoutimi.

Mr. Giguère: That's right. We are associated to some extent with these stations on a programme-supply basis. What binds us together at the present time—or what, if you wish, constitutes the link—is the fact that these programmes which we produce, are broadcast on the channels used by these stations and are sold by one particular company. It is therefore a commercial bond which currently links us with these two stations.

Mr. Fortier: Which company sells the programmes?

Mr. Giguère: There is no outside company, Télé-Métropole sells the programmes.

Mr. Fortier: Then it is your company?

Mr. Giguère: That is so. To answer the first part of your question, the reason we do not

speak of affiliates is because we are associates. There is no third company, no third party control, if you like. There is a measure of association among the three stations.

Mr. Fortier: Is it only at the programme level, or does it extend to the advertising level as well?

Mr. Giguère: At the programme and advertising levels. Concerning the second part of your question—we announced, in June last year, that it was our intention to become a network before the end of the year—that is, we shall ask the Commission for permission to operate using the microwave transmission facilities for a certain number of hours each week. When that time comes, we shall officially form ourselves into a network. I would point out to you that the second French service in the province does exist—but it exists unofficially.

Mr. Fortier: Unofficially. Have you made a formal application to the CRTC?

Mr. Giguère: We propose to do so before the end of the year.

Mr. Fortier: Would this application today take in only the other two stations of CFCM and CJPM, or would you possibly want to include more stations?

Mr. Giguère: Let's say that the first part of our project would include those two stations. May we also say that if we are to provide a second complete service, then, clearly, we should have to think about bringing other stations in the Province of Quebec into the association. When that happens, they will have to ask to be released from their affiliation with the Government-owned network in order to join the second service.

Mr. Fortier: Right. Is it the Chicoutimi station or the Quebec station that is affiliated with the CBC?

Mr. Giguère: Neither the Quebec station of CFCM nor CJPM is affiliated with the CBC. They are independent stations.

Mr. Fortier: So they are independent. Firstly, a rather nasty question, but I am going to ask it just the same—is it to make more money or to compete more effectively with the CBC that you want to double your size by forming a network?

Mr. Giguère: May we say first that the main point of the exercise is not to make money because—and we have stated so pub-

licly—the establishing of a second broadcasting system using microwave facilities will not be a source of revenue. The ideal attitude which is the one we have at the present time is to try to offer a better service.

Mr. Fortier: For the viewers?

Mr. Giguère: Exactly!

Mr. Fortier: I suppose, too, that it is to provide competition for the CBC because there is strength in unity?

Mr. Giguère: We already compete with the CBC as is clearly indicated in the brief. When we talk, if you like, about the commercial aspect, and if you are talking about our competition—and I am not speaking merely for myself not just on my own behalf, let's say, but I am speaking for our associates at the same time—I am expressing an opinion that is held quite commonly in that respect.

Mr. Fortier: Will this second service, this second French broadcasting network, also benefit non-Quebeckers some day?

Mr. Giguère: It is quite possible because, there are large groups of French-speaking people outside Quebec, and it will be a part of our long-range plans to associate with those groups in some form or other. You know that the ways and means are infinitely varied, but anyhow, we intend to provide a second French service. May we mention, for example, the part of Ontario adjoining Quebec where there are large groups of French people...

Mr. Fortier: New Brunswick too?

Mr. Giguère: Yes. New Brunswick too.

Mr. Fortier: That forms part, as you say, of your long-range plans?

Mr. Giguère: Yes.

Mr. Fortier: I see that in your brief you are continually refering to the CBC competition and I get the distinct impression that, where you are concerned, this compe ition is—I was going to say "unfair" but that is not the right term. Is it competition that is harmful to you? Is that what you are asserting?

Mr. Giguère: You know, we are wholly in agreement with the principle that the CBC remain in commercial competition. We do agree with that principle.

Mr. Fortier: Are you not of the opinion that the CBC ought to be barred from commercial competition?

Mr. Giguère: Not at all. We believe that it is necessary to have competitors at the commercial level in all the markets in the Province of Quebec and, if you wish, to carry it further, we might say markets throughout Canada. What we do not agree with, though, is that the CBC should subsidize the sponsors. That is what is happening.

[Text]

The Chairman: May I just ask at this point a question which is interesting to me. I do not know the answer to it. Perhaps you do not know either but is the CBC more commercial in French on its French network than it is on the English network? Do you know off hand.

Mr. Giguère: Off hand I would say it is more commercial.

The Chairman: Is it about the same?

Mr. Giguère: It is about the same. I would say that, generally, the criteria or the basis of the commercial aspect of the activities would be the same.

The Chairman: I take your point. I just wondered if it was more commercial.

[Translation]

Mr. Fortier: If your representations are received favourably and the CBC agrees to raise its advertising rales to a more reasonable level, will you then concede to the CBC the role it now plays in the field of broadcasting, or do you advocate a change in this role?

Mr. Giguère: In saying that, are you talking about its role as a broadcaster?

Mr. Fortier: Yes.

Mr. Giguère: You are putting me in a difficult position because I would like to judge the CBC with greater objectivity.

Mr. Fortier: I am sure you are going to do

Mr. Giguère: I would like at least to try to be objective. I think the CBC...

Mr. Fortier: When they came, they were asked what they thought of you.

Mr. Giguère: The CBC plays a very important role, a vital role, not only in French but in English too all over the country. I believe that the CBC does things that are altogether outstanding and produces broadcasts of excellent quality in some sectors.

Mr. Fortier: Broadcasts that the private stations could not produce. Is that what you are getting at?

Mr. Giguère: Yes. It is.

Mr. Fortier: Can you give some examples?

Mr. Giguère: I shall give you an example. If a concert with 110 musicians is broadcast on a Sunday evening, you can quite understand that the expenses on that occasion are astronomical. In private industry-I am speaking for us at Channel 10 and the stations which work with us-we do not have that kind of money, because such a broadcast is actually a purely cultural endeavour. And from that angle, the CBC has done a great deal in the past and I believe-and this is only an opinion—that the hand of the CBC French ne work has been forced over the past 4 or 5 years. Perhaps in some cases the cultural aspect of the broadcasts has been trimmed down, if you wish. And then again, we might say that this is constructive, that it is perhaps time the CBC realized that, in order to enter into dialogue with the public, one may produce avant-garde broadcasts and broadcasts of an extremely high cultural nature but, from another standpoint, it is essen ial not to get so far ahead of the audience that it cannot catch up.

In this respect it has to be acknowledged that, on the French network over the past four years, the CBC has been much more competitive than it ever was at the programme level. And to some extent this is what gave rise to my comments on the commercial aspect, because that aspect is defini.ely compe itive. When the cultural level is mentioned, it is obvious-I am talking, you know, about the purely cultural (symphonies, stage productions, operas and troupes that are going to charge something like \$85,000 or \$100,000 for the presentation). It is obvious that that is one of the roles of the CBC. I believe that the CBC does in part fulfil its role.

There is need for the CBC, as there is need for all broadcasters, moreover, to carry on a continual analysis and evaluation, because they are in a society which is passing through an exceedingly rapid phenomenon of evolution. Therefore, the broadcaster who seeks to reflect his impression of it and who wishes, of necessity, to keep ahead of it, is obliged to reappraise his attitudes towards his audience. And it is perhaps something the Corporation does not do enough of. That is a very general

comment, you know. But you are asking me for my impressions, and I am giving you one.

Mr. Fortier: It is one of the reasons for your being here, and to pass on to us the benefit of your experience. You have already worked at the CBC, have you not?

Mr. Giguère: I was one of the pioneers in CBC television. I was one of its first employees.

Mr. Fortier: If you were general manager at the CBC today, Mr. Giguère, what would you do to improve it?

Mr. Giguère: One of my former classmates is general manager of the French network, and it is fortunate that he is not here this morning. Certainly-and I am returning here to my theme when I speak of reassessment—I believe the CBC should reassess its posi ion. That would be the first thing. First I would discuss a philosophy, and I would assemble a team of people who agreed with it; there would be a redefining of objectives, because it is so easy, in an organiza ion as huge as the CBC, to lose sight of objectives that may have been set five or ten years earlier. It is very difficult to communicate in an organization with five or six thousand employees, some French-speaking and some English-speaking. Wi hout a doubt, the first change I would make would be to redefine objectives, so as to be quite sure that all my senior s'aff members were fully conscious of them and I would also examine the system of communication.

Mr. Fortier: Such problems are no doubt linked to the size of the undertaking?

Mr. Giguère: Of course.

Mr. Fortier: Are you not afraid that your second French network may have to cope with the same problems one day?

Mr. Giguère: You can rely on me.

Mr. Fortier: I know your viewers have always relied on you, and that it has paid off. The CBC is a huge public undertaking; CTV is the second English network in Canada, wi'h 13 English-language sta ions across the country; and CFTM wants to set up...

Mr. Giguère: Officially, the second French network.

Mr. Fortier: Is there going to be any room left in Canadian broadcasting for a small independent station?

Mr. Giguère: Of course, I think it is difficult to give you a general answer, but perhaps I could give you the basic premise of my thinking. I start from the principle that here in Canada (and I have thought about this many times because we are direc'ly involved) we must look to the future. I think there is room in Canada for two complete systems, one publicly-owned and one privately-owned, both with English and French networks. I would mention another very important aspect to you-finance, the future availability, as far as I can predict, of funds for the operation of broadcasting enterprises. I do not see how the media can accommodate a third station, or system.

I touched briefly on the question of cable. It is obvious, heaven knows, that if cable systems were left to themselves—I am not criticizing the cable systems, I would like you to accept my statement as a technical comment; I am making a very cool analysis (clinical, if you like)—that if cable systems were left to operate wi hout regula ion, broadcasing stations would obviously be doomed from that moment on. This is because if, in 15 years time, all the households in this country, or 90 per cent of them, were hooked up to cable systems, well—If condi ions are imposed on cable companies, as are imposed on broadcasters...cable, you know, is a medium—

Mr. Fortier: A technique.

Mr. Giguère: A technique. It is a vehicle, it transmits a picture or a signal.

Mr. Fortier: Because according to its original definition, cable is only a means of improving the quality of service. It was with that in mind that it was designed, anyway. But today, the CRTC says...

Mr. Giguère: They have opened the door.

Mr. Fortier: ...you have the technology, you have developed it and we are going to regulate it; and now they are saying produce some programmes; is that correct?

Mr. Giguère: Yes.

Mr. Fortier: That is what the CRTC has said to the cable companies?

Mr. Giguère: The CRTC specified the nature of the programmes. They said: render a service to the communities in which you operate—give them better service. In addition, Pierre Juneau said two years ago in Quebec City...

Mr. Fortier: In May, 1969?

Mr. Giguère: Last year. He was giving a clear statement of CRTC policy when he said that the cable companies should not hope to attack national advertising because that would contribute to the fragmentation of advertising revenues.

You know, that is not something to be left to chance, knowing whether one will make two million or one million. It is a purely technical and financial question. If you look into it, you will find that at Channel 10 we will spend \$10,800,000 before we make a nickel this year-\$10,800,000 in cold cash. So there is a tremendous risk in every season. That is why witnesses appearing before the CRTC, and before you this morning, say that you have to realize that the available funds amount to just so much, and when the adverrevenues have been distributed between the public and private systems, there is nothing left. So if you split those revenues, you endanger the very existence of our business. You know, a company like ours can easily lose a million dollars if we are investing \$10,800,000 annually. It is very easy to do so. You just have to be a little out in your calculations, and you end up with a loss.

Mr. Fortier: I am following your remarks with interest. You went very far when you said that the cable industry may mean the end of broadcasting stations as we now know them.

Mr. Giguère: If ...

Mr. Fortier: If it is not regulated?

Mr. Giguère: If cable systems are granted the privilege of national advertising and the sale of regional and local advertising, and if the programs they distribute are not regulated, then I claim that the very existence of broadcasting enterprises as we know them today hangs in the balance.

Mr. Fortier: As you know, when he made the CRTC announcement on April 10, Mr. Juneau went so far as to say that the Commission will be able to authorize the establishment of cable television networks. Do you not think the CRTC is moving towards a policy that will result eventually in the elimination of of television stations like yours and those of the CTV network?

Mr. Giguère: I think the CRTC has stated its policy. No statement has been issued that conflicts with those already made.

21516-2

Mr. Fortier: Agreed.

Mr. Giguère: And it is taken for granted before stating another policy but it should not be thought that resistance to change-if I criticize the CBC for not increasing its advertising rates—you should not think that because we are in a television station, we should stand still. No; where cable TV is concerned, when the crunch comes a way will have to be found of incorporating production facilities into the cable system.

Mr. Fortier: Facilities like your own?

Mr. Giguère: It goes further than that. Last fall, Eugene Hallman, Vice-President of the English network, made a statement that corresponds curiously to what you are saying this morning. In the future, there will obviously be dangers for broadcasters, but that is part of developments in business life. We are prepared to accept that. Production facilities will always be important, because the cable operators like the broadcaster, will necessarily want programs. You have to know how to turn out programs, and it cannot be learned overnight. You know, we built our production centre, we have been producing for nine years, and as I said, we are constantly reassessing ourselves. You must not think that simply by deciding one day to have a television program schedule, one can have it just like that.

Mr. Fortier: Programming will have to be created?

Mr. Giguère: That is why we feel safe to a certain extent, because we have what I believe is the best organized production centre in Canada.

Mr. Fortier: Would not the ideal be what Mr. Bushnell and his company are in the process of doing-buying a few major television stations such as those in Ottawa, Montreal and particularly Cornwall, and also buying cable TV systems in order to be ready to cope with any eventuality? Should not a company like yours be moving in this direction? Should it not take such steps in order to protect its flank?

Mr. Giguère: That is a good question, and we have thought about it. Upon examination, however, and in addition to the conclusions with which I have already mentioned, we found that the amounts involved were enormous. To gain majority control of the cable systems in Quebec, say, would perhaps take \$75 million. That is a tremendous sum, and I

for one am not prepared to bank \$75 million on the future of cable.

Mr. Fortier: You do not think it is the system of the future?

Mr. Giguère: I think cable systems are capable of being that, but there may be other systems as well. It should not be forgotten that the cable, if you stop to consider it, is a "pet theory". We started with the telephone, then wireless, then we turned to microwave transmission, then the cable, and satellites are next. So which is it to be? There will be something else, you know. I am told that work is being done on lasers. Some very advanced studies are being conducted in New York. I do not know what the laser is going to do in communications, but it may have an extraordinary influence. I am not an engineer or a technician, but let us just say that I do some reading from time to time in order to know what is going to happen. Nothing is absolute, you know.

But we are discussing the principle, if government authorities, acting through the CRTC, decide that—well, I think if that is the case now, we are talking about 10 or 15 years. I would like to remind you that in Montreal, only 14 per cent of households—and cable has been there for 10 or 15 years or whatever.

Mr. Fortier: But it is increasing at a rate of 35 to 40 per cent annually.

Mr. Giguère: It is rising more quickly. But the fact remains that the majority of households do not have it yet, and I do not think you will find a majority of households with it over the next five years.

[Text]

The Chairman: Just what percentage of the homes in Montreal have cable?

Mr. Giguère: About 14 per cent.

The Chairman: Would this 14 per cent be equally divided between French and English

Mr. Giguère: I would not hazard a guess in this but I would suspect they would be in the majority for English-speaking people in Montreal.

The Chairman: There would be more English using cable than French?

The Chairman: The French-Canadians who have cable in Montreal presumably would be bilingual-all of them would be.

Mr. Giguère: They would, yes, their first interest would be in American programs, but if you stop thinking about the utility of cable in the Montreal area, if I may say so, with a very simple antenna you can get these same American stations and you can get a very high-class antenna for \$125.00 with beautiful reception from the frontier stations, and it will cost you ordinarily \$6.00—by the will cost you ordinarily \$6.00—by the month—so there is an economic factor also, and cable will not give you much better quality than you would get with your antenna.

The Chairman: With a good antenna.

Mr. Giguère: Yes.

[Translation]

Mr. Fortier: Before leaving this field in which you have enlightened us, Mr. Giguère, 1 believe it is appropriate for me to refer you to the last paragraph in your brief...

Mr. Giguère: I hope it is a good one!

Mr. Fortier: ... and explain to us to what extent the federal Government should help the private television industry in Canada.

Mr. Giguère: You have noted that it is a small paragraph of four and a half lines...

Mr. Fortier: It was thrown in at the last minute?

Mr. Giguère: I do not know what thought prompted it.

Mr. Fortier: You do not expect us to let it pass without comment?

Mr. Giguère: This is the basis of my think ing. I think it would be in the interests of the public at large if the Government were to assist broadcasters in one way or another. can go no further, because I cannot give you an exact idea. But let us consider a parallel case. The Government now pays \$50 million to the film industry, in one way or another. It becomes a partner with a film producer and a company.

Mr. Fortier: There is an Act respecting it. Gratien Gélinas is President...

Mr. Giguère: Quite. I believe it would be a good thing if we were to study the possibility of making funds available to broadcasters for Mr. Giguère: Yes.

of making funds available to broadcasters we special projects. I mentioned some things could not afford to do, but if such funds were available-besides, the Government has an auditor for film production, and twice a week he visits producers to check on their expenditures, and so on. I do not see why television producers-since television is a very important mass medium, the most important in this country at this time, in my opinion-should not have millions at their disposal for some programs. These sums could be available to them, under Government control, and if a broadcaster such as ourselves, with production facilities, asked for funds, they could say: "Here's what we'll do."

Mr. Fortier: You cannot do it all alone.

Mr. Giguère: We cannot do it alone. If it were done merely with the advertising revenues we have, we could not afford it. But here it is, if you want it, our proposal in black and white, and this is what it can achieve; if you think it valid, then, place the funds at our disposal.

Mr. Fortier: You would not be afraid of having the CBC take it from you, then?

Mr. Giguère: The CBC already has its \$160 million a year.

Mr. Fortier: At that point, could not the CBC say, as you do: "Members of the House, you cannot have it both ways-either you have a single state-owned system, or you have two system?"

Mr. Giguère: That is correct. But I am talking about a few special projects, not regularly scheduled programmes. I mean unusual, ambitious ventures.

Mr. Fortier: Ambitious ones that might interest minority groups rather than your whole audience?

Mr. Giguère: Quite. I say again, a production centre has creative and production beople with imagination and highly individual approaches to their work—we have some becople with us who have some tremendous ideas. They cannot be implemented because of the very great risks involved. First of all, some of the things we do are not profitable. There are many programs in our schedule that bring in nothing. But the fact remains that we could take on and complete other things in other fields without hurting the CBC's subsidies.

Mr. Fortier: Télé-Métropole is not a public company, is it?

Mr. Giguère: It is incorporated under the Companies Act. It is a public company; control of the shares was held by Mr. DeSève, who died, and control has now passed on to his executors, of whom I am one.

Mr. Fortier: Who are the other shareholders, apart from the DeSève estate?

Mr. Giguère: There are almost 175 shareholders, including those with minority interests.

Mr. Fortier: You have never resorted to public financing, have you?

Mr. Giguère: No, never.

Mr. Fortier: This is just to establish the basis of my question. You say that Mr. DeSève, the majority shareholder, died; I am sure that as his executor, you have had occasion to regret the rates of death duties that have had to be paid?

Mr. Giguère: That is a good question!

Mr. Fortier: Since the Committee's hearing began, suggestions have been made to us by various broadcasters and newspaper publishers. Do you personally recommend that in the media, it would be a good thing for death duties to be deferred, say, until the shares pass out of the hands of the family that are the original owners? Are you with me so far?

Mr. Giguère: Yes, I follow you. What you are suggesting is that upon the death of the majority shareholder, as in our case, the death duties we have paid-we have only paid part of them, and negotiations are still going on about the rest-should be left available for operating the business; I would say that it would do no harm, in our case at least.

Mr. Fortier: There have been many cases. as you know, in which the owner of a business has died, and the heirs have had to sell it in order to pay the death duties. As I said. some witnesses have told us that it will create a distinction between those Quebec companies that are in the news and information business, and industries active in other fields.

Mr. Giguère: I certainly do not object to leaving death duties within the business to be used to improve it. Perhaps that is the approach I suggest to you in the paragraph we mentioned; it is a possibility.

Mr. Fortier: Do you and your fellow executors intend to seek public financing for Télé-Métropole in the near future?

21516-23

Mr. Giguère: You know, we have—certainly not in the near future, and if we can avoid doing so, we would very much prefer to run the business as at present.

Mr. Fortier: You do not think there are advantages in having a broadcasting business belong to the public?

Mr. Giguère: Oh, there may be some advantages, yes. It can make development capital available to management, but you know, that gets at the very heart of a business. I mean the life of a company, its growth and development. If these can be financed out of the corporate income of any company, unless someone wants to make a capital gain—we both know that a majority shareholder can put shares on the market to establish their value, and thus increase his personal fortune to a certain extent but if it not essential to the actual running of the company—in any case, it is out of the question for us at the moment.

Mr. Fortier: That is not wishful thinking?

Mr. Giguère: No.

[Text]

The Chairman: I wonder, if I may interupt, on a somewhat different subject for a moment.

Mr. Fortier: I was about to change the subject.

The Chairman: If I may interrupt for a moment I would like to ask Mr. Bélanger; I would be interested in knowing how your rates compare with those of CFTO, Toronto? CFTO was before the Committee yesterday morning. What is your cost per thousand in prime time?

Mr. Gaston Bélanger (Vice-President, Sales, Télé-Métropole Corporation, Montreal): Well, the average cost per thousand in the prime time area which is 7 o'clock to 11 o'clock is in the vicinity of \$1,230.

The Chairman: \$1,230.00

Mr. Bélanger: Yes. That is global. That is the base,

The Chairman: Would that be the best in Canada?

Mr. Bélanger: On a BBM basis, no. I think the CBC stations are definitely best. In the private stations, just because they have a larger audience, with a higher rate than the majority of the stations.

The Chairman: I have a question which I have wanted to discuss throughout the hearings and I have never raised it because time has not allowed—and of course we are finishing our hearings on Friday. There is a reference towards the end of your brief about ratings. I would be interested in knowing how many rating services your station subscribes to.

Mr. Bélanger: Well, we subscribe to two rating services. We subscribe to BBM, the Bureau of Broadcast Measurement, which is industry sponsored.

The Chairman: Yes. We are familiar with them.

Mr. Bélanger: And also with Nielsen.

The Chairman: You subscribe to both.

Mr. Bélanger: We subscribe to both.

The Chairman: From time to time is there a great variance in their figures in terms of—presuming this is 11 o'clock on a Wednesday morning, when the surveys do come out, does it sometimes happen Nielsen reports one figure and BBM reports another for the identical time period.

Mr. Bélanger: They may vary but slightly.

The Chairman: It is only slightly?

Mr. Bélanger: It varies slightly and if you took a common instance over a period of a month with both services, you will see that there is a parallel. They are pretty well just the same.

The Chairman: Well, then, why do you subscribe to both?

Mr. Bélanger: That is a very good question. I think it is partly an evolution. Actually we have subscribed from the beginning to BBM. There were some problems at one time, some doubts to the validity of BBM within the industry.

There have been some major changes in the management of BBM, so we went back to BBM because we felt it was giving us two things, a confirmation of the performance of our shows and giving us two surveys, to be able to see if there is a pattern.

The Chairman: Aside from those two national services, are there any other major national survey companies who are active, who try to sell you their services, or are those the two major ones?

companies.

The Chairman: Which one of those services is most recognized by the advertising agencies, or are they both?

Mr. Bélanger: Well, there again there has been an evolution. Some years back Nielsen was the one that was recognized but today BBM is receiving the acceptance of the majority of advertisers.

We feel we must have both because of our clients who subscribes to Nielsen. Consequently in order to be able to analyze the situation, we subscribe to Nielsen and use Nielsen for them because this is the criteria they use for buying.

The Chairman: Are you satisfied as to the authenticity of the ratings? Do you think they are a reasonably accurate reflection of your audience.

Mr. Bélanger: I believe so.

The Chairman: You use them to sell advertising, I know, because I have done that myself. Mr. Giguère, to what extent do you use the ratings for programming a station.

Mr. Giguère: Very much.

The Chairman: Would you explain to us how that happens.

Mr. Giguère: Well, another reason why we have two systems is that they differ considerably in their methods. When Nielsen came in, they had a different method than BBM had. This may be another reason why we have been subscribing to both services but we use this in the analysis of the audience.

For instance, if you are creating a programme you want to see the impact of this programme on a very specific sector of your audience. If it was teenagers, for example, the result of the ratings will indicate to you if you are reaching your teenagers, because they make a very thorough analysis.

The Chairman: Both companies?

Mr. Giguère: Both companies now; whereas they differed considerably when they started. Nielsen was giving the number of homes when they started, BBM was giving the circulation. That was two different approaches to the rating system but now they are considerably the same.

Mr. Bélanger: Those are the two major You know, the two systems have adjusted as they went along.

> The Chairman: What is the circulation of your station?

> Mr. Giguère: Well, the last statistics we had was \$40,000,000 in viewer hours every week.

> The Chairman: How many individual people watched your station in a week, according to the surveys?

Mr. Giguère: How many?

Mr. Bélanger: Per week.

The Chairman: Or any statistics you want to give us.

Mr. Giguère: Well, let us say, just to give you an idea, between 6:30 and 11 o'clock we can say that we have 260,000 homes on an average per week, which, translated in terms of persons, can be anywhere between 800,000 to a 1,000,000 on average.

The Chairman: I have only one other question on the ratings. Is there any other information you would like to get from the ratings survey that you do not now receive? In other words, is there additional information that they could provide which would be useful to

Mr. Giguère: Frankly, no.

The Chairman: You have everything you need.

Mr. Giguère: Of course, we have got our own research department, mind you.

The Chairman: What do they do?

Mr. Giguère: They take these ratings and they project them and also from time to time we make our own surveys. We have people coming in and out of our station every day, hundreds of people, so if we want a feeling or a definite idea as to how we are performing or what people are really thinking we put forward very simple questions.

You go around and you ask 300 people to answer these questions and then you put them together and you have an idea. It gives you a very fair idea of how you are faring.

The Chairman: Mr. Bélanger, the Executive Director of the Canadian Daily Newspaper Publishers Association, Clyde McDonald is a former broadcast research man. Was he at one time president of BBM?

number of years.

The Chairman: Since he has been...

Mr. Bélanger: He had his own...

The Chairman: He had his own company, McDonald Research, as I recall. Since Mr. McDonald has moved over to CDNPA, which is now a matter of several years, have the daily newspapers become more competitive in terms of selling with statistics than they were at one time?

Mr. Bélanger: I believe, sir, they definitely have used a very different approach to what they were using in the past. There is no doubt the influence of Mr. McDonald in that area, in the area of statistics, is making a difference.

The Chairman: I have only one other question to ask you in this area. National advertisers, in making the big decision about using either print or television in a campaign in Quebec, for example, the decision he has to make is; does he use print; does he use television; does he use both; does he use something else?

Does he make the decision, in your opinion, primarily on the basis of statistics, audience reach or does he make the decision primarily on the kind of a product? I think I know how you will answer.

Mr. Bélanger: Definitely on the kind of product, not strictly statistics. There are a number of factors depending what strategy he intends to take for example the money available in the market.

[Translation]

Mr. Fortier: Mr. Giguère, as you say in your brief, giving figures to support your claim, Canadian content has never been a problem on Channel 10, and you make the suggestion that undoubtedly you made also to the CRTC, that of deferring introduction of the 60 per cent requirement for 12 or 24 months. You also mention that the effects of what you have done in this area have been felt in all branches of the arts, particularly in the record industry. I know that you are an experienced veteran in this field, in which you have been active for years, and I would ask you the following question. A station like yours has managed to develop French-Canadian talent, which was perhaps more available than English-Canadian talent, which tends to be diverted into the American market south of the border. Do you

Mr. Bélanger: He headed BBM for a agree that the operator of an English-language radio or television station faces a more acute problem than you do in meeting the content requirements proposed by the CRTC for television and AM radio?

> Mr. Giguère: That is a complex question. I believe the problem is the same for everyone at the outset. As I said, setting up a production centre and getting it into operation demands a sustained effort. It is quite clear that in 1970, the English-language television broadcaster trying to meet the new requirement is somewhat hard pressed, because when he began his operations, he may not have noted this atmosphere, he may have taken a different approach. But as for minimizing the difficulties we face, and comparing our difficulties with those our English-language colleagues will face—no, I do not think they are insurmountable, and I have said so publicly.

Mr. Fortier: How is it that your Englishlanguage colleagues did not "create this atmosphere" I am using your own words now -but took a "different approach." Were they forced to do so, or did they do it deliberately, in your opinion?

Mr. Giguère: What you are asking me to do is to pass judgment on the motives of my English-language colleagues.

Mr. Fortier: But you are in constant touch with them, you exchange statistics and ideas?

Mr. Giguère: I think there are two different influences at play. You know, it is easier to programme using a ready-made product.

Mr. Fortier: Yes, I agree.

Mr. Giguère: So right away, you have an easy way out. It is easier to program, obvious ly. It is more profitable, too. The risk is less These are reasons—I make no accusations, particularly do not wish to make accusations against my English-language colleagues. They have made some pretty splendid efforts over the years; after all, they have done some very good things, and there can be no question of criticizing them; in any case, that is not my job.

Mr. Fortier: You understand why we are interested in hearing from you.

Mr. Giguère: I am giving you an opinion Anyway, I said in my brief that it is easier to buy a ready-made programme, and it is more difficult to work in this country using live

thought that when we began operations, all the performers were there waiting for us. We discovered them, trained them, and made them stars.

Mr. Fortier: Is there any reason why your English-language colleagues could not discover English-Canadian performers, train them and make them stars?

[Text]

The Chairman: Well, it may not be a fair question to put to Mr. Giguère.

Mr. Fortier: I am sure Mr. Giguère will answer it or not.

The Chairman: We do not want to be unfair.

Mr. Giguère: To answer that question in all fairness I must say, they do some of that Work. It is a matter of volume really because they are doing it, but the request presently is that they should do more. It is a question of...

[Translation]

Mr. Fortier: It is not insurmountable?

Mr. Giguère: No, not in my opinion.

Mr. Fortier: Do you still belong to the CAB?

Mr. Giguère: We still belong today.

Mr. Fortier: Why "today"?

Mr. Giguère: Because—and we said this publicly—we want to study the situation, first of all to discover what happened. We were astonished at the announcement, at the adoption of such a radical attitude, and we said that publicly, too. We said we would look into what happened before making a decision. We also stated that we might leave the CAB.

[Text]

The Chairman: Did not the Toronto Telegram in its Saturday edition say that you had

Mr. Giguère: Well, they may have said so. We did not.

The Chairman: Did they not?

Mr. Fortier: So did Joan Irvin in the Montreal Star.

position.

performers. You know, it should not be Mr. Giguère: We are still a member of the CAB.

> Senator McElman: Did you participate in the discussions up to the point of the presentation—that is the discussions of the CAB?

Mr. Giguère: Well, one of the members of our organization, Mr. Paul L'Anglais, is a Director of CAB. He sat in as a member of the CAB Board.

He suggested—and this also was declared publicly—amendments to the attitude of the CAB to the new proposals; and let us say that this is what we are looking into because after that meeting, there seems to have been some confusion. Something was left hanging up in the air apparently because I was definitely under the impression-I joined Mr. L'Anglais in Ottawa later that week—that the attitude of the CAB was not the one of complete negativity to the problem but one of, let us say, discussion.

White papers are put out for discussion and act is that we took the rules and regulations. We looked at what we are doing in our operation. I am not the judge of the other stations or other networks in this country, but we felt it was possible and we said so at that CAB meeting via Mr. L'Anglais who is a Director.

This is why we were so surprised not to say astonished, when publicly the legality of the CAB was really put in question.

This is an attitude that under no way shape or form we could be a part of. This is why we left the meeting.

The Chairman: The legality of the CRTC? You said CAB.

Mr. Giguère: I'm sorry, the CRTC.

Senator McElman: Would you then agree perhaps, Mr. Giguère, that between the point of the final meeting on the week-end of CAB. when it presumably reached a consensus of what its presentation should be and the point of that presentation, that there was perhaps a lack of communication within the CAB.

Mr. Giguère: That is what we are looking into, sir. That is what we want to find out. We want to find out what happened. You know, in a Board of Directors-I think there are 25 members on the Board. You can have 5 Directors that do not share the opinion of the The Chairman: They said in fact that you majority and this is fine. We agree with the had left, but you were still considering your fact that the CAB could have presented a position. brief that would not be in line with that one. democratic process. We agree with that.

But what we cannot agree with was such a basic policy, because it is basic, you know, not to recognize the CRTC; and we could not share that point of view.

The Chairman: Senator McElman, have you any other questions?

Senator McElman: Not on that point.

[Translation]

Mr. Fortier: You spoke of certain American programmes that are dubbed in French. What percentage of Télé-Métropole's programmes are American and dubbed in French?

Mr. Giguère: As you can see from the figures I gave you, this is still a recent development; it started about two years ago. The percentage is not very high at present. But I can tell you that for the next fall season, I believe 50 per cent of the American programs we broadcast will have been dubbed in Montreal.

Mr. Fortier: In your own studios?

Mr. Giguère: No, it is done by companies that specialize in it.

Mr. Fortier: Before that, they were dubbed in Paris?

Mr. Giguère: Yes.

Mr. Fortier: Did Télé-Métropole initiate this trend?

Mr. Giguère: No, the CBC was first, I have to admit that. Then we followed suit, and why not? The amounts involved are considerable, you know. To give you an example, a series of 40 programmes can come to, I don't know, somewhere between \$60,000. \$75,000 in fees per series. It provides work for performers, in the meantime.

Mr. Fortier: You recommend that for such programs, the CRTC should recognize a percentage of Canadian content, and that there should be a points system. Is that what you recommended to the CRTC?

Mr. Giguère: That was more or less it, yes. The idea is that a 5 per cent Canadian content should be allowed for that as part of the CRTC's total content requirement; I suggested 5 per cent. This gives us a much stronger argument when we are dealing with an American producer, because we tell him quite simply: "Look, we have to think about

We agree with that principle because this is a Canadian content; and if we dub it in Montreal, we get 6 per cent; if we dub it in Paris, we don't".

> Mr. Fortier: You say you favour a press council for Quebec. In your view, would such a council have a different function from that which the CRTC is supposed to perform and tries to perform?

Mr. Giguère: I think so.

Mr. Fortier: Could you give us some idea of how it would differ?

Mr. Giguère: First, I should like to make it clear that the press council would be concerned only with information and news, not with programming. I think that a press council with sufficient prestige would be very useful, because in the course of a year, there is quite a variety of problems that confront broadcasters and newspapermen, perhaps the latter more than the former. I should tell you that the man who put this proposal to us was a print journalist. He came to see us and explained his proposal, and we listened carefully and said yes. It is a prestige organization, for all practical purposes, in which the public, journalists and owners of broadcasting companies or newspapers would all have a say. It is a body without specific powers, but if it pronounced an opinion on some serious matter, it would—shall we say—carry weight.

Mr. Fortier: What is known in Europe as a "court of honour"

Mr. Giguère: Yes.

Mr. Fortier: You are doubtless familiar with the press council that operates in England; as you know, it has only a moral power, and only over print, not the electronic media. My question really was: why do you feel it is necessary in Canada, in general, and in Quebec, in particular, for the electronic press itself to be subject to a press council?

Mr. Giguère: Note that when you say "sub" ject", that may be a bit strong.

Mr. Fortier: Voluntarily subject.

Mr. Giguère: Remember, we have never had any major problems. It was 10 years last February, and we have never had a major problem. But I believe the machinery is valid, and that is quite an arbitrary opinion on my part. My statement is not based on any problem I could specify, but ..

Mr. Fortier: ... if there had been a press council?

Mr. Giguère: That is exactly what I am trying to say. We have never had problems or libel suits, or the like.

Mr. Fortier: In the area of news and information?

Mr. Giguère: Only in that area, which we share with the print media.

Mr. Fortier: What are you doing today at Télé-Métropole to ensure that when an important issue is being publicly debated, Canadians will hear both points of view? I am thinking of things like the letters-to-the-editor and readers' columns in the print media. More and more newspaper space is being given over to what we might call dissent. What are you doing in this area as far as television is concerned?

Mr. Giguère: First, our producers, announcers and programme hosts have been warned about being objective. That is what we aim at when we deal with an issue. But if you ask whether we present both points of view on every controversial subject we handle, I will say no, because it would take twice as much time.

Mr. Fortier: Twice as much money?

Mr. Giguère: But what I do, for example, in support of our claim to objectivity, we have never refused any group or individual asking for air time to express his or their views. I can assure you of that. I am going to give you a specific example. You know there have been some very controversial political issues in Quebec, during the last two years, particularly. We did our duty as broadcasters and presented the facts. On one occasion, with Bill 63—and heaven knows, there was a good deal of protest over that—after presenting the facts, we were criticized by those who did not share our attitude at all, and we gave them equal air time at our expense. Things like that.

Mr. Fortier: That is a good example. [Text]

The Chairman: I want to terminate this session so that we can turn to the next witness in a few minutes. I am not saying we do not want to ask more questions. Of course, we do, but I would like the Senators to be mindful of that. I know Senator McElman has some questions and I think Senator Smith has some questions.

Senator Smith: That is alright. Most of mine have been answered.

Senator McElman: On this subject you are just speaking about, Mr. Giguère, I would like to put this question, not in the context of your station but all broadcasters generally in Quebec. It is very obvious that there is quite a bit of discontent in Quebec.

Do you believe that broadcasters generally in the province have led public pointon here, participated in public opinion or simply reflected public opinion, or is it a combination? Can you give us your view on that.

Mr. Giguère: Well, I cannot generalize, Senator. Let us say that I could not say that at our own stations, we wanted to lead people into thinking one thing instead of another. We have worked on the assumption that by presenting the facts, and trying to be very, very close to the reality that we are giving our audience an opportunity of making up its own mind.

I would not want our station labelled black or white, you know. I do not think that is basically the job of broadcasters. I think our basic job is to tell what is going on, informing them, without any bias.

To go a little further. We do not editorialize on our stations. We have commentators. We have people who are invited to comment and they are of all allegiances. They are invited to comment and we make it a point to try very hard to see that all points of view are presented. But it is an opinion of a man and we say so because then we really get involved in active journalism. Even though it is the function of a broadcaster to present information, their other functions are very important.

You know, the basic function of a newspaper is to inform people. News is the essence of a newspaper, let us face it, but news is not the essence of a television station. It is important, mind you and I am not minimizing the importance of news and public affairs and so forth; but let us say that there is quite a nuance in specifics of each media; and that is why I say, speaking for ourselves, we have not tried to lead people in any way shape or form.

We have made a tremendous effort in trying to present the realities and to reflect realities and then it is up to the people.

Senator McElman: News presentation, I would say, immediately is changing of late but news presentation over a long period of

time has leaned strongly to headlining those things which are sensational or are presented in sensational fashion.

There are those who believe and have suggested that an element in Quebec province have learned how to develop the sensational; thereby have in fact used television itself, I mean "used" in the sense of the way news and facts are presented. They have learned to use this to their davantage. Do you believe that, as a person?

Mr. Giguère: Well, there again I would not want to be absolute in my evaluation but I would suggest that there is certainly a large part of truth in what you are saying.

Senator McElman: Do you believe that this is being done in any particular area of the broadcasting media in Quebec. Let us be specific. In your opinion has the CBC French language network in Quebec been used to a greater extent than private broadcasting.

Mr. Giguère: There is a very hard question.

Senator McElman: I realize it is a difficult question. Perhaps you would like to pass.

Mr. Giguère: What you are asking me is if there are some separatist elements within the CBC.

Senator McElman: No. I am still staying within the context of the discussion we have had up to this point—not that there is anybody within the media themselves who are saying: "We will promote such and such"; but as to whether there has been a definite section such as the CBC French language television in Quebec, which has fallen into the pitfall by one who knows how to use the sensational approach.

Mr. Giguère: Well, to answer with a generality, I would say that this is not unique with the CBC. It is common to all media. You can find this not only in Quebec. The point that you are presenting, you can find across this country in any province.

I suggest to you that it is quite evident that if there is some fracas, and if there is a news element in it, it is the basic job for a newspaper man to take it and report it. And, you know there is more interest for the newspaperman and even for the reader, even if it is of secondary importance, if there is some sort of activity, negative activity, than reporting that: "Last-night City Hall passed the annual budget."

Mind you, all our citizens should be very interested about their municipal and provincial and federal budgets. I think that is positive thinking but if you report that there was a demonstration of a few hundred people, well, I suggest to you that for a newspaperman, you know, it is more attractive.

Senator McElman: Then, in current practice is it a fact that one who knows the techniques of creating a sensation can in fact obtain the preponder ance of coverage for the media generally.

Mr. Giguère: I have to answer "yes" to that question.

The Chairman: More on television than on print?

Mr. Giguère: No. I think it is general. I cannot be specific about the interest of news in itself. I think this is common to all media. I think it is common to all parts of the country and not limited to Quebec situation. But I follow you when you slay that people outside of the media have become very conscious of the media and yes, I will agree with you that there are some very bright activists that are very prominent and would expect to get national attention.

There is no doubt about it.

Senator McElman: I am one who places a great deal of credence in intelligent poll taking.

Mr. Giguère: Yes.

Senator McElman: And in the context of the current polls in the province of Quebec, I would ask you; Can you believe that it would have been possible for one specific group to have obtained the support that it now obviously receives without having developed a methodology for the usage of the media.

Mr. Giguère: I do not think I would give that the importance you are aiming at. This thinking—this basic organization, that you need to get attention from the media, I do not think is primed to that extent.

Senator McElman: One further question only. The media generally seems to be moving in the direction of greater in-depth reporting rather than the headline type of reporting and the sensational.

If the media had arrived at the idea of such a developement and there had been over the last three years, let us say, much greater

in-depth reporting of all media, do you believe that in such a milieu, one who has learned to "use" the media—do you believe that he could achieve what some are said to be achieving?

Mr. Giguère: I cannot follow you when you are giving intentions, you know, and say: "Well, this is how they planned it". It does not tie in like that, you know.

Senator McElman: Not planned by the media.

Mr. Giguère: Not by the media nor by the party that you are speaking of. It was not planned to that extent and I can affirm to you that there certainly was no basic collusion between the media and the parties to whom you are referring.

Senator McElman: I did not even suggest that.

Mr. Giguère: No, but by way of consequence, one could draw a conclusion like that. You know, I can assure you, to my knowledge, I do not think such a situation exists.

The Chairman: Thank you kindly, Mr. Giguère. May I perhaps close off the session by saying that the Committee is well aware of the fact that you head one of the most powerful and influential and certainly one of the most successful television stations anywhere in Canada and I think that the clarity of your presentation here this morning indicates one of the reasons why this station is so successful.

We are grateful to you and to Mr. Bélanger because, as I have said so often that the Senators are tired of hearing it, this is not a study of broadcasting. It is a study of media but broadcasting has a very real role to play therein and certainly your operation is a very significant factor to be reckoned with, not just by advertising agencies, but by people like us who are interested in the over-all media spectrum.

Thank you so much for coming. Thank you Mr. Giguère and thank you Mr. Bélanger.

We will adjourn until 20 minutes to 12, that is 8 minutes and then we will receive the brief from CKTM. —A short recess

The Chairman: May I call the session to order. From time to time it has been reported to me that the air conditioning is too effective in this room and therefore I would like to welcome Senator Quart, coat and all.

The second brief this morning we are receiving is from CKTM TV. The two witnesses are Monsieur Henri Audet who is on my right and who is President of St-Maurice Incorporée. Mr. Audet has been here before as part of the group who appeared for the CAB presentation. You were part of the group, although not the chief spokesman.

On my left is Mr. Robert Bonneau who is the manager of CKTM. I know that you were here this morning during the Télé-Métropole presentation and I know you have been here before so perhaps I can dispense with my usual opening statement.

We can proceed right to your opening statement and then we will question you.

Thank you and welcome.

Mr. Henri Audet, President of Television St-Maurice Incorporée, Station CKTM, Trois-Rivières: Thank you, Mr. Chairman. Mr. Chairman and Members of the Special Committee, I would like to tell you how pleased we are to here this morning and I have had an opportunity, as you said, to be here before and all our colleagues who have appeared before you conveyed to us a sense of satisfaction with the atmosphere you have succeeded in creating for this Committee.

The Chairman: Thank you.

Mr. Audet: So it is with great pleasure that we come here to discuss a few things with you.

You have already presented my colleague, Robert Bonneau, who is the manager of our station and a member of our Board. With your permission I would like to switch to French.

The Chairman: Of course.

Mr. Audet: To make this job a little easier for me but I will be very glad to answer any questions in whichever language you would desire.

The Chairman: Well, even if we put our questions in English, you may answer them in French. We have simultaneous interpretation and the translation is fine. I am only sorry that my own French is not really good enough to follow you.

I am sure it is not.

Mr. Audet: I am sure it is.

The Chairman: But, please proceed.

[Translation]

Mr. Audet: Mr. Fortier asked me, during the intermission, to try not to read our brief, and I understand that it is perhaps a bit long to read even if the brief is relatively short. But I shall try to summarize it, if you wish, and I would request your indulgence since, unfortunately I am not a member of the legal profession, I do not have the ability of these professional persons to summarize a situation in a few words.

Mr. Fortier: Radio and television broadcasters are not as bad as that.

Mr. Audet: Then, I can tell you that CKTM-TV was founded by me. I left the CBC after 13 years in somewhat responsible positions, in order to establish my own company and set up station CKTM-TV in Trois-Rivières.

As you know, station CKTM-TV is located midway between Montreal, Quebec City and Sherbrooke which already was a region very open to all the influences of the surrounding cities. We answered the call of the Canadian government which, at that time, requested private stations to take responsibility for broadcasting in all the cities except the six principal ones of Canada. And so, we felt that the Canadian government through Canadian Broadcasting Corporation was inviting us to accept a challenge which was very interesting. We faced it with pleasure and we took on certain obligations to the Canadian people who entrusted us with an important mission, and we also understood that at that time the Canadian government was towards us.

In our brief, as you have read, we thought we would give a short history in order to place the matter which we are discussing into details of this history, except to say that there is no doubt that broadcasting, from the beginning, has taken on special importance in Canada, and that the Canadian people and their government have very rapidly become aware of the importance which television and radio would eventually assume. Initially, only radio was talked about and this is surely what explains the number of Commissions which have studied the problems of broadcasting in Canada.

I would perhaps like to note briefly that the scale, in terms of either the range of operations, or the necessary capital for these operations, is exactly what was foreseen 18 years ago.

Undoubtedly you will recall that 18 years ago when I was associated with the Canadian Broadcasting Corporation—and I was one of those who was open to much criticism then—and it had only \$4,500,000 to establish two stations in Toronto and in Montreal, and it seemed to be an enormous amount at that time. It was already asked some years later how—and I was also a member of that committee—it would be possible to establish a microwave network to link up all parts of Canada.

It is, therefore, remarkable, isn't it, that within a period of a few years, Canadians have succeeded in setting up such a strong system, and which, I believe—this can be said among ourselves—has been a source of pride for Canada in all the other countries. I had occasion to visit other broadcasting organizations a few times in other parts of the world, and that is the comment that was made to me personally, that several countries much stronger than ours would like to have a broadcasting system similar to Canada's.

We have perhaps reached a period when we are trying to see what we have done previously and what we shall do, where we have arrived, and what we shall do in the years to come. And I believe that this is what is important, to see the future, and I have noted from this morning's questions, that this is what interests you.

In the last few months, let us say, the last few years, we have asked ourselves: if broadcasting has been so important among Canadians, would it not be normal to assume that in exercising a certain influence on broadcasting, one could hope to acquire much more quickly, or much more efficiently perhaps, Canadian objectives such as, the promotion of Canadian identity, of Canadian culture. And the broadcasters have been the first, and with much enthusiasm, to face this new challenge. We are happy that so much trust is accorded us. On the other hand, for those of us who assisted in the development of the whole system and for those who are called upon to make it work, there is one point which troubles us, and this is the lack of proportion which exists, Mr. Chairman, between the collective means which the strength of the stations can dispose of, and the range of operations to undertake.

Since we are re-evaluating the situation, it seems to me here that perhaps if we are sincere Canadians, and we must assume that we all are, we wish Canada to be a great country, having its own strong culture, and

that all Canadians must take on the task. They must decide to make an honest effort to promote a Canadian culture and identity with the spontaneous and enthusiastic assistance of broadcasters. But, the broadcasters themselves, I believe, cannot in future, take upon themselves alone in spite of their confidence, the creation of a Canadian culture and I believe that the contribution, as several have indicated before me, can be decisive. I believe that Canadians can be assured that broadcasters will work with all their power to reach this objective.

We do not pretend to have solutions to all these problems; they are too great. It would be presumptuous for a station of our sizewhich is nevertheless a station with a medium-size market; let us say we are not at all in the same league as the person of the station which you heard before us-to try to give answers to all questions. What we thought we should do is bring you our experience—in all simplicity, and for what it is worth. We are ready to answer, and we have made some Suggestions which appear to us applicable to a case such as ours and to several of our colleagues, with whom we have had discussions in the past, and we are ready to answer all questions which you would wish to ask.

[Text]

The Chairman: Thank you very much. I think the questioning will begin with Mr. Fortier.

[Translation]

Mr. Fortier: Mr. Audet, as you point out in your brief and as you have just told us, you have been a member of the special committee on Television at the Canadian Broadcasting Corporation and of acommittee in charge of the establishment and management of the Canadian television network. According to your experience of the last 18 years, are you of the opinion that the public network, the English and French-Canadian television network, has developed in the direction wished for 18 years ago?

Mr. Audet: Your question is a big one, Mr. Fortier, and would perhaps require a book to answer it. I shall attempt to give you a very short simple answer. I believe the answer is yes, that the objectives that were determined at that time have been realized and, in fact, they have been attained much more quickly than was expected. As you know, better than I, certain goals had been set and these goals were always reached several years before the required date.

The first objectives were slightly different than those presently considered, and I think this is normal because one must always think of the present and of the future rather than the past. But, it is nevertheless good to recall that some goals, like national unity, did not have at that time the importance which they have assumed by the chain of events in Canada. Initially, the principla aim was to assure that each Canadian could at least enjoy a television service, and already this looked difficult. Since that time, community antennas have appeared and it has really been an absolutely explosive situation.

I believe that this has been due perhaps a bit to the character of Canadians. We have been used to struggling alone in the face of formidable competition, and so I believe that, yes, we have attained our goal and I think that the Canadian system has reached it. I am one of those who believe, as Mr. Giguère expressed it a moment ago, that it is a good thing that there is in Canada both the CBC system and a private system. I do not know if I've answered your question?

Mr. Fortier: Definitely. You say then that you share the opinion stated earlier this morning by Mr. Giguère, that there is a place for a government network and another network. Do you go so far as to say that there is also a place in Québec for a second private network?

Mr. Audet: Yes, and that is something I have already expressed in public—that I think there is eventually a place for a second network in the French language. As Mr. Giguère has indicated, it seems to me that it would be a step forward, that the situation cannot be forced but that one would probably have to proceed with caution.

You have probably seen lately that federal statistics were used indicating that 40 per cent of Canadian television stations have a profit margin which, let us say for all practical purposes, is nothing. Many of the stations in the Province of Québec, if stations like Télé-Métropole are excluded, are in this situation; they are marginal operations. I think that in any new development, the danger of ruining the system by trying to develop it too rapidly will have to be taken into account in an absolutely precise and intense way. I am one of those who advocate the establishment of a second French-language network in Québec while taking the necessary precautions. **Mr. Fortier:** Where would a station like yours, presently affiliated to the CBC, be placed in the eventuality of a second French network?

Mr. Auder: We appeared recently before the CRTC and our comments on this can be summarized as follows: we would like, at the time when the situation becomes probable or imminent, that all parties concerned (the independent stations, the stations affiliated to the CBC) probably under the initiative of the CRTC, unite to try to determine the most practical way of carrying it out. I believe that we will have to be practical when establishing such a network. At that time, we are prepared to serve where circumstances will show that we must.

Mr. Fortier: Does your affiliation with the CBC bring you more advantages or disadvantages?

Mr. Audet: That is a very difficult question. The affiliation which we have had with the CBC is a happy one. We have fulfilled our obligations and we think that the CBC has fulfilled its obligations. We had had discussions, as all parties do who join forces and work together, but on the whole, our association has been very pleasant.

I have not stopped to ask myself if there are more advantages than disadvantages. I think that, besides being a preview of things to come for all stations in Canada, it has been a method of establishing television in Canada. There has been this cooperation between public and private enterprise.

Mr. Fortier: If you had tomorrow morning, one million dollars to improve the service which you offer to your viewers in your region, what would you do with it?

Mr. Audet: I am a Canadian and I made my choice several times, I am in Canada by choice. You know, Mr. Fortier, I don't think I can answer your question. We should expand all our services if this is the meaning of your question. We would like to be in a position to give more in each sector, to have more employees in the technical fields, and in programming, which would allow us to be more dynamic. I think it is one of the problems of Canadian broadcasting at the present time. Certain statements by gentlemen we know have led us to believe that stations were the means of printing money. I think this is absolutely false, and that this has been one of the big problems which we have had to face—

that of destroying this myth. Therefore, we have all had to be very prudent in the expansion of our business and our case is no different since we would like to be able to progress a little more quickly. I believe it would be good for all Canadians.

Mr. Fortier: You are, I am sure, in close contact with your viewers in your region, in your market. Do you feel that you answer the needs and demands of your viewers? Do you feel that you lead public opinion or do you feel that you follow it to a certain extent?

Mr. Audet: We try to lead public opinion. I can tell you that in all important issues we try to be ahead of events.

Mr. Fortier: How do you do this?

Mr. Audet: Allow me to answer the first question; then I shall also answer the second.

Since the beginning of our station, we adopted a philosophy of maintaining a dialogue with our listeners. It sounds like a cliché in 1970 but back in 1958, it was very new. We have been, I believe, one of the first stations in French Canada, and perhaps in Canada (I would not want to boast too much) to stop and ask: what is television? And we concluded that, in a market such as ours, a dialogue was necessary. So all those who appeared on our television station, were reached personally at their home. We tried to ask him, looking straight into his eyes: what I understand about events is such a thing; what I foresee is such and such; what do you think of it? This is what we tried to do, while recalling the usefulness of the sense of smell among the Greeks. It was thought that television would become the new kind of public meeting place, where in a funny kind of way, everyone participates in discussing an idea while staying at home, but at the same time sharing in eventual results. It looked very new at that time.

If you remember, at the beginning of television, people were talking above the heads of their listeners and seemed not to notice that they were there. We told ourselves that there must be the greatest consideration for our listeners who are our partners in a conversation and should be treated with the same consideration as if they were in our home.

Mr. Fortier: What kind of programme have you developed for reaching this objective?

big problems which we have had to face—policy to all our programmes. Our pro-

grammes, if you take the chapter headings, are similar to those on all the other stations. It is only the way in which we have tried to develop. I am going to give you a concrete example, it's easier.

Recenfly I was asked to participate in a seminar of the affiliated stations of the CBC on news presentation. There were two representatives of the English-language private stations and myself for the French-language stations, as well as two representatives of the two networks—French and English—of the CBC. What we suggested was a form of news presentation which would show the effect of events on people. For example, if you see a film report of a disaster, a fire, a wall falling In, it's dramatic. But we feel that this is not the only role of television. Isn't it more human and more personal to show the expression of the children and of their parents Who are the owners of that house and who see the wall of the house falling? Isn't that a more human message? And we would like more and more—to answer your earlier question-and we are doing it more and more, to get statements from those people at the instant it is happening to them. We are already doing this on a considerable scale I think, for a station our size.

Mr. Foriier: I hope there are not too many walls falling in Trois-Rivières?

Mr. Auder: No, but it happens from time to time, unfortunately, with us as elsewhere. In fact, bigger structures have fallen.

Mr. Fortier: Yes, bridges. For my part, your answer has satisfied me on the subject of the million dollars but I am going to put another question to you and it is not a hypothetical one: what is the greatest problem you have to face in Trois-Rivières in the administration of CKTM?

Mr. Audet: That is a question which would require a good deal of thought. I can try to talk of certain problems.

Mr. Fortier: The most important in your opinion? Can you say today to the Senate Committee—indeed you have said as much in most eloquent terms—we operate the television station CKTM affiliated to the CBC, but there are certain things I am not happy about in the context of the broadcasting industry in Canada. Now I ask you: what is your first problem?

Mr. Audet: Our first problem is a hypothetical problem, I think. It is that we are aware at the present time of the new thrust forward in technology to which I have alluded and which we participate in, and we are trying to stay in the vanguard of it. We go everywhere and participate in all circles and levels of discussion about it. At the moment, as you know, we are about to be affected by it in a number of ways. This doesn't apply to us; but the problem is a compelling one across Canada, let us say in the majority of stations across Canada, where our audience is fragmented by the intervention of community antennas bringing in foreign signals. I won't say that this is the only problem, but it is certainly one of the factors.

It seems to me that some means must be found so that the fragmentation which is the inevitable result of the introduction of community antennas which, incidentally, (and it must be said, I think, in all fairness as your excellent expression has it,) use the stations' signals to resell them to their subscribers. It seems to me that this development must necessarily be accompanied by some sort of system, which I couldn't suggest; I could suggest some alternatives, but it must be accompanied by some influence which would increase the dynamism of a regional station such as ours, in proportion as the invasion of its market by additional frequencies is allowed to take place. At the same time, I think that the system itself should provide for a station of opposite tendencies which would permit the local station to measure up to this increased competition. That appears to me to be one thing. We have some worries about the dividing up of funds available for programming. There is talk, for example, that cable may gradually originate programmes and all that.

I would emphasize, as Mr. Giguère said not long ago, and we are of the same opinion, that cable has a good role to play in Canada, without any doubt, as indeed have the satellites and the other systems I would like to discuss if we have time. All the elements, in my view, must form an efficient and harmonious whole, must work together instead of against each other. Then, if everyone set to work to make programmes, and you have already been told I am sure, that the important thing in broadcasting is production, and the centre of production—forgive me if I stray a bit from the subject, I will come back to it.

Large centres of production have been set up in the chief Canadian cities with the aim of producing programmes of national interest and importance, which every Canadian will want to see and must see, to which every Canadian must have access. This system has been agreed upon, as you know better than I. with local stations making broadcasts of local character and importance. These two systems are complementary, which means that a viewer in a given region, such as ours, has access, on the same station, to these two kinds of broadcast at the same time. But, to bring about these broadcasts, both the national and local centres require considerable sums of money. Teams have to be put together. Mr. Bonneau and I have a team to work with which has taken us 12 years to build. It is very complex.

To feel the pulse of a region every day, to try to be objective, is not a thing which can be improvised; it is something which is built at the cost of years of hard work, and, mind you, I am not complaining, I am proud of it. But if too many people try little things here and there, it seems to us that there is a risk of debasing the general quality, and it would perhaps be better, given the fact that we are after all in a country of 20 million inhabitants which faces terrific competition, to concentrate all the energies in the big production centres. If we want to provide other programmes with a content different from that of the local station, they would perhaps have to be produced by a very big production centre for distribution to the little towns, I don't know.

Mr. Fortier: And the centres of production in your view of things would remain under the authority of the television stations as they are today?

Mr. Audet: That is what I think. Mind you, I think that in the past we have always been too absorbed by the technological aspects of radio and television. I think that these are the aspects which strike the uninitiated. We talk of satellites, of cable transmission; it seems like a novelty, but these are well known things which...

Mr. Fortier: Improved technology?

Mr. Audet: If you want to transmit a programme from Montreal to Vancouver, I don't think that any specialist will want to tell you what is the best way to do it. It depends on the day, it depends on what you are trying to do. And so in the same way, if you want to

transmit programmes—and programmes are an important thing in our opinion—technology has been regulated up to the present time because it was easier to touch and to grasp. But what they really wanted to do was to insure a fair and reasonable distribution of programmes. In the same way, it seems to me that the possibility of producing and listening to these programmes must be preserved in the future.

Mr. Fortier: The CRTC, of course, has declared in an unequivocal fashion that cable was more than a matter of technology, hasn't it? The CRTC seems to want to encourage programming by promoting programme production by cable companies. You are surely acquainted with their decision of April 10th—what do you think of it?

Mr. Audet: We were happy when we saw their decision to find that in the preamble they establish the fact that existing stations should first of all continue to exist, and, I thought I understood, should be predominant within the Canadian system.

Mr. Fortier: The Commission is of the opinion that transmission by cable is the chief function of its participation in the Canadian broadcasting system and that it must be made to operate without endangering the quality of the rest of the system?

Mr. Audet: We are very glad of it. Until the publication of this decision, there was reason to wonder about this problem, to ask yourself: has it been decided that existing stations should disappear? I think that it is unequivocal; it has been decided that they are there to stay and that seems to me good and just.

Mr. Fortier: But all the same your audience in a centre such as Trois-Rivières is going to be fragmented by the force of circumstances?

Mr. Audet: And it is on that that we have advised the CRTC and now advise you also, our great concern stems from that very point. I think in areas such as ours and in most Canadian regions, the establishment of a service exploiting the resources of a region to the limit—indeed on our station, we have, I assure you, called on all who are willing to come and exchange with our public the fruit of their experience or their knowledge. The number of people who pass through our studios every year is, I think, quite remarkable, but it is limited all the same. Will you permit me to make a brief parenthesis while I think

of it? It is true also from the Canadian point of view. It is impossible to imagine, I think, that we could produce programmes in Canada comparable to those of the United States. And I don't think that we can hope to produce programs in Trois-Rivières of a quality similar to that of the United States.

Mr. Fortier: What percentage of your programmes do you produce in your studios at Trois-Rivières?

Mr. Audet: It would perhaps be more interesting to answer your question in a more general way. I would say that half our broadcasts come from the French network of the CBC, and the other half from the station itself.

Mr. Fortier: How many programme hours per week?

Mr. Audet: We have between 110 and 120 programme hours per week. Can the figure 120 be used for purposes of addition? 120 is difficult to divide by four, and that is what I would like to do.) Let's then, divide 110 by four, or let's say, out of 100, a quarter of the production is done in the local studio.

Mr. Fortier: A quarter?

Mr. Audet: A quarter, including transmissions for example produced by other stations such as Channel 10 in Montreal, or from other sources.

Mr. Fortier: How do you get your services from Channel 10?

Mr. Audet: We receive certain broadcasts.

Mr. Fortier: On magnetoscopic tapes—you buy them?

Mr. Audet: We buy them in certain cases, and in certain other cases, they are paid for by our sponsors.

Mr. Fortier: Of course they are not broadcast directly.

Mr. Audet: At that point, they are retransmitted; let us say, most of those programmes, even if they are transmitted by the CBC on Channel 10 or elsewhere, have been pre-recorded.

Mr. Fortier: That means then that a quarter of your programmes are bought?

Mr. Audet: They are, let us say, Canadian productions which are broadcast on our sta-

tion, of original Canadian production. The other quarter is made...

Mr. Fortier: Excuse me for interrupting you. If I understand correctly, they don't come from the CBC?

Mr. Audet: From the CBC, you have half our programme hours right there.

Mr. Fortier: That is the network, are they broadcasts which you have to present?

Mr. Audet: We have to carry the network programmes and we choose others over and above the limit set by the regulations.

Mr. Fortier: Agreed. Have you run into any problems so far with the CBC arising out of the fact that you buy magnetic tapes, let us say, from CFTM, for example?

Mr. Audet: We have discussed it on several occasions, but I don't think we have ever encountered any particular problems. I think that everone admits that it is the only way of creating an alternative service in regions such as ours. I think that this applies to almost all the regions of Quebec at the moment, which are regions, it must be admitted, which are not very strong from the economic point of view.

Mr. Fortier: What is the percentage then of these 120 hours per average week—what is the percentage of broadcasts with Canadian content?

Mr. Audet: With your permission, I am going to ask Mr. Bonneau who keeps our statistics to answer your question, and I can continue after that.

Mr. Robert Bonneau, Manager of CKTM-Trois-Rivières: Our present programming, calculated in terms of the regulations now in force, contains about 63 per cent Canadian content.

Mr. Fortier: And if you calculated in terms of the proposed regulations?

Mr. Bonneau: It would be lower, of course, because apparently, for the time being at least, the proposal does not recognize as Canadian content broadcasts produced in the Commonwealth, and the broadcasts coming from French-speaking countries. It would probably fall to 56-59 per cent.

Mr. Fortier: The present percentage of Canadian content at CKTM exceeds the policy on Canadian content as stated by the then does it?

Mr. Bonneau: That is exactly what we stated to the CRTC in our brief, but we emphasized nonetheless that we foresee problems in the mathematical control of this system which is going to mean that in an organization such as ours, perhaps one person or one and a half persons will be required to supervise compilation. We are confronted with regulations which entail figures, mathematical restrictions and which obviously must be supervised from day to day, particularly if we move from the regulations with at present require us to present Canadian content on a basis of three months to a Canadian regulation which would require a basis of four weeks. To do this, you have to take into account all the seasonal fluctuations, the special programmes, everything has to be turned inside out. For this we would need a whole administrative department, as we pointed out.

Mr. Fortier: That is the famous problem of calculation and paper-work, surely not an insurmountable one?

Mr. Bonneau: No. but it takes on a perhaps exaggerated importance in a small organization.

Mr. Audet: With your permission I would like to make a comment which might interest you. We were pleasantly surprised to read the brief from the CBC and of Channel 10 in Montreal and to see, on reading our own, that the same problems presented themselves and that they were set forth in the same positive spirit of cooperation. It is our intention, and we have demonstrated it, to meet the Canadian content objective. We have merely indicated that we would prefer to continue to do so by following a sort of guideline, rather than by following a rigid mathematical formula, which is perhaps going to force us to reduce certain aspects of our own programming in order to satisfy mathematical requirements. Indeed I thought I understood that the Chairman of CRTC, in his replies to certain questions, indicated that he was able to understand the problem.

Mr. Fortier: You have just mentioned the positive spirit of cooperation which you and certain of your colleagues presented to the CRTC. How do you reconcile this positive attitude of cooperation with the attitude taken by the CAB, of which you are Vice-President, and which has been described as negative by

CRTC. This doesn't present any problems all the commentators who have studied this problem?

Mr. Audet: You know that I agreed to appear before this Committee at the invitation of Senator Davey before being appointed Vice-President of the CAB, and that your question puts me in an embarassing position.

[Text]

The Chairman: We do not want to embarrass you but I think it is a valid question and it is one we are interested in.

Mr. Audet: I will try to answer to the best of my ability.

The Chairman: Yes. We do not want to embarrass you.

Mr. Audet: I think it has been said here this morning that things that are sensational make news and a lot of what has been said about the negative attitude has been very unfair.

I think that if you read the briefs that have been presented by the CAB and by its member stations and read them carefully in your home without pressure of the spotlights and everything, you will see that they have expressed essentially what we have expressed today in our conversations with the Board.

[Translation]

Mr. Fortier: Even when they threatened to dispute the jurisdiction of the CRTC, Mr. Audet, on the matter of programming and Canadian content?

Mr. Audet: I don't think, Sir, that the CAB threatened ...

Mr. Fortier: What was Mr. Henderson doing there?

Mr. Audet: You are a lawyer; I don't understand legal procedure, but, if you say to Senator Davey at a given moment that there is a legal procedure to fulfill and that such and such a thing must be put in the record in case one day you should want to change course, I think that Senator Davey would probably be obliged to have confidence in you and to say to himself: that is what we must

Mr. Fortier: In your opinion it was a measure of protection?

Mr. Audet: I think it was perhaps a prudent measure. That is how I interpreted it, I do not think it constitutes a provocation.

Mr. Fortier: All right, that's a good explanation. You are saying then that the brief of the CAB, even after what has been said of it, is more positive?

Mr. Audet: I think so. You know, one thing which has not emerged out of all these meetings is that all broadcasters, whether Englishspeaking or French-speaking, have devoted their whole life to building the Canadian broadcasting system and intend to continue to do so in the best interests of Canada. If they sometimes wonder how they are going to manage to do it in these days, I think that it is after all a reasonable question.

Mr. Fortier: The development of Canadian culture and identity...

[Text]

Senator Bourque: Are you still on this CAB subject because I have a question.

The Chairman: Senator Bourque and Senator McElman have a question but you carry on, Mr. Fortier.

[Translation]

Mr. Audet: I hope that the third question isn't the worst.

Mr. Fortier: The development of Canadian culture and identity—in your brief you recognize that broadcasters must be concerned with this. And you say that, on the other hand, this should not be the sole responsibility of the broadcaster. Do you think that, in the field let us say of the print media there should be a government agency such as the CRTC which should encourage the papers to propagate this Canadian culture and identity?

Mr. Audet: To tell you the truth, I don't pretend to be sufficiently familiar with the newspaper field to put forward a suggestion to how the newspapers should be encouraged. I think I should prefer to remain on more general ground, but it does seem to me that all Canadians should make a concerted effort.

Mr. Fortier: You are not complaining of the effort demanded of you by the CRTC?

Mr. Audet: I should like to make a distinction. We of the French language do not find it a problem. As you have seen, we have already reached the required percentage. We don't mean to flatter ourselves on that account, it is the language barrier which has protected us but which, on the other hand, has, as you know, caused us other problems.

The problem differs slightly in the English and French-language groups. Even we would like to have access to more programmes made in Canada. It is possible to reflect Canadian culture, but when you are absorbed in the problem of reflecting Canadian culture you realize that there are not many films which have been produced in Canada. The film, it is always said, is an economical way of interesting the public. I have one opinion, and my colleagues have another different opinion on the subject of the film. A film may be a great cultural work if it is a serious film. It is often the equivalent of a masterpiece. A masterpiece in film is the equivalent of a written masterpiece, but the standards are different. In the same way, a masterpiece on a record may perhaps also be a masterpiece. Thus, in order for these masterpieces to become available, we must be able to make them known to the public. In order for them to be known, we must, in our humble view, create a favourable climate of opinion in all fields.

Now, there are perhaps also practical applications. You might imagine, for example, giving a person or a group of players a grant to put on a play in a small hall somewhere, and I'm all for it, it's very good, it mustn't be stopped. But couldn't one conceive of the same grant being given to a group to go and perform on television? Couldn't one imagine that the same grant might be given to a film producer who really wants to do an authentically Canadian work in order to make this work available? Couldn't provision be made, for example, in certain cases so that certain organisations would pay royalties?

I am going to give you an example of something that happened with us: at one point we wanted to show "Nuages Sur Les Brûlé". I don't know if you know it. "Les Brûlé" is a sort of novel which was written by a native of Trois-Rivières and a real native of Trois-Rivières, Mr. Hervé Biron, who was then editor of the local paper. The National Film Board was happy to rent us this production. but later, representatives came to see us and said: "Listen, if you want to borrow that work for broadcasting, you must pay royalties". And that would cost us, let us say, between \$10,000 and \$15,000. Thus, unfortunately, we were not in a position to broadcast it. So then we said: "Shouldn't there be people other than broadcasters to make provision for this kind of thing. I think that the same applies for broadcasts which have already been recorded in the past and which should, because of their quality, be re-shown to the public, but which cannot be because at that point all the actors, royalties, etc. have to be paid all over again. Would it not be a good idea to make provision for bodies which would supply the necessary funds when we want to do things like that, which seem to us good and necessary in meeting Canadian goals?

Mr. Fortier: That comes quite close to Mr. Giguère's point of view this morning in connection with private enterprise?

Mr. Audet: That depends. We are discussing something at the moment which is not necessarily subsidies. We say: give subsidies to the creators then, and we will create within the limits of our means. I think we have shown our intention of continuing to do so, but we can't build a structure all by ourselves. That would be unthinkable.

[Text]

Mr. Fortier: I will yield.

The Chairman: You will yield. I think Senator McElman has a question and Senator Bourque had a question. I think we will go to Senator Bourque first, if you like.

[Translation]

Senator Bourque: Mr. Audet, your territory or your region, covers Grand-Mère, Shawinigan, Nicolet, Ste-Angèle, Champlain, what in fact is the extent of your territory?

Mr. Audet: The extent of a territory is usually defined in technical terms, by a contour-line along which the signal is of equal intensity.

[Text]

The Chairman: There is this map in the book, Senator Bourque, at the back of the brief.

[Translation]

Mr. Audet: It could be said, I think, that the beam currently used in the industry is the second circle which you see here and which approaches Quebec, Sherbrooke and Montreal.

Senator Bourque: You haven't very many viewers in Montreal, it's not your territory?

Mr. Audet: We don't try to reach Montreal. Our programmes are not aimed at Montreal viewers.

Senator Bourque: You say that what you excel in is the local news chiefly because all those people are interested in having the local news and that you must more or less, in such places, give more local news than a station like Montreal or Toronto. Do you have much

competition then from Montreal stations? They always go everywhere that you go and they have more varied and extensive programmes than you can provide. Is it from them that your greatest competition comes?

Mr. Audet: I think that there can be no hesitation in answering your question. Our chief competitor is Channel 10, CFTM, which you have just heard, because it provides an alternative. We are affiliated to the CBC, and Channel 10 provides alternative programming. Have you another question, because, if not, I should like...

Senator Bourque: This is part of the same question. You see, I think that when you come to national advertising, people who have a lot and who cover a certain amount of ground don't buy from you if they are already in the Montreal stations. You have trouble getting that advertising, don't you, and that prevents you from making an income which would permit you to expand and to do a lot more programming than you are actually able to do. Is that it?

Mr. Audet: Is that your question, or is it the introduction to your question?

Senator Bourque: No, that is part of my question.

Mr. Audet: Fine, then. There can be no doubt that the presence of other stations slows us down, let us say, in obtaining national advertising, although we are nonetheless I think in an excellent position from that point of view.

Senator Bourque: It costs your station much more, for example to get national advertising than it would cost a large station; it's ten times more, is it about that?

Mr. Audet: There is no doubt of it.

Senator Bourque: That leads into my question. Here I see on page 14 of your brief No.

"It seems necessary to establish measure of financial assistance similar to that which is illustrated by the financial assistance given to Acres Limited by the Federal Government (through the Canada Deposit Insurance Corporation) to allow them to acquire Traders Group Limited, whose control threatened to go to outside interests. A similar aid would be priceles to Canadian stations in their efforts promote Canadian culture and to proserve the ownership of Canadian media."

harder for you to get money than it is for the stations in the big cities?

Mr. Audet: Is that your question?

Senator Bourque: Yes, that is my question.

Mr. Audet: Well now, Senator Bourque, point 7 to our way of thinking, doesn't apply so much to operational expenditures as to investment expenditures, and the point we Wanted to emphasize was perhaps this: it is that at a given moment, and it has arrived, it has been decided to limit the participation of foreign companies to 20 per cent in broadcasting companies which seems to us an excellent measure. We would have wished that at the same time funds had been put at the disposal of the Canadian broadcasters which would permit them to acquire the shares which became available when all these companies had to sell their shares. Many of our colleagues and we ourselves have been slow in our efforts in this direction because of the fact that the market, at the moment, is after all an extremely difficult one and full of uncertainty. And this means that Public finance is more and more difficult. Thus, the efforts of everyone to bring about this Canadian goal would have been, I think, more worthwhile, more productive in creating a system such as is desired if, at the same time that that regulation came out, some place had been found to say: all stations now come under the terms of this Act and it applies to other fields.

Senator Bourque: I know Trois-Rivières a bit because in 1919 I was the founder of Le Nouvelliste in Trois-Rivières. That was a long time ago, 50 years ago.

Mr. Audet: Your name still well-known.

Senator Bourque: And so I know the dif-Sculties that I had in that region; I had a tremendous amount of work to do. And that is Why I asked you that question, to know if had changed, or if you were faced with those problems?

Mr. Audet: Now as to your question, we have tried, to answer it in other sections of the brief; when we want to undertake serious Works, it is beyond our means. Let us say then that our station wants to hire a group of actors or musicians which is beyond our means. We would like perhaps to be given the

But, if you ask, and I know that this much same consideration as the artist who asks for perhaps should be granted you, is it much a grant to go to Europe to take in European culture. We have local theatre groups which sometimes, not always, obtain grants to put on plays. We say: would it not be worthwhile for those same people to be given grants to come and perform on television. And more people would see them at one time than could see them if they filled our halls in Trois-Rivières every day of the week. It seems to me that if we are sincere in our determination that we want Canadians to be exposed to beautiful things, is it not reasonable to present them via the medium which can reach the most people? It seems to me-and I think that a process of involuntary selection has taken place—that the funds available for culture seem to exclude radio and television, and nobody knows why. I think it is accidental. I don't want to give the impression that I think it's intentional. I think it is accidental, and we may allow ourselves to put emphasis on the fact in the hope that someone may hear.

> Senator Bourque: I am very sympathetic to your problems. I have been through the same things.

> Mr. Audet: We have a steep slope to climb from that point of view.

[Text]

Senator Smith: A supplementary question on that very point.

The Chairman: Yes.

Senator Smith: Mr. Audet, is that now not being done, the idea of having public support given towards the fostering of development of television? Is that not where some of the tax money is now going to which is being funnelled through the CBC directly?

Is that not why we have drama programmes on the CBC network? Is that not why we have some of the higher class music on the CBC? Is not that same objective of which you speak now being reached through the CBC and are you not, as a station operator, continually having these programmes available to you; or perhaps you are thinking of the local impact on the local people who have an opportunity to develop their own particular talent?

Would you clear up this question in my mind.

Mr. Audet: Yes. I am glad you asked that question. I agree fully with what you have just said in the sense that the CBC-if you take our station the CBC funds serve to present to our people programmes of national interest and importance or of such scope that we could not afford them.

It is true then that through this affiliation with the network, our listeners have available to them a number of things of great interest and importance.

On the other hand we would like very much to be able, as you have just said, to perhaps extend this effort to our regional scene. This is, I believe, the purpose of our discussion this morning, to tell you, as Senator Bourque said, how we feel we could improve this system for Canadians.

If I may just go out on a tangent for a minute, at the same time I think we have to consider the great problem, which is being discussed at the present time, of increasing the over-all Canadian effort in the way of culture.

The Chairman: What do you mean by "over-all"?

Mr. Audet: Well, I mean including but not only stations affiliated with the CBC but stations outside the CBC as well.

The Chairman: In other media as well.

Mr. Audet: Perhaps not in every media as well. Let me perhaps confine my remarks to television, just because I know it really better, but I am willing to try to answer that to an extent.

If we include, as well, other areas—this is where I think private broadcasters look at their resources and they say collectively we make \$17,000,000.00 a year in profit before taxes so presumably we are left with \$8,000,-000.00 collectively; and we know that to sponsor a national system costs approximately \$150,000,000.00 a year. The proof of it is the CBC. So if we want to duplicate the effort Canadians are making, we have to find, we feel, another \$150,000,000.00. It depends how far we want to go. But it looks as if we are in the process of trying to find another \$150,000,-000.0 and the private broadcasters are saying: "Well, all we have collectively is, say \$7,000,-000.00 a year;" in the good years. That is in 1968. I do not believe you will find the same thing in 1970.

So, the objective and means at hand appear to be in two different categories. They do not seem to be in the same order of magnitude. It is David and Goliath or the giant and the pygmy.

Somehow the reasoning before the public seems to convey the idea that if broadcasters were willing to co-operate tomorrow that they could do it. I think that in all good faith and good intentions, broadcasters are saying we are willing to try—will you please help us.

Now, this is my tangent. Perhaps I should come back to your main point.

Senator McElman: On your tangent, surely you do not suggest that the private broadcasters are going to require another \$150,000,000.00 to achieve this desirable purpose? Surely you cannot take the total.

Mr. Audet: Well, let us put it this way. Perhaps if someone wished—I am not suggesting we do, I am just saying in this process—I think we have to take into account if we want to double this effort of the CBC, it would cost another \$150,000,000.00.

I know I am not answering your question directly but I think I am purposely trying to put this into a big equation. This is an important factor.

Senator Smith: Just like a good engineer would.

Senator Bourque: You are merely speaking the facts.

Mr. Audet: Probably, yes.

The Chairman: Senator McElman, you had an earlier question.

Senator McElman: Yes, I will get to it after this one. I only wanted to say you have the hardware now. You have your carrying charges built in. You have all of these things that parallel the CBC.

Certainly I cannot accept as valid a duplication or doubling up of \$150,000,000.00 would be required to go much further towards the achieving of Canadian content and unity in culture and identity and so on. It is not a valid proposition.

Mr. Audet: I would not like to put words into anybody else's mouth but it seemed of me in his appearance that the President of the CBC indicated that certain things could be done for so much.

I am afraid now I am not conveying his words properly but he made essentially the same points as we have made in our own presentation, that certain things could be done, that certai things might cost too much; that certain hings might make' programming more difficult.

I do not know if I am answering your question now or not.

Senator McElman: Well, I would like to ask a supplementary to this. Let us forget about the CAB approach for the moment; but the reaction of broadcasters to he Canadian content and other proposals currently before them by the CRTC is that it is too expensive and it is required in too short a time.

In view of the period of time that has elapsed—I would remind you that the White Paper on Broadcasting of 1966 expressed the very intentions that are now being expressed in the proposed regulations. The report of the Standing Committee on Broadcasting, etc., of the House of Commons was presented to Parliament on March 21, 1967, better than three years ago, which again stressed the very things that are being discussed now.

Perhaps, Mr. Chairman, if I could very quickly read one paragraph of that. This is from the Commons Committee on Broadcasting:

"The Committee concurs with the White Paper' statement of objectives. We are convinced that Canadians want radio and television programs of Canadian origin and character, although programs produced in the United States are available to a majority of Canadians who obviously enjoy them. A Canadian identity demands public affairs and news programs about Canada and about the world through Canadian eyes. Canadian broadcasters have a special responsibility to provide such programs because they will not come from any other source. Although the United States will continue to be a source of many dramatic and Variety programs on Canadian stations, Canadian broadcasters must develop such programs in Canada to the fullest extent Which availability of talent and resources permits."

It goes on further to talk about what is coming on, satellite, cable and all this sort of thing.

Here was expressed the will, the purpose, the aspirations of the Canadian people of what they wanted from broadcasters who have the privilege of a licence to use the air waves. Here was the expressed will and wish of the Canadian people through their Parliament.

My question is: why have the broadcasters of Canada, with that before them for a period going back to the White Paper of four years ago, been so slow in producing Canadian content, that the CRTC would be forced on behalf of the Canadian people to say "Here, finally you have got to do what the Canadian people asked you to do."

Mr. Audet: Well, sir, I think my only answer to you can be Mr. Bonneau has told you what our percentages are.

Senator McElman: I am talking about broadcasters in general.

Mr. Audet: We have done what was announced in this White Paper. We have achieved that.

Senator McElman: Your station.

Mr. Audet: Yes. Now, in all sympathy with my industry colleagues, I think I must say that in the discussion of new regulations which I understand or we were lead to believe was only a White Paper, people brought out I think in all due democratic process, as we are doing this morning, certain considerations and certain qualms they had about certain aspects of the way things were done.

Now, please remember that I think it was profusely obvious in the written presentation brief of the CAB—perhaps I should not get into that ground. I want to point out I am not here to speak for the CAB position.

The Chairman: We appreciate that.

Mr. Audet: It has been reiterated on several occasions that the Association was entirely in favour of the objectives pursued. There was no idea of saying these objectives are not good. This is my own interpretation.

Senator McElman: But, sir, did they not subscribe to motherhood in the same fashion a number of years ago when the first Canadian content requirements were laid down? At the same time did they not make the same protest they are making to-day that these were impractical, unreachable and beyond their economical capacity to absorb?

Mr. Audet: Sir, I think I should perhaps ask you for mercy at this time because I am not here to defend the CAB but I think I will follow you one step further if the Chairman will permit.

The Chairman: Yes, of course.

Mr. Audet: I think that this is natural, is it not? New regulations are proposed and meetings are held to consider them. It is natural that the plus and minus be presented and I think that this should be taken in all good faith and sympathy. I do not believe that anyone who comes honestly to present a view, whether it agrees with our own or not, should be labelled as opposing it.

I think this is as far as I will go for a moment.

The Chairman: If I may say, Mr. Audet, it is not our intentions to embarrass you. I am sure Senator McElman is not attempting to embarrass you or to ask you embarrassing questions. He appreciates, as I do, that you are here representing your station and not representing the CAB. At the same time you are the Vice-President Elect of the CAB.

I think it was perhaps in that spirit his question was put to you. I am not going to insist that you say anything more but I think I should in fairness ask Senator McElman, if he is satisfied with the answer of the witness.

Do you wish to pursue this thing?

Senator McElman: I shall not press it, Mr. Chairman, I was simply following this line because we have a witness who has gone a very long way towards meeting the requirements and ambitions of the Canadian people for Canadian content. I was hoping perhaps to elicit some replies that may be useful to other broadcasters.

The Chairman: I have two questions which are very short, I assure my colleagues because it is past our adjournment period. They are very short and to the point. In the English version of your brief at page 10 you say:

"Emphasis was placed on the increase of Canadian content on television without an equivalent demand for the same efforts on the part of other cultural media..." and then you list the other media.

Were you suggesting that there should be no demands on television or there should be demands on other media?

Mr. Audet: I am suggesting that there should be demands on other media.

The Chairman: Specific demands?

Mr. Audet: Well, perhaps just a study—May I present some information I have with me here.

The Chairman: Yes. Was and too ob the

Mr. Audet: We made a survey, for instance, in two Canadian cities, one in Ontario and one in Quebec. We went unannounced to the public libraries and asked them "What are the two hundred books that really move in here?" And they said "They are here on the shelves because we keep them there".

The Chairman: We would be most interested in the results. Could you let us have the results.

Mr. Audet: If I can. I hope I can find them in this thing here.

The Chairman: Which were the cities?

Mr. Audet: One was Kitchener, Ontario and the other one was Trois-Rivières, Quebec.

The Chairman: Which are about the same size, I would say.

Mr. Audet: The same size and I think perhaps reasonably representative of the same Canadian cities in their own areas. This is an unofficial survey. We have just done it on our own.

The Chairman: When?

Mr. Audet: This has been done—the only date I have here because I have given my own copy to someone else, is the date that I have received the Kitchener one which is March 18th so it has been probably done around March 15th.

A random survey of 220 books, fiction and non-fiction. United Kingdom 34 per cent.

The Chairman: This is in Kitchener.

Mr. Audet: Yes. I am sorry. This is ^a Toronto Library. I apologize.

Mr. Fortier: That is not as representative.

Mr. Audet: No. It may be representative of something else. United Kingdom 34 per cent. U.S.A. 57 per cent, Canada 9 per cent.

Now, in the children's room, this may interest you again. United Kingdom 12 per cent, U.S.A. 88 per cent, Canada 0 per cent. If we do not feel that our children deserve to be educated with Canadian books, how can we say television will cure this?

Now, Trois Rivières. We are protected by all kinds of language barriers, so people say. We know otherwise, as Senator Bourque knows.

2½ per cent, Switzerland 2½ per cent, Canada 15 per cent.

Now, in the children's section, French and Belgium 65 per cent, others 30 per cent— U.S.A. 5 per cent and Canada 0 per cent.

I think we have to admit that our culture or our way of looking at culture is not the Way we see it in public. I am sorry to bring it out in the open.

The Chairman: No, on the contrary, I think it is a good thing to bring it into the open. I think it is things like this which should be in the open, as long as you do not argue that two wrongs make a right.

Mr. Audet: No. no. On the contrary I think We are together looking at ourselves.

The Chairman: Because it is so late, let me just put my last question to you which ties right in with this. You say on Page 8:

"...the weakness, we have to admit, of the Canadian culture by opposition to the American culture which is backed by considerable human and financial resources [is] so powerful that no country in the world has yet found a formula to resist to its penetration."

Implicit in that statement is a pretty pessimistic forecast for Canada because if no one in the world has been able to resist it, you presumably think that we will not be able to

Mr. Audet: Well, we did not come to any conclusion.

The Chairman: Would I be fair in drawing that conclusion?

Mr. Audet: No. The point we would like to make, if I may suggest respectfully, is that we feel we have a very steep hill to climb. We really have to make a very strong effort if we want to retain the Canadian identity and I think we have to accept that we have to foot the bill if we want to do it and we are willing to do it. We feel it should be done and I am one of the ones who feel it should be done, I feel very strongly about this.

The Chairman: Mr. Audet and Mr. Bonheau, may I thank you. May I say to you as far as your library survey is concerned, my colleagues on this Committee will not be surprised to know, that I had thought very seriously of including in this study a reference to books, to book-publishing and to readership

158 books French 80 per cent, Belgium and so on. With the end of our hearings on Friday, I am sure my colleagues on that Committee are delighted we did not.

> On the other hand I am not sure that it would not have been a very useful study. Certainly I am grateful to you for the points you have made and if there is any additional information of that kind you have, we would be delighted to receive it.

> I would simply say in closing that you have been a very gracious witness. We do not apologize for having you here. We wanted broadcast representatives from outside of English-Canada. We wanted broadcast representatives from outside Montreal, frankly. We wanted people in Quebec in your particular community situation. Your views have been valuable to the Committee.

> I am sorry that time did not allow us to go into one other area. You are, I know, a graduae of MIT and I think you will have views on technology which we would find useful. I would only say in closing, if there is additional information that you are able to send us, either in the area of technology or in this whole area of the cultural problem we have been discussing, we would be delighted to hear from you.

The Chairman: Specific demands?

Meanwhile, we do appreciate the fact that you have been a most gracious witness. Thank you, Mr. Bonneau.

I would say to the Committee we meet at 2:30 with the Canadian Cable Television Association and at 4:00 with Maclean-Hunter Cable Television Limited. I would remind you again that the session this evening with the British Columbia Television Broadcasting System Ltd. has been cancelled.

Thank you.

Mr. Audet: Thank you, sir... The Committee adjourned.

Upon resuming at 2.30 p.m.

The Chairman: Honourable Senators, if I may call the session to order. As the Senators are aware, the Committee is entering the final phases of the public hearing aspect of its activity.

This afternoon we begin to turn our attention to really the last major branch of the media which we have under our particular study, the whole area of community antenna or cable television. Not only is it the last phase that we will be studying, I think by all odds it is the newest and most perplexing medium we will be attempting to analyze.

We are grateful to the witnesses who are here. We are to receive two briefs this afternoon. The first brief is from Canadian Cable Television Association. Seated on my immediate right is the organization's President, Mr. C. R. Boucher. On his immediate right is Mr. G. A. Allard, a Past President of the Canadian Cable Television Association. On my left is Mr. R. C. Chaston, who is a Director of CCTA.

Mr. Boucher, the brief you were kind enough to prepare in compliance with our request was received more than three weeks in advance. It has been circulated to the Senators who I think have had an opportunity of studying it. We would like to ask you some questions on its contents.

I am sure you are familiar with our procedure. We ask you to make an opening oral statement in which you can talk about the brief or talk about other matters and following your oral statement we would like to question you on the contents of your written document and your oral statement or other matters which may be of concern and interest

Thank you for coming. Welcome. Why don't you proceed?

Mr. C. R. Boucher, President, Canadian Cable Television Association: Thank you, Senator Davey and Honourable Senators.

Let me say that we welcome and appreciate this opportunity to be able to submit a brief to the Special Senate Committee on Mass Media on behalf of the Canadian Cable Television Association.

It was also intended that our Executive Vice-President, John Loader, should accompany us, but unfortunately he is ill.

The Canadian Cable Television Association represents systems serving 071,750 subscribers, or 88% of all cable subscribers in Canada.

The CCTA Board of Directors is chosen so that there is representation from all parts of Canada.

Since 1952 the cable industry in Canada has grown out of a genuine desire by Canadians for better quality signals and greater choice of programmes.

The first and primary role of the cable

antenna television service. This role is a passive one. It is merely doing what each Canadian can do for himself with a rooftop antenna if the signals are available in his area-only we do it better.

A second and active role for the cable television industry is a function that some of us foresaw as a possibility more than a decade ago-the origination of programmes of community interest. However until the CRTC policy announcement of May 13th, 1969, we were not encouraged to engage in any programme production.

Generally, we regard as a new challenge the CRTC's seal of approval to engage in cablecasting activities at a community level, originating programmes to complement rather than compete with local broadcasters.

I must emphasize that this role in community programming, even if we agree with the concept, is not the service for which our customers are paying. For many years to come our customers will still continue to subscribe to cable because of its primary function, to be specific an improved antenna service. There are other roles envisioned, of course, and I will mention those later.

Much has been said about the rapid growth of cable during the last two years but this growth is largely attributable to systems which got under way in the mid '60's and have only lately become operational.

Naturally their subscriber list is growing rapidly as they reach normal penetration in the relatively large markets they serve. I mention this because in the last two years no major CATV developments were begun in large urban centres, therefore the growth will level off. This growth will only commence again with new major developments in cities where cable has yet to be licensed.

In a press announcement last week the Canadian Cable Television Association stated that it appeared the CRTC has been persuaded that the Canadian broadcasting industry was in danger of extinction by cable television.

The CCTA, of course, is in complete disagreement with this conclusion. It has always been the contention of our industry that since, in most cases, we offer an alternate means and a better means of receiving signals to the unsightly and sometimes hazardous household antenna, the effect of CATV systems on the broadcasting industry television industry is that of a community is not disruptive. From the very many views presented to the CRTC in the past two weeks at the public hearings still continuing here in Ottawa, neither the boradcasters nor the creative community appeared to regard the CATV industry as an obstacle to the development of a truly Canadian broadcasting system. We regard ourselves as a vital contributing element.

We might elaborate here that presentations made by networks and various groups representing creative talent and performing talent are less concerned with the competitive effects of U.S. signals but they are looking for a greater opportunity to express themselves in every way. They feel confident that the potential exists in Canada to develop our own Canadian programmes which can more than hold their own—that is, to develop a unique and interesting form of Canadian programme much more acceptable than the present Canadian fare which seldom enjoys mass popularity.

Since the submission of our brief to this Committee, the CRTC has issued a further public announcement setting out proposed guidelines which will form the basis of the Commission's deliberations in deciding on the issuance or renewal of CATV licenses.

The extent of the effect of these guidelines is still being analyzed by the CATV industry and clarification sought on several important points raised in the announcement.

We do not believe the Commission intends to reduce the value of cable television to the subscribers by refusing to allow the systems to distribute signals which are readily available off-air or to limit the choice of programmes available. Unfortunately, some press reports on these proposed guidelines have been based upon premature and, in our view, inaccurate conclusions formed by interpreting the CRTC's announcement in the worst possible light.

The financial community has also reacted adversely, but we are sure that as soon as the meaning of the guidelines becomes clear, confidence in the industry will be restored.

Many cable companies are dependent on a favourable reaction from the financial community, particularly at this time because they must comply with new ownership regulations. This is a result of a directive from the Secretary of State that limits foreign ownership to 20 per cent. This has caused an unusually heavy demand for financing from Canadian

sources as licensees seek to conform with the new Federal directives. I might add that this is not restricted to cable but also applies to broadcasting interests.

We are optimistic about the future, and are somewhat encouraged by the CRTC announcement of April 10th because it does permit a limited use of microwave to serve areas where U.S. programmes are not available off-air. We are disappointed that the financial community has not seen this in the same light.

What of the future?

In presentations made before you recently and in statements made elsewhere, you are aware of the "promised land" of CATV in which 20, 40, and even 80 channels have been envisioned. It has been forecast that many new services will be available on CATV systems in future years and we shall deliver these services as soon as technical, financial, social and, dare I say, political problems have been resolved. But more important, there must be public demand, general acceptance of these additional services, and at a price that can generally be afforded.

We are confident of the future of Canadian broadcasting and the part we will play. It appears others share our view. Witness this statement made by a CBC representative when appearing before the CRTC last fall in Vancouver, and I quote: "We know that the public is demonstrably interested in multiservice television and in many areas this can only be provided in a practical way by CATV systems."

We must state, however, that to our customers we are an urban instrument supplying an improved TV antenna service. This is primarily why the public subscribe to cable and judging by the proven acceptance of this service it is apparent this industry's future is assured.

The Chairman: Thank you very much, Mr. Boucher. We will now proceed to the questioning and the Senators will direct the questions to you, although they may in the course of the afternoon want to ask questions of your associates. If, indeed, you wish to direct any of the questions in turn to either of your associates, by all means please do so.

I think the questioning this afternoon will begin with Senator McElman.

Senator McElman: Mr. Boucher, your brief, particularly pages 22 and 24, questions the authority of the CRTC to regulate cable pro-

gramming and subscriber rates. Do you envisage testing this authority in the courts?

Mr. Boucher: Well, Senator, this brief was meant to be informative and presenting facts as we saw them. The Association does not wish this brief to be construed as a challenge but merely a position or an informative document, for the lack of a better description.

Senator McElman: I appreciate that, but do you envisage testing the authority?

Mr. Boucher: Well, the Association itself, as I say—we have analyzed the facts as we see them, have presented them and are absolutely candid about the situation as it exists, but no decision has been taken to challenge in the forms provided by this Association.

Senator McElman: All right. That is the Association's position. Are any of your member units currently taking anything before the courts?

The Chairman: That you are aware of obviously?

Mr. Boucher: I am not aware of any but there are cable operators making presentations before you.

Mr. G. Allard, Past Presdient of the Canadian Cable Television Association: I wanted to mention the authority of the CRTC was challenged by one non-member of the Association. This was with respect to the authority of the CRTC to grant an exclusive license, but I believe this was dismissed.

Mr. Fortier: Mr. Couture at Thetford Mines

Mr. Allard: That is right.

Mr. Boucher: I think that was last fall. I had forgotten about that one.

Senator McElman: As an association, do you feel that it is for the good of the broadcast industry, including cable television, that there be a regulatory body laying out guidelines.

Mr. Boucher: I think we are on record as being in agreement with the principles of the Broadcasting Act and, of course, this prescribes that there must be a regulatory body. Broadcasting is a very complex, as you well know from all the presentations that you have heard and everything that has been written; there are so many factors involved. What is done in one area is bound to affect another; there is bound to be disturbance of made us Canadians.

the ecology along the line, if that is a proper terminology.

So there must be someone who oversees the orderly development, as the CRTC put it, to achieve balance. So in that sense, certainly, we believe there must be this type of body.

Senator McElman: In the Montreal Gazette of September 6th last year, there is a report of a speech given by Mr. Loader, your Executive Vice-President. He was speaking to the Broadcast Executives Society and the quota-

"The right to employ and enjoy the maximum capacity of the receiver should not be limited by regulation for any reason."

Would you like to comment on that and perhaps elaborate on it?

Mr. Boucher: I think that he is expressing a view that most of us, certainly the majority of us, have in the industry, that there is a basic right for Canadians that they havesimilarly to magazines, as an example, I think this is the example we use in our brief—the right to access to what is available.

In other words, we don't believe that an artificial, say, "iron curtain" or "electronic curtain" would be a rightful means of depriving the Canadian public. I don't think that is the CRTC intent.

I might suggest, that was the context of Mr. Loader's remark.

Mr. Allard: I might point out, Senator, that this is spelled out in the preamble of the Broadcasting Act itself. I can't remember the exact wording. I think it suggests Canadians should be entitled to the greatest choice possible, subject to existing regulations. I can't remember the exact wording but it is in the preamble to the Broadcasting Act itself.

Mr. Boucher: I think there are numerous references in our brief and one in particular that comes to mind, of course, is that the Fowler Commission Report was emphatic about the fact Canada should not become a broadcasting or television ghetto. I think this is also the same context.

Canadian people do want, as a right, the choice. I am not saying United States programmes or anything. My own personal view, of course, is it would be a terrible disaster if Canadians did not have access to as much material as is available. After all that is what The Chairman: What made us Canadian? Having access to American television made us Canadians?

Mr. Boucher: I can give you an example on that. When I was a youngster, when we were teenagers, we looked to the States as the promised land and we were bound here and knew we couldn't escape. If we could have escaped to the States, we felt this was tremendous. This, I must admit, was a kind of hope, but you don't find that today.

The Chairman: May I make it clear that you are speaking for yourself, and you may speak for others, but you are not speaking for me. I accept your statement of course, that you felt that way.

Senator Prowse: I think he speaks for a great many people.

The Chairman: He may be but he is not speaking for me.

Mr. Boucher: Unfortunately, I did not conduct a poll amongst our Association members but I have spoken to many, many people across the country and this is something I had not thought about until about a year ago and this is generally accepted. Some of the press reports you have had, for instance, on the situation in Regina, where there is no access to American television there...

The Chairman: You said that is what makes us Canadians. Is the fact that many people long to go to the States what makes us Canadians?

Mr. Boucher: No, I am sorry...

The Chairman: I am not quarrelling with you.

Mr. Boucher: I think we have the freedom of choice here and this is a very important part of being Canadian.

The Chairman: You mean freedom of choice is part of being a Canadian?

Mr. Boucher: I think it is the most important part.

The Chairman: I think I understand the boint.

Mr. Boucher: This is what I mean. I think I should have qualified it. We can choose in so many areas and this is why I am here, for instance.

The Chairman: We can pursue it later.

Senator McElman: Let me pursue another angle. Let us say in Edmonton that there is a capability of 20 channels and a cable company wishes to bring in 14 U.S. channels and 6 Canadian. Should that be regulated in any sense or should they have complete access?

Mr. Boucher: I spoke of the need for balance. I think this would be an imbalance, of course, and the Association has never stood for unrestricted mass importation of U.S. signals. We are on record before the CRTC as having said we are not for a complete freedom to import everything from everywhere in the sense that we can flood the entire airways or cableways of Canada with U.S. programming. This was not the intent of our industry, I dare say, beyond the major networks, and perhaps the two independent sources of programmes in the States like NET. After all there is a limit to viewing and the more signals you bring in to Canada—first of all, there is economics but secondly, you have to limit the amount of hours the individual Canadian would spend watching American programmes anyway. If a wide choice would be available, I think this would have to be re-assessed. As things are today certainly the choice is limited to what is generally distributed right across the continent.

Senator McElman: I come back to the basic question: should this be regulated at the choice of the cable owner or by a regulatory body, an agency established by government?

Mr. Boucher: Well, if all points are considered I think a regulatory body is certainly in a better position to rule on specific instances and to do it on the considerations of the area to be served. I think this is paramount rather than having broad importation with no restrictions.

I think if you were to ask me whether selections should be based on one particular area, then I would say this would be the better way of doing it; and, of course, a regulatory body would be the only ones structured that way now. They would be the ones to choose what that market could tolerate.

Mr. Fortier: Mr. Boucher, for many years, indeed until 1968, the CATV systems were considered as broadcasting-receiving undertakings only, and as such, were not subject, for example, to the BBG authority. In those days they developed following the granting of permits granted by the DOT.

Mr. Boucher: Right.

Mr. Fortier: I think you reviewed this history in your brief. In those days the Department of Transport merely satisfied itself, before granting or refusing a permit, that the hardware was in good condition. Is that a fair statement?

Mr. Boucher: Well, not quite. Firstly, from the late fifties DOT licenses were required. In 1963 the Department of Transport then adopted the policy—as a matter of fact, they froze licensing of cable at that time and adopted the policy of referring each application to the BBG, which is not unlike considerations that the CRTC are giving CATV applications today.

Mr. Fortier: But I think you will agree that the BBG never went into the applications in the way that the CRTC is doing today?

Mr. Boucher: I accept that.

Mr. Forier: I think you can speak in your capacity as President of the Association to this question: did any one of your members originally envisage doing anything more than a passive role as operators of CATV systems? When you and your colleagues went into the business, what was your first intention?

Mr. Boucher: Well, if we go back in time to 1952 the prime motive at that time was certainly the primary function and this continued to be the case for the majority of systems and probably still is today.

We have statistics that indicate how many would like to actively participate in cablecasting. That is in our brief so I won't dwell on that.

In large urban centres, in a more general way, there were cable operators at that time that envisaged that role. Some in fact in the Montreal area did engage in that role. I think they have been originating since the late 1950's and never stopped and are still continuing to do so.

In that sense let us say that in the larger systems there was appreciation of this aspect.

Mr. Fortier: There was also appreciation and co-operation from the television stations and the television networks, was there not?

Mr. Boucher: I am afraid not. It went the other way.

Mr. Fortier: From the earliest days there was antipathy?

Mr. Boucher: Well, I can only speak from experience since 1958 and 1959 and I know of certain experiences where there certainly was not co-operation. I suppose if you appreciate the broadcaster, seeing this type of thing develop, he was very naturally apprehensive. In areas where co-operation was tried within the network, for instance, its efforts quickly came to an end.

Mr. Fortier: So your evidence today is to the effect you were always viewed with suspicion by the broadcasters?

Mr. Boucher: I think we were guilty until we could prove our innocence in that sense.

Mr. Fortier: The area of closed circuit broadcasting, as you say in your brief, even Mr. Juneau has implied that perhaps the CRTC did not have jurisdiction over it. Is it your view, as an association, if not the CRTC, that is a Federal administration agency, then there should be provincial agencies which should have jurisdiction over the closed circuit broadcasting?

Mr. Boucher: Well, firstly there is jurisdiction over the licensee simply because it is a condition of license today and that control exists with the CRTC.

Mr. Fortier: I don't want to get into a legal hassle.

Mr. Boucher: Let me put it this way: I think it would have to be one or the other. I don't think we could live with two masters.

Senator Prowse: Or without any?

Mr. Boucher: Without any... I think the natural realm of community programming is very restrictive in itself. I think there is a lack of appreciation that you seldom, if ever, get 100 per cent penetration in a market. The averages are given in our brief and in Montreal, I believe, it is something in the order of 16-17 per cent penetration of that market and maybe the high in Canada might be in the order of 70-75 per cent. So that I think you cannot reach everyone. By virtue of the type of signal it is primarily in existence to supply—simply because of our passive role—our customers would not be paying for this. I am not saying it would not be done.

I might sum up by saying that many cable operators are most interested in the challenge this provides for them. It is so new, we are experimenting. We don't know where it is going to lead us. We are being encouraged by

the CRTC to develop but I think they are looking for flexibility just as much as we are.

Mr. Fortier: Your statement is juridictionally you accept to being under the thumb of the CRTC?

Mr. Boucher: If I understand the question, would it be any different if we were not in that calegory. I think as things are developing now, I doubt they would be any different. I doubt we could develop in such a way which would be different from what is envisaged by the CRTC, for instance.

Senator Prowse: May I have a supplementary on this? In effect you really provide a public utility, don't you?

Mr. Boucher: Well, our service is a luxury and again by limitations, it is certainly not a necessity. The more penetration restrictions there are and legally, there have been many—there have been instances where this has been tested and legally, no. In intent and fact, no, we do not; because it is a luxury item.

I think the proper way to examine it is: what are we really, if not an extension to the customer's antenna? We could be renting rooftop antennas instead of the facilities of a system. There are alternatives.

As you are well aware from presentations before this Committee, there is also the alternative of the home antenna. It is finally being appreciated by broadcasters and the Government, that if cable was denied to carry certain programming or certain programmes on stations that are available in the air, the population will merely revert to household antennas. So in that sense we cannot be considered a public utility.

Senator Prowse: Aside from the fact a person can provide their own plant, the same as I could provide my own electric light plant for that matter...

Mr. Boucher: Yes.

Senator Prowse: You pretty nearly need to have an exclusive territory. Are there cases where you have got two or three different CATV companies available to customers in the same area?

Mr. Boucher: No.

Senator Prowse: Or do you have exclusive territories? That is the point I am getting at.

Mr. Boucher: The exclusive territory is not a necessity. It has never been a fact of life from a legal point of view; but from a practical point of view, you cannot exist side by side, you see.

Mr. Allard: The Commission would allow you to live side by side. The Commission grants exclusive licenses.

Senator Prowse: Aside from them licensing, what I am getting at is the practicalities of the business. You would hardly have two or three cablevision companies laying cable and trying to go into the same areas in competition with each other. Would this be a practical type of thing? This is what I am trying to find out. Is it the type of business that, by its nature, really requires an exclusive franchise in an area in order to efficiently, effectively and reasonably serve the public in the area?

Mr. Boucher: I think from the point of view of efficiency you are quite right; but the industry is very young and who knows... There could be changes. As it is today, it is merely business sense that another cable operator will seldom—and I say "seldom" because there has been one case that I know of—wish to overwire.

Senator Prowse: He might race you for an adjacent area but he is not going into an area you are already in.

Mr. Boucher: Yes, that is right. There has been one thing that has been exaggerated somewhat in our industry. I say "somewhat" because some of the articles that have been written about the huge profits involved in cable are pure myth. I think the DBS Reports certainly bear that out.

The point is the customer can only afford so much and there are practical economies of serving a specific area and there must be a return. You must figure in your return, operating profits.

The Chairman: I would remind Senator Prowse that he is on a supplementary question.

Senator Prowse: I am still following in the same line. However, I am subject to being clipped any time.

The Chairman: We are all trespassing on Senator McElman's time, that is all.

Senator Prowse: I am sorry.

The Chairman: Go ahead, please.

Senator Prowse: The other question I had Court. I realize that the matter is now fini. I was this: I think in Ottawa there are two or think the point of view of the Association three franchises where it seems to me, and this is certainly a personal opinion, it might just as well be handled as one public utility rather than two or three different ones. Do you feel that it might be possible to provide the service more efficiently and more cheaply if licenses were given the same way as electric licenses and gas franchises are given? In other words, you take what looks like an economic area and say "Okay, boy, go ahead within the limits."

Mr. Boucher: The Association, of course, has not debated or come up with a view on this point but there is a competitive element to begin with. Even if there is not a matter of territorial competition, there is certainly service competition, isn't there? So competition does exist. Your question is if it went the other way and it is very difficult to answer because a lot of study has been given to that. I will give you my personal view in this one.

There is the possibility of apathy, but bear in mind that in many markets you have to be very careful how you would choose to operate in a given territory because the economics of that territory are very important. Of course, now that we have the rising cost of electronic equipment and the general higher cost of doing business, I think you need larger and larger territories. That is why there has been no specific development in very small communities of late.

Mr. Allard: Mr. Chairman, Senator Prowse. the analogy can be drawn to raising the other question which follows logically: would it not be more economical to serve a community with telephone and power together, more economical for the residents of that community if both services were provided by one organization. They are so distinctly different, you cannot run electricity down, for instance. a natural gas pipe. You cannot use the same equipment, you cannot use the same facilities.

If I may be permitted to come back to Mr. Fortier's question regarding a public utility as to whether we indeed or in fact provide a public utility service.

If television can be considered an essential service I do believe, and I am not speaking for the Association, in certain areas we do provide a quasi-public utility service, yes.

Mr. Fortier: I should declare my interest first. I was acting for Monsieur Couture in matter of interest to you, I am sure, that the front of the CRTC and before the Symptonia front of the CRTC and before the Supreme CATV industry, together with the DOC and

which was not expressed before the CRTC, but which was expressed by the present operator of the system in Thetford Mines, is important.

You will recall my argument. This is, as you say, a new field; it is a new area. It is a field where the entrepreneur is the one who is providing the investment and the hardware and the service. If we accept that there can be a good CATV system and there can be a bad CATV system, why should not the viewer be given the opportunity of choosing between the two? Why should he have imposed upon him a system which may not, in his community, be as good as the one they have in another community? This is without any reference to any particular market.

Mr. Boucher: Let me answer it this way: the way things are today, to obtain a license to operate in a given area, you have to go to the CRTC. The CRTC is a public forum and the CRTC is now probably the body who receives the type of letters or hears public concern that the DOT used to handle, be it problems of reception-not necessarily on cable, or just hydro noise. With the growing awareness of the public of this forum, I suggest you would not have a problem if there are public representations—in other words, if the viewer is heard.

The second part of your question still remains a practical point of economics. From a business point of view, I think probably this is the first time in history, in that particular case you mentioned, sir, where someone wanted to—I think the term used was "overwire an area." Frankly I would not do it.

Mr. Allard: It was the second time and before the CRTC took over control of our industry. This happened in Victoria in 1964 where a local operator was providing very bad service and somebody overwired and now the operator is out of business. This was permitted under the DOT.

Senator Prowse: The new fellow came in and actually took over?

Mr. Allard: Provided a much better service to the community. He took over from the original operator.

Mr. R. C. Chaston, Director of Canadian Cable Television Association: It would be a

other interested parties, have been working for the last six or eight months developing quite sophisticated technical standards. These are almost complete and within the next two or three months, they will be in effect. At this point, the quality of service provided will be very clearly established and will be a reference for all systems across Canada.

Senator Prowse: Pretty well standardized?

Mr. Chaston: Yes.

Mr. Fortier: That would meet the principal objection.

Mr. Chaston: Right.

Mr. Fortier: Still it is an area where a Government agency has come down in favour of a monopolistic situation.

Mr. Boucher: I suggest perhaps that there is also a time element involved in this situation.

Mr. Forlier: The operator of the system is not competing freely in the market place with another operator.

Mr. Boucher: Not on a day-to-day basis but I would not be at all surprised, if things continue to go as they are today, that you might have competition at hearings for license renewals, for instance.

Mr. Allard: The premium we are going to have to pay for that might be very expensive indeed.

Mr. Boucher: Especially for the customer.

Mr. Allard: For the exclusive license.

Mr. Chaston: To pursue that monopoly question, ones does have to ignore the fact that these signals are in the air. This was established earlier on in the conversation and we chose to ignore it. We chose to pursue another point of discussion. In fact, if one attempts to ignore the fact signals are receivable in many cases with a simple antenna, that is ignoring a very great deal.

Mr. Fortier: That is as far as the receiving aspect of the operation is concerned. Insofar as the disturbing aspect is concerned, it is not in the air any more.

Mr. Chaston: As far as the subscriber is concerned the alternative is there.

Mr. Fortier: Is that not your principal interest?

21516-4

Mr. Chaston: Yes; but the customer has a

Senator Prowse: Once you start to initiate programmes then, of courses, your statement does not apply, does it? In other words, once the cable system itself starts to initiate programmes and to originate programmes within what amounts to a closed-circut system, then there is not competition insofar as that area is concerned at least.

Mr. Allard: Strictly closed circuit. I think anybody can get in the business.

Mr. Boucher: It happens in a small sense in thea'res today. They call them video theatres which is no different in concept really.

Senator Prowse: I think we are wavering both of us. We are on different sides here somewhere and not quite meeting.

The Chairman: Senator McElman?

Senator McElman: Let us move to that area of your operations. It is quite evident now that licensing and licensing renewals are not only established but expected and that cable systems will move from the strictly passive role to cablecasting.

Now what do you envisage as the type of original programming that will come from this development? Will it be largely a local thing, taking in community interests, or will there be professional entertainers involved? Just what do you envisage?

Mr. Boucher: Well, we envisage precisely what you have said-community programming. Some of our members have said it is comparable to an electronic stage for the community. I think that is a very good description.

There is certainly a need in the community for this type of programming. There are very many in'eres'ed groups across Canada who have been seeking air time on television stations, for instance, and because of economics just have not had an opportunity to express their views. Cablecasting seems to be an ideal tool to explore that very basic area of community programming.

For instance, in your community if you wanted the opportunity to get to the people with a message, it is very difficult to get sufficient air time; but in cablecasting activity, you would not find nearly the restrictions on air time,

Of course, other views in our industry are community which the community can use as certainly very strong that there should be a it best sees fit. broad representation or very broad expression of opinion from various factions or various groups in the community.

I personally cannot see it developing in competition to the type of programming you have in television stations today. But as the CRTC put it "rather it should supplement." I think this is very realistic.

Senator McElman: In other words, you don't see yourself bidding for programmes that a current broadcaster would consider buying for prime time?

Mr. Boucher: Well, this brings in a larger aspect of our industry and this is what the CRTC have expressed some views on from time to time—the east-west concept of networking. We visualize that in the immediate future and for many years to come, it will be pretty well restricted to-I hate to use the words "minority programming" but maybe minority appeal is what we are looking for.

The Chairman: Maybe "special interest" would be better.

Mr. Boucher: Yes, thank you very muchspecial interest programming, which would originate in one system and bicycle to another. There could be a programme exchange and I think this development is very practical and realistic.

In the sense of competition and in the sense of a network, it is very difficult to visualize this developing. If it does, it certainly could not happen in the very near future because this is not the type of role that we find ourselves in, in a practical way.

The Chairman: Mr. Allard I think wants to contribute something.

Mr. Allard: As long as the Commission will not permit us to sponsor any of the programmes that might originate on one channel in our community, it would be foolish indeed to compete with programmes that are available to broadcasters.

Senator McElman: Basically, the programming format you see ahead is one of community involvement rather than an entertainment channel?

Mr. Allard: If I could just use an expression—I believe community inter-assistance in

Senator McElman: You don't see entertain ment playing a large role in this type of cablecasting?

Mr. Allard: Maybe in the future when we talk in terms of pay-TV, for instance.

Mr. Boucher: One of the basic problems we have in this area is economics. We charge a nominal fee averaging, say, from 4 to 6 dollars a month. If we were to actively compete with a network for programmes, we are talking about fantastic sums of money, even if it is spread over the entire subscriber list in Canada. Obviously the subscriber has to pay for it. So now the subscribers would find himself having to pay \$7.50 to \$8.00 or \$10.00 a month, even \$20.00 a month. Then you are going to lose a large section of the population that cannot afford that kind of money-and this is in the immediate future.

I don't know how long the condition could last but I don't see any foreseeable change. Therefore you would automatically reduce the penetration you have with cable because fewer people could afford the service; and you would see the spiral goes downward as the cost goes higher and higher for more selective programming.

I cannot visualize and I don't think we generally in the industry visualize this as a possibility or as a probability, certainly not for the immediate future.

Senator McElman: This leads to the next question. Your costs are obviously going to increase as you start cablecasting, for staff and technical people and so on. Do you see this resulting in an early increase in the rates that are being charged generally?

Mr. Boucher: As conditions are today, it doesn't appear that there will be any significant increase generally in the immediate future.

Senator McElman: You feel you can handle this within your current rate structure?

Mr. Boucher: I will give you one specific example of one likely source for additional revenues required for that. It might be because now you are offering a little bit of something extra to a minority group which you may not have as subscribers, especially Canada today can provide a mirror to the in ethnic regions of a city. This is one source.

I think there is natural growth involved and it is hoped, and it is the view of the industry, that if the public do accept this form of programming, we might achieve even greater penetration, which would to some degree even offset the cost of programming.

Community programming cannot be equated in any way in cost, say, to a CBC production. It is a different kind of programming and technique; although it requires very substantial investment from the point of view of the cable operator to get into cablecasting, it is certainly different from buying a \$140,000 camera where we might spend \$10,000 on a camera, for instance.

Senator McElman: Where, Mr. Boucher, do you anticipate getting the cameramen, for instance, and the technicians? Are you going to train up people who have no experience? Obviously this would give a pretty poor fare certainly for a time. Or do you feel that there are people available now? I understand there is a scarcity.

Mr. Boucher: This falls into two categories. These opinions were expressed at the CRTC last week. From the point of view of creative talent, certainly there is lots available. Technical talent is something else again; but of late, I think because of growth of broadcasting generally and the prospects of educational television, more schools, especially in the larger urban centres, have courses in the television arts, be they technical, operation, creative or what-have-you. Those courses are available today and they have been graduating people.

I was amazed at the amount of applications that seem to be going in from people who can Obviously do a fairly good job, if not a very good job, in most major operations. That has happened to me in our own operation.

Senator McElman: I can see the possibility of getting at least semi-trained people in the larger market areas, but do you not think this is going to be a very severe problem in the smaller areas where cable now exists?

Mr. Boucher: I think the smaller areas probably will take longer to instigate or to get into cablecasting and some areas may hever. We cannot say at this time. It is a bit early.

With the rapid development in videotapes and the lowering of the cost of videotapes and videotape techniques, it could be done. While there may not be a studio per se and a

lot of local origination, at least there could be programmes available from a regional aspect or the closest major centre or a consortium across Canada, which does exist for community programming as such.

Mr. Allard: If I may, Mr. Chairman, I cannot see, for instance, an operator in Baie-St-Paul spending a lot of money on local origination when this potential is 1,000 subscribers. There are many areas of this nature in Canada.

I really believe, if I may use an expression, that we are whistling Dixie when we ask all operators to originate programmes in their community.

Mr. Fortier: Unless he belongs to a network and the latest proposal has been to open the door to CATV networks.

Mr. Boucher: This could develop but it is so. early in the game it is very hard to do anything but give an educated guess. But what you are suggesting could very well be the possibility.

The Chairman: Are the CATV stations: across the country now permitted to do their own programme origination?

Mr. Boucher: Oh, yes.

The Chairman: Could you tell us something about how much is done?

Mr. Boucher: Perhaps Mr. Allard could tell us what has been done in his region.

Mr. Allard: I believe we have some statistics on this, Mr. Boucher.

The Chairman: In this brief? I didn't see them.

Mr. Boucher: I think this was a percentage of people who are going to actively participate. I will give you the specifics as I understand them.

Mr. Chaston: We originate 35 hours of live programming each week from two studios. mainly in French, but there are also programmes catering to the Greek and Italian communities. We have 200, 300, and in some cases 350 people through the studio in a week. This has been going on over the past five years.

The Chairman: When you say 35 hours a week, what kind of stuff do you do?

21516-41

tional programmes.

The Chairman: When is it on during the day?

Mr. Chaston: Broadly from 2 o'clock in the afternoon until 9.30 at night.

The Chairman: Do you do it between 7.30 and 9.30 at night in prime time?

Mr. Chaston: Yes.

The Chairman: How many nights a week on prime time?

Mr. Chaston: Five.

The Chairman: Five nights a week in prime time.

Mr. Boucher: I might suggest that later this afternoon and tomorrow morning you will be hearing from two cable operators which I know are also engaged in cablecasting, and they might have a view in that respect.

The Chairman: You say that 88% of cable subscribers in Canada are represented by your Association. Of those 971,750 subscribers, what percentage would have the opportunity of seeing, on the average day, programme originations by your cable systems—in round figures?

Mr. Boucher: Perhaps I would say in the order of 15% or 20% now because of the large urban systems. However this is growing very rapidly and our survey indicates there is going to be added participation or more cablecasting in the fall.

The Chairman: Why have these people been so slow to begin their own programming?

Mr. Allard: May I answer this? Because there is no requirement, there is no incentive.

The Chairman: Surely the incentive comes from the subscribers who pay you a fee to receive the service. Surely that is the incentive to provide a service.

Mr. Allard: When you are, as I expect we are, entrepreneurs and profit-oriented, there is no justification in the community where CATV systems per se will bring us 60 to 70% density, to originate programmes and pay the costs thereof.

In areas like Montreal where CATV is not in as great a demand as, say, other communi- that the individual operators do it on their

Mr. Chaston: Broadly informational, educaties in Quebec, then it behooves us to spend money on programming to attract additional subscribers.

> The Chairman: Then programme originations on cable do attract subscribers?

> Mr. Allard: In certain communities, yes. In Montreal they certainly do attract additional subscribers.

> The Chairman: Why Montreal? Why not in Toronto?

> Mr. Allard: The residents of Montreal can receive three or four local channels and if they have a rooftop antenna two U.S. channels. CATV systems offer the four local channels and one additional U.S. channel.

> There is not enough demand in, say, seven channels per se to entice people to subscribe to the cable and therefore, the cable company originates its own programmes to attract more subscribers.

> Mr. Chaston: That is right. Basically also, of course, because of the two basic languages in Montreal, we have also originated these programmes predominantly in French to equate some balance between the two offerings.

> Mr. Boucher: I might suggest, Senator, there is another reason. We had no idea what our fate would be with respect to the Broadcast Act until the first announcement that the CRTC made. That was barely a year ago.

> To build studio facilities, to erect your systems and in some cases to create additional carriage capacity, one year is a very little time. This is one of the reasons why our survey seems to indicate there is going to be more activity. Certainly activity is planned now. I know that a tremendous amount of money has been spent on many systems to get into that kind of thing in the urban centres.

> The Chairman: What has the Canadian Cable Television Association done as an association to enquire into the concern which special interest groups might have in this kind of programming on cable?

Mr. Boucher: This is not done at the Association level but is certainly being done by the individual systems. Of course they are in the community and talk to the people.

The Chairman: Would this not be a good thing for the Association to do?

Mr. Boucher: It is probably more effective

own, at this stage of the game anyway, because their immediate concern is filling the needs of that particular community.

The Chairman: Let us take an organization like, let us say, the Canadian Bar Association. Is the cable operator in London going to approach them? Is that not a thing that should be done nationally?

Mr. Boucher: Firstly, our Association is collecting and has been collecting data and there is a dialogue within the group to appreciate in what areas the Association can be of some assistance.

The Association has, for instance, initiated dialogue with the National Film Board.

The Chairman: That is a government agency.

Mr. Boucher: Programme sources.

The Chairman: Non-government agencies?

Mr. Boucher: Well, we have approached it from the reverse.

The Chairman: You are leaving it up to the individual station?

Mr. Boucher: The individual station is the Association, isn't it? They have been feeding in this information and there is a better appreciation for the role of cablecasting. From the point of view of programme production or originating programmes, this is a very new role for us and I dare say we have not been broadcasting oriented in general.

The Chairman: One of the virtues of cable which you have talked about here today, and I agree with you, is special interest programming. I think you are perfectly right. All I want to know is who is there in Canada, either you as an association or the individual stations, who is approaching special interest groups to say "Are you interested in cable?"

Everybody talks about it; but do we in fact know it?

Mr. Boucher: Yes, we do. The individual operators obviously are experimenting with specific programmes, if they get a group saying there is an interest in this type of activity. I think in Toronto there is quite a bit of that and certainly in Montreal.

The Chairman: Could you give us an example in either Toronto or Montreal?

Mr. Chaston: You could consider the Red Cross and St. John Ambulance, that sort of

thing. They have come to us and they have been running programmes for at least a year.

The Chairman: You say they have come to you. You didn't go to them. Who are some organizations you have sought out? I am not attempting to embarrass you. I am saying "Here is a great opportunity for you fellows. What are you doing about it?"

Mr. Boucher: I think it is happening, Senator Davey. We had to start from scratch and certainly, in the past year, there has been growing evidence that this type of thing is going on.

If I might speak for the companies I am associated with, we have been talking to various groups and actively thought out the type of programming and they are now doing their homework.

The Chairman: Groups like what?

Mr. Boucher: Health units on drug addiction, for instance, is one area. There is a group very interested in getting across the whole concept of regional development in Ontario, for instance. They want to explain that and get public appreciation of the problem. This is another area. They are now thinking about the type of format.

We have been approached from areas where we didn't have the faintest—one party approached us...

The Chairman: A political party?

Mr. Boucher: No. I am sorry. An individual, There seems to be a matter of a lack of appreciation as to whether people should buy a car or lease one. I think there is a real story and I think it would be a public service.

The minute we start actively then it begets more interest. I think it is a matter of experimentation and getting to know what goes, what is expected, what the community really needs.

I know for a fact that this is being researched because, after all, if the cable company is going to involve itself in programme production, he wants to make sure he has something the viewer will watch. Nobody wants to produce something—there is professional pride there.

Senator McElman: You have done some original programming and I am sure you have feed-back on it. Perhaps it would be helpful if you told us what were the highest rated shows you carried.

clear that we have a programme director and this is the kind of information on which he would have more accurate answers than I. Perhaps we could get this from him and give the information to the Committee later.

Senator McElman: Do you have a general idea?

Mr. Chaston: We don't get ratings the same way radio stations get ratings. We can only judge by reaction from the phone calls we

One programme is a pet show which has been on for more than 18 months at this point. A fellow brings a pet or a fish or whatever and talks about it at some length. It is mainly a children's show ad there is a great deal of interest. The last 15 minutes are devoted to incoming phone calls, enquiries about the programme and the animal and what-all. That 15 minutes is predominantly full. There is a flood of phone calls.

There are many instance of that kind. This is the only way we can judge true reaction. Of course we get four or five hundred letters a week but basically they are phone responses of this kind and it is very obvious when it is being well followed.

I could cite special instances, such as Christmas time and this sort of thing, where phone calls are made and we have hours of phone calls coming in from children.

Senator McElman: One last question on this area. During the period that you have been doing original broadcasting, have your rates increased at all?

Mr. Chaston: No.

The Chairman: It was not necessary in consequence of that?

Mr. Boucher: May I answer the Senator, which is also in the same vein?

The Chairman: Senator McElman myself?

Mr. Boucher: You, Senator Davey. With regards to the question as to what can we do as a group to accelerate this. This is the way I understood it.

At our next convention, which is about three or four weeks from today, a great deal of time is being spent and we have solicited aid and are encouraged by the help that we are going to receive from professional people.

Mr. Chaston: Perhaps I should make it We have scheduled seminars and panels to explain how to go about finding this type of programming, to educate us in the art of research and many of the questions you suggest we should be looking into.

The Chairman: Mr. Boucher, perhaps a study undertaken by this Committee might be of interest to you and you might wish to comment on it.

We decided as a Committee we should attempt to determine the degree of interest in broadcasting among special interest minority groups. That being so, we decided to contact some of the special interest groups as well as contact a number of cable operators.

We were interested in determining how interested cablecasters would be in this kind of programming and what groups specifically might be interested in availing themselves of such an opportunity.

We wrote 150 organizations, and as this has happened very recently, I can only give you an indication. In the first group of replies, we heard from eight organizations. The eight organizations without exception all would like to develop material for programmes and assist in their production. Most would like them to be televised programs. We received replies from The Canadian Association of Real Estate Boards, the Czechoslovak National Association of Canada, the Unitarian Service Committee of Canada, Canadian Civil Liberties Association, the London Symphony Orchestra, The Farmers' Union of Alberta, the Canadian Combined Training Association Inc. and the Canadian Bar Association.

As I say that was the very initial response we have had and every one of those organizations expressed the keenest possible interest in this kind of programming.

Let me say by the same token that the cable operators we contacted, and we contact ed 115 of them and we have heard back from 11. With the exception of the very small oper ators, people in some cases with under 250 subscribers who have indicated they didn't think it would be financially sensible, everyone above that size again indicated considerable interest.

I think it is a question of marrying the two and you might have something worthwhile.

Mr. Boucher: I think it is a matter of time in compiling a list. Of course this must be launched at the community level rather than approaching national groups.

The Chairman: Why?

Mr. Boucher: Community levels—how many people are interested locally? If they all produce—my gosh, it will be fantastic.

The Chairman: It would be good.

Mr. Boucher: We haven't had a refusal yet to start preliminary discussions. I speak for myself, where we have approached people they have said "Yes, this sounds like a good idea." We haven't had any negative reaction at all.

The next stage is, once the facilities are available on a grander scale across Canada, will these people produce? My indications are many will.

The Chairman: Many people talk glibly about interests in this special interest programming. Many witnesses came before the Committee and said there was great interest in it. We thought: "Let's really find out."

I am satisfied from the very initial response and the beginning of the returns, that there is an enormous interest.

Mr. Boucher: We have to agree with you. That is why we are enthusiastic.

The Chairman: All right. Couldn't you be doing more? I take your point that you are going to be doing more.

Mr. Boucher: I just spent the last two weeks in Ottawa!

Mr. Allard: Mr. Chairman, in answer to your question, what is the incentive?

The Chairman: I think the incentives is to provide a service to the people of Canada.

Mr. Allard: Other than being a good citizen?

The Chairman: I think being a good citizen part of being a good communicator.

Mr. Allard: We are in the business. We are profit-motivated. We are. We are entrepreneurs.

Mr. Fortier: So are the CTV people.

Mr. Allard: Has anybody asked the CTV to be free of sponsorship?

Mr. Fortier: They provide 60 per cent Canadian content...

The Chairman: Perhaps I could ask you, Mr. Allard, I see the point you are making

but what other function do you have besides making a profit? Are you not interested in providing a service? I am sure you are.

Mr. Allard: Oh, yes.

The Chairman: What do you use that service as?

Senator Prowse: Making a profit!

The Chairman: What do you see that service as?

Mr. Allard: providing the best service possible to the community we are serving.

The Chairman: What kind of service?

Mr. Allard: The service we are providing today must be appealing to the community since in excess of 70% per cent of the community is subscribing to the service we are providing.

The Chairman: You say in the brief, and it is repeated several places in the brief but I won't find them now, that this is primarily because your subscribers want to receive more American programmes.

Mr. Allard: Not in all areas.

The Chairman: I think it says that is the primary reason. Doesn't it say that in the brief somewhere?

Mr. Boucher: I think additional programming or variety. It works two ways. We do provide additional programmes from Canadian sources in many cable areas. For instance, there are areas where U.S. programmes are not available at all and yet cable television is thriving.

Mr. Allard: There are certain areas in Ontario and Quebec where the greatest demand is for Canadian programmes transmitted by Canadian stations.

The Chairman: Do you think the industry would be as flourishing today if it were not for the demand for American programming?

Mr. Boucher: I agree.

Senator McElman: Page 41 points up, the primary purpose of cable companies is to provide broadcasting by U.S. stations. Is this really the primary purpose?

Mr. Allard: For cable companies across Canada probably it is; but not necessarily so when you look at it on a regional basis.

Mr. Boucher: I think we put it a different way. This is the reason we exist and our customers put us there. One thing I must mention with regard to local programming, it is somewhat discouraging because there are indications that we will only appeal to a very small segment of the audience. At times, this may tend to discourage people who have artistry and certainly want their works to be seen or their efforts to be appreciated.

The Chairman: It is a small segment of the audience. As I understand cable, when Mr. Chaston does his local 35 hours of prime time cablecasting from 6 to 9.30, it is probable the majority of his subscribers are watching other channels.

Mr. Boucher: Yes.

The Chairman: The point is the programming is still available for the minority or the special interest group.

Mr. Fortier: I think Mr. Allard's statement should not go unnoticed or untested. Are you saying that the cable systems should not strive towards the broadcasting policy which the Broadcasting Act has put in black and white two years ago? You should only strive to make a profit, you are entrepreneurs and you should not be required by the CRTC to originate programmes; is that what you are saying?

Mr. Allard: I am not sugesting we should not be required to do so. First of all, I qualified my answer I made before. We are profitoriented and it is because we are profit oriented that we are very conscious of providing to the community the best of services. Otherwise the profits would vanish.

There is nothing wrong with making a profit either. I think everybody would agree with that.

Senator Prowse: The only thing wrong is not making a profit.

Mr. Allard: Exactly.

Mr. Fortier: You said: "Why should we be asked to orignate programmes? After all, what is the incentive?" Did you mean that?

Mr. Allard: No. The assumption is: let us by all means originate programmes; let us provide a further service; let us be the mirror for the community.

I agree with this but why ask us to finance the cost of the programming entirely out of

revenue from CATV service per se? The assumption is we are making so much money that we can defer the cost of programming.

Quite actually most operators will place their programme manager in a straight-jacket and say "This is the budget and you are not going to spend a penny more."

Mr. Fortier: You are not disputing the fact you are making money?

Mr. Allard: Of course.

Mr. Fortier: And that you are making good money.

Mr. Allard: We are making a fair return on our investment.

Mr. Fortier: After you have set up the head end antenna, paid the rent of the common carrier, and installed wires into the individual homes, wired up the individual homes, what other costs do you have?

Mr. Allard: The costs of operating and maintaining the system and paying 52 per cent of your money to the Federal authorities.

Mr. Boucher: Are we permitted a supplementary answer on the profits?

The Chairman: You are permitted to say anything you want.

Mr. Boucher: I will ask Mr. Chaston.

Mr. Chaston: I would like to quote the DBS statistics, catalogue 56-205. In table 5 they are reporting on the net operating revenue of CATV systems broken down into groups. The groups they chose referred to the gross annual revenue. Out of 377 stations on which they are reporting as a total across Canada, the group under the 50,000 dollars heading, which amounts to 245 stations, was 65 per cent of the total loss, 209,000 dollars, which is an average of \$850 loss each year for the 245 stations.

Mr. Fortier: You and I know the answer to that. The system is still in its inception and you were still shouldering capital costs.

Mr. Chaston: May I reply to what you say that all you do is put up the wire, throw in the amplifier and stand back?

Mr. Fortier: After you have written off the initial capital cost.

Mr. Chaston: In 1952 when the Montreal system went into operation, it started off with

the equipment which was available at that time which carried two channels.

Since then, that system has been rebuilt five times and today we are handling 12 channels. Tomorrow we are going to have to handle 20 and when we do, we have to find many millions of dollars to replace the existing amplifiers, replace a lot of cable, and provide subscribers' equipment. This has been going on for 18 years to my knowledge.

When we get to the line with the 20 channel system, there will be 40.

Mr. Fortier: Let's not kid one another. I follow that and grant you your point. Let us take your company, National Cablevision Ltd. in Montreal.

Your principals have been forced to divest themselves of 80 per cent of their holdings because of a pronouncement which was made last year by the Cabinet and you know the sort of price which is being asked by your principals. We are dealing with millions and millions of dollars.

Mr. Chaston: Right.

The Chairman: You might let the Committee know what the price being mentioned is.

Mr. Fortier: I think I would rather Mr. Chaston tell us what the asking price is.

Mr. Chaston: I am not privy to that information.

Mr. Fortier: I have that information, Mr. Chairman, not in my capacity as counsel to the Committee. I don't think I would like to get into it.

The Chairman: After the meeting I will ask you, not in my capacity as Chairman?

Mr. Fortier: Cable systems which have been installed and which are for sale now are for sale at a very substantial asking price. Correct?

Mr. Chaston: I presume it is a realistic asking price, else they would not be purchased.

Mr. Fortier: This is all getting back to Mr. Allard's point—what is the incentive? Why should we produce programmes? We have difficulty making ends meet... no pun intended.

Mr. Allard: I didn't mean to convey this impression at all.

Mr. Fortier: I am afraid you did to me.

The Chairman: You did and I think you should have the opportunity of expressing yourself and clarifying any mistaken attitude we have.

Mr. Allard: If we are going to provide programmes in the communities where we are operating and regarded as a very efficient organization—and I believe we are because we are providing a fine service to the community—if we are going to go into the local organization branch of our operation and produce programmes for the community, I believe we should produce programmes which will have an appeal to the community and therefore it is going to be very costly indeed.

Why produce programmes at all? If we are only going to be encouraged to produce programmes, we are going to very much limit our budget for programmes.

Mr. Fortier: Let me ask you the obvious question. Are you in agreement with the CRTC proposals that you should originate some programmes?

Mr. Allard: I am in agreement with that proposal but I am not in agreement with the proposal we should not be allowed to sponsor the programmes.

Mr. Fortier: A step further, you are saying you should be given the opportunity of soliciting national as well as local sponsors?

Mr. Allard: Not national. There are ennumerable merchants in Sherbrooke, for instance, who would dearly love to pay \$20 a minute to advertise their wares on our system and we are not giving them the opportunity. They cannot afford to advertise their wares on the local station because it costs \$200 a minute, or whatever it is.

I am suggesting we should give the merchant that opportunity and use that revenue to defray the costs of programming and improve the quality of programming as a result of deriving revenue from that source.

Senator McElman: Is it not implicit in the whole CRTC approach that if you present a type of local programming which is of good quality and has high local interest, that you can come back and ask for an increase in your subscriber rates rather than turning to sponsorship?

Mr. Boucher: As in so many cases, the CRTC wants complete flexibility and they are

trying to keep the door open. What they have said is they would be willing to listen to any proposals. There has been little opportunity because this came after the original sweep of licence applications. Now they have yet to hit renewals. The CRTC want breathing time as much as we do.

Of course remember that the Association, while it is representing a majority of these views, within that majority there are various opinions which can be expressed and it could not be generally summarized. At license renewal time I am sure some interesting proposals would be made by many cable operators.

I suggest not only is cable in a position to supply non-competitive programming with today's broadcasters but it is also in a position to tap a non-competitive advertising source that do exist that don't advertise in newspapers, radio or television.

The Chairman: You have been talking about the CRTC cable regulations and so on. What is your opinion of the proposed regulations on Canadian content which the CRTC is talking about presently to the conventional broadcasters?

Mr. Boucher: Well, I think I share the view that many have expressed to the CRTC in the last couple of weeks: that quantity does not necessarily assure you quality. Quality is what is required in Canadian broadcasting.

It is a major problem. I think the CRTC are delving into it in great detail because this is a problem. How do you increase the quality and at the same time demand more quantity.

The Chairman: Do you think increased Canadian content on the part of conventional broadcasters is in the public interest?

Mr. Boucher: Well, again we are back to the viewer. If we can supply the Canadian public with more of what he wants to see, regardles of source—I am saying this can be Canadian as well as European or any other source—I think it behooves us and if we have the technical advantage to supply this need or contribute in this sense to the enrichment, I think we should. This applies to broadcasters as well as us.

I think what is happening today, there is such a change that is being experienced in the arts and broadcasting. Public appreciation is changing so rapidly I think we are all trying to catch up with it and this is good.

We recognize that Canadian programming, I think, can play a very important part in that. I think it is being amply demonstrated that there is a great amount of talent in Canada. It has to be developed. This cannot be done, as we said early in our presentation, and it should be done, at the detriment of other forms of programming.

The Chairman: It says in your brief, and this is the quote we referred to earlier:

"The reality is that the primary motivation for the great majority of Canadians to subscribe to cable television is to obtain clear reception of U.S. channels."

I assume from that, the primary motivation of your organization has been to inundate Canada with American signals. Is that a fair statement? Perhaps "inundate" is wrong.

Mr. Boucher: "Inundate" is not fair.

The Chairman: I was going to say "swamp" and that would have been worse.

Mr. Boucher: We have stepped in to meet a public demand for this type of programming obviously, or else we couldn't exist.

Of course as the airways become more cluttered, there has to be a refinement in transportation between the transmitter and the receiving set. This is becoming increasingly important. I think this is where we fill the gap, so to speak. This is our business primarily, or was our business primarily.

The Chairman: As a Canadian does it concern you that there is this apparent demand for American television signals?

Mr. Boucher: I think it is winning by default, Senator. The fact that Canadian audiences or Canadian viewers are increasingly watching Canadian stations, for instance, is very encouraging.

By the CRTC's own statistics, for instance, there are only two centres where this type of increase has not been prevalent. In a market survey that the BBM did, only in two centres did this not take place and both are not served by cable.

The Chairman: They may be watching Canadian stations but they are watching American programming on those stations.

Mr. Boucher: When we keep looking at statistics there is a danger of not going far enough or going too far.

The Chairman: Either one. Right.

Mr. Boucher: In our case I think when you start dissecting how come people with antennas watch fewer American programmes and there is an increase of viewers watching American programmes with their own cable—what statistics don't indicate is why they are on cable in the first place.

Assuming they would have no cable in that community and they are all receiving their programmes on rooftop antennas, you would find that the people who subscribe to cable first are those who were wa'ching more American programmes in the first place.

When you make a small sampling and go to a home and find why they bought cable in the first place, you might find it was because their antenna got rusty—but they were still watching American programmes.

Of course in reply to your original question whether I am concerned or not—I am concerned. I would be very concerned if we were detrimen al to the identity of Canada but I do not think this is happening.

By my statement earlier I feel the opposite way. We are Canadians, we have the opportunity to compare. We have had the opportunity to choose more freely a way of life here and I think in that sense if we have gotten to appreciate why we are Canadians or Canada more quickly as a result of being exposed to the States I think it is doing a marvellous job.

The Chairman: I am not sure I follow that statement.

Senator Prowse: It is really easy.

The Chairman: It may be. I am not sure I understand it.

Mr. Chaston: I think it would be wrong to conclude from the statement which you read from our brief that it is the intention of this industry to inundate Canada with American signals.

What this says is that Canadians have subscribed to cable in order to "receive clearly the signals of U.S. stations." Most of them subscribing to our systems could already get them before. All we have done is provide them with a cleaner signal, a clearer signal, and one they could have provided themselves had they put up higher antennas or more sophisticated equipment.

Mr. Allard: This is pointed out at page 36 our brief.

Senator McElman: Mr. Chairman, perhaps in the time left to us we could move beyond actual programming to the technical prospects for the future.

We have had the Bushnell group and Mr. Griffi hs has expressed his views on what the future holds.

You have referred at page 56 of your brief to what you believe to be a possibility that some television broadcasters may choose to close down their transmitters and feed their signals directly to the cable system.

As a mater of fact Mr. Loader is quoted as saying that cable will replace the broadcast stations in heavy populated areas as a means of distribuing electronic news information and entertainment.

Then at page 62 you envisage CATV hooking the public into computers, libraries and so on.

At page 63 you give what you suggest is an alternative where like the telephone you will simply dial the channel or type of programming you want.

Could you elaborate in this general area and paint for us a picture of what you actually do see as the immediate or near future and the far future of cable?

Mr. Boucher: Well, Senator, I am glad you said the "near future" and the "far future" because I would also add the "visions" as Stu Griffiths amply pointed out. If you want a vision that is it.

Senator McElman: Let us look at the near practical approches.

Mr. Boucher: First of all immediately there are limitations to development.

Firstly any change or any departure from the present concept, such as offering many more channels and especially the switch concept where you dial a programme—we are talking about millions if not billions of dollars, to institute the hardware that is necessary.

Again we are dependent on the public acceptance and their ability to afford it to make this practical. For the very reason I was mentioning earlier about spiralling of receipts, the fact is that if the service becomes too expensive, so that people cannot afford it, then of course, you have a downward spiral. This is a major obstacle. I think this is one that must be overcome first.

For the next years I think most of us agree that while there will be the same amount of technical improvements and probably this introduction of local programming, along those lines I think cable will continue to develop; but once we reach the point where the hardware concept must be changed, it requires a tremendous amount of investment.

That problem will be very realistic and may well dictate a major national decision at that time but it is very premature to speculate what it might be as far as the futuristic pie-in-the-sky attitude by some people or very practical ideas. So again we are back to economics. The present limitations on computers, for instance, the concept of a cable system as such-I don't think it offers the same reliability which is required for data transmission. This is not the type of hardware we have in cable systems today but it is more than adequate and can do even a better job with the research developments that are presen'ly being instigated; the quality of television can probably be improved.

I think the next step would probably be the additional carriage of channels but limited to the spectrum of cable as we know it today. When we talk about 20 channels, in practice it doesn't appear that we can carry more than 16 or 17, if that many.

I look at Mr. Switzer back there and I think he could answer much be ter than I can.

The fact we will have these limitations and that they can only be overcome by tremendous expenditure, I think, is what we are hung up with right now.

From the point of view of visions I could speak all day but I don't think it is nearly that practical to explore definite areas. I think our views as an association, of course, are in the brief in the sense that if we could have developed a technical aspect or practicability of such things even more, we probably would have.

The Chairman: I think Mr. Allard wanted to add something.

Senator McElman: Before he does could we look at the next 5 to 10 years. Do you see the real possibility of what Mr. Loader suggests of broadcast stations, as we now know them, actually being replaced. You say somewhere in your brief some broadcasters will choose—one would probably add that they are compelled to choose—to close down their transmitters and go on to cable. How soon do you see that happening?

Mr. Boucher: Within the next five years, I doubt that broadcasters will be compelled to

choose. Within the next five years I am sure you will see some form of applications from someone who wants to start a broadcast service using cable facilities. I think this is a very great probability.

Senator McElman: Then this would seem to bear out the very real concern that the CRTC expressed that as this conversion period takes place, considering service other than in the metro areas, there is a very real need for strong regulation.

Mr. Boucher: I think what would prompt a real threat is when you have a system where you dial a programme. Then you have relatively an unlimited channel capacity.

As you know the broadcast industry is really studying itself as to what the public really wants. I think there seems to be an earnest effort generally at finding out what their future role can be.

The only difference, for instance, in a broadcaster operating on a cable system, providing he is reaching the same audience, is really the fact that he is not using the airways but he is going directly to the home.

All we have done is replace air with a piece of copper. That is providing we have the same audience reach. That is the problem. We don't have that audience reach today.

One thing which is very important is to appreciate that cable owes its existence to the TV set. It is connected to the TV set. It is financed by the person behind the TV set. Whereas broadcas ing is coming from a totally different direction. It is financed from the person who sponsors the programme.

There is certainly no dove-tailing as yet. I am not sure this is not possible but I would like to term that as a vision in the future. I am sure as we learn more about ourselves, learn more about our problems, being broadcasters or cable operators, that natural evolution will take place. Whether it will be along those lines or not I don't know but our Association certainly states very clearly that—to use my own words—we are guilty until we can now prove ourselves innocent.

While we can contribute to the Canadian television system, and it is not an insignificant contribution, we do not, I contend, have the same financial effect as people seem to think we would have. I think it follows naturally we will get together somewhere along the line but who knows what the future will bring. It is a very interesting area.

Senator Prowse: The camel's nose is already in the tent.

The Chairman: Do any of the Senators have any other questions? We have other witnesses.

Mr. Fortier: I would like to know what members of the Association are going to do during the blackout periods that CRTC is recommending.

Mr. Boucher: It is merely a recommendation. I am glad you said that. Certainly the CRTC indicated to us they are quite prepared to sit down and discuss the possibilities.

Mr. Fortier: What are you going to tell them when you sit down wth Mr. Juneau and Mr. Boyle?

Mr. Boucher: I think we haven't said very much yet but I think it is being said for us—that people will revert back to antennas. This is our first opinion, of course, and if we were the only voice and the first one to say it it would be different but it is a general opinion.

Mr. Chaston: I would like to throw in a supplementary answer to Senator McElman's last point.

The CRTC concern, of course, and the broadcasters' concern is not so much with the transmitter per se. That is just a piece of electronic equipment. It is the broadcasting, the programmes they prepare and the advertising they put in it.

The CATV is no threat to that programming, which is their business. Really a transmitter in the broadcasting sense is almost a necessary evil.

The broadcaster has studios and film equipment and telecine equipment and vast resources for producing programmes. It all comes funnelling through one odd bit of equipment which is different from anything else they use, electronically different in every way.

It is very simple because it is the only way they can get all the work and advertising in the programmes out to the viewer.

Now replacing the transmitter with a piece of copper wire, the CATV or whatever the system, is a different way of transmitting the signal. The CATV industry may replace some transmitters but it certainly would not replace what is behind those transmitters, that is the broadcasting industry.

Senator McElman: I appreciate that fully as long as we are talking about the urban audience.

Mr. Chasion: I think Mr. Boucher qualified his answer that possible replacement of the transmitter itself only could take place provided the copper wire was reaching the same audience, and that is another matter which would have to be looked at at that time.

Senator McElman: Of course CRTC is looking at the non-urban audience in its considerations here.

Mr. Chaston: Sure.

Senator McElman: What you say is totally valid if we are looking only at the urban audiences.

Mr. Chaston: All I have said is transmitters might be replaced but certainly it would not be a threat to the broadcast industry if transmitters were replaced.

Senator McElman: And if you could provide the same audiences.

Mr. Chaston: Yes.

The Chairman: Are there any remaining questions that anyone has.

Mr. Fortier: I realize this is covered in the brief but, Mr. Boucher, could you tell us succinctly what the members of the Association have to say against the common carriers, or for them, for that matter.

The Chairman: This is dealt with at some length in the brief.

Mr. Boucher: That is a very broad area and we could speak for hours on that. I think the remarks we have made pretty well sum up what the general membership thinks and I think I should leave it at that.

The Chairman: Do you want to sum them up for the Committee?

Mr. Boucher: I have one supplementary answer and that is another limitation which arises when we are talking about the future. It is a very real illustration of one of the stumbling blocks. It is the fact of the huge investment that has been made by the Canadian public in television receivers which can only pick up 12 channels; and this is a huge investment in black and white sets and is today, what is restricting growth in colour TV sales.

Mr. Fortier: I was going to restrict my question and say: supposing the CRTC assumes jurisdiction over the common carriers and the rates which they charge CATV operators, would that go a long way towards meeting your criticism?

Mr. Boucher: You mean the CRTC?

Mr. Fortier: Yes.

Mr. Boucher: I think this would probably fall into a different category because DOC are conducting expensive telecommunications study which deals in the hardware. To answer the question properly we would have to separate our type of business which falls into two categories. One is hardware for broadcasting and the other one is software, the product that the programme produces.

In our case it is the variety to the antenna for the programme and the extension of the antenna. In that context the hardware will go to the DOC because they are doing research and regulations on that aspect now.

Mr. Fortier: The Department of Communications?

Mr. Boucher: Yes, the Department of Communications.

The Chairman: I have one last question: does the industry suffer from bad public relations?

Mr. Boucher: Mr. Chaston says they are never good enough.

The Chairman: Let me explain that this was not a question I intended to ask but in lis'ening to your oral statement, a copy of which I have here, you say:

"...some press reports on these proposed guidelines have been based upon premature and, in our view, inaccura'e conclusions formed by interpreting the CRTC's announcement in the worst possible light. The financial community has also reacted adversely."

And at page 2 you say: ".. the CRTC has been persuaded that the Canadian broadcasting industry was in danger of extinction..."

Why have all these things happened?

Mr. Boucher: I think we have been sitting back doing our own thing and we have been amply busy keeping up with technical developments and we have been telling people right along that we had a service to offer but

I am afraid we didn't really tell the world what it was we were doing and we are only recently examining ourselves and now defining a role.

You are quite right. I think the public relations could be better. Of course, any public relations could be.

The Chairman: Mr. Chaston says they could always be better.

Senator McElman: On the matter of rates, Mr. Boucher, I understand that in some of the urban communities now, as new apartment buildings are constructed, they are wired for cable and it is part of the rental agreement that you pay for that service whether you use it or not. Are you familiar with this arrangement?

Mr. Boucher: Well, that sounds a bit familiar to a presentation made to the CRTC. To my knowledge I don't think this is general practice.

Could you comment on that?

Mr. Caston: This would be out of our control. Some landlords, we understand, are doing that.

Senator Prowse: Right in Ottawa.

Senator McElman: You have no arrangement with any of these apartment organizations for such installations?

Mr. Chaston: Not to force it, no. If they want the installation we come to a contractual agreement with the landlord to provide the service on a bulk basis to him for provision to his tenants.

We obviously make such an arrangement but whether he charges for it and how much he charges for it, is a matter for his own concern. It is between him and his tenant.

The Chairman: Gentlemen, in expressing the appreciation of the Committee may I repeat what I said in my opening comments. Yours is a new industry, it is an exci ing industry, it has great potential for its owners and its operators and hopefully for the people. This is why we have been particularly grateful to have you here. Thank you so much.

If you stay around for the next day or two and hear the discussions and have anything to add to your brief; or if you would like to make any comments on what you have said today, we would be grateful to receive it. Thank you very much.

reconvene at 4.35 in eight minutes, to receive a brief from Maclean-Hunter Cable TV Limited. Thank you.

-Upon resuming at 4.35 p.m. April 22nd, 1970.

The Chairman: Honourable Senators, if I may call the session back to order. The other brief we are receiving this afternoon is from Maclean-Hunter Cable Television Limited.

Seated on my immediate right is the Chairman of the Board of Maclean-Hunter Cable Television Limi ed, Mr. Donald G. Campbell. Seated on Mr. Campbells' right is Mr. A. Ross MacGregor, the General Manager of Maclean-Hunter Cable Television Limited.

On my immediate left is Mr. Fred Metcalf Who is the President of Maclean-Hunter Cable Television Limited and on his immediate left at the end of the table is Mr. Israel Switzer who is the Chief Engineer for Maclean-Hunter Cable Television Limited.

Mr. Campbell is also of course an Vice-President of Maclean-Hunter Limited and some Senators and others will recognize Mr. Campbell from his earlier visits to the Committee.

I think, Mr. Campbell, you are sufficiently familiar with our procedure that I don't need to outline that procedure beyond saying that perhaps now you could proceed now with your oral statement. Then following that oral statement, we would like to question you on your oral statement, on your writ'en brief, and on some other matters which are of interest and concern to us. Thank you for coming back.

Mr. Donald G. Campbell, Chairman of the Board, Maclean-Hunter Cable Television Limited: Mr. Chairman and Senators, with your approval I thought that I would like to take about two minutes to tell you the relationship between the parent company Maclean-Hunter Limited and the Cable Company, Fred Metcalf will then speak for two to three minutes on the background of the industry; Ross MacGregor will deal with programming; and then Mr. Switzer will deal with the technical and research side of the business—just more or less to introduce ourselves—if that is all right with you.

The Chairman: Fine.

Mr. Campbell: One thing just before getting into this very brief presentation—Mr. Boucher was kind enough to indicate in his prelimi-

May I say to the Senators that we will nary remarks or during the session that there were some operators within the Cable Association that didn't necessarily agree with some of the comments in the presentation of the brief.

> I think we would like to go on record as saying there are numerous things, particularly some of the philosophies, that we do not agree with.

> Having said that I will now go into my remarks. The parent company of Maclean-Hunter Cable Television Limited is Maclean-Hunter Limited, Maclean-Hunter Limited entered broadcasting in 1960 in the field of radio and television but its first venture into cable was not until 1967. Our company policy is to stick to the communication field and cable is undoubtedly a communications medium.

> The cable company financed its original growth and expansion through loans and grants from MH Limited.

> As major acquisitions took place in such cities as Hamilton, London and Peterborough, it was financially necessary to take in a new partner and after much searching a Canadian chartered bank was selected.

> However, when the required approvals camethrough from the CRTC, they were conditional upon the bank not being our partner.

> At that stage it was essential that re-financing take place and the public company route was followed in early 1970. A public issue was placed and we now have 2,200 Canadian common shareholders, 1000 preferred shareholders and 1,200 debenture shareholders.

> The issue was successful and held up quite well in spite of general market conditions until the recent cable guidelines announcement came out on April the 10th.

> We feel very strongly that cable companies have a role to play in community broadcasting and eventually in regional and national broadcasting as well as providing improved signals, variety and educational channels.

> We also feel, however, that if we are to carry out our responsibilities as we certainly must, and we look forward to them, then the investment community must have a confidence in the regulation of the industry.

> We believe in the Canadian Broadcasting system and hopefully we will play a major part in its future development. I will now ask Mr. Metcalf to deal a little bit with some of the history of this industry.

The Chairman: Mr. Metcalf?

Maclean-Hunter Cable Television Limited: from personal knowledge, four instances with Mr. Chairman, Honourable Senators, our brief doesn't deal at any length with the history of our company and the beginning of cable television and because of that, I would like to quickly make four points.

Firstly, the weakest link in the broadcasting cycle has always been the antenna, the connection between the broadcast station and the television viewer's set. Because a real problem existed and still exists, cable television was born and has flourished.

When we started in Guelph in 1952 we brought television to the city. Few people had even seen it before we showed it to them, and we showed it to the at that time with only two stations available-CBLT Toronto which had just gone on the air and WBEN-TV Buffalo.

Secondly, some communities had peculiar problems which were solved by cable television. For instance in 1956, I was asked by a group of citizens of Huntsville to do a study of the feasibility of the cost of a cable system in the town. It was an urgent matter because for several months prior an enterprising young television set dealer had been receiving Channel 3, Barrie on a high hill south of town, and rebroadcasting it illegally and using this to sell television sets.

Suddenly the RCMP was at his door and the illegal repeater was shut down. To cut this story short we did the survey, a local group found it too expensive but the town council asked my company to proceed. Though we had considerable difficulty financing it, we eventually succeeded.

Thirdly, in all our northern systems we brought in the second Canadian service as soon as it was available and in every case this is still the only way they receive that service.

Fourthly, there is a much quoted myth that cable TV systems do not go broke. I suggest that they review history, as I know it, in my personal experience. I bought the system in Orillia because it was bankrupt. I bought the system in Midland because it was in deep trouble, financially and technically.

A few years ago when I was President of Rediffusion Incorporated we purchased the subscribers of the second system in Victoriaville because it was going broke.

In the mid 1950's Famous Players of England established a system in Kitchener, Ontario and had several hundred subscribers. It finally went bankrupt and the P.U.C. had to

Mr. Frederick T. Metcalf, President, cut the cable down from the poles. These are which I was involved.

There are plenty of others across the country, I am sure. The point that is, in each of these instances, failure was due to a faulty service, poor reception. The people would not buy the service so it went broke. Cable television, whatever else it is or it may become, is primarily a reception service and it depends on reception for its economic base.

In 1966, though my companies were doing pretty well, it became obvious to me that the future of cable television lay in the direction of the larger companies. Indeed, this was pointed up by the fact that the American capi al, which had come in in the form of Famous Players and CBS, had become the largest companies in the business.

I looked around and I joined Maclean-Hunter Limited, because it was 100 per cent Canadian company and because of their record over the years. I was going to become very closely associated with them and I wan'ed somebody I could live with.

I chose Maclean-Hunter, and I chose it because of the ability to finance the large expenditures which were going to be obviously needed to be wi h it, and where we could hire competent management and technical skills and to get the required equipment and so on.

I think now we will ask Mr. MacGregor to talk to us about the other areas.

The Chairman: Mr. MacGregor.

Mr. A. Ross MacGregor, General Manager, Maclean-Hunter Cable Television Limited: Mr. Chairman, and Honourable Senators. As has been pointed out several times earlier today, it was May 13th of last year that Pierre Juneau, the Chairman of the Canadian Radio and Television Commission, issued a public statement encouraging cable television sys'ems to assist in the development of a community identity through locally produced programmes.

Such locally produced programmes, the Commissioner said, did complement rather than compete with programming already available to the community through television and commercial movie houses.

This new challenge was accepted by Maclean-Hun'er Cable Television Limited and our first community programme was produced and shown to our subscribers in Ajax, Ontario in June of 1969, less than 20 days after the CRTC announcement.

Since that time, we have established origination facilities in all of our 16 cable television systems. We have invested from \$250,000 in programme origination equipment and we have allocated \$200,000 as our programme operating budget for the current year.

Our total programming expenditures for this year will represent almost 10 per cent of our total projected revenue for the year. This budget will enable us to provide regularly sheduled programmes on all of our systems, while we are still in the process of building up our programme schedules. We produced, just as a matter of interest, 87 hours of programming in our systems last week and we expect that that figure will continue to increase.

The great majority of our programming, to date, has been designed to open a window in the community. Our facilities are available to all non-commercial groups within the communities to convey their message to their neighbours. We have produced programmes for such minority interest groups as the YMCA in Midland, the Art Gallery of Owen Sound, the Chamber of Commerce of Peterborough, the Boy Scouts Association in Guelph to name just a few.

We have also done extensive programming in foreign languages for minority ethnic population groups.

In Guelph for example, we have a regular daily Italian newscast because they have a substantial Italian population. We also have Dutch and German language community programmes operating in that system.

When we begin service in the Parkdale area of Toronto, which is presently under construction, as that area has a particularly high number of ethnic groups, we expect to programme individually to those groups as much as possible.

We are just in the process now, Mr. Chairman, of preparing our reply to your questionnaire of minority interest programming and I think you will find when you receive this, that we have already gone a long way in doing that.

We do believe however that cable television can perform an even greater public service by producing and distributing programmes of regional and national interest. To that end, we have formed a new company called Programmes Cable—Canada Limited/Limitée.

This company will produce programmes and programme series; it will commission the production of programme series by individual cable television systems and by other production houses; and it will provide distribution facilities to cable television systems across Canada.

We have invited two of the other major Canadian cable television companies to participate equally with us in the ownership and operation of this company.

We are confident that this trilevel approach to programme production and distribution, that is community programming, regional programming and national interest programming, will enable the Canadian television industry to make a significant contribution to the unity and the cultural strength of Canada.

We at Maclean-Hunter Cable Television Limited are prepared to offer active leadership towards that goal.

I would now like to ask Mr. Israel Switzer our chief engineer to comment briefly on the technical side of cable television operations.

The Chairman: Mr. Switzer.

Mr. Israel Switzer, Chief Engineer, Maclean-Hunter Cable Television Limited: Senator Davey, Honourable Senators. My personal experience in cable television goes back to 1954. That year I got together with some friends in Western Canada and started a cable television system on the Prairies and in 1955 we built the first cable television system on the Prairies at Prince Albert, Saskatchewan.

Subsequently we built cable systems in Estevan and Weyburn in Saskatchewan and in Medicine Hat and Lethbridge in Alberta. My own professional skills and experience developed over the years and I soon found that I had personally outgrown the smaller systems and the smaller opportunities of that time on the Canadian Prairies.

The regulations at that time did not permit the development of cable television in major prairie cities. I began to do cable television and engineering consulting work for larger systems in Eastern Canada and the United States. Maclean-Hunter's decision in 1967 to enter the cable television field gave me the opportunity to join a company, where a professional approach to cable television engineering was appreciated and desired, and was supposed to operate on a scale that would permit the full exercise and development of a

professional approach for cable television engineering problems.

Looking after the technical problems of Maclean-Hunter's 16 systems and nearly 100,000 subscribers requires local technical staff numbering almost 100 backed up by a head office technical staff of eight people.

In addition we employ four technical and university students on a technical internship basis. We have a total \$200,000 worth of test and maintenance equipment; and our Toronto head office lab is one of the best equipped of any cable television companies in North America.

The support of the company in terms of personnel and equipment has enabled us to train and maintain our own staff of cable TV technicians at every level. Our company has been responsible for some significant technical innovations and developments in the cable television field. These include the development of aerial photography techniques for the design and mapping of cable television systems, the use of field X-ray equipment for inspection of cables and fittings and detailed studies of the problem of hum in cable TV systems.

I have been personally active in technical training for cable television. The company has made it possible for me to give night school lectures in cable television technology at the George Brown College in Toronto and more recently to lecture in special cable television seminars at the Pennsylvania State University.

Our company is also making extensive use of our recently installed program production facilities to produce technical training video tapes for upgrading the skills and knowledge of our field technical staff.

The facilities, staff and opportunities of this kind can only be provided by cable television operations on a significantly large scale. Small individually operated cable TV systems cannot provide the resources to develop and practice the cable television technology which is demanded by the public today.

The technical side of cable television is often taken for granted by regulatory authorities. This company knows from experience that technical performance cannot so be taken for granted. It spends a significant part of its resources and time on the development and practice of the cable television engineering act.

The Chairman: Thank you very much.

Mr. Campbell: Mr. Chairman, that finishes our brief presentation.

The Chairman: Thank you, Mr. Campbell. It was a brief presentation but it covered I think quite a lot of ground and we are grateful to you for it. I think the questioning this afternoon will commence with Mr. Fortier.

Mr. Fortier: Mr. Campbell, you raised the issue of confidence from within the investment community.

Mr. Campbell: Yes, sir.

Mr. Fortier: Far be it from me to set myself up as an expert in investment courselling, but I think a point should be made. First of all the whole market is excessively weak at the moment, is it not?

Mr. Campbell: Yes.

Mr. Fortier: The second point which I offer in the form of a question is this. Standard Broadcasting is a company listed on the stock exchange. It is in the communications field, and at the moment as you know, it is one of the weakest spots on the market and yet it operates the Canadian Talent Library?

Mr. Campbell: Yes.

Mr. Fortier: Which should have enjoyed a boom as a result of the CRTC's proposals. So I suggest to you that your reference to the reaction within the investment community to the Maclean-Hunter issue following the CRTC announcement of April 10th, may have been a little bit over-emphasized.

Mr. Campbell: I don't believe so, Mr. Fortier, and I think Standard Broadcast with CFRB is a different situation. Canadian Talent Library is a non-profit operation so I don't see why investors would be...

Mr. Fortier: No, but CFRB and CJAD, which are the main stations in the Standard group, as they told us last week, will have no trouble at all meeting the minimum Canadian content requirements.

Mr. Campbell: I understand that is what they said but perhaps the investment community doesn't perhaps believe that this may be a problem. That is the only way I can interpret it.

Mr. Fortier: Well, can you tell us...

Mr. Campbell: I do know from talking to major investment houses associated with the broadcasting community, they are spending a

great deal of time in the broadcasting industry. They have analysts now who do nothing but, and we see a great deal of this. But first of all there is a natural reluctance for any investment in a regulated industry, but I think there is more so now, because of the uncertainty of the proposed regulations in our particular industry.

Mr. Fortier: Yes. I certainly cannot disagree with that statement that any regulated industry has a little bit more difficulty getting going on the street...

Mr. Campbell: Right.

Mr. Fortier: But I am sure that this is a problem that you were prepared to live with when you decided to go public with a cable company.

Mr. Campbell: I think I indicated in my presentation that we didn't have too much choice about going public. Not that we regret having gone public, but we had no alternative.

Mr. Fortier: Mr. Campbell, do any distinct and tangible advantages flow to the cable company due to the fact that Maclean-Hunter is involved so widely in the communications field—magazines, newspapers, radio and television?

Mr. Campbell: I think I might refer to Mr. Metcalf to give an unbiased answer on that question, Mr. Fortier.

The Chairman: Mr. Metcalf?

Mr. Metcalf: Well I can say very definitely that there certainly are some advantages, and one of them is that Don Campbell is chairman of the Board. I mean he is a pretty levelheaded guy and he is a Scotchman so he keeps a very close eye on the expenses.

The Chairman: Were you expecting that question, Mr. Campbell?

Mr. Campbell: No, I wasn't and I am an Irishman anyway!

The Chairman: Would you like to rephrase the question, Mr. Fortier?

Senator Prowse: You mean you are a Scotchman from Ireland?

Mr. Campbell: Yes, sir.

Senator Prowse: My mother would love

21516-51

Mr. Fortier: Aside from the advantages of having Mr. Campbell—advantages which I am sure are numerous and justified—what other advantages would Maclean-Hunter Cable...

Mr. Campbell: Well, basically let me say this. We operate in a very basic way, so that it is only when they are asked that they supply assistance to us. But as we noted in our brief, we do from time to time ask for assistance and advice on such matters as sales and advertising programmes, art work, research, personnel recruiting, printing et cetera.

Mr. Fortier: Could you, given your extensive background in cable television, Mr. Metcalf, and given the choice which you made freely as you put it, going to bed with Maclean-Hunter, would you or do you suggest that any fledgling cable company, which has ambitions, should seek as a partner one who is already involved in the media?

Mr. Metcalf: Well, let me put it this way. When we started in cable television, you couldn't interest anyone in putting up a buck, believe me. For many years, it was the same way and this is how come people like Sruki Switzer and myself, in many instances, started companies and ended up on the small end of the ownership—because you had to get the money from some other person or company whom you could interest in it. Hence the very large position of Famous Players and CBS.

Mr. Fortier: Yes.

Mr. Metcalf: Now, in the last few years, the banks have begun to realize that brick and mortar are not the only things which make a going concern, and so it has become easier to get a certain amount of money. But to get the kind of money which I was looking for in order to build the kind of company which I felt we needed, which was going to be 100 per cent Canadian, I had to look for somebody and I had to look for somebody with foresight and someone who was interested. Maclean-Hunter was interested in the communications field; so they were the logical choice.

Mr. Fortier: Could it be also that the CATV industry has moved from an era where the technicians ruled supreme to one where the technicians and the broadcasters now work hand in hand?

Mr. Metcalf: Well, I could answer that I think by saying that Sruki Switzer and I have never seen eye to eye on this thing. We quite

often disagree on many things; and one of them is that Sruki has always said that the product isn't good enough and I said "It is selling, isn't it, then it is good enough."

Mr. Fortier: Yes.

Mr. Metcalf: But this constant battle doesn't do us any harm.

Mr. Switzer: We have arguments over the budget.

Mr. Metcalf: But we don't agree that the technicians rule supreme, at least I wouldn't think that Sruki would agree.

Mr. Fortier: But there used to be a time when he did you know as far back as 1952...

Mr. Metcalf: Well, I am a salesman, I am not a technician.

Mr. Fortier: Well, maybe Mr. Switzer would care to comment on it. You have done it and you were a technician as you have described yourself albeit an excellent one. Did you have any experience in broadcasting prior to...

Mr. Switzer: Well, prior to 1968, when the current broadcasting Act brought cable TV under the jurisdiction of the CRTC, cable television was concerned with a strictly technical function. It was an economic alternative to owing your own antenna.

Mr. Fortier: Right.

Mr. Switzer: And up to that time, it was considered that cable TV perhaps fulfilled the same position in the whole television industry as a manufacturer of television sets might or a manufacturer of roof top antennas; it was on a purely business and a technical basis.

Mr. Fortier: And, of course, since 1968 because of the Broadcasting Act, it has evolved; hence the association you have made with a group versed in communications generally and broadcasting in particular?

Mr. Campbell: I would like to answer that because we would be misleading you if we said yes. The fact of the matter was that it had been evident for many years that we could fulfill a role in community affairs but we didn't, and in many instances because we were afraid of stepping on the toes of the broadcasters and we felt that our area was as a passive reception alternative to the roof top aerial.

Mr. Fortier: But you were prepared prior to 1968, prior to the most recent CRTC guidelines or proposals, to originate programming from within your system?

Mr. Campbell: Well, we discussed it many times and decided against it.

Mr. Fortier: Because you feared the BBG?

Mr. Campbell: Well, because the way they were going to finance it, we could put advertising on and consequently we would obviously have been operating on a local level. With a local radio station there, we would be treading on the toes of the local broadcaster.

Mr. Fortier: Well, a question that comes to mind is who could have prevented you from doing it then?

Mr. Campbell: Well, we were doing quite well as we were, and we were afraid that we would create something that we would be quite happy not to have. So we just let sleeping dogs lie.

The Chairman: I have a supplementary question, Mr. Fortier, a very short one. I am just wondering what Mr. Switzer did in 1955 in Prince Albert. You sold cable to the citizens of Prince Albert as an alternative to an aerial. is that correct?

Mr. Switzer: We started in 1955 in Prince Albert before the local station was built.

The Chairman: Well, I was going to ask you that. What on earth did you do?

Mr. Switzer: Well, if you know the geography of Prince Albert, most of the city of Prince Albert is built in the valley of the North Saskatchewan River. Senator Prowse, you are familiar with Edmonton and it is exactly similar as though a city had been built on the river bottom...

Senator Prowse: Down at the bottom.

Mr. Switzer: Yes.

The Chairman: Well, I am familiar with Prince Albert as well, but I would like to know what you did?

Mr. Switzer: There was a television station in Saskatoon and Prince Albert really isn't all that far from Saskatoon, and reception on the top of the hill was quite good and all it took was a 60 foot tower on the top of the hill and everybody that lived on the top of the hill, on

reception.

We built a cable television system in the river valley and it is in the order of 100 to 125 feet in that valley, but is was enough particularly for a high band station like Saskatoon which operated on Channel 8 to throw a substantial shadow over that river valley.

We put up a 60 foot tower on the top of the hill and we ran a cable down into the valley, We built a cable network for the people who lived in the valley and we rented them the use of our antenna of the top of the hill.

The Chairman: How many subscribers did you have?

Mr. Switzer: This is going back—we left Prince Albert about '55 or '56, but I believe We had as many as 4,000 subscribers.

The Chairman: If you don't mind me asking, what did you charge them?

Mr. Switzer: We charged at that time I think \$4.50 a month for one channel service and one channel was typical for a cable TV system in those years.

The Chairman: One channel that wasn't on much of the time either I guess, was it?

Mr. Switzer: Well, in those years Channel 8 had a fairly comprehensive service, as I recall, but then when the local television station was built, the local radio station decided to go into the TV business. Incidentally that local radio was owned and is still owned by Ed Rawlinson, a partner with us in that cable TV system. When they built the local television station, they sold their interest in it, but that is another example which can be added to Mr. Metcalf's, examples of cable TV systems which substantially went broke. That cable TV system went rapidly downhill with: within months of the opening of the television station.

The Chairman: Rapidly downhill with no pun intended!

Mr. Switzer: And that system is essentially more abundant today.

Mr. Campbell: Senator Davey, may I add to the answer by Fred Metcalf?

The Chairman: Yes.

Mr. Campbell: I would like to tell Mr. Fortier that we joined forces, Fred Metcalf and Maclean-Hunter, in 1967 and the Broadcast-

the south hill in Prince Albert, got good ing Act of course didn't come into being until 1968—I think that is very important.

> Mr. Fortier: I don't think I should direct this question to Mr. Campbell because we have already heard his answer but I will try it on Mr. Metcalf. Are you concerned about the crossmedia ownership which now finds itself under the wings of the Maclean-Hunter group of companies?

> Mr. Metcalf: Not at all, no. I think that the interest of Maclean-Hunter Limited and the interest of Maclean-Hunter Cable Television Limited are sufficiently widespread that there is no problem involved in too much control of media in any given community, let's say. I don't see any problem there at all.

> Mr. Fortier: Your brief makes clear that Maclean-Hunter is still expanding the cable...

Mr. Campbell: Hopefully.

Mr. Fortier: What are you aiming at ultimately, Mr. Campbell?

Mr. Campbell: Well, it has been announced that we have an application in for a system currently owned by Famous Players, which we have acquired subject to the approval of the CRTC in Hamilton. The reason we are doing that is that we already have a small system in Hamilton. This one is adjacent to it and we could put two ends into one, provide a superior service, do a reasonable programming job, whereas with 6,000 subscribers there, we don't feel we really can. You would have to either get in or get out. But that is one area which we are trying to develop.

We are talking about some other systems in the Province of Quebec which we have not concluded any agreements on, and we have an application in for Burlington on the record. We haven't plotted really as to where we feel we should stop. We certainly haven't come to that crossroad yet.

Mr. Fortier: Are you aiming at a national network?

Mr. Campbell: No, I don't think so. But I think we would like to be part of a national network and that of course if the idea of Programmes Cable-Canada Limited, where we, along with some associates would be providing the kind of service that would be acceptable across the country.

The Chairman: I was going to ask you who your associates are. If that is not something you don't wish to announce...

Mr. Campbell: Well, we haven't entered into any formal agreement. We have just has preliminary discussions and had their preliminary consent that they are interested in such a company.

The Chairman: Mr. Fortier?

Mr. Fortier: Now that the CRTC's recent announcement has opened the door to the creation of a cable network, do you foresee that it will become a reality in the near future?

Mr. Campbell: Not in the near future, but I do in the future, definitely. I think we will start off probably as television started off. We will start to bicycle, and once we have sufficient customers on the system that you can afford to do more than bicycle, we will get into microwave, perhaps or something of that order.

Mr. Fortier: You spoke of the philosophy of the Canadian Cable Television Association—some of its philosophies which you could not accept. One of the ones—I don't have the reference here in the brief—but it is where they say the existing television stations, as we know them today, will throw in the towel in the near future and just feed their programs into the cable network. Is this one of the philosophies with which you do not agree with?

Mr. Campbell: That is true. We do not agree with that one and will not agree with it for many years to come. We still have 25 per cent of the population in Canada living in rural districts. I don't know how you are going to get cable out to them for many, many years to come; but they must be serviced and therefore the broadcasters are going to fulfill this role.

Mr. Fortier: I suppose that some people said the same thing about electricity and the telephone not so long ago.

Mr. Campbell: Well, we don't say that it won't ever happen. But you did ask us specifically, and I think the question was, could it happen in five years? Well, I certainly don't think it will and I don't think really any of us see it happening in the next 10 years. There are so many other ramifications tied up in the broadcasting system that we

have today that I just can't see that happening. I can't make it any more definite than that. I just don't believe that this is going to happen.

The Chairman: Mr. MacGregor?

Mr. MacGregor: I was just going to add that I think it will lead to a great deal more co-operation between broadcasters and cable operators. I think we will find ways where we can serve a margin by getting together and making a joint presentation.

Mr. Fortier: I would be very interested in hearing you expand further on this co-operation between the broadcasters of today and the cable operators of tomorrow.

Mr. MacGregor: Yes, sir.

The Chairman: Yes, you go ahead and we will come back to Senator Prowse.

Mr. MacGregor: In the past few years we have noticed a marked change in the attitude of broadcasters towards cable operators. Now the broadcasters have accepted cable as another medium. I think that with that trend toward more co-operation, we will be able to approach service situations in which we may be able to co-operate with the broadcasters perhaps in the extension of second service in certain areas. In other areas, where they just may be able to provide a rural distribution of the second service, we could contribute to the cost of getting the service to the community.

I think there are many areas where we could co-operate with the broadcasters and I think this is quite evident from the fact that large numbers of broadcasters have already taken positions in the cable industry.

Mr. Fortier: Yes.

The Chairman: Is there co-operation now between conventional broadcasters controlled by Maclean-Hunter and cable operators controlled by Maclean-Hunter?

Mr. MacGregor: Not specifically.

Mr. Campbell: I might just point out, Senator, that the television company in Calgary, which we own, is part of an application for Calgary cable along with the other television broadcasting outlets. In other words, Channel 2 and Channel 4 have gotten together and put in an application whereby we would each own 23 per cent of the stock. Hopefully we will finance the rest through a public issue.

Again I come back to the understanding of the market by the investment community.

The Chairman: How about with your radio stations? I am thinking of announcers for example.

Mr. Campbell: Well, we are not in any of the markets there...

The Chairman: There are no comparable markets?

Mr. Campbell: Well, there is no city or town in which we have a radio station and which there is a cable system, among Maclean-Hunter's associated...

The Chairman: I was thinking of ...

Mr. MacGregor: Other than Toronto.

The Chairman: Well, I wasn't thinking of Toronto but that is a good example. I was thinking of Orillia.

Mr. Campbell: Well, we really have nothing to do with the Orillia situation.

The Chairman: Well, you own half its cable and radio?

Mr. Campbell: It is a pure investment in the radio which we are attempting to divest ourselves of or dispose of.

Mr. Switzer: Senator, there is a kind of technical field in which Cable TV in general, and the broadcast industry in general will cooperate to the general public benefit and that is in the field of UHF Broadcasting. UHF had traditionally been looked on by broadcasters as a kind of second-rate broadcasting service. It has never been considered that the use of UHF channels were attractive to broadcasters. But where cable television has got any kind of reasonable saturation or coverage—as far as the subscriber is concerned it is all the same to him whether he gets UHF or VHF—in many situations the presence of a healthy cable system is going to make the use of UHF television channel economically viable; whereas if there were not cable, it would probably delay considerably the use of UHF spectrum in Canada.

Mr. Fortier: Which may be used to reach the rural communities whereof you spoke?

Mr. Switzer: The presence of a cable system in a dense urban area makes the use of the UHF channel economically practical and the side benefit is that you are covered to rural areas.

Senator Prowse: I have a supplementary question, Mr. Chairman.

The Chairman: There is one supplementary question from Senator Prowse and is yours a supplementary question, Senator Bourque, or is it a new question?

Senator Bourque: It is a new subject.

The Chairman: Well, then, Senator Prowse.

Senator Prowse: Mr. Switzer, I know the UHF comes after Channel 13 on the dial. When you are down in the States, you have to play around with the dial—would you mind explaining to me what the difference is between UHF and VHF?

Mr. Switzer: It is comparable, Senator, to the difference between standard broadcast waves and short waves.

The UHF channels have a higher frequency and much shorter wave lengths. They, in a technical nature, behave much similar to microwaves—they don't propagate as far, they don't go past the horizon nearly as easily. The main difference really is not a shortcoming in the waves themselves because they are not so drastically different from the VHF.

I would take the personal technical view that the principal disability in the use of UHF is not really the fault of the UHF waves themselves but the shortcomings in the ordinary home receiver.

All of the receivers sold in Canada up until about a year ago had no facilities to receive them without a converter.

Senator Prowse: Yes.

Mr. Switzer: Where a receiver is provided that has a good quality UHF facility in it, which both works well technically and is very easy to use, the FCC in the United States in their tests—large scale tests in New York City—showed fairly conclusively that UHF television stations can achieve satisfactory coverage.

In a strictly technical sense it is a minor shortcoming but the major shortcoming is in the television set in the home.

Senator Prowse: Let me put it in a way that maybe we could all understand. Do you have to have a little bit more direct reception to get UHF than the other?

Mr. Switzer: Well, I am trying to recall the details of this FFC report which has been

amounts of power are available rabbit ears their being two high powered television stawill work.

For example, I have seen rabbit ear reception in Windsor on UHF television receivers from UHF stations in Detroit. Generally speaking, however, taking receivers as a whole, I believe that UHF receivers require a little better antenna than does a VHF one. But the main shortcoming is that the receivers were just not built for UHF capability and the UHF capability that has been provided has been done only in a halfhearted way to meet the requirements of both the U.S. and Canadian laws. As you have said, it is an extremely difficult tuner to use. It is not well understood; it is an inconvenient thing to

Senator Smith: You almost get the feeling you are lucky when you get the station?

Mr. Switzer: And you really don't know what station you have tuned to.

Senator Prowse: No.

Mr. Switzer: I should point out in elaborating the role of cable television, for example, on cable T.V. systems in Southern Ontario, we receive UHF Channel 17 from Buffalo. That appears on the receivers of our cable subscribers as a VHF Channel Station. For example, in Toronto, that is Channel 10. Our subscribers in Toronto when they wish to tune to Channel 17, which is the UHF Channel, tune to Channel 10. They don't have to fool around or anything like that.

Senator Prowse: Just go to Channel 10 and that's it.

Mr. Switzer: And there it is.

Senator Prowse: They receive the station you have picked up for them?

Mr. Switzer: Yes.

Senator Prowse: On the services that you provide now, how many channels are you providing?

Mr. Switzer: Well, even in Toronto ...

Senator Prowse: Even if the sets had the capability. Let me put it this way. Suppose our sets had an unlimited capacity. How many channels can you carry for programs you can carry at the same time?

Mr. Switzer: Generally speaking, 12. This is in practice reduced, in Toronto for example,

fairly generally circulated. Where large to 10 because of the technical problems of tions on the air in Toronto which cuts us back from 12 to 10.

> We don't find it technically feasible to distribute at UHF frequencies—we have to convert them. We feel restrained at the present time from using channels which are not normally assigned to television service. This is for fear of either causing interference to other radio services or being interfered with by other radio services. We feel, at this moment, constrained to the use of the 12 normal UHF channels and due to local circumstances this is sometimes reduced to 10.

In Montreal for example, where there are four powerful transmitters its number is reduced even further.

Senator Prowse: In other words, the situation is that your limitation at the moment is created by the receiving sets in Canada?

Mr. Switzer: Yes.

Senator Prowse: Which has what ...

Mr. Switzer: 12 channels.

Senator Prowse: And then out of those you have to deduct those channels where, even with the rabbit ears taken off, you could still have a shadow coming in from another station?

Mr. Switzer: A direct pickup from the local powerful transmitter.

Senator Prowse: So that it cuts you down to about 10?

Mr. Switzer: Yes.

Senator Prowse: We have had information put in front of us, I think chiefly through our researchers, that you can run up to eventual ly 1,000 channels or thereabouts. With the cable you have today, suppose we had sets that had the capability of picking up a great many more channels than they have now. Let's leave it in a general way like that. What would be involved in providing let's say a 40 channel capacity instead of the eight channel capacity?

Mr. Switzer: A principle consideration, Senator, is the electronic equipment and what we call the passive things—the dividers that take one line and branch into two. In practical terms the only part of our plant that we could reuse is probably the cable itself—the main line cable. We would have to replace all the electronic equipment.

We would have to replace what we call our passes, we would have to replace the devices which tap our lines to go into the homes and we would probably have to replace all of the service drops themselves. (the service drops being the piece of small cable from the pole to the house to the TV set). The only part we would salvage so to speak are the major cables themselves.

Senator Prowse: Those major cables themselves have a practically unlimited capability?

Mr. Switzer: Well, may I just say ...

The Chairman: Before you answer, may I ask a supplementary question which I think is almost the same question.

When you were fiddling around if I can use that verb in Prince Albert—that was 15 years ago...

Mr. Switzer: And we were fiddling around.

The Chairman: Where is it going to be at 15 years from now?

Senator Prowse: Well, you are running away ahead of us now.

The Chairman: Well, I am running away ahead of you mainly on account of time.

Mr. Switzer: I am the person in this organization who actually has to go and do these things that other people dream of and speculate on

The Chairman: Well, tell us about it.

Mr. Switzer: I am a pessimist in this, sir, in practical terms. The industry which we are in is basically consumer oriented and consumer oriented electronics lags far behind the electronic field in general.

Electronics can get men to the moon and back but that doesn't mean that we are all going to journey to the moon within the next 10 or 15 years.

Electronics can do all kinds of wonderful communications things. All of the techniques of instant information retrieval, of instant access to the computers, to libraries back and forth—all of these electronic communications marvels, which probably have been described to your committee by various witnesses, are all technically feasible but they are all not technically economic for the public at large.

The house I live in today in 1970 and the way that I live as a person, as a Canadian, as a North American, is not really drastically different from the house that I had in 1960 and my life style in 1960, despite the fact that in that decade men did go to the moon and come back substantially on electronic technology.

Coloured television was available in 1960—there really isn't anything in my life style in 1970 which is, technically, substantially different from my life style in 1960. And I have no great reason to expect my practical life style in 1980—if you will permit me to restrict it to 10 years because I am kind of shortsighted as a pragmatical engineer—will be substantially different due to electronic technology than it is now.

I will tell you the things that I do expect in a practical way, sir, in the next 10 years and that is the substantial introduction of home video tape equipment of some kind. I believe that things like the CBS EVR system and the comparable NBC system, the Sony tape cassette system—that is what I might call the television equivalent of the long play records—will be the significant factor in private homes.

I think that one of the things is that the major electronic manufacturers feel that they have possibly saturated the national and international market for t.v. sets. The next thing that the RCA's and the CBS's and the General Electric's will turn their attention to—and the major Japanese manufacturers will be a significant factor...

Senator Prowse: Don't forget them.

Mr. Switzer: Well, they buy wheat and coal!

Senator Prowse: That's right.

The Chairman: You are at the wrong committee!

Mr. Switzer: That these economic forces will turn their attention to the technical development in the intensive marketing of home video tape systems. I believe that, sir, to be inevitable. It has been amply demonstrated, just in the last few months, in all the trade shows and the likes. These things have been demonstrated and there are firm marketing plans for them. So I believe the homes of 1970 will have easy access to video taping equipment to tape things off the air.

The other people in our company have said—Mr. Campbell and Mr. Metcalf—that

we don't believe we will see the disappearance of the broadcast transmitter in this decade; but I do believe we will see the enlargement of cable TV service as a substantial aid to the coverage of television stations and particularly in the development of UHF broadcasting.

I do not see the large scale implementations of many of the technical developments of which cable TV is possible, things like 20 channel systems and switch systems which use cable for access to computers.

I could have a computer terminal in my home right now. I could just call up General Electric—they have a time-sharing among other users there—the Bell has a line into my house and I could run a computer right from my house from my telephone line right now. But I don't feel the need for a computer in my home, I frankly don't, and I think the marketability of many of these services has been drastically over-rated. There is availability of service, but this doesn't mean that we will see these things generally in the Canadian homes in the next decade.

One of the problems, sir, is the limitation of the home receiver. The cable TV industry acts, for the time being, as a medium between the broadcast transmitter and the home receiver.

In fulfilling our role as broadcaster, as originator of programmes, we fill a similar role. Our cable system, the technical part of it, provides a link between our own broadcasting system and the home receiver.

As long as we are stuck with the home receiver with a 12 channel capability, with very many of them in great state of disrepair—this is something over which we have no control—we are not going to be able to provide many of the extra services that we want to provide.

Also there is an even more serious problem which is a uniformity of approach to these extra services. Mr. Chaston has told the Committee that the system with which he is associated in Montreal has changed their equipment five times in 18 years and that is extremely expensive.

Now, I have been asked by the Board of Directors of this company, now that it looks like we are going to have to go 20 channel, how am I going to do it and how much is it going to cost exactly. Truthfully, I have dodged that responsibility because I have given you an idea in the back of the brief the size of Maclean-Hunter Cable Television

Limited; it has assets in the order of \$17 million; it is a sizable cable television operation, but it is still not big enough—I do not have the technical resources; I don't have the personal know-how and if you will permit an immodesty, sir, I am one of the leading cable TV engineers on the continent.

Mr. Metcalf: It sounds like a budget speech!

Mr. Switzer: There is nobody in the cable TV industry, I believe, in a position to make a decision on how to go 20 channels. If I make a wrong technical decision I could break the company or we could saddle one of our communities with a less than optimum system—we might decide, for example, in Guelph, to put in a 20 channel system and although we tried our best to make the right decision next year at the next technical show somebody could come up with a better 20 channel system. This happens every year. We would then have saddled the people of Guelph with a less than optimum system.

The Chairman: How are you going to solve the problem?

Mr. Switzer: If we were the Bell Telephone Company—Bell can afford to make a decision, they made a decision on picture phone and they said this is the type of picture phone, this is the machine and this is how it works. They have set picture phone standards for the whole telephone industry and for the whole world because the Bell is an organization of such a size and prestige that they can do that.

The Chairman: They have even more money than Maclean-Hunter?

Mr. Switzer: Even more money than Maclean-Hunter. At least twice as much money. The Bell can afford to make these decisions and if they put in an experimental system (and they often do) and it doesn't work, they swallow it. They eat it and it is a minor financial pimple on a...

Senator Prowse: As a matter of fact what they do is come back and ask for a raise in rates, don't they?

Mr. Switzer: We can experiment, sir, but we are asking that either an all industry committee or the government or someone takes a very close look at how cable TV will make this jump from the present 12 channel system to the cable system of the future. Otherwise, there is going to be some serious and expensive mistakes made.

Mr. Fortier: Do you think that this committee should recommend some standards?

Mr. Switzer: With due respect, sir, it is not a technical committee and the problem is a technical one.

Mr. Fortier: We have access to technical advisers.

Mr. Switzer: Well, I believe the Committee might recognize the problem and perhaps recommend that it be studied.

The Chairman: How could you, Mr. Switzer, summarize the problem?

Mr. Switzer: I would summarize it this way, sir. The cable television industry or the companies in it are not big enough. The piece that I read at the beginning was a personal plea for a larger scale operation in cable television. I have been a personal entrepreneur in cable television. Mr. Metcalf got started a few years ahead of myself and Ross MacGregor got into the field a few years later. I have been through the small company route and because of my personal concern With the technical problems of cable TV, (and they are still with us) I have gone through the route of associating myself with as large and friendly a corporation as I could and I feel we still have some shortcomings of scale that way.

There are many technical problems in cable TV that can only be solved by further increases in scale.

Senator Prowse: The thing I have been concerned about—I have been listening to the presentation that was made by the Association this afternoon in this room and particularly as to this question of when you start to be faced with the responsibility for originating programmes, even within the limitation of the channels that will be available, it is going to cost you money, even if you keep them completely local. I believe Mr. Boucher said this afternoon that you act as a mirror of the community. Where does this money come from to pay for those programmes?

Mr. Metcalf: Well at the moment by direction from the CRTC, it comes out of the revenue which we have to operate the system.

Senaior Prowse: In other words they have apparently assumed, and I don't ask you to comment on whether their assumption is correct or not, that you have some extra money that you could be using in that area? Is that correct?

Mr. Metcalf: I think they have, if you take a look at it, on the basis of the fact that the CRTC has asked cable operators to start community programming.

Senator Prowse: Yes.

Mr. Metcalf: And I think it would be safe to say, that when they announced this decision last May at least most of the larger operators felt that this was not unreasonable. It cleared away this concern that I told you we had discussed many years ago, and each time thought—well, we could do something in this area but perhaps we had better leave well enough alone.

However, the CRTC made it clear that they would welcome this. They didn't say at that time "You must" but they indicated that they were going to be quite sympathetic to those people who had done so when their licence renewals come up for renewal a couple of years from now.

Senator Prowse: They put the camel's nose into the tent!

Mr. Metcalf: Yes, I would say that they did this. I don't think there is any doubt in most of the minds of the other cable operators that there is an area here which cable can still do things because of the basic difference between cable television and ordinary broadcast television. We can cater to the minority not at the expense of the majority but along with it. It is a very nice arrangement to have.

Now, we as cable operators are delighted to be cable operators and to have this challenge but we think and this has been discussed with the CRTC. We think that in the fullness of time, it won't be possible to do all the things that they want us to do and indeed that we want to do to take care of all these people.

It will not be possible to do it with our current revenue and we will have three courses.

One, will be to add news services; two, will be to add advertising; and three, to raise the rate to the homeowner. But the third one is wrought with danger because, how much will the homeowner pay? And do the majority really want that minority programming? There is a real question there.

Senator Prowse: The point I am getting at is this. It seems to me, that when the direction came down asking you to do original programming, they pushed you first into the area. Then if your original programming gets an audience, you are going to have people

clamouring for a chance to use that audience—you are going to have offers of advertising revenue.

Mr. Campbell: We already have had offers and we have communicated this to the CRTC. And let me say this, Senator, that the CRTC have not said they are not sympathetic. They are studying it, to the best of my knowledge; I had hoped when they handed out these guidelines the other day that one of the things that they would cover would be the local radio station and the local cable system. The local radio station, who has the sales capability and a programming capability and a billing capability, might indeed sell a programme on the cable along with a certain program on the radio station and this is not farfetched.

I am a local broadcaster in radio, I have been for over 20 years, and this is something that I have talked to the CRTC about and we have had other radio operators talking to us where we have these systems in the community.

Senator Prowse: Now, there is one other thing. The question comes that if all of the distributions were to be made by cable at the present time we are going to leave 20 per cent—I believe this is Senator McElman's figure—the rural people; they aren't going to be on cable for awhile.

Mr. Campbell: We don't think that is going to happen.

Senator Prowse: Well, this was the question that I had in mind. Supposing you became the originator or suppose you became the actual broadcaster. In the broadcasting station—can you tell me this, what actually is the cost of a transmitter? My guess is that one of the smaller costs in broadcasting is the actual operation of the transmitter. It is the matter of the programming and all of the things that are associated with the station that are costly. I think this would be useful to know; it certainly would be to me and I believe to everybody else.

Mr. Campbell: The programming and the people, Senator, take up about 80 per cent of the total operating costs. There is no question about that.

Senator Prowse: So that if you start to initiate programmes and distribute them by cables in the urban centres, there would be no great expense involved in providing a

transmitter to shoot the thing out to the people that didn't have the cable?

Mr. Campbell: Just a straight repeater. Broadcasters are doing that every day with their repeater channels out from the mother stations.

Senator Prowse: It wouldn't be very expensive, so that we don't need to worry about the growth of cable depriving our rural population of television.

Mr. Campbell: I don't think that follows from your statement.

Senator Prowse: No, but what I was trying to get at is this. We are getting our programmes presently now from the broadcasting stations, who have production and all other kinds of costs. They say, now, we have to watch cable because if cable comes in and becomes in effect a competitor to the broadcast station, then there is going to be no broadcasting station to send the signal out to the poor people who live in the country.

Mr. MacGregor: We don't look upon ourselves, Senators, as competitors to the broadcasting system as we know it today. We are to compliment them. When we talk about programmes—I have had half a dozen people come in to me and say "Let us produce 10 hours of programming for you for half a million dollars". Well, we are not talking about that sort of thing at all.

We are talking in many instances of giving the cameras and the equipment to the people and letting them put on their own show so long as you know it is in good taste. Let them talk to each other. We are not out after mass audiences. So, therefore, I think we definitely do complement each other.

I don't see this is a problem as long as it is done under certain guidelines.

The Chairman: Senator Bourque?

Senator Bourque: I have read this brief very, very carefully and there is no question that Maclean-Hunter Cable T.V. Limited ND Maclean-Hunter Limited are very closely associated and if it hadn't been a joint venture, it wouldn't have been possible to have an issue of \$13 million on the market. It would have been very difficult to launch the company, as you said before.

Now, I have no doubt that it is a good company but I have been puzzled at things in

the brief. My first question is on page 5 under "Relations with Parent Company".

"Relations with Maclean-Hunter Limited are excellent. The officers and highly specialized staff of the parent company are always available to the Cable TV company for assistance and advice on such matters as sales and advertising programs, art work, research, personnel recruiting, printing, etc."

So they are very, very closely associated and they need one another's services in order to get the job done.

Now, on page 16 you say:

"We believe that the normal forces of the marketplace should determine which services should be provided by the telephone system and which by the Cable TV operator. Unnatural restriction of this element of competition should not be permitted.

It is our belief that the needs of Canadians will best be served if two independent communications services to the home are permitted to develop. Certain services can best be provided by the switched communications system of the telephone companies which permits the direct two-way exchange of information between any two points on the system. Other services can best be provided by the broadband distribution system provided by Cable TV. We do not feel that telephone companies should operate both systems."

Now, what is the difference between Maclean-Hunter operating many systems and the Bell Telephone operating two systems. Why should you people object to the Bell Telephone system having two systems and you people do the same thing.

Mr. Campbell: I am going to let Mr. Metcalf answer that one.

The Chairman: Mr. Metcalf?

Mr. Metcalf: When you say systems, Senator, I don't quite understand what you mean. The Bell Telephone—when we are talking of two systems we are talking of a system as a pretty basic term here.

Senator Bourque: Well, they operate cables too, don't they?

Senator Prowse: When you are talking of systems you mean a form of communications I think.

Senator Bourque: You see, I really don't know just what you mean—that is why I am asking you now. You say: "We do not feel that telephone companies should operate both systems."

Mr. Metcalf: Well, what we are talking about here is in the general terminology. Telephone companies go into the home with a communication system and it is pretty widespread to most Canadian homes. Cable is becoming a second service fairly widespread and eventually, hopefully into most Canadian homes.

Cable can do some things which the current telephone system can't do. The telephone system can do some things that the cable system currently cannot do. You can call out from the home but the cable television system only puts in, but the cable we have is capable of carrying something like 600 times as much as the telephone lines, 600 times as much information. There is a study going on at the moment under the DOC-Mr. Switzer is a representative on it—and it is studying the implication of a single wire going into the home as opposed to the dual wires, or one cable and one wire. We are saying that we think it is more in the public interest that the telephone company continue as a telephone company and we continue as a cable company and that we compete for whatever service we can both do best. We shouldn't be restricted by regulations from competing with that telephone wire in your home with our cable, and conversely, they should be able to compete using their telephone wire with our cable.

That is what we are really saying in those paragraphs.

The Chairman: Mr. Campbell, I am aware that you have to catch an airplane, and I have a taxi waiting for me in a few minutes, so we will adjourn very quickly. But I have a couple of questions which are very quick and to the point.

Referring to the CRTC guidelines on cable you said and I quote "It is a disaster for the cable companies," and yet Ted Rogers who is one of your associates in the Toronto area and one of your competitors, I suppose, in the Toronto area says and I quote "The birth of a new era of opportunity for cable companies". Are you both right?

Mr. Campbell: May I indicate first of all that the gentleman that wrote that article never spoke to me at all. He was using a quote from a misquote and I have spoken to him about it.

The Chairman: Well, when you say it is a quote from a misquote, I have that misquote in several other articles.

Mr. Campbell: Well, it was just picked up right across the board. I talked to the *Toronto Star* the day that the regulations came out and I said first of all that these are proposed regulations. Secondly, they are subject to a great deal of interpretation and I don't know whether I am interpreting them right or not, but if you took the blackest point of view and my interpretation could be correct, then this could be possibly a disaster for the cable companies.

Now, all the preamble got left out and it just said that "it would be a disaster". Another story was written around it completely differently...

The Chairman: Well, that is a good explanation.

Mr. Campbell: As to Ted Rogers, I think he was hit, possibly by a phone call at home, and my understanding is that he may have some second feelings on that.

The Chairman: Well, he is here tomorrow morning so I am sure we will find out what his feelings are.

Mr. Campbell: Good.

The Chairman: At page 11 in the brief you say:

"The preservation of the Canadian identity must remain paramount. We must ensure however that our zeal to maintain the Canadian identity does not lead us into an atmosphere of isolationism."

What do you mean by that?

Mr. Campbell: Here we are getting at the idea that now, many people have access from rooftop antennas to American signals. We think it would be a mistake not only because of our company but also because of many people in the country if, in fact, all signals were blanked out coming across from the United States.

We don't think this is the right approach to take.

Mr. Fortier: Why should some signals be blanked out?

Mr. MacGregor: Why should any be blanked out? Why not just add more?

Mr. Fortier: Again, it is a matter of interpretation because again, the service is available and the signals are available on either the CBC or the CTV network.

Mr. Campbell: What we would like to do, Mr. Fortier, is not lop off any U.S. but perhaps not bring any more U.S. in. Also we should start building up the Canadian channels. You know, our own local broadcasting will have more UHF and as of September first, we will be the means of distributing the Ontario Educational System basically in Southern Ontario. The cable companies will be.

The Chairman: You have anticipated my next question but perhaps I will put it anyway and you can comment on it. When Maclean-Hunter was before the Committee, we heard a great deal about the company's desire to foster a spirit of Canadian identity. Indeed, Maclean's Magazine specifically if you recall,—I am not sure whether you were here that day or not but I am sure you were when we asked Peter Gzowski—said magazines were becoming more and more specialized. We said "What is Maclean's area of specialization?" He said, "Senator, Canadianism", and I know you share that viewpoint.

Mr. Campbell. Very much.

The Chairman: I know you do. This will be my final question, but how can the cable industry in Canada be expanded in such a way as to be consistent with those pro-Canadian objectives?

Mr. Campbell: Well I think it can be and I think the educational field is one in which we are ideally equipped to carry out that process and provide assistance for the educational authorities. Also I think by community programming. This is something that cable companies can do and no broadcasters can really do. There are many, many areas in which we can build up the so-called Canadian identity or whatever you want to call it. But it really is the people in the community having access to some broadcast facilities to say what they think. I think this is important.

The Chairman: Well, there are a lot of other questions and I am sorry the time has run out on us.

As I said at the outset of the session this afternoon, cable is a new and powerful medium. Its early days were confused and confusing and I think usually there was more heat than light. But obviously any study of the full media spectrum has to include a study of cable and really before you can study cable, this Committee at least, before we can really understand what cable's position is in the full media picture, we have to understand what cable's position is all by itself. I think we are all trying to learn and we are grateful to you for helping particularly in bringing such a knowledgeable group of people.

I am only sorry, gentlemen, that as members of the Committee we do not have more time.

For the benefit of the Senators may I outline the schedule for the balance of the week.

There is one change. Tomorrow morning at 10 o'clock, Rogers Broadcasting Limited will be here; at 11.30 tomorrow morning, Jarmain Cable Systems Limited. Then please note that the first session in the afternoon has been cancelled. We have received a written brief and unfortunately it is impossible for the people to be here tomorrow.

At four o'clock we have a brief from ACTRA, the Association of Canadian and Television and Radio Artists.

We have attempted to move the ACTRA brief up to 2.30, but it was impossible because they had airplane commitments and so on.

Friday morning we have a session at 10 o'clock with the Honourable Gérard Pelletier.

Thank you very much; the meeting is adjourned.

Queen's Printer for Canada, Ottawa, 1970

There is one change, Tomerrowinsoming all 10 olstock. Research Procedenting Admited will be here in 14.50 tumogrow morning Jarmann Cable England Limited. Then pieses note that the first session in the afternoon has been cancelled. We have received a written brief and unfortuneeds. It is impossible for the people to be here tomorrow many harden from Secritical the Activities of Camerina and Activity. The Activitation of Camerina and Television and Radio Article. We have attempted to prove the ACTRA the Activities for more the ACTRA the tage of the Activities of the ACTRA the secret which the people to be desired to the ACTRA they have attempted to move the ACTRA they have attempted to move a secret with the people of the country we have a secret where the colors with the Honorichie Gerard reduced.

There was von very quich; the moeting is

Cachida, Ortawarento a ed Billow il tout elicatent classificació il lamena medifico sero vacor esta chatestració il lamena medifico sero vacor esta

The Chairman Well, that is a good

145 Campbells As to Ten Stopen, I Dish he was hit, presided by a pisture only at heave, and my agreement and the tree may have some factors for any nave some

The Chairman Well, he is here tomorrow member of the sure we will find out what his decling are,

Mr. Campbelle Good.

The Chairmann At page 11 in the brief you

the processation of the Canadisa dignitty suits temain paramount. We must ensure assesser that our real to matatain far time-dism. Thinkly dots not least its last as generables of isolaticalism."

Wint do bell prean by that

Mr. Campbette Micro, we use gatting at the tier that new, many people have access from months at some as to American, signals. We think it could be a mislake not only presume to our normally but also because of many people, in the manter if, in fam, all signals series blanked out soming across from the Patient States.

the date these than is the right opposite to

As I said at the entert of the sussign this afternoon, cable is a new and powerful medium. Its early days were confused and confusing and Think usually there was more confusing and Think usually there was more beau than quality that obviously and sudden of the tull media spectrum, has to include, a study of capic and really perfect you can the tull media picture, we have to we is in the full media picture, we have to the tin the media picture, we have to the tradity we are grateful to you for he distinguished the sere grateful to you for he is in the real work as the property and the sere grateful to you for he is in the contribution of the series of the Countrities we do not have more than the character of the Senators may I out.

For the bester of the Senators may I out.

For the bester of the Senators may I out.

For the bester of the Senators may I out.

The Control of three authorouse of the Control of t

Mir. Campbell, Very readly

The Charman I know you in Tale of the roy final question, but how can the second industry in Canada be expanded in section way as to be consistent with those the Canadian objectives?

Him Campbell: Well I think it can so the Hank the educational field is one in vibral are ideally equipped in carry out that universal provide emistance for the education of the education of the second of think by community parent can do and no broadcasters can boild up the are many arors in which can boild up the are made Canadian in the parent you want to call it. But it was the parent so the dominantly having it is some broadcast facilities to may wall think. I think this is important.

The Chairman Well, there are a tolor other questions and I am many the time turn out on us



Second Session—Twenty-eighth Parliament 1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, Chairman

No. 42

THURSDAY, APRIL 23, 1970

WITNESSES:

Rogers Broadcasting Limited: Mr. Edward S. Rogers, President, Rogers Cable T.V. Limited; Mr. John W. Graham, Q.C., Chairman of the Board, Rogers Broadcasting Limited; Mr. Vaughn Bjerre, Vice-President and Manager, Rogers Broadcasting Limited; Mr. Philip B. Lind, Director of Public Affairs, Rogers Cable T.V. Limited.

Jarmain Cable Systems Limited: Mr. W. Edwin Jarmain, President; Mr. Edwin R. Jarmain, Chairman of the Board.

Association of Canadian Television and Radio Artists (ACTRA): Mr. Victor Knight, National President; Mr. Jack Gray, Director; Mr. Paul Siren, General Secretary.

Second Session—Twenty-eighth Parliament

THE SENATE OF CANADA

MEMBERS OF THE SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, Chairman

The Honourable L. P. Beaubien, Deputy Chairman

Beaubien
Bourque
Davey
Everett
Hays
Kinnear
Macdonald (Cape

Kinnear
Macdonald (Cape Breton)
McElman

Petten
Phillips (Prince)

Prowse
Quart
Smith
Sparrow
Welch

(15 members)
Quorum 5

HUKSDAY, APKIEZS, 1970

WITHESSES

ting Lianted; Mr. Vaughn Rogers Broadcasting Limited

Affairs, Rogers Colds T. : Mr. W. Edwin Jarosin

un of the Board.

ht. Mational Preside

The later w

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (Cape Breton) McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

With leave of the Senate, was about some senate and in

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, December 18th, 1969.

eldemond With leave of the Senate, and rolland eldemond adT

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative, on division.

Extract from the Minutes of the Proceedings of the Senate, Friday, December 19th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That the names of the Honourable Senators Bélisle and Phillips (*Prince*) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was— Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 10th to 19th February, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, February 5, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Haig:

That the names of the Honourable Senators Quart and Welch be substituted for those of the Honourable Senators Bélisle and Willis on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 17, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Connolly (Halifax North):

That the name of the Honourable Senator Kinnear be added to the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With leave of the Senate.

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis. P.C.:

That the name of the Honourable Senator Langlois be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 4th to 13th March, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

The question being put on the motion, it was— Resolved in the affirmative. Extract from the Minutes of the Proceedings of the Senate, Thursday, March 19, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media on 24th and 25th March, 1970, and from 14th to 23rd April, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

THURSDAY, April 23, 1970. (42)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey (Chairman); Bourque, Everett, Macdonald (Cape Breton), McElman, Petten, Prowse, Quart and Smith. (9)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

Mr. Edward S. Rogers, President, Rogers Cable T.V. Limited;

Mr. John W. Graham, Q.C., Chairman of the Board, Rogers Broadcasting Limited;

Mr. Vaughn Bjerre, Vice-President and Manager, Rogers Broadcasting Limited;

Mr. Philip B. Lind, Director of Public Affairs, Rogers Cable T.V. Limited;

Mr. W. Edwin Jarmain, President, Jarmain Cable Systems Limited;

Mr. Edwin R. Jarmain, Chairman of the Board, Jarmain Cable Systems Limited.

The following witnesses were present but were not heard:

Mr. Ray Erickson, News Director, CHFI, Toronto;

Mr. Barry A. Ross, Manager, Rogers Cable T.V. Limited;

Mr. Frank Verkaik, Director of Engineering, Rogers Cable T.V. Limited;

Mr. Eric R. Jarmain, Director of Cablecasting Operations, London TV Cable Service Limited.

At 1.15 p.m. the Committee adjourned to 4.00 p.m.

At 4.00 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, (Chairman); Bourque, Mc-Elman, Petten, Prowse, Quart and Smith. (7)

In attendance: Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses, representing the Association of Canadian Television and Radio Artists (ACTRA) were heard:

Mr. Victor Knight, National President;

Mr. Jack Gray, Director;

Mr. Paul Siren, General Secretary.

At 5.45 p.m. the Committee adjourned to Friday, April 24, 1970, at 10.00 a.m.

ATTEST:

Denis Bouffard, Clerk of the Committee.

Pursuant to adjournment and notice the Special Sentite Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Centions: Dayey (Chairman); Bourque, Everett Macdonald (Lope Inelan), McElman, Petica, Prowne, Quart and Smith. (9)

In ortenderso: Miss Marianne Barrie, Director and Administrator; Mr.

The following witnesses were heard:

Mr. Edward S. Rogers, President, Rogers Coble T.W. Limited;

 Mr. John W. Graham, Q.C., Chairman of the Board, Rogers Breedcusting Limited;

Mr. Vaughn Bjerre, Vice-Fresident and Monager, Ropers Broadenstiag Limited;

Mr. Philip B. Lind, Director of Public Affairs, Rogers Cable T.V. Limited

Mr. W. Edwin Jermain, President, Jarmain Cubie Systems Limited;

Mr. Edwin R. Jarmain, Chairman of the Board, Jarmain Cable Systems Limited.

The following witnesses were present but were not heard:

Mr. Ray Ericken News Director, CHPI, Torontor,

Mr. Parry A. Ross, Manusco, Moores Cable T.V. Limited;

Mr. Frunk Verkalk. Director of Engineering, Ropers Cable T.V. Lunited:

Mr. Eric H. Jarmain, Director of Cablecasting Operations, London TV Cable Service Limited.

At 1.15 p.m. the Committee adjourned to 4.00 p.m.

At 4:90 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, (Chairman): Bourque, Mo-Elman, Petten, Prowse, Quart and Smith. (7)

In attendance: Mr. Borden Spears, Executive Consultant; Mr. Zvez Forfier,

The following witnesses, representing the Association of Canadian Tele-

Mr. Victor Knight, National President:

Mr. Jack Grav. Director:

Mr. Paul Siren, General Secretary.

SPECIAL SENATE COMMITTEE ON MASS MEDIA

EVIDENCE

Ottawa, Ontario,

Thursday, April 23, 1970.

The Special Senate Committee on Mass Media met this day at 10.00 a.m.

Senator Keith Davey (Chairman): In the Chair.

Honourable Senators, if I may call this session to order, please. Perhaps I can begin in the interests of the Senators by confirming the schedule for the balance of the hearings.

Our final hearing is tomorrow morning at 10 o'clock with the Honourable Gérard Pelletier.

This morning we are receiving, as you know, two briefs. The first I will introduce in a moment. The second brief, from Jarmain Cable Systems Limited, will be received at approximately 11.30 and then we have only one brief this afternoon from the Association of Canadian Television and Radio Artists at 4.00 p.m. We have been unable to move the time back to 2.30 so when we adjourn at the noonhour we will have to reconvene at four o'clock to receive the brief from ACTRA. I am sorry we could not move them forward but apparently given commitments of the witnesses and so on, it has not been possible.

The first brief we are going to receive this morning is from Rogers Broadcasting Limited. I think that perhaps I can introduce two people only and I will allow these people to introduce the balance of the team.

On my right is the President, Mr. Ted Rogers. On my immediate left is Mr. John Graham, who is the solicitor for Rogers Broadcasting Limited.

Mr. Rogers is an old friend of mine and it is very formal—calling him Mr. Rogers. As I have said to many of the broadcasters who have come before us, we are anxious to have you see this Committee in its context. We are examining the entire media spectrum, not

specifically broadcasting and indeed not specifically the role of broadcasters.

We want to have the view of a representative group of broadcasters who could contribute views of some significance to the Committee. We are certainly delighted you have come.

We did not receive a brief from Rogers Broadcasting Limited and therefore we really have, as a Committee, nothing to study. However, we have done a little bit of background work on your company. We will have some questions which we would like to put to you certainly about cable and about other conventional systems and indeed perhaps with other media matters.

The procedure we follow is to now offer you 10, 12 or 15 minutes for an opening statement. It is my understanding you may wish to show us something rather than to put in a formal opening statement but following the screening or following your opening statement we will question you on quite a number of matters. I should make it clear at the outset, if you wish to refer any of the questions to any of your colleagues, by all means please do so.

Perhaps it might be a useful beginning to introduce the team who are here. Mr. Graham, would you like to do that?

Mr. John W. Graham, Q.C., Chairman of the Board, Rogers Broadcasting Limited: Thank you, Mr. Chairman.

Honourable Senators, as your Chairman has said my name is John Graham. I am a practising lawyer in Toronto and I act for the Rogers companies and I am a Director and an Officer.

There are several companies involved and so that it may be totally in context, I think it might be useful for me to recount the situation very briefly.

Rogers Broadcasting Limited is a private Ontario company, which is the licensee for stations CHFI, which is an AM station in Toronto and for CHFI-FM, which is a FM or cable. Mr. Rogers was involved in televistation in Toronto.

It is also the licensee for station CHAM in Hamilton, the assets of which station are currently under an agreement of sale and it is anticipated that the application for permission to do so will be heard at the May or at the latest June meeting of the Canadian Radio Television Commission.

The purchaser is a man who is currently the manager, Mr. Dancy who is a broadcaster of some considerable experience.

Rogers Broadcasting Limited has certain interests in other companies. To state firstly on the radio side, it owns 83 per cent of a company called Sun Parlour Broadcasters, which is the licensee of the station in Leamington, Ontario.

That company, in turn, has a wholly owned subsidiary, Essex Cable TV Limi ed, which operates a CATV system in Leamington and Kingsville, which is a small system in the southern part of Essex County.

Now, on the other side, on the cable side, Rogers Broadcasting Limited is the owner and beneficial owner of all the shares of Rogers Cable TV Limited, which is a CATV company, operating in Metropolitan Toronto and through it 90 per cent interest in a company called Coaxial Colourview Cable TV, which also operates in the Scarborough area and in the Rexdale areas of Metropolitan Toronto, and a wholly owned subsidiary, Bramalea Telecable Limited, which operates in the Bramalea area. It is one of the four, I think it is fair to say, substantial CATV operators in the Greater Toronto area.

Mr. Rogers is president of all of those companies and the two prime ones, of course, are Rogers Broadcasting Limited and Rogers Cable.

Senator Everett: What is the total number of subscribers they have?

Mr. Graham: The current number of subscribers in the Toronto area is...

Senator Everett: Including Bramalea?

Mr. Graham: Yes, and Coaxial, just under 40,000, about 37,000 at the present time, I think, actual on-stream, paying subscribers.

Therefore during the course of our appearance this morning, Mr. Chairman, we will be prepared to answer questions relating to radio

or cable. Mr. Rogers was involved in television—no longer is—and I therefore would introduce to you those that are associated with us.

On my immediate left is Mr. Vaughn Bjerre, who is the vice-president of Rogers Broadcasting, is the manager of the radio station in Toronto and a broadcaster of some 27 years experience.

To his left is Mr. Philip Lind, who is Director of Public Affairs and Programming. To his left is Mr. Barry Ross, who is Vice-President of the cable company, owns a beneficial interest in the Coaxial portion of it and is a very experienced member of CATV operations background, having been in that type of work for many, many years.

Now, going around the table, next to the reporter is Mr. Ray Erickson, who is the News Director of the Rogers Radio News Network. To his right is Mr. Frank Verkaik, who is Director of Engineering for the cable operations and next Mr. Ted Rogers, who is President of both companies.

We will do our best to answer any questions that you care to put to us.

Thank you very much.

The Chairman: Thank you very much.

Mr. Edward S. Rogers, President, Rogers Broadcasting Limited: With your permission, just before introducing the program, I would like to take perhaps three minutes and just give you a brief background of our history.

It all started really with an FM only station in Toronto in 1958, CHFI-FM. It was the nation's pioneer FM station. It started when Toronto only had three per cent of the homes with FM receivers.

The early days of FM were somewhat similar to the early days of cable. There is a great parallel. In those early days, of course, it was very difficult for an FM station. Other AM stations started to commence with FM transmitters in separate stations on their own.

We applied for an AM frequency in 1961 and we were delayed, but we were finally granted a licence and started on a dawn to dusk basis at 1540 on the dial which one of the BBG members at that time described as "that dog of a frequency." But, it saved our lives and meant that we could popularize FM programming on the AM band and we did 50 for a number of years.

I felt that if we were to compete in the Toronto market, that we had to have a full-time frequency. It was very difficult to go off at a quarter to five and not come on until a quarter to eight in the morning.

One of the great compelling needs of our time for our people in my view are more frequencies for Canadian use, more positive action by government and broadcasters alike to conserve the remaining frequency space and to take positive action with the Americans to try and wheel and deal, if we will, to get more back for Canadian use.

We have fought for perhaps 10 or 12 years in Toronto to develop this frequency at 680 and the cost is measured literally in the millions just to secure one positive frequency for Canadian use.

We finally succeeded in developing this 24-hour frequency, 680, and came on in 1966. The price we had to pay was to go from 50,000 watts down to 1,000 watts. We felt it was right and proper to do for the constant service.

There were those that said in those days that they would not hear it the other side of Yonge Street, if it worked at all, because it was one of the largest and most complex in North America but it did work and we went up to 2,500 watts and after working in conjunction with another Canadian licencee, and he moving to another frequency, we are now licensed for 10,000 watts.

We have been negotiating with a station in Rochester to cooperate with him to improve the facilities of both stations. That has been before the governments for, I guess, two years and if we are successful here, he will be able to improve his coverage and we will again in Toronto be able to improve it; so it has been this kind of building that is seen today to build a frequency.

Frankly, the problems of cable have been nothing compared to those problems of finding a home for CHFI.

Now, the reason I got into cable was because CHFI-FM, which is our heart, was on a number of cable systems and I travelled around the country to try and persuade the cable companies to put it on more of the cable systems. This would be in the early sixties, and I became attracted to the industry. I felt that it had great, great potential for community service. Television per se was fast and huge in its coverage and in its economic requirements but cable television could pro-

vide local service; and as we are all human and some of the cable companies perhaps were not as cooperative as I would have liked for CHFI-FM, I decided we should go into business for ourselves.

So, that is how we started in cable. It has been a very exciting field. The wild West days of cable have characterized the last couple of years. The Commission, if it has done anything, if it has succeeded in anything in the last two years has succeeded in Canadianizing the ownership of cable in this country and I, for one, feel that they are to be commended for this, that it represents an entirely new thrust and in the next 10 or 20 years it will have a profound effect.

The idea of the Montreal Star and the Toronto Daily Star and other Canadian organizations getting involved in cable, I think, has tremendous significance. For those who come out with scare headlines and say that cable is dead, they are just about as right as the people who say "God is dead".

They say a picture is worth a thousand words and we wanted to show you excerpts of the local community programming we are doing and this is sort of an original Henry Ford. It is starting from scratch and we thought if you saw this that it would perhaps be of use to you and assistance. With your permission, Mr. Chairman, we would like to now show just a five minute film which was prepared really for the CRTC in February.

(FILM)

The Chairman: Mr. Rogers and Mr. Graham have informed me that that is the film presentation and that they are now prepared to receive our questions.

I think the questioning will begin this morning with Senator McElman.

Senator McElman: Mr. Rogers, going back to 1966 when the White Paper on Broadcasting was brought down and following from that the report on that White Paper by the Commons Committee on Broadcasting, and later the Broadcasting Act, it was directly indicated to broadcasters that they should play a significant role in the development of Canadian unity, culture and identity of Canadians.

It is a double-barrelled question I have for you. How do you see cable? What is its role within this context and how have broadcasters generally met this challenge to date?

Mr. Rogers: That is a very good question, sir. I perhaps would like to start to answer it

and perhaps Vaughn Bjerre would care to add to it from his experience.

Perhaps to answer the latter part of the question first, what have broadcasters done in this country to contribute to Canadian unity? As you all know certain aspects of the press, newspapers—the traditional broadcasters' claim that newspapers make mischief headlines over radio and television broadcasting matters and I think, speaking seriously, the past few weeks have been another example of that.

We have seen the press take the sincere desire of the Commission to probe and get broadcasters to comment on regulations and we have seen misinterpretations in the press. We have seen the Canadian Association of Broadcasters maligned and so on and I, for one, regret that.

I think broadcasting has a very proud history in this country of ours. First of all I think we must accept the fact that we have very few frequencies. You can drive from Toronto to Ottawa at night and you cannot listen to Canadian stations on one frequency. It is just a scatter of static and in the United States they have many clear frequencies and we have very few.

One of the reasons for this is that the Americans, to protect their own stations, always locate to the south of one of their cities and shoot their signal northward so that it comes over their city, say Buffalo, and then into Canada and this, of course, makes the us of that frequency or often an adjacent frequency impossible in our country, so I give this as a background.

Secondly I think that in our history we have aided in transportation east and west across this country. There have been freight rate differentials and so on but broadcasting has been given no such assistance and we need it.

We are in the new networking business and over half of the stations in this country cannot afford even the line costs with nothing contributed towards the Canadian news network and we wonder why we have the spread of American culture when, of course, line costs coming from the south are so much cheaper.

If there is one thing you can do to help in this, it is to come up with some recommendation whereby there could be some assistance to the broadcasting companies particularly the three or four that are trying to set an

initiative in developing an east-west flow of news and public information. I think our people know the name and about the Mayor of Chicago and New York and other American centres more than Winnipeg, Calgary and Edmonton and so forth.

Broadcasting in radio is primarily local. Now, in the past four or five years you have seen several broadcasting companies start Canadian news networking, east-west flows. Standard Radio was the first to pioneer in this area and for that I think they deserve the credit of all of us.

The Rogers group have a network of which we are very proud. We have been doing it in radio. We have about seven or eight subscribers. We are moving into the area of cable where we are interviewing Members of Parliament and offering that to the other cable systems in the same way we are doing interviews on radio and trying to spread the costs across the different systems in the country.

So to be specific, Standard Radio, Rogers, CHUM Limited is the sponsor of the Contemporary News System and there is a CBS Stephenson news system sometimes called News Radio.

All of these have an affiliation with an American news network. In our case it is ABC and in Standard's case it is NBC. In the early days Canadian broadcasters felt, I think, that they needed the NBC and ABC and so forth. But now you would find in examining the flow to the stations, that this has become a subsidiary part and that the Ottawa News Bureau and the flow of phone reports from the different subscriber stations and from the different people. We pay a newsman in any station of the country \$5 per news report that is phoned in to us.

If you listen now to Canadian stations you are beginning to hear news of what is going on in Halifax and Victoria and what is going on in these other places and you are hearing the sound of the news, which is so important. So I think that is what broadcasters are starting to do and trying to do but we need help, specifically in the area of line costs.

Now, you are used, I guess, to private broadcasters always attacking the CBC. I guess, perhaps because I am younger and so on, I just find we are a small country and I suspect we all have more in common than separates us but I do feel it is time to reassess. Surely out of the taxpayer's contribution a greater percentage can be spent on pro-

gramming, just as a basic rule. We all want Canadian programming. Surely this programming can be distributed to others than just the CBC stations because you can use the same program in different context and they program, as you know, in a way to sort of appeal to all different segments of the communities at a different time. If this same programming can be shown on other stations or heard on other stations at different times, I think it may be very helpful.

I do not know if I have answered specifically your question. In our case apart from the news network and the cable network we are putting together, cable supplying. It is distributing rather than a network. Network is too glamorous a term. We have had football broadcasts which are of course old hat and you are used to. We have recorded the members of the Toronto Symphony in the summer and distributed these free to 12 stations that played it.

Again you have a problem. I do not want to take too much time but the CBC have contracts with most of the cultural groups and the rates that are set are very high and it is not possible for private broadcasters to compete, if you will, and in my opinion it is damned nonsense to try and compete.

I think that these programs that the taxpayers pay for should be made available to all the broadcasting stations.

The Chairman: I wonder if I may ask a supplementary question. You were talking about your news policy. I was interested in your comment about reliance on or use of ABC. Did you mean the reliance on as well as the use of ABC material is being reduced?

Mr. Rogers: Yes, I think so. I think there is a growing consciousness and competitiveness to get news in our own country.

The Chairman: The comments you have made this morning about Canadian news content and so on, I think are very refreshing, and speaking, not for the Committee, but only as one person, I agree with you. I am curious to know why you carry on your programming schedule such an avowed right-wing American political commentator as Paul Harvey. I have listened to that program. I believe he is still on. I have listened to him within the last week or two. I cannot ever recall hearing a Canadian news item on there.

Mr. Vaughn Bjerre, Vice-President and Manager of Rogers Broadcasting Limited): May I answer that question.

The Chairman: Certainly.

Mr. Bjerre: May I say first of all I do not think there is a broadcast news network in the country that to some extent does not rely on a foreign affiliation for coverage of international news and that includes the CBC.

We just do not have the resources to cover all of the international news centres without making some sort of affiliation with an American or other network.

The Chairman: Agreed.

Mr. Bjerre: We try to get around this a bit. We have an arrangement with the *Toronto Telegram* where we use their 10 or 12 international correspondents. This means that we can often get a Canadian story from overseas that is normally not covered by an American network.

Sometimes we can get a Canadian slant on a story that we would not get from the American network.

Now, I see nothing wrong...

The Chairman: Before you go any further, you say you have an arrangement with the *Toronto Telegram*. What do they get out of the arrangement?

Mr. Bjerre: We pay them.

The Chairman: Oh fine.

Mr. Bjerre: We pay them a yearly fixed cash sum and they guarantee us a minimum of 400 or 500 reports a year.

As far as Paul Harvey is concerned, I do not think a broadcasting organization should get to the point where we try to become so Canadianized there is no room for any expression that is not Canadian.

Paul Harvey is the one and only American commentator on our station but we have several Canadian commentators and it is a matter of time. Of the many hours a day that we devote to news and news commentary, Paul Harvey gets six or seven minutes so there certainly is not an imbalance there, I do not think.

The Chairman: Do you think Paul Harvey is a good news commentator?

Mr. Bjerre: I do not think it matters so much whether I think he is a good news commentator or not. There are listeners who think he is a good news commentator and there is a segment of the audience who likes to hear Paul Harvey.

We always preface our introduction by saying "This is an American news commentator on international events, commentating from Chicago". We position him and say "This is an American, talking about world affairs."

Mr. Rogers: I would just like to add though that when there is an American convention, we send either Gilmour or Flemming to cover them because I think it is important that we get the Canadian viewpoint of the foreign affairs, whenever it is possible.

We obviously cannot send reporters everywhere but that is the significance of the *Telegram* arrangement with their 10 or 11 correspondents in London, Paris, Hong Kong and so forth; to actually have a Canadian over there who would say "What does this mean to the people in Canada"?

I hope that this sort of thing continues in the future and I hope also perhaps that the four or five competing news radio services might jointly sponsor one or two Canadian news gathering facilities abroad.

The Chairman: I should make clear to Mr. Bjerre that I quite appreciate the reasons for the arrangement with the ABC. It is just that Paul Harvey, I am afraid, being just slightly to the right of Barry Goldwater, I find annoying.

Mr. Bjerre: I might say we have continual room for expressions by people who are considerably to the left of Barry Goldwater, but might I just say...

The Chairman: Not on a regular daily basis, I am sure.

Mr. Bjerre: Might I just say our two principal news commentators are Bill Gilmour and Jim Flemming. They are on the air four times a day. They have been with the station a number of years and have a very good background in broadcasting and journalism.

Over the last three or four years we have sent these commentators to Vietnam, to Moscow, to the Middle East—one went to Israel and the other one went to Egypt and other Arab countries. We have sent them to the Republican Convention in Miami, the Democratic Convention in Chicago.

They went to the Washington riots and the Detroit riots. Here in Canada we have sent them to Montreal on several occasions when there have been news stories there and other parts of the country; so we do take our own people and within our resources we send them out and I think perhaps we do more of this...

The Chairman: Yes, I should say to the Senators who are not from Toronto that I think in fairness to CHFI perhaps more than most private stations, you do give a Canadian viewpoint on American affairs.

I just wondered why you insist on ruining it all with my friend?

Mr. Rogers: I think I should put on the record that when the affiliation was with CHUM, they played Paul Harvey.

The Chairman: Oh, I am aware of that.

Mr. Rogers: ... and when it was with CKFH I believe they played Paul Harvey. I think CFCF played Paul Harvey.

The Chairman: I would suggest if you are interested, if anybody wants to pursue this, there is an excellent article on Paul Harvey in the current issue of Esquire I think it says it all very well.

Do you have a supplementary question, Mr. Fortier?

Mr. Fortier: I have a supplementary question but it is not on Paul Harvey.

The Chairman: Thank heavens.

Mr. Fortier: Mr. Rogers, do you foresee use being made in the future by your news and public affairs division of the cable system of CHFI news commentaries.

Mr. Rogers: Yes, I would most certainly hope so.

Mr. Fortier: What do you envisage as tangible evidence of this direction?

Mr. Rogers: Well, I think that the thrust of cable is to create more Canadian programming and in our particular case the news bureau that we have in Ottawa will be used for producing cable news programming as well as radio new programming.

Now, the cable news, again because of distribution problems would not be day to day,

such items as go out on the radio which can be transmitted by wire. They would be more weekly background type reports, introduced with a Member of Parliament and so forth.

Gilmour and Flemming, of course, would do the same sort of thing. Now, I want to make it very clear. We are in the experimental period. I would like Mr. Lind to comment on this. We have not pat answers or no set policies but we do hope to use all our people and give them greater exposure.

Mr. Fortier: As a radio broadcaster and also as the principal shareholder of a cable system, do you see any advantages flowing to either one of the media because of the multimedia interest?

Mr. Rogers: Yes.

Mr. Fortier: Would you expand on what they might be in either direction.

Mr. Rogers: Well, I think that being a broadcaster has given me an enormous advantage in cable, just in thought and in the thrust of what you are doing. There is no doubt in my mind.

Mr. Fortier: Even in your role as a cablecaster?

Mr. Rogers: I have never considered that role. To me when I entered cable it was as a broadcaster and it perhaps permitted our company to look ahead or jump certain steps that others were not doing and perhaps even today our view of cable is different from others because of my own background and that of Mr. Bjerre and the rest of us as broadcasters.

We think of cable in the programming part as another television station, of course, differnot from Channel 9 or Channel 6 but only perhaps as FM is different from AM. They are both radio stations but it is a good parallel because a cable television station is a television station.

FM concentrates its programming on music not because of regulations but to take advantage of the technical advantages it has on AM for music but does not have for voice.

I think a cable television system will tend physical fact that it is physically around in range of 100 miles.

The Chairman: Do you want Mr. Lind to comment on this?

Mr. Rogers: Yes.

Mr. Philip Lind, Director of Public Affairs and Programming: Yes, Mr. Fortier.

The Chairman: May I just put this question to you while you are there.

Mr. Rogers said it was experimental. It did not look very experimental in this ad in Marketing which I saw on the 6th of April. It

"Rogers Cable TV announces programming available for Canadian systems."

It did not look very experimental.

Mr. Rogers: There is an old adage which says nothing happens until there is a sale.

Mr. Lind: I will comment on that too, sir.

I think that as Mr. Rogers pointed out, there have been significant benefits to us in the cable field because of our association with CHFI particularly in the Rogers network.

There are, of course, benefits to the listener-watchers too because they have the availability of our programming content.

What it is basically and I think this is CHFI's philosophy is that we are primarily an information dispersal agent. That is primarily where our programming effort lies right now.

Now, if in fact that is not necessarily exploring the great issues, although we do that, it may be in the antique or Canadiana history line as much as anything else.

Let me just indicate one or two of the things that we do in our information programming. We have the "Contemporary Issues" series which today is concentrated rather heavily on two subjects. Quebec, with the "Exchange Quebec" series going on in the St. Lawrence Centre (we are the cable company that programs out of there) and the Americanization issue, the Americanization of Canada and the Americanization of Canadian Universities.

We are very fortunate in this instance to concentrate on local programming, not because we have two very fine academic because of regulations but because of the institutions in Toronto and five or six Canadian colleges which are first class. We find that one local area and it does not have a probably that the best programming inputs are derived directly from student planned programs and I can get into the student participation in cable too at some later date.

We also have the "People and Ideas" series in which we have Mr. Stanfield, Mr. Trudeau, Mr. Rasminsky, people of major importance in Canada who are in Toronto expounding on some very significant topic. This is a real backgrounder, of course, because CBC and CTV can interpret that and show perhaps a 35 second clip, whereas we show the entire text of the message. In many instances this is very important to really understand what the man said.

Continuing with our Public Affairs programming, we offer access to political groups, institutionalized political groups as well as recently formed citizens groups and we have provided a set formula in which they can participate on a weekly basis. This, or course, ties in with our Ottawa Cable News which is really three services.

The first service is M.P.'s reporting directly to their constituents. We were in fact doing our filming yesterday in the press building whereby Members of Parliament came in and talked on an informal basis for 10 or 15 minutes about issues directly related to their own constituents. This, of course, they cannot get especially in the Metro areas or the urban areas in Canada. They cannot get this message across except by that news letter.

Mr. Fortier: Do you only offer this to those M.P.'s who ridings are within your system?

Mr. Lind: At this stage, Mr. Fortier, but this is part of our Ottawa Cable News and any cable system that wants this and informs their Member of Parliament, we get in touch with them and these tapes are made available to them, so that will go right on.

Mr. Fortier: Do you sell the tapes to cable systems?

Mr. Lind: Yes, very cheaply.

The second instance in the Ottawa thing is the Ottawa Cable News Parliamentary report, which is much like a backgrounder as well because we cannot make it as contemporary as TV or radio. Our correspondents here will background the news. The report yesterday dealt with Arctic sovereignty and the historical background.

The third thing—we have not quite finished negotiations on this—but we feel these backgrounder press conferences that are held in the press building that are reported, again with the 35 or 40 second clip, we intend to tape in whole and again offer it as part of the service.

You know, we are not there yet and we are certainly open to more ideas, but we are really trying to make a start on things.

I can go into our other programming aspects. I am sorry I have taken so long.

The Chairman: That is all right. Mr. Graham?

Mr. Graham: Mr. Chairman, I think there has been so much talk on local programming on cable that some things should be kept in context. It is less than 12 months since permission really was granted to cable companies in Canada to programme and what you saw in the presentation earlier is an example of our first steps.

Everyone, if they are honest, is crawling before they are walking and walking before they are running. It is an evolving matter and the cable companies are certainly not in competition with commercial television. They are providing, as earlier has been said—Mr. Rogers made the comment—local programming.

In Toronto, we can programme, for example, for the Borough of Scarborough or for the Borough of Etobicoke and we can air or make available for viewers on our system things which could never get on a commercial television station or commercial radio station for that matter.

Mr. Fortier: How do you seek to finance this increased service to your viewers?

Mr. Rogers: Well, right now through this experimental period it is being done out of general subscription revenues.

Mr. Fortier: Have they increased at all in the last year?

Mr. Rogers: The per charge has not increased. The number of subscribers has. Now, when we financed the system at the beginning there was no budget for local programming so obviously there is a problem, but we hope, in the year that has just passed, and what we are going through now, to be able to justify it in our own minds by attracting new subscribers so it will be, if you will, sales promotion expenses.

Now, to play a meaningful role \$100,000 a year is just nothing. That is what we feel we can afford. We are very hopeful that advertising revenues will allow us to spend say \$1 million a year, of which we may recover, say, \$900,000. We would still finance it to the tune of \$100,000 a year or whatever a cable operator can afford, but it is much better to multiply what you can afford by getting advertisers who cannot otherwise be heard in their community because they are not large enough to be on a television station and let them finance this.

The Chairman: These would be local advertisers?

Mr. Rogers: These would be local advertisers. Local, local advertisers. There may be some bigger advertisers who would want it but it is only to attract these people so I desperately hope they permit advertising. They permit it on FM.

The Chairman: Should they permit national advertising on cable?

Mr. Rogers: I hope they put a minimum of restrictions and if we do something wrong then they could put restrictions.

I must emphasize: I am not against restrictions because I am a relatively young man and we must have them. We must have rules or else we will be run over crossing the street.

I think we must remember that this is a small country and we have built cable to where it is today out of the ingenuity of individual Canadians and so on. All in all it has been a plus.

I would just like to emphasize, while I think of it, that in Toronto there is no single household that can receive a good picture of both local television stations. People do not buy cable to watch 6 and 9. They do not think of it in their minds but they get a much better picture on 6 and 9 when they have cable, and I am sure that statistics will show that the viewing of 6 and 9 in cable homes is higher than in non-cable homes.

The Chairman: Perhaps at this point I should apologize to Senator McElman who is our lead questioner and who has asked exactly one question.

I have Senator Everett and Senator Prowse both indicating that they have supplementary questions.

21518-2

Senator Everett: I will pass, thank you.

The Chairman: I was not saying that you should. Senator Prowse, will you pass?

Senator Prowse: No. I would like to ask a question now. I will never get back.

The first thing is: as I understand it, am I correct in assuming that when you are talking of your own programming, you are talking about what would be free channels on your cable?

Mr. Rogers: Yes.

Senator Prowse: In other words, some of them are not used and this is where you are able to give this extended type of coverage, because you do not have the limitations imposed by ordinary programming? This is something extra that you are able to offer. Is that correct?

Mr. Rogers: Yes. We are removing a television station to make room for a local programming channel we are now programming.

Senator Prowse: Within the limits of your own distribution system?

Mr. Rogers: That is correct, sir. We are now doing it part time on the channel.

Senator Prowse: These questions are very simple, Mr. Chairman, they are just for clarification.

Did I understand you to say that because the CBC is very heavily subsidized that the programmes which they produce ought to be made available to all broadcasters who want them?

Mr. Rogers: I think so, yes.

Senator Prowse: That was one question and the other one was the suggestion that there should be some form of subsidy to cover line costs of making available special types of broadcasts from one part of the country to the other.

Mr. Rogers: Very definitely. This is our greatest need.

Senator Prowse: You would suggest a direct subsidy to whom? How would you work to that?

Mr. Rogers: I will have to ask Mr. Graham.

Mr. Graham: Mr. Chairman, Senator Prowse, the subsidy in other fields is to the carrier and if we have the concept of a common carrier in telephone microwave or what you will. I should think the easiest and most direct and effective way of implementing it would be through the common carrier.

Senator Prowse: In other words, to tell them "All right, you set a reasonable rate here and then the subsidy would make up the difference"; like we cover the loss on the railways between Winnipeg and Sault Ste. Marie or something like that.

Mr. Graham: It is precisely the same idea.

Senator Prowse: The same principle.

Mr. Graham: Yes.

Senator McElman: Mr. Rogers, you have suggested that there should be no restriction on the type of commercial advertising between local, national and so on.

An integral part of licensing in this country, quite different from the United States, has been that before licenses are granted the economic viability of an existing licensee in the market area concerned is taken into account as well as the prospective viability of the new licensee.

With that as our background, in Canada do you believe that it would be fair competition that cable be permitted in its own cable casting to have national advertising in addition to the local and in addition to making available time for those who now cannot afford it?

Mr. Rogers: Well, yes, I do.

Senator McElman: You do?

Mr. Rogers: Yes. If this imposes a hardship then, of course, regulations can be set, but if we are to be responsible for producing quality local programming and we will have technical requirements imposed upon us the same as Channel 9 or Channel 6 in our market—we will presume we have to pay the same wage scales and so forth-then I see no reason to limit that by any limitation upon advertising revenues because if you do, fair enough, it will obviously restrict the activity of the

the subsidy out? Have you given any thought cable television station. This is a judgment for you and the authorities to make really.

> Mr. Graham: Mr. Chairman, if I could enlarge a little on Senator McElman's question.

The Chairman: Yes.

Mr. Graham: We subscribe to the practice that has been followed for many, many years in Canada that licenses are not issued indiscriminately in broadcasting and that you must be reasonably assured that with good management the existing licensee and the new licensee will all be viable economically. I think that is one of the great strengths of our broadcasting system in Canada.

Having said that with respect to advertising and CATV, and I speak primarily of the metropolitan centre-in Toronto there are only two, or if you include Channel 11. which designates itself as Hamilton-Toronto-three television stations. They cannot handle the local advertising that is offered to them and I cannot see that they should have any conceivable objection on economic grounds to CATV systems being permitted to carry advertising.

There may well be an effect on radio but this is another matter and not one to which you refer.

Then you get into really a question of philosophy. It is my belief that we should always start with the minimal regulatory proscriptions and only as and when abuses and problems are found, do we then inhibit the freedom of choice of the individual; but from a philosophical standpoint I would much prefer that we do not start off limitations.

The licensing process in this country is now on a bi-annual basis. I do not know how long administratively they are going to be able to continue to shoulder that load but certainly it would mean at least every two years, if there is an abuse or something which is proving harmful to others, it could be quickly corrected.

Mr. Rogers: By a condition of license for a particular area. I suspect it would be a particular area where you would have a problem rather than an across-the-board rule.

Mr. Graham: Yes, and just on that point, one of our greatest problems with the regulations that are proposed, and the Canadian Radio-Television Commission is encountering this now, is the great difficulty in having a uniform regulation which applies in Toronto, Cape Breton, Vancouver Island and the Yukon Territory.

So far they have tried very hard to have uniform regulations. They are now getting into separate, special conditions of individual licenses. I think this is a highly desirable move because it gives greater flexibility to the whole broadcasting system.

Senator McElman: I share with you an antipathy towards over-regulation, but consider the experience of the CRTC and its predecessors, where they went into this whole picture of broadcasting with not over-regulation at the outset, and with the expressed intent of the Canadian people through Parliament to all broadcasters, that they should contribute to the Canadian identity in a specific fashion. The content should be Canadian to a large degree and yet there is a strong body of opinion, at least, that those broadcasters fell down very sadly in meeting the intent of the Canadian people through Parliament for the privilege they were given of having an economically viable unit, a license to broadcast. They did not return to the Canadian people in balance what they were given in protection.

With that background, would you think it unreasonable for a regulatory body to perhaps want at this stage to take the opposite tact from what you now suggest and say "Broadcasters have shown that they will not follow the intent of the Canadian Parliament and the Canadian people" and perhaps set pretty stringent regulations at the outset of a relatively new mode of communication?

The Chairman: Mr. Graham or Mr. Rogers.

Mr. Rogers: I will start by saying I find it really hard to restrain myself because it is basically like saying there is a substantial body of opinion that feels you have been beating your wife what would you like to do to stop beating your wife as much?

Now, I absolutely deny the substantial body of opinion. I think these statements are not accurate, that broadcasters have done in this country a tremendous job and I, for one, resent very much the mostly newspaper propaganda that suggests to the contrary. We can do a better job, of course, so can anybody, but we do need some assistance and some help.

21518-23

To suggest that it is all broadcasting or that individual broadcasters have not done substantially a first-class effort is, in my view, grossly inaccurate and it is just not true.

We have done this. We have been able over the past 20 years to win back Canadians to listening to their own stations. Surely...

The Chairman: To radio.

Mr. Rogers: To radio, that is right, and to a great extent, television, and surely, surely this fact is so overwhelming as to swallow up and drown the other views completely.

Senator McElman: May I interrupt at that point, Mr. Rogers, and make another suggestion which I think comes from a fairly substantial body of opinion: that you got back the Canadian audience for radio by duplicating what they had on American stations rather than developing Canadian talent and Canadian content.

Mr. Rogers: Well, I would just say this. I was fortunate enough to be in the Senate Chamber before coming in here and I was given a description of it and part of the limestone, I believe, came from the United States.

I just must say to you that all in all I think Canadian broadcasters have done a first-class effort at producing Canadian programming and of course, there has been some American content in private broadcasts the same as there is American content in this Senate Chamber, and there is no reason to denounce either one.

The Chairman: We are going to have a look at that limestone, I will tell you.

Senator McElman: Mr. Chairman, I think American content does not come into the dialogue as much in the Senate Chamber, perhaps.

Mr. Graham: I would just like to speak now and confine my comments to radio broadcasting for the moment.

Those of us who were adult before the War will recall, certainly in the Toronto area, that most of the listening was to American stations. That certainly was the case, also to my own knowledge, in Winnipeg and a number of other Canadian centres, that pre-War, one listened largely to American radio stations.

Listening now to American stations is minimal, it is insignificant, which means that you

have Canadian voices, the Canadian approach to news, to comment on radio. The whole character of radio, of course, has changed. Mr. Bjerre can speak, he having programmed for pre-television radio as well as more contemporary radio. Most of us will remember the days of "Amos and Andy" and the big shows that used to be on radio, which was a very different thing to what you now hear.

Radio has become much more local. It is of high standard. Certainly we try to maintain our station at the highest possible standard, which means you go to the market of the world for your product and what you are displaying; and the Canadian Radio-Television Commission is presently investigating the possibly of imposing quantitative requirements in the use of Canadian music.

This is excellent except that most categories of music, chamber music, classical music, the type of music that in many metropolitan stations is played in the evening, are just not produced in Canada.

Therefore, unless you are going to have total sameness throughout, you have to have resort to the market of the world, but this does not mean...

Senator McElman: You say this is not produced. Can it be produced in Canada?

Mr. Graham: It possibly could be but not before the 1st of October.

Senator McElman: Right.

Mr. Graham: Be that as it may, Mr. Bjerre will speak on this—I do think that radio has been Canadianized to quite an unbelievable extent in the last 30 or 35 years, and I hope that whatever may come from regulation or quota will not reverse that trend because the Canadian listeners and viewers are very discriminatory.

They have been accustomed to the best in the Western world and they will tune in to whatever channel or to whatever frequency they wish in order to get what it is they want to listen to or see. Therefore, to get back now to your original question, if from the philosophical standpoint, we start off by putting Canadian broadcasting or cablecasters in a straightjacket, you may well find that the baby is going to be stillborn and the public just will not watch. They will look to other places, wherever it is available to them to look.

The Chairman: Perhaps, Mr. Graham, part of the answer to that though is that the public has not had the opportunity. You may be right, but let us give them the opportunity.

Mr. Graham: But is the opportunity—I do not want to exaggerate or overstate...

The Chairman: Nor do I.

Mr. Graham: But is the opportunity best served by inhibiting the Canadian operator so that he cannot compete on what I would refer to as an equal basis?

Mr. Rogers: I would just like to add in our market, CFRB in the last 10 or 15 years used to play, as you remember, many syndicated U.S. programmes or whole broadcasts emanating from the States. They no longer do this, not by regulation, but just as Canadian programming has developed.

The Chairman: I think Mr. Bjerre was going to say something.

Mr. Bjerre: I see there being two basic and perhaps regrettable problems. The one thing is that we are really, to some large extent, swimming up-stream. The world is drawing closer together because of satellites, jet travel and various forms of transport of communication.

It is very, very common for the conductor of the Toronto Symphony to conduct in Toronto one week and Prague the next week and Rio de Janiero the third week, and so on.

Even in pop music it is possible for Tom Jones or the Beatles to be as popular in North America as they are in England and vice versa.

This is the direction, so whatever Canadians want and do is really part of this Western culture. The origins were in Western culture. Our cultural beginnings are European and if we drew away from other parts of the Western world, we are not getting back into it again and there is a sort of sameness developing in all countries of the Western world.

This situation is compounded and made more difficult when you narrow it down to the English parts of the Western world, so I think, if we are to say we are going to reject that and pretend it does not exist and do our own thing, we are swimming upstream because the populace is not going that way.

So, I think what we should be doing is saying "Okay then. We are part of this West-

ern world and the culture of it. Let us see that Canadians play a bigger role in this culture, whether it be entertainment or anything else."

The idea of creating something that is distinctively Canadian is very, very difficult. I think we are hard-pressed to find things that are distinctively Canadian. We are primarily North American and then we are in the Western world, so perhaps we should be doing both.

If it is possible to create something distinctively Canadian, fine, I am all for that.

The Chairman: You said the conductor of the Toronto Symphony Orchestra played in Prague one night and in Rio de Janeiro the next night. If he is that good, why do we have to listen to the Berlin Philharmonic and the New York Symphony and the London Symphony only? Why can we not hear the Toronto Symphony?

Mr. Bjerre: I will tell you why we cannot. We do hear the Toronto Symphony but building a major symphony orchestra of international standards is difficult and expensive. It calls for quite a lot of scarce talent and a lot of money.

In this country we have been able to develop perhaps two or three major symphony orchestras. Montreal, Toronto and possibly Vancouver could be included. I do not think any of the others could.

Senator Smith: Halifax.

Mr. Bjerre: I have not heard it recently so I do not know...

Senator Smith: You must listen some time. am serious about that.

Mr. Bjerre: ...to make a recording, say, which is the best way to distribute symphonic music or any kind of music for exposure to the general public, is terribly, terribly expensive.

We are talking about \$25,000 or \$30,000 just to make a master. This is a lot of money for a Canadian record company to invest when there is a very, very long-term payout. First of all there is a limited exposure for promotion and publicity. There is a limited market for the purchase of the LP's, and it does have one quality. It will probably last for years as opposed to the ephemeral nature of pop music, but there is no quick return.

You cannot make a master as you can for a local group for \$1,000 or \$2,000 or \$3,000 and you get a lot of exposure and you can get your money back very quickly.

So, these are two basic reasons why we have to listen to the Berlin Philharmonic and really Canada is not behind in this way, because there are many countries which are no larger than us and which do not have any more than 2 or 3 major symphony orchestras.

Senator Prowse: Mozart and Beethoven were pretty good, too.

Senator McElman: Would you agree that perhaps we are somewhat behind, taking into account that so much of the programming of broadcasting media in the United States and film making and writing is based upon the history of the United States?

Do you not think that we are rather behind in the visual and broadcasting media in Canada in paying some attention to developing programming based upon the history of this nation? Is this not something on which the industry could have gone much further?

Mr. Bjerre: We have a major problem. What we are trying to do is to take the broadcast industry and isolate it and say "This is an island and it has nothing to do with anything else", and that is not true, because we allow American magazines and literature from other countries, motion pictures and all kinds of material which are part of the entertainment cultural industry, to flow back and forth across the borders of the countries.

Senator McElman: All right. We have lost ourselves on magazines, apparently. Should we do the same thing in the broadcasting area?

Mr. Bjerre: What I am saying is that magazines—take Frank Sinatra, for example. One of the reasons he is popular is the fact that you can see a movie with him in it and you can read a magazine article about him.

Unless we could erect some sort of an electronic barrier around our country where we said "There is no alternative", then perhaps we could develop some...

The Chairman: This is where French Canada has a distinct advantage over English Canada. Would you agree with that?

Mr. Bjerre: Yes. There is a language difference.

The Chairman: And they have been able to build their recording artists.

Mr. Fortier, you have a supplementary question?

Mr. Fortier: Yes.

Senator McElman: I am still on that point.

Mr. Rogers: Could I just comment?

The Chairman: I do not disagree.

Senator McElman: Before you do, sir, is it not a defeatist attitude you are taking?

Mr. Bjerre: No, it is not.

Senator McElman: You say that we are trying to create an island here. Because we did not create an island in anything else, we were swamped. And again I say to you is Canadian background history not something that can be moved into without creating an island, simply requiring some dollars and some development (and I suggest to you the broadcasting industry balance sheet shows they have some dollars) and developing some Canadian talent, not only in performers and artists but in writers and using the writing that is already available from Canadian sources. Without new production that is available to you as broadcasters right now? Is this talking about an island? Surely it is not.

Mr. Bjerre: First of all, I do not think it is a defeatist's attitude. I think if there is a problem, one has to recognize the facts as they are before you can start to solve the problem. This is a fact of life that does exist, that we do have this influence and that broadcasting is not an island.

Now, I am not suggesting we just leave it at that and use that as an excuse and not try to do anything. Yesterday when we appeared before the CRTC, we said we did not object to the necessity of some kind of regulation but I think the important thing is to tackle the problem in a sensible manner. To say it is one thing. To do it is something else.

Sure, I think we should develop more Canadian talent and I think we can. We have to be very, very careful though, to do it well, to make sure it comes up to the international standard, to introduce it in the context of our normal programming and not isolate it and

set it up and say "This is something special."

If we pressure this too much and set too high percentages on what is required and so on, what is going to happen is two things. First of all programming will be detrimentally altered in some cases because we need 30 per cent of classical music and it is not available. The result is to have endless repetition. We will probably come to the conclusion we should eliminate that programme because no one is going to be listening to it.

If we record a lot of talent that is secondrate, we will be doing a great injustice, not only to ourselves but to Canadian talent because the Canadian people will come to the conclusion that everything they hear that is Canadian is really not very good because there are alternatives for them. So I think it has to be done well and gradually.

Senator McElman: There has been a complaint by broadcasters that the period of time involved is all too short, it should be extended. This, I think, could be said to be the prime recommendation they make for amendment.

Mr. Bjerre: Yes.

Senator McElman: ...to the proposals. I say to you: was four years too short? That is when the intent was given to you and the intent was again given to you four years ago by Parliament.

Mr. Bjerre: I agree with you, Senator.

Senator McElman: And what has happened in the interim that requires now the CRTC to come down hard and say "It is time we laid down regulation since it has not been done."

Mr. Bjerre: That was Mr. Rogers' point. If we do not do it, we accept the regulation.

The Chairman: Mr. Rogers?

Mr. Rogers: I really find this discussion different because in the broadcasting business or in cable and politics, I am known as a nationalist. I therefore am with you 100 per cent of the way. But I think that to bring it into realism, first of all, I absolutely deny that the broadcasters have not in the last four years or last 40 made a continuing, positive contribution in this area. I mean, those statements are just not correct, sir.

Now, the way the question is posed, it is as if we have done nothing and it took the

CRTC to get some action going and the only amendment suggested is "Please delay it." That is not correct.

Senator McElman: I was not suggesting that, if you are putting that to me.

Mr. Rogers: The problem with any quantitative rule is this. I do not want to defend the status quo. That is not my role, but if they impose a regulation on music, that 30 per cent be Canadian—we are broadcasters. We do not record orchestras and so on. We buy our records and we will be able to buy records that the record companies supply, and the record companies would tend to produce records that are low budget, rock and roll records, country and western and so on.

Those stations that are trying to provide music a cut above the average, classical is a good example. "Candlelight and Wine" music is another example where there is a 40-piece orchestra, but to simply equate recording 40-piece orchestra music with a rock group is—one is one-tenth of the cost of the other, so I think if we go about it in a quantitative way that there will be a giving up of the above-average types of programming.

There will be a tendency—not by what we do but because of what we are supplied—in music towards sameness of sound.

We have the same problem in music record production as the car manufacturers do. I do not know why broadcasters have to start speaking for the recording industry or defending the recording industry because we do not speak for it; but there are obviously the economic problems for the large kind of orchestras. I suspect that the final answer in music production will be the same as in cars, that for recording an artist, we should get our share in North America.

Now, in the field of bringing up our children to feel just a little bit Canadian, I think there is a great need. The only quarrel that we have is that there seems to be a body of opinion that blames the broadcasters for the lack of our children being brought up as Canadian.

I think that it is about time that somebody in broadcasting said to those in politics "We agree with you. Let us get the rest of the other industries to catch up to what private broadcasting has done, and we will continue to move forward ourselves."

The Chairman: You mean other media industries or just industries generally?

Mr. Rogers: Well, let me give you an example. We are in one of the most dangerous times, I think, for educating young people, with the CBS-EVR invention where there is to be, as I understand it, no production facilities in Canada. For anything to be produced, you have got to send it down to the States to process and you have got to have a minimum run, to look at their rate card, of 150.

Now, obviously the school systems and libraries are going to tend to buy these EVR units, very low cost reproducing machines for television. Our libraries and schools will be full of them and the great tendency will be to buy the New York Times Service or the many university services that you have no doubt read about, and our own universities and so on will be swamped because we just cannot produce 150 copies.

We are not structured in this country, in part because the people in public life have certain constitutional problems, and as a result you will find that the educational material for our children will be coming more and more from the United States and this will now start to be coming off the television screen; and at the very moment that private broadcasters are being urged to do more, and we should do more and there is no quarrel about that. Our only quarrel is that you are not pushing the other people, who have at least as great if not a greater influence on our young people, to do anything.

Nobody likes to feel that no matter what we do, it really will not work.

The Chairman: Do you have a comment on that, Senator McElman?

Senator McElman: I was only going to say that we are not investigating General Motors but the media here. I think from our standpoint, at least, we should stick to the media.

The question I would ask is: in view of the many representations that we have had that the Government should step in and help develop Canadian talent, and that Government must subsidize in this area or that area, in the United States, which has the preponderance of production, was it developed by Government subsidy or by the private sector? Were broadcasters not largely instrumental in developing a strong recording industry and the production of programming facilities for television and so on?

Mr. Rogers: That is a good question.

Senator McElman: Well, shake it down. Did the Government of the United States develop all of the ancillary necessities for broadcasters or did the private sector?

Mr. Rogers: The private sector, sir, did. I think in the promotion of entertainment personalities that the entertainment companies have used radio and television and any vehicle they could to popularize their personalities.

I do not think that broadcasting has been able to control that or has caused it. I think they have been used as a tool and television programmes today are used in the same way for selling records and so forth.

Senator McElman: I have only one other question on this line and that is: in view of the fact that Canadian talent has not progressed, I am sure as much as you would like to see it, Mr. Rogers, what is the prospect of cable contributing to the development of Canadian talent?

Let me say in the type of cable-casting that you are now doing and what you propose, I see little opportunity of a strong contribution. Do you, looking to the future, see original cablecasting providing a strong contribution to the development of Canadian talent?

Mr. Rogers: Yes, I do. I still must repeat the comment that I made earlier that no matter what we do, I am concerned that it will not work, this feeling of Canadionizing our young people because I feel we have to go beyond. The people are watching the screen now, this medium, in a lot of different ways. And I, for one, feel we have to go and tackle the problem with the schools and with the libraries. But I think cable can make a contribution in this area of producing programming that perhaps can be produced on the CBS unit or other mediums and that it can be distributed to libraries and universities as well as shown on the cable system itself.

I think cable will do as much to develop a community feeling within an area as much as nationalistic feelings. I think that it will give the people in Brampton, Bramalea for example, their own television station, their own feeling of identity. Now, of course that will contribute to a feeling of Canadianism. I frankly feel cable will build a community feeling.

I think one of the great problems in our areas are the low income areas. How are we going to get cable into the ghetto areas. That

word is appropriate in the United States. I do not feel it is appropriate in Canada but I will use it to illustrate the point. These people cannot afford cable. Should we donate the cable service to them? Should we, with the Government, somehow work it out so that there is some contribution for this? I think much of our meaningful programming can assist people in these areas.

There are in our market New Canadians living in whole communities of certain racial backgrounds. Perhaps Mr. Lind may or may not wish to comment on this. We feel a great need somehow to communicate with these people and most of them will not buy the cable service.

The Chairman: I would like to point out to the Committee that we have another witness and we must adjourn presently. Therefore, I am proposing to put several questions to you, Mr. Rogers, and I would ask you, if possible, for you to answer them perhaps not at the length that I would like and which you would like, but as I say, we do have another witness.

There are certain questions that I would like to put on the record from this hearing. First of all: what is the difference between "elevator music" and "Candlelight and Wine music"?

Mr. Rogers: I thought our wire had settled that.

The Chairman: I think in fairness that I should read your wire. I received the following wire the other day. I made a reference to "elevator music" in one of our hearings and I received this wire from Mr. Rogers.

He said:

"On behalf of the Nation's pioneer good music station, CFHI, Toronto, I would inform you that with the trend towards high rise and research indicating more elevators per capita in Toronto than any where else in Canada, Candlelight and Wine a great success. 70,000 Candlelight and Wine L.P.'s sold to date. More than 500,000 people listening to Candlelight and Wine, despite lack of record players and radios in elevators. Elevator riders good citizens, good liberals and not substantially different from those outside elevators. N.B. It is rumoured that the Prime Minister sometimes uses elevators."

Signed, Ted Rogers.

Thank you. What is the difference between "elevator music" and "Candlelight and Wine music." Well, we do not need to pursue that.

I would like to ask you, however, with your format, which you describe as "Candlelight and Wine," presumably you will like to be the most listened-to station in Toronto.

I put the question to Allan Waters when he was here with his group from CHUM the other day: he thinks that his programming format would eventually allow his station to overtake CFRB for the first place in radio.

I would like to put the same question to you. I put it to you, mindful of the campaign which you recently ran and of which I should inform the Senators. CHFI ran a very extensive advertising campaign throughout Metropolitan Toronto in newspapers, billboards and so on, "Look what CFRB listeners are missing", and of course what CFRB listeners are missing are features which are on CHFI.

As I said I put the question to Allan Waters. Let me say in fairness he said he could. Do you think you can overtake CFRB with this programming format?

Mr. Rogers: Well, I think a radio station reflects the personality of those that are involved with it and whether we are ever one day number one or number five, the station is successful and it fulfils a role in the community.

We wanted to serve a certain segment of the community, the adults, people whom we say value their time intelligence. Always you want to be number one, but I must confess to you we would not give up our objectives of serving people that we have served for 10 years and our desire to continue to serve, for the simple answer of becoming number one.

I think that people's taste is changing. I hesitate to use the word "improving" because in our market we have excellent radio stations. If anybody ever does beat CFRB with the tremendous programming and management that that station has always had, then they will deserve to be congratulated by all concerned.

The Chairman: Was the "Look what CFRB listeners are missing" campaign a success?

Mr. Rogers: Yes, it was. I would recommend to the Senators a book called "Up the Organization."

The Chairman: I have read it. Why did you buy a radio station in Hamilton and why did you sell it?

Mr. Rogers: Oh, boy. Quickly...

The Chairman: I am sorry time is short.

Mr. Rogers: ...I am an enthusiast. We did not frankly recognize—I did not recognize how extensive cable would be so we had an opportunity of going in to Hamilton and we took it.

I found that I was so involved in cable and we did not want to dilute our activities at CHFI, we felt it was better to sell it. It was not successful. We found we were doing too many things at the same time.

The Chairman: Was the Hamilton station programming like CHFI with "Candlelight and Wine music"?

Mr. Rogers: It was at the beginning. We thought we were so clever we could just impose what we were doing in one market on another. We found we were not so clever.

The Chairman: Did I understand from something you said in your opening remarks, Mr. Graham, that Mr. Rogers is no longer involved in CFTO or is that a personal involvement?

Mr. Graham: Mr. Rogers was, if I may so describe it, a chartered shareholder in CFTO and has been a director of Baton Broadcasting since its inception.

As a result of the ruling of the Canadian Radio-Television Commission that the Baton interest should withdraw from cable, it was mutually decided that there would be, what I might call, a mutual divorce in that Mr. Rogers withdrew from the television interest as the Baton-Bassett interests withdrew from cable and there is a complete severance.

The Chairman: I only have a couple more questions. You have been rather critical today of the newspapers and the coverage they have given the CRTC hearings, and you made a particular reference to CAB.

It is a fact, however, that both CFTO and the Bushnell interests have, as I understand it, withdrawn their membership from CAB.

Surely that is a legitimate news story?

Mr. Rogers: Yes.

The Chairman: Do you share the concern of Mr. Bassett that CAB's approach to the CRTC was not in CAB's best interests?

Mr. Rogers: I think I share the concern of all broadcasters. I must quickly say this—and I am not spokesman for the CAB—but the CAB is like a political organization. It overly represents the smaller areas, the rural areas, the small stations and so forth.

The Chairman: About which political organization are you speaking now when you make that comparison?

Mr. Rogers: And it speaks for the small broadcasters and small broadcasters today in small markets are greatly frightened and there is no other word for it.

They see regulations that would increase their cost. They see regulations that would reduce their income. They see tax proposals to treat them on the full rate of tax for the first \$35,000 of earnings.

The small broadcasters in this country are, in my view, frightened people, and the CAB presentation to the CRTC may not have been sophisticated and it may not have said the right things but I think it did honestly reflect the membership representation of small stations, of which I am not one and Mr. Bassett is not one. You can resign, if you will, but it is important to understand what the problem is. These people are frightened.

The Chairman: My last question should properly be put to Mr. Lind. However, I will put it to you and I would like you to answer it because of your own background in politics. There is a great deal of discussion and interest about the possibility of television cameras entering the House of Commons and/or the Senate, committees like this, and so on.

With your experience in broadcasting municipal councils in and around Metro, do the politicians perform differently because they are aware of the presence of the camera?

Mr. Rogers: The first couple of days probably the honest answer is "Yes".

The Chairman: Then they learn to live with it.

Mr. Rogers: Then they learn to live with it and cable is broadcast in black and white and we do not need the lighting. Therefore, we are pretty inconspicuous. We have smaller cameras than the big networks so would have no effect at all.

For a meeting such as this we frankly should be here if we are doing our duty, if you would permit us.

Mr. Lind: May I make a comment, Senator?

The Chairman: Yes.

Mr. Lind: We are playing with a format now, we hope to start perhaps by September, with one Council group meeting in Bramalea. That is, that we will telecast the Council meeting live and then they will tape phone-in questions right after the meeting is over.

In other words, this is a real instant response mechanism. Each individual member will be questioned on why he voted that way and why he said that kind of thing. I think this will be pretty exciting political television.

The Chairman: Maybe fewer candidates for election.

Mr. Fortier: Mr. Rogers, in a talk to the Progress Club of Canada in January, you were quoted as saying—and this is a question supplementary to many of the things which have been said in the last half an hour:

"Cable television is Canada's most powerful means of communication and"—I underline the next few words—"of national unity and it is being given away to Americans."

This is in January, 1970, long after the government edict on foreign control of broadcasting and cable companies.

(a) What did you mean when you said that cable television was Canada's most powerful means of national unity and (b) how in January could you have referred to the systems being given away to Americans?

Mr. Rogers: Well, when you give a long speech, that was about 40 minutes on the microwave issue and many other points, they narrow it down and so forth.

I would like to comment on that. It was not quite in context. As a nationalist, a nationalist in this country has to be not really anti-American as pro-Canadian. Surely in cable it is a perfect example of our own temerity and lack of courage to involve ourselves in this new industry. The industry was given away or taken by the Americans and at the time of the speech, and, I think, as of right this moment, the ownership is still with American interests. It is in the process of transferring by forced regulations with which I agree, but I hope that Canadians could be given some incentive in the future, to not have to pass regulations to take back what we should have had the courage to develop in the first place.

Mr. Fortier: So you are really speaking of past experience and hoping it will not repeat itself in the future.

In what way are the cable systems or CATV systems, yours more particularly, contributing to the development of national unity as a part of the Canadian broadcasting system?

Mr. Rogers: I think in a word or two our role is more in-depth reporting and background issues, the covering of the full news conference in the news building rather than a forty-second clip; the distributing of it to all the cable systems across the country. We cover one million homes now and the other commercial television stations, the off-air television stations simply do not have the time to do this, so I think you are going to see offered to the Canadian public a much greater volume of good Canadian programming of interest.

Now, this will be political. I think it will be sports. I think it will be musical. I think it is going to be pretty exciting. Now, whether they will watch it or not depends upon our ability but I think they will and we will be able to offer the whole picture rather than just clips.

That is why I think we will make a contribution to national unity.

Mr. Fortier: You have done many exciting things in the short 12 months you have been authorized to do it but what have you done during that period, for example, to bring home to your viewers who are wired into your system and increased awareness of what is happening in the Province of Quebec?

Mr. Rogers: We have started reflecting and mirroring the community itself. That is a straight answer.

Mr. Fortier: The Quebec community?

Mr. Rogers: ...with an interchange of programs with Mr. Jarmain and others in different markets will, I think, be the next phase.

There are not too many cable systems yet producing local programming. Mr. Lind may comment.

Mr. Lind: Vis-à-vis Quebec, I really feel, as far as I can tell anyway, the finest presentation of Quebec contemporary thought is offered by the St. Lawrence Centre in Toronto under a grant from the Canada Council,

and we do all that "Exchange Quebec" series and offer it to our other cable systems as well.

The Chairman: Thank you. I feel I should apologize to the Senators and also to the witnesses that in the last few minutes we have been forced to ask you for shorter answers. Yet in a sense that is always a good sign because it indicates there has been considerable interest in your presentation. I think that has been self-evident this morning.

I am sorry we did not schedule our programming to allow ourselves more time with you, but we have not. We have another witness that we are looking forward to hearing. We must now turn our attention to that presentation.

I would simply repeat the remarks that I made at the outset; that Rogers Broadcasting Limited and all of its ramifications are naturally of great interest to this Committee. The broadcast industry sometimes, as you have pointed out, seems to live in fear and trembling. They should not live in fear and trembling of this Committee. We feel it is a positive factor for broadcasters to be represented at this hearing and to demonstrate the real role they play in the overall media picture, so Mr. Graham, thank you. Thank you, Ted, and through you, could I thank you colleagues?

Senator McElman: Mr. Chairman, may I suggest that since there are so many areas on which the Rogers group could give us useful thought and since we do not have a brief from them, would it be too much to ask perhaps that they go into some of the areas we have not been able to cover this morning, or indeed go further into more of the areas we have attempted to cover and put this information to us in the form of a brief?

Mr. Rogers: Absolutely, sir.

The Chairman: We would be grateful if you could do that. That is a good suggestion, Senator McElman. Thank you.

Mr. Rogers: I would like to just thank you, Senator, and the Committee for the opportunity to be here. This has been a tremendous catalyst to the broadcasting industry. I am a younger member of it, and what you have done, I think, has excited the industry. It has given us a chance to participate and discuss and feel part of the whole regulatory process and I think it is winning a tremendous

amount of favourable comment in the industry.

Probably nobody ever tells you this, and I would just like to express their appreciation.

The Chairman: Thank you very much. May I suggest to the Senators, that we adjourn for only two or three minutes. Thank you.

Short recess.

The Chairman: Honourable Senators, if I may call the session back in order. May I remind you while I am getting my notes in order here that the meeting this afternoon is at four o'clock rather than 2.30, also it is upstairs in Room 356S.

The brief we are going to receive this morning is from Jarmain Cable Systems Limited. In a sense the introduction is easy and in a sense it is one of the most difficult I have had. It is easy because everybody is Jarmin. It is difficult because one is Ed, one is Ted, and one is Eric. I will attempt to sort them out for you.

The Chief Spokesman, on my immediate right, is Mr. Ted Jarmain, President of Jarmain Cable Systems Limited.

On my immediate left is the Chairman of the Board, Ed Jarmain, and seated to the left of Mr. Edwin Jarmain is Eric Jarmain, who is a director of Jarmain Cable Systems Limited. The chief spokesman is Mr. Ted Jarmain, seated on my right.

Mr. Jarmain, the presentation you were kind enough to send along in compliance with the guidelines has been studied by the senators. We would like to ask you questions on it and also to ask you questions on your oral presentation which I know you now intend to make. Welcome. Thank you for coming. Why don't you proceed?

Mr. Ted Jarmain President of Jarmain Cable systems Limited: Mr. Chairman, Honourable Senators, I would like to touch just briefly on the highlights of my brief and then spend a few moments discussing some issues that are raised by the developments in Canadian broadcasting during the past several weeks.

As you know, Jarmain Cable Systems Limited is a new company formed to consolidate the Jarmain group of cable systems in Southern Ontario and to bring these cable systems into compliance with the Canadian ownership requirements under the Broadcasting Act. While the CRTC's proposed new

guidelines for cable television systems have not exactly facilitated matters, Jarmain Cable Systems plans to acquire the individual operating companies in the Jarmain Group with a concurrent offering of shares to the Canadian public.

In my brief I have placed particular emphasis on the new programming role of cable systems. We and others in our industry are leading the way in participatory broadcasting, in giving the public genuine access to the means of communication. We are spending considerable energy to motivate individuals, groups, institutions, and public authorities to communicate with the community through the medium of cablecasting. And I am pleased to report that our efforts are meeting with some success. As an example of what is being done I outlined in my brief our London system's programming for one week in early March: a copy of this weeks programming schedule is attached to the printed text of my remarks here this morning.

I believe that cable systems should be permitted to carry advertising to help offset the costs of cablecasting. Cable systems would, I suggest, generally complement rather than compete with other broadcast advertising media. In some cases they would serve the requirements of the local retailer who neither needs nor is able to afford the broad coverage of a television broadcasting station. In other cases they would offer local businesses a broadcast advertising medium where no radio or TV station presently exists. We want more and better Canadian programming and yet our resources are limited. We simply cannot afford to ignore any potential means of support for the additional Canadian programming we desire.

Still on the subject of cablecasting, there is a problem to which I would hope this committee might direct its attention. There is a growing feeling in Canda that participatory broadcasting should be encouraged, that the public should be given access to the means of mass communication, that the mass media should provide a place where diverse opinions can be freely expressed. I am proud that cable systems are taking some real initiative in this area. However, on the other side, we have a Broadcasting Act that says broadcasters are responsible for the programs they broadcast. We also have libel and slander laws that may place onerous liabilities on us. We have a new hate bill. And so on. It seems to me that the two notions are inconsistent.

How can I give you free access to the means of communication and the opportunity of free expression if I am going to be held responsible in one way or another for what you say? The pressure on us as cablecasters to be in control of what is said makes it more difficult to achieve the goal of genuine public participation. I am not a lawyer but I would hope that legislation could be developed to give the cable caster reasonable protection.

In my brief I went on to anticipate some of the developments that are likely to occur in cable television in the 1970's, such as:

- —ability to carry 27 or more channels
- —optional services on a channel-by-channel basis
 - —rental of cable channels to others on either a part-time or full-time basis
 - -cable advertising
 - —programming networks for cable television
 - -point-to-point and limited network services
 - —facsimile information services for the home including newspapers, magazines, possibly delivery of mail, access to library books, shopping information, and so on.

The future possibilities for cable are exciting indeed.

Let me turn to some of the issues raised by the developments of the past several weeks. I Would like to begin by referring to the Broadcasting Act which places certain responsibilities and constraints on cable systems, on broadcasters and, for that matter, on the CRTC.

It says that broadcasting undertakings in Canada including cable "constitute a single system". While it gives some priority to the national broadcasting service—that is, the CBC—it otherwise treats cable systems and broadcasting transmitting undertakings with equal importance.

It says that "the right of persons to receive programs, subject only to generally applicable statutes and regulations, is unquestioned". I believe that this is especially pertinent to cable television.

It says that the programming provided by the Canadian broadcasting system including cable should be "varied and comprehensive". This, of course, is why cable television exists. It says that broadcasting transmitting undertakings—that is radio or TV stations—should provide programming that uses "predominantly Canadian creative and other resources". It does not place a similar requirement on cable systems nor should it in my opinion. I would, howener, expect that cable systems would in their local programming use Canadian resources as a matter of course.

It singles out the national broadcasting service—that is, the CBC—and says that it should contribute to the development of national unity and provide for a continuing expression of Canadian identity. It does not place a similar requirement on cable systems although cable systems are making a worthy contribution—through their local programming and their showing of National Film Board films, for instance.

As we look to the future I would also anticipate development of Canadian networks that would again facilitate this Canadian flow of information.

It is in relation to this Act that, for the time being at least, we must view the role of cable television. My personal feelings—and I don't think they are inconsistent with the Act—are as follows:

Cable television's most basic and most valuable role lies in providing a "varied and comprehensive" selection of television viewing choices, in fulfilling "the right of persons to receive programs". This role is fully supported by the Act.

At the same time, I would agree that we may, in certain cases, have to allow for a trade-off between objectives. For example, where cable television might seriously injure an existing service the benefits of each would have to be weighed. Here, however, I believe that the onus of proof should be on the objector. I am afraid that some broadcasters have been using cable as a "red herring".

I will just digress at this point and give you an example of the kind of thing I mean. There was a report carried in the Globe and Mail on Tuesday April 21st in Blaik Kirby's television column, reporting on the CRTC hearings and CTV's presentation to those hearings and it said in this report:

"The spread of cable tv has already begun to weaken Canadian stations hold on the audience both in Toronto and Vancouver. According to CTV it has slipped since 1968 from 69 per cent to 59 per cent in Toronto and from 57 per cent to 51 per cent in Vancouver."

I decided to try to do a little checking on the statistics. They agree with statistics that were presented to this committee, I understand, a couple of days ago. Let me put it this way: to put it nicely I think the numbers are misleading. It depends on which particular month you pick. If you had picked another pair of months we would have found the increase almost just as large in the other direction. If you take an average, which I think is what you have to do in this kind of thing, the change between 1968 and 1970 in the Toronto market just has not been significant.

To the best of my knowledge, none of the broadcasters in the regions where we operate are suffering as a result of cable.

Not only does cable contribute directly to the accomplishment of the objectives of the Broadcasting Act, it can, as I will shortly explain, also help Canadian broadcasting stations to achieve their potential. It seems to me that if we try we can surely find ways in which Canadian broadcasters and Canadian cable systems can work together for the common good. Broadcasters have perhaps been preoccupied with the problem of audience fragmentation. But increasing fragmentation is really just the other side of increasing viewer choice-which, in my opinion, is both desirable and inevitable. I believe that a challenge and opportunity for Canadian broadcasters lies in increasing audience by providing increased viewer choice-both in the stations home market and in markets some distance away. And in this as well as other respects cable can help a great deal.

Let me list some examples:

—Cable systems could make time on a cable channel available to Canadian broadcasters on some reasonable basis. Broadcasters would program at this time with new and/or repeat material and derive advertising revenue therefrom.

—Cable systems could carry more distant Canadian stations—relayed by microwave, if necessary. While there would be no purpose in this to the extent that the stations were network duplicates, the availability of greater potential audiences might lead to a greater variety of Canadian programming in the aggregate.

—Cable systems could pick up and distribute selected programs from distant

Canadian broadcasting stations. Microwave could be used, if necessary. Thus, even a small station might undertake the production of a few fairly ambitious programs in the expectation of having a large audience during a particular time period.

—When local advertising of one market is received in another market there is a considerable economic waste. The broadcaster in the local market could make arrangements to substitute local commercials for the local commercials of out-of-town stations being carried on the cable. The cable company could perform this substitution or provide the broadcaster with an appropriate input point for making the substitution.

—Some cable systems carry two stations affiliated with the same Canadian network. If one of those stations could delay its network broadcasts (other than time-perishable programs) such as the news, then the audience of both stations would be increased. Even if the off-air broadcasts were simultaneous the cable distribution of one station might be delayed.

—A cable system could carry those portions of the CBC network feed not being carried by the local afficiate station, thereby decreasing the need for the establishment of an additional station to give the CBC full exposure.

—Where several channels are carrying the same program simultaneously cable systems (or at least larger ones) could put the signal from the local station on all of these channels. This would give the local station multiple exposure and enable it to derive maximum advertising revenue. Or where different programming was available—repeats of earlier Canadian broadcasts or cable originations, for example—then the channels normally used for the temporarily redundant out-of-town stations could be used for this purpose.

These are just some of the opportunities for cooperation between broadcasters and cable systems for the overall benefit of the Canadian broadcasting system. I hope that others may be persuaded to think constructively along these lines.

The Chairman: Thank you very much, Mr. Jarmain. I think the questioning this morning is to commence with Senator Prowse.

Senator Prowse: Do you mind giving a quick rundown? I know you have it here. How many areas do you cover at the present time?

Mr. Ted Jarmain: Our group of companies serves 9 Ontario communities, that involves five separate cable systems. The principle communities are London, Brantford, Newmarket, Oshawa and Chatham.

Senator Prowse: And what is it, about 39,000 households that you have?

Mr. Ted Jarmain: That would be the number of households in London. The total number of households in the entire group of systems would be 66 to 67,000.

Senator Prowse: What percentage of the TV sets, the TV receiving sets in your general area are now covered by cable?

Mr. Ted Jarmain: Overall average for all of the system?

Senator Prowse: Overall is good enough. If you want to give specific figures that might be better.

Mr. Ted Jarmain: It varies widely, of course, depending on the market, the age of the system, and so on. The average for the entire group of systems at November 30th, 1969 was 62 per cent. That ranged at that date from a high in London of over 80 per cent to a low in Chatham of 35 per cent.

Senator Prowse: Do you see the situation developing where all of the TV will be carried by cable rather than by antenna?

Mr. Ted Jarmain: No. I think that some people tend to become confused here. A broadcasting station is much more than a transmitter. I suppose in the early days of broadcasting a transmitter was it but of all the things that go to making up a television station today a transmitter is obviously only a small part of it.

I think transmitters are and will for the foreseeable future continue to be an efficient way of distributing signals to outlying areas. Already in urban centres, such as London, we find as a practical matter most of the broadcasting is being received over cable but I don't see why we need to get hung up on the technical means of distribution here.

I think we said in our brief that in our opinion the important function that the

broadcaster fulfills is providing programming. That need certainly is not going to go away.

Senator Prowse: He provides the programming and really what you provide is the specialized distribution system for the programming.

Mr. Ted Jarmain: That is right.

Senator Everett: Does that make you then just a common carrier in your concepts?

Mr. Ted Jarmain: The words "common carrier" are somewhat loaded. We are a distributor. Traditionally cable systems have been distributors whereas TV stations have been the producers.

Senator Everett: I notice in your verbal evidence you seem terribly concerned with accommodating the broadcasters whom you characterize as programmers and so concerned, I get the impression, that you are interested more in distributing what they program than you are in taking a position yourself, although in your written brief you talk about the position you are taking in programming.

Mr. Ted Jarmain: I think it is important to distinguish between a cable system and a cable company. A cable system is a communications network that has absolutely no programming ability whatsoever. It is a network of wires that takes signals from a single location out to many locations and cable systems are today, and as far as I am concerned will indefinitely continue to be, distribution facilities.

Now cable companies, on the other hand, are organizations with people and so on, financial resources, and are capable of creating programming to feed into the distribution system. The cable system proper is and always will be a distribution system, a communication system.

Originally it was established as a community antenna, hence the words "community antenna television" and that is still by far its most important function, providing people with a way, a better way of receiving a variety of signals that are coming through the air.

I think we made it clear in the brief we view cablecasting as an important developing role for cable companies. We in no way see that displacing the distributors' function that is performed by the network.

Senator Everett: Or being overly competitive with the present broadcasting system?

Mr. Ted Jarmain: No, I don't see that there is a strong competition there at all. I view cable as the broadcasters' ally and if it is not working that way we ought to find a way of making it work that way.

What cable is doing is providing subscribers with a wide range of choice. Cable subscribers want choice, they want variety, they want good programming and it is the broadcasters job to make that kind of programming.

In our distribution role we have been in the middle, trying to get good programing from the broadcasters to the people who want to watch it.

Senator Prowse: When salesmen go to sell cable service what point do they emphasize?

Mr. Ted Jarmain: Speaking generally now, I think there are three main points and the emphasis would vary depending which market: more channels, better quality reception, no antenna.

Senator Prowse: And "no antenna" saves them an outlaw of money and then the "better quality" means you don't have the ghosts and trouble and you get a good picture no matter which channel you get.

As between the better reception and the more channels, have you found that one of those is more effective than the other or not, in selling service?

Mr. Ted Jarmain: I think it depends quite a bit on the market that you are talking about. I have an interesting analysis here in Chatham Ontario. The off-air reception—people with their own antennas could get 18 different channels.

Senator Prowse: Including UHF?

Mr. Ted Jarmain: Yes. That includes six in Detroit; five in Cleveland, Windsor, London; three in Toledo and Lansing and Erie, for a total of 18 different channels.

Cable brings them 11. Obviously what we are bringing is better reception.

Senator Prowse: I was going to say, do you get any UHF overlap in those on the ordinary 12 channels?

Mr. Ted Jarmain: We bring some of the UHF stations in and put them on the ordinary VHF channels.

Senator Prowse: If I were listening there could I get 18 channels with an antenna of my own in Chatham?

Mr. Ted Jarmain: That is what I was saying.

Senator Prowse: There must be some overlap.

Mr. Ed Jarmain: Yes.

Senator Prowse: I get two programs, one better than the other on the same channel?

Mr. Ted Jarmain: Occasionally—No, I don't think so.

Senator Prowse: You follow what I am getting at?

Mr. Ted Jarmain: This includes a fair number of UHF channels. None of the 18 are on the same channels.

Mr. Ed Jarmain: All differently assigned channels.

Senator Prowse: When you put those on to cable ordinarily I think you put a different cable on the channel than on the air. Am I correct?

Mr. Ted Jarmain: I think other things being equal that we would try to put a station on the same channel on cable as we do on the air. There are a number of factors that sometimes prevent us from doing that. You cannot on the cable use the same channel that the local broadcasting station is on.

That cuts out one. If you have a UHF channel coming off-air obviously you have to convert that. There are somethings that change it around.

Senator Prowse: When you talk about going to 27 channels what period in the future are you talking about?

Mr. Ted Jarmain: Since the beginning of last year, all new construction that our company has been doing has been 27 channel construction. We are not yet using that capability in a 27 channel mode but we realize that we are going to have to prepare our selves for that.

I might just add that I heard Mr. Switzer speak yesterday and I am afraid I cannot agree with his views on the difficulty of the problem of adapting to 27 channels.

I think our industry particularly in Canada has been much more progressive than it has in the Uni ed States and has shown amazing ability to adapt. The technological development has been very rapid and I think, in general, they have been able to cope very well. Much of the technical planning in the cable industry was done in Canada; in fact by people like my father—he would not say it but I will.

We are quite confident of our ability to cope with the move to 27 channels. In fact I would make the opposite point. I think when you have a rapidly developing technology, what you cannot afford to have is large companies because they cannot move nearly as quickly as small companies. You see it in a number of fields where you have rapidly developing technology that the small companies are the ones who are most able to adapt. If you have a huge monolithic organization it would take them 15 years to get around to figuring out the right way to do it and by that time we are into an entirely new area of communications.

Senator Prowse: In other words, you would agree the present situation, where you have the country pretty well fragmented in a lot of small cable companies, may serve the public interest better than letting there be a concentration in the same area, for example?

Mr. Ted Jarmain: I think it is a matter of degree. As I understood Mr. Switzer he was saying we need companies five, ten times as large as the largest today. I don't agree with that.

On the other hand, I say that the small cable operators in Canada—the small cable systems in Canada is a man and boy kind of operation and it is not going to be able to cope.

Senator Prowse: If it is too small it cannot Operate?

Mr. Ted Jarmain: Yes.

Senator Prowse: What channels have you available for your own cable casting today? How many channels do you have on an average?

Mr. Ted Jarmain: I think in all the systems we have or shortly will have, one channel fully dedicated for cablecasting.

Senator Prowse: And that would be then dedicated to serving the particular area and 21518—3

I think our industry particularly in Canada giving a limited service which is not now as been much more progressive than it has available by the larger general broadcasting the United States and has shown amazing companies? Am I correct?

Mr. Ted Jarmain: Yes, that is correct. Just as an example we attached a program schedule to the copy of the remarks I made here this morning. If you looked at the last page of the those pages you will see that in London this week we will have a total of 45 hours of cablecasting, of which 17 hours is new local origin material; 10 hours 30 minutes is repeat of that; 11 hours is imported material; and seven hours is repeat of the imported material.

Mr. Ed Jarmain: I think the word "imported" is a little unfortunate. They may think it is U.S. or foreign import. We don't mean that. It is imported into London.

Senator Prowse: In other words, you see the possibility of a completely complementary service without it being in competition with the present broadcasters? In other words, what you would do is add something that they are not able to add to the present mix that the public are able to receive.

Mr. Ted Jarmain: Yes. That is certainly our intention now. What that is may depend on the market that you are in. I mentioned that we operate a system in Newmarket, Ontario, for example. There is no TV station in Newmarket, Ontario and there is not likely to be one.

I cannot think of any reason why there should be any constraints on what goes over the cable casting channel in Newmarket. If a cable system is able to fill and provide some of the kinds of programming that the broadcaster would provide if he was there why should they not do so?

In a market like London I would hope our programming would be complementary. I am not saying there is not going to be any competition. I don't think that would hurt.

Senator Prowse: What I am particularly interested in is the area in which you state in both your brief and your written material that at some stage you felt you should have access to advertising revenues. We have heard from other people the fact that there are local merchants in a local area who would like to be able to buy this type of time for advertising service but don't want to have to buy the whole metropolitan area for a local service.

Now do you follow what I have in mind and maybe you can explain your position?

Mr. Ted Jarmain: I think that point sort of follows along in part from what I just said. It seems to me that the kind of advertising that would be appropriate on the cable in London might be a different kind of advertising than would be appropriate in Newmarket. Frankly if there is a national advertiser willing to advertise on cable in Newmarket where there is no other broadcast media—why shouldn't they?

The Chairman: Mr. Jarmain, you say there is no other broadcasting media but Newmarket surely, if it is not part of Metropolitan Toronto, you know, it is on the fringe of Metropolitan Toronto and I am sure the radio and television homes in Newmarket go into the mix when the radio stations and television stations in Toronto are purchased.

Strictly speaking you are right.

Mr. Ted Jarmain: I guess I would have two responses to that. First of all, I think we would all agree that the programming service that might be provided locally in Newmarket would be much more deserving of the advertising than that which would cover the entire Toronto region.

The second point is, speaking of Toronto in particular, I haven't heard the stations were hurting.

The Chairman: That is a very good answer. Do you have a supplementary, Mr. Fortier?

Mr. Forier: Speaking of the London market, have you heard some stations in London were hurting? To name one which comes to mind, CFPL. We heard from them that they love you but they suffered.

Mr. Ted Jarmain: Well...

Senator Prowse: It is a costly love affair.

Mr. Ted Jarmain: I didn't hear what they said so I can't respond to that. I don't think that they have suffered financially, if that is what is at issue here.

I have here a transcript from the September 1968 hearings of the CRTC in which Mr. Brown said at that time...

The Chairman: When was this?

Mr. Ted Jarmain: September 1968. He said in his testimony:

"In the city of London alone there are two CATV systems in operation. In total they provide nine channel service to 41,000 household units, or slightly better than 70 per cent of potential households. In Southwestern Ontario there are 23 cable systems operating or licensed."

Under examination from the Commission, Mr. Demers, the assistant counsel, said:

"Mr. Demers: How long has there been CATV in your area?

"Mr. Brown: It is about 16 years ago the first system started.

"Mr. Demers: Can you comment on any reference to your revenue position in the face of the CATY?"

"Mr. Brown: We have not suffered financially to this point."

I am prepared to develop this point as far as you would like to develop it.

Mr. Forier: Let me get it back on course. Mr. Jarmain, you make a point both in your written and your oral submissions that Canadian broadcasters and Canadian cable systems should work together. It seems to me that London is an ideal market where this working together theory could be applied.

What have you done since you have been in London with the CFPL Broadcasting with a view to developing a harmonious complementary relationship?

Mr. Ted Jarmain: Well, just going to the first item there are a number of things that I cold mention. The first item that occurs to me is that in the list of possible opportunities that I presented I said that a local television station could make use of a channel on the cable and that, frankly, is something that we have had very serious discussions with the CFPL organization about.

It is something that I think we have been prepared to do. I could in fact document this if necessary and perhaps submit some additional and supplementary information, if you wish it?

The Chairman: I think we would be interested.

Mr. Ted Jarmain: We have been prepared to do it and I think you would have to ask them but I think they might be well prepared to do it as well.

I think the kind of thing I am proposing is something relatively new, relatively unusual, and we have been in a somewhat uncertain

regulatory climate as of late and might be inclined to pursue it further if we saw more favourable signs.

The Chairman: May I just pursue this for a minute? London is the most heavily wired city in Canada; is that correct?

Mr. Ted Jarmain: I would think so.

The Chairman: And the subscribers to your system watch a great deal of television. Would it not be fair to say that prior to your arrival on the scene many of them at least would have watched CFPL?

Mr. Ted Jarmain: It wouldn't be fair. We arrived on the scene before. We arrived on the scene in the same month that television first started anywhere in Canada.

The Chairman: So you were there before CFPL television was?

Senator Prowse: They are shoeing in on you.

Mr. Fortier: Who is the chicken and who is the egg!

Mr. Ted Jarmain: I think that we would be misleading you if we didn't qualify that slightly.

The Chairman: However, we would not be misleading you if I pointed out to you, Mr. Jarmain, we have no brief for CFPL or for the broadcasters generally; just as we have no brief, as I am sure you appreciate, for the cablecasters.

I ask this question particularly having prefaced my remarks about not having a brief for CFPL or any other broadcaster, one way or the other. That is not the purpose of the Committee. Is it not a fact that if advertising were allowed on cable, and you suggest it should be, would that not have a devastating effect on a conventional broadcaster like CFPL-TV?

Mr. Ted Jarmain: I really didn't finish my earlier answer and you are coming back to it and I am glad you did. The kind of advertising that would be appropriate on cable I would think would depend on the market that you are in.

I am going back to my earlier answer. I can't think why there should be any constraints on it in a market like Newmarket or 21518—31

Bowmanville, Ontario; if that in fact would support local programming.

There is not very much TV advertising revenue to be had in those places. In a market like London I would think the advertising service performed by cable ought to be one that is quite different than that performed by television broadcasting stations such as CFPL.

In a brief that we presented to the CRTC in February we stated, just as an example, we thought that the advertising might be totally divorced from the programming. As you know, most television advertising now is sport announcements salted in in the programs or in between the programs.

It is a particular kind of advertising, things like chewing gum and deodorant, cigarettes and beer and so on. It is not basically the kind of advertising that is directed toward people who are making planned purchases. We can envision an entirely different kind of advertising that is not generally occurring on broadcast television today; advertising that is highly informative, advertising that people would tune into, a half hour program, to learn about a particular product or a particular group of products, the kind of product someone plans to purchase.

The Chairman: Shopping prices at the Supermarket, for instance?

Mr. Ted Jarmain: That kind of thing is one example. As we said to the CRTC, in fact we have a program on Wednesday night or Thursday night when they carry all the food ads in the newspaper.

The Chairman: A lot of this would be local advertising?

Mr. Ted Jarmain: Local retailers but I don't think also that national advertising is precluded either.

The Chairman: May I ask you a supplementary question on local advertising? One of the matters which concerned the Committee has been the overwhelming position of the Blackburn interest in the London market. There is some "minimal"...that was the word I used about the extent of the radio competition; but there are other radio stations in London. Surely the revenue of those other radio stations in London substantially comes from local advertising.

If your system (a) moves into the local advertising business in London; (b) made

some kind of programming and/or advertising arrangement with CFPL Television might it not be a real danger that the local radio stations would disappear?

Mr. Ted Jarmain: You have asked two fairly difficult questions. The first one is: I have not seen radio stations carrying the kind of programming that I have in mind either. They too carry spot announcements. The kind of programming that I am thinking about is a very serious kind of advertising.

You don't hear about Eaton's and Simpson's advertising in detail the kinds of specials that they are offering. They do that in the newspaper and not on the radio station. I cannot recall hearing of supermarkets presenting their wares on the local radio station either.

Another example of the kind of advertising I am talking about...let us say, for instance, in the wintertime you might have a half hour program going into some detail ..let me take the summertime, it is getting closer to that season. People purchase boats and it seems to me that boats are a planned kind of purchase. You don't walk up and buy a boat on impulse. Most people who buy boats buy boat magazines and try to learn about them.

You might have an hour program some week digging into some considerable detail on boats: what are the parts of a boat? What does this make have in terms of those features and what does that make have? Now this would be a special and anybody interested in boats better watch the program on boats.

I can't think of seeing advertising on TV or radio of that variety. It is a kind of advertising that is totally separate from a cablecasting program. If somebody really wanted the information he would tune in on it and if he didn't he would never know it was there.

Senator Prowse: If the Chairman is through with his supplementary...

Mr. Ted Jarmain: Maybe that answers the second question. Let me add one point to that. In saying that cable might make channels available, or time available to existing broadcasters, I was in no way intending to limit that to just television.

I don't know whether I did in the brief or not. The same kind of things could apply to radio. You could very well have local radio stations putting on programming on cablecasting channels.

The Chairman: Or local newspapers, weekly newspapers?

Mr. Ted Jarmain: Sure. In fact right at this point in time one of our systems is in the process of discussions with a radio station to try and sort of marry cablecasting with the local station in a smaller market.

Senator Everett: Mr. Jarmain, both you and Mr. Rogers have indicated if advertising is allowed, national advertising should be included. Do you not think that would tend over a period of time to destroy the local flavour that you are trying to develop in cable television?

Mr. Ted Jarmain: Well, I think the trouble with this... I have sensed here in a number of questions that have been raised that we might split it up on national advertising versus local advertising and I agree there may be some sensible way to divide it up but that doesn't ring a bell with me, quite frankly. I go back to my boat example.

Senator Everett: There is a very simple way of dividing it up. Just say there will be no national advertising on cable television.

Mr. Ted Jarmain: The logic of that escapes me somewhat. The boat example I gave, that might very well involve national advertisers.

I think the question is in a given market what kind of advertising service would complement rather than directly compete with advertising services now provided by existing broadcast media.

In Newmarket or Bowmanville there is no existing broadcast media in terms of local programming support so I would say no holds barred.

In a market like London you may want the kind of advertising that was complementary.

Senator Everett: How would you suggest that be regulated?

Mr. Ted Jarmain: I think that, for example, we suggested in our presentation to the CRTC we envision in a market like London a different kind of advertising, not spot announcements but advertising entirely separate from the programming schedule.

Senator Prowse: On a different channel?

Mr. Ted Jarmain: If you didn't have a different channel at least a different time of day, not in between the programs but a separate program or group of programs for advertising.

That kind of break it seems to me would do what you are looking for rather than simply arbitrarily saying local but not national.

I don't think that that concept about keeping advertising separate is necessarily so applicable in a market like Newmarket or Bowmanville.

Maybe it is going to be tough enough getting any advertising revenue there without placing too many difficult constraints on it.

Senator Everett: Let me ask you one more question: on the CRTC requirement that you black out certain programs, they suggest you substitute your own program material in those black-out portions. Do you think advertising should be allowed there?

Mr. Ted Jarmain: That question takes the lid off a lot of questions obviously. I guess my simple answer to that is I don't see that we are going to have blackouts.

Mr. Fortier: You don't see what?

The Chairman: He doesn't see we are going to have blackouts.

Mr. Fortier: Do you think your power of persuasion will be such that the CRTC will not enforce their regulations, not bring them into force?

Mr. Ted Jarmain: I have a few thoughts on the guidelines.

Mr. Fortier: Would you care to tell us?

Mr. Ed Jarmain: Before you start, Ted, perhaps Senator Everett either misunderstands the CRTC guideline or I may misunderstand the Senator.

The Chairman: Possibly both.

Mr. Ed Jarmain: The guideline as it now stands does not allow anything in place of the blackout, the guidelines which were announced by the CRTC recently. The idea of substituting something for the blackout program is ours and it is contained in our brief but that is not part of the CRTC policy at this point in time.

Mr. Fortier: There is nothing that prevents in the guidelines.

Mr. Ed Jarmain: I believe there is.

Mr. Fortier: That is an interpretation. Of course there have been many interpretations

since April the 10th but I would suggest to you in sub paragraph 5 on page 3 of the guidelines there is nothing that says during the blackout you cannot substitute for the dark picture, a program produced by your system.

Mr. Ed Jarmain: I guess, sir, it was in the press briefing that Mr. Juneau held in which he said that for the time being there will be nothing in the blackout period. He did not indicate this would necessarily stay this way forever. I frankly think that maybe they had not thought what ought to be done about it.

Senator Prowse: They are going to limit the number of channels you can look at in a particular period.

Mr. Ed Jarmain: That is another aspect of it.

Mr. Fortier: I would be very interested in hearing your reaction to the April 10th proposals?

Mr. Ted Jarmain: The guidelines offer more to cities like Calgary, Edmonton, Sudbury that need to bring signals in by microwave from a distance head end. However it would be at least regrettable if the CRTC attempted to apply the guidelines in their present form in areas where cable systems could pick up signals out of the air with local head end.

I am encouraged that the CRTC is going to consider alternative proposals to these guidelines as they apply to areas where cable systems now operate. My views regarding the revisions that should be made to the guidelines are as follows. It must be recognized that certain provisions, such as blackouts and the deletion of stations, would be intolerable to the Canadian public now receiving cable service and to the cable systems providing it. The public will not stand being deprived of services that it has enjoyed for a long time, in some cases for as long as 18 years.

Mr. Fortier: Excuse me interrupting. What is the service of which the viewing public would be deprived under the guideline?

Mr. Ted Jarmain: The viewing public would be deprived of the service of being able to view Bonanza on Sunday night or whenever—they would be able to view it Friday night but maybe they are bowling on Friday night.

Mr. Fortier: That is what we are talking about?

Mr. Ted Jarmain: Yes.

Mr. Fortier: You agree the selection of the time insofar as the viewer is concerned is the only matter which is taken without his realm of choice?

Mr. Ted Jarmain: Well, the guidelines also make some suggestion about the deletion of stations. CRTC has left itself tremendous discretionary power in the guidelines in terms of the number of stations that might be carried so it is a little hard for me to be too explicit about that. Perhaps if I could go on: It must be recognized, in any case, such provisions simply would not work.

In many areas where cable systems now operate the public could and would revert to rooftop antennas.

It must be recognized that cable is providing a valuable service—a service that, in the minds of the public and in the context of the Act, ranks equal in importance with other parts of private broadcasting. It must be recognized that it would be wrong to prejudge the issue of economic injury to broadcasters—injury which, I am quite sure, has not generally occurred. According to the guidelines cable services would be drastically curtailed unless the CRTC was persuaded in individual cases that they should not be. Assumption of guilt until proof of innocence would not be just.

It must be recognized that the uncertainty that has been created is presently frustrating the ability of the cable industry to obtain public financing in Canada—an objective that has been supported by the Secretary of State and the CRTC and an objective that must be achieved if we are to meet the Canadian ownership requirements which come into effect September 1st.

And finally, it must be recognized that the guidelines should, insofar as possible, be positive rather than negative. They should motivate the people to be constructive rather than threatened. They should encourage cable to facilitate the development of Canadian broadcasting instead of inhibiting cable viewing. There are plenty of opportunities for cable to complement the activities of Canadian broadcasters. In an effort to be constructive I have already given you a number of examples. I am sure that even better ones could be suggested.

I am certain that the objectives of the Broadcasting Act can be achieved without adversely affecting the valuable service being

provided by cable systems. And I am entirely optimistic that the interests of our three to four million cable viewers will continue to be served.

Mr. Fortier: These remarks seem to be directed at more than the guidelines that I have read and which are dated April 10th. Am I wrong? Are you referring also to the earlier...

Mr. Ted Jarmain: No.

Mr. Fortier: Notices issued by the CRTC?

Mr. Ted Jarmain: No, I don't think so.

Mr. Fortier: Well, let us look at the guidelines, shall we?

Mr. Ted Jarmain: Yes.

Mr. Fortier: Can you show me in the guidelines the items which you particularly take issue with insofar as they restrict your viewing public from enjoying a service which he is enjoying today, which you are providing to him today? You have already explained one, that is the selection of the time. I may wish to see Bonanza on an American channel at a time more convenient than when it comes over the CBC station. I grant you that. What other?

Mr. Ted Jarmain: I think the other single most important area would be the question of the number of stations that might be carried.

Mr. Fortier: Page 3, item 2?

Mr. Ted Jarmain: Two and three.

Mr. Fortier: Yes. In three, of course, the door is left open. The commission may authorize the CATV system to carry programs from more than one...This is not a firm proposal such as the item 5, the blackout one.

Mr. Ted Jarmain: I think that you are right. The door is left open here. My philosophy, I think, would lead me to think you should not shut doors and then open them this way but if it were necessary in a particular case to restrict the number of channels then that should be the decision that is taken rather than taking the negative approach and saying this may not be done unless you demonstrate it should be done.

Mr. Fortier: Any other?

tail but I don't really think that would serve ing? any useful purpose at this point.

Senator Everett: We are informed that the CRTC does encourage—and we may be wrong in that information—CATV operators to program in the blacked out area. Let us assume for a moment that is correct. Forgetting you are opposed to the blackout, if the blackout happens do you think it is sound to program in that area and if it is sound do you think advertising should be sold by the CATV operator?

Mr. Ted Jarmain: I think we have to perhaps distinguish between the kind of "sevenday each-way blackout" that is suggested might be implemented here and another kind of blackout which might be simultaneous blackout. In other words, if two programs appeared simultaneously, say Ed Sullivan on Sunday night, then the local station would be given precedence. In fact in my remarks I said I thought it would be a good idea. I still stand by those remarks.

We are talking about a situation of Bonanza appears one night on one station and another night on another station.

I don't at all believe that allowing a cable company to program in those times and allowing a cable company to solicit advertising for those times solves the problem. I think the basic problem still remains that the general public would be, to say the least, offended by a situation where it was not able to receive on cable what it could easily receive With its rooftop antenna.

Senator Everett: If you are required to blackout then you don't believe that programming should be substituted?

Mr. Ted Jarmain: Well, the question is, as I Said earlier, I am sure we can convince the CRTC there are other ways to accomplish the Objective the CRTC wants to accomplish. I am not prepared to admit to myself or to you at this point that we are going to have blackouts. Obviously if you had blackouts, programming with advertising would be better than no programming with advertising but it doesn't solve the problem in any significant way.

Senator Everett: Could you answer one last question on advertising. If the cable system requires revenue, which it does, is there any priority in your mind between subscriber

Mr. Ted Jarmain: I could go into finer de- fees, local advertising, and national advertis-

Mr. Ted Jarmain: Could I answer you between subscriber fees and advertising?

Senator Evereit: There may be a third area where you talked about the broadcaster rents the channel from you.

Mr. Ted Jarmain: If I could just talk about subscriber fees versus advertising and not try to make a local-national distinction, which I have indicated I don't think is the most sensible way to view it.

My view would be that we ought to develop the advertising route to the extent that it can be successfully developed without simply taking money from one area and diverting it to another.

My view is there is substantial advertising revenue potential available. If you go back to the Firestone report, Dr. Firestone talks about a tremendous growth in the demand for advertising. I think \$90 million in 1965 and \$300 million in 1975.

He goes on to point out that that potential will not be realized unless sources of advertising service are opened up in the broadcast media. In other words, you cannot simply achieve that increase in revenue for the industry by increasing rates of individual stations that exist because they price themselves out of the market in relation to other media. He pointed out in that study you would clearly have substantial increased availability of advertising, a supply of advertising, in economic terms.

I think if there is a potential there and if there is a means of support for advertising in cable programming we are sure foolish not to take advantage of it, foolish as Canadians. It just doesn't make any sense not to take advantage of that kind of support if it is available.

I also have no particular concern about increasing subscriber fees to support programming, providing that the programming is of the kind that is worth the added cost. I think cable systems should be encouraged to think of programming services that subscribers would willingly pay extra for.

It seems to me almost by definition it is in the public interest, if the public is prepared to take it on that basis.

Senator Prowse: Do you know of any legal reason that would prevent you picking up American programs at the present moment and blacking out the advertising, which you could do with a gadget sitting on your lap, and then substituting and selling that advertising period?

Mr. Ted Jarmain: That question has been examined by a legal counsel—not our legal counsel—and I understand there are tremendous legal difficulties involved. Frankly I have a great deal of difficulty with it on moral grounds.

The Chairman: In your brief you state:

"I believe that it is neither sensible nor proper to attempt to devise arbitrary rules regarding media ownership."

Do you mean just what you say there, Mr. Jarmain?

Mr. Ted Jarmain: Yes, I said in the brief, and I will say again, that I think there are examples of organizations that "break the rules" in terms of some theoretical concept of desirable policies of ownership and yet which companies are doing virtually in everyone's view just a tremendous job.

I think it is downright discriminatory to say "okay all companies that fit this pattern are offside irrespective of the kind of job they are doing."

I think that we can well afford in Canada to take the trouble to examine each of these situations on its merits.

The Chairman: To examine each situation on its merit there would still need to be some guidelines, would there not?

Mr. Ted Jarmain: I went on to suggest in the brief that I thought perhaps the most logical mechanism for this was we ought to strengthen the general statutes in Canada regarding undesirable concentrations of ownership. I cannot think why the media could not come within that.

Mr. Fortier: The guideline of the Combine Investigation Act is public interest.

Mr. Ted Jarmain: There is not too much wrong with that that I can think of. It just seems to me we spend so much time in Canada digging into the fine detail of all sorts of situations and yet seemingly on the ownership there is a propensity to say "We won't look at the individual cases but devise a general rule." I think that is unjust. There are

lots of examples of people, organizations, that do not fit the theoretical optimum patterns of ownership that in my view are doing a tremendous job and we would simply lose by all odds; we would get inferior service if we changed the situation.

The Chairman: Do you have any thoughts in connection with the guidelines as to how much is too much? Obviously if one person owned all the newspapers in Canada you would think that is an undesirable situation, or would you?

Mr. Ted Jarmain: I would say I would have to examine that on the merits. That would not be too hard to do.

Mr. Forier: Well, if you look at London on the merits do you think there is too much concentration in London?

Mr. Ted Jarmain: I don't believe so. I think my comments may be particularly appropriate to London. In my view the Free Press organization is just doing a first rate job and my judgment would be that if that organization did not exist there, if it were replaced by two or three other organizations drawn at random, so to speak, from the group of probable contenders, as a citizen of London I am pretty sure that I would lose.

I know it because I think they do a first rate job. I think we would very well end up with a mediocre situation rather than one which is recognized by many people as being first class.

The Chairman: You say "logical contenders". Presumably you mean the big newspaper chains, do you?

Mr. Ted Jarmain: I didn't have particular people in mind.

Mr. Ed Jarmain: I think, Mr. Chairman, the logical contender might very well be—certainly it's going to have to be a large organization because if you are talking about the London Free Press that is a large newspaper and it is not going to be bought by a small man. I think you do have to take that for granted.

I would like to add to what Ted has already said about the Free Press organization. I have lived in London more years than Ted has and I feel the same way he does. So first of all I am going to endorse what he has just said.

I think I would like to make another point too. We are perhaps in a rather unique position to judge it because not only are we citizens of London, and therefore viewing it from the standpoint of a citizen, and have done for many, many years, but to some extent you might say that we are a little bit competitive with them. I can only say that no one ever had finer competitors.

We have found them excellent people to work with and never at any time could I ever say that I felt they took advantage of a situation.

The Chairman: You have also been partners with them?

Mr. Ed Jarmain: That is more recently and that is correct. I am speaking back in our early days, you know, when we were struggling to make a go of it. We were not partners at that time. I think they have always been very, very fair and I have the utmost respect for them.

Senator Prowse: I have one other question in a different area. You say both in your oral presentation and also at page 14 of your brief:

"They will bring new information services into the home by facsimile—for example, newspapers, magazines, possibly delivery of mail...

This one intrigues us. How do you foresee that being accomplished? I think Mr. Kierans might be interested.

Mr. Ted Jarmain: I am sure he might be. This is a plan, an idea, that has been looked at very closely right now in the U.S. The Electronic Industries Association, which represents all the large electronic firms in the United States, last October completed and filed with the SCC a study of what they saw in the future in communications.

Very briefly they envisioned the development of two complementary kinds of network or communications systems. One was the outgrowth of the telephone network the picture phone and so on. One is the logical evolution or development of cable systems that we have today.

Their view was that one of the most important and valuable services that could be provided over cable, in looking ahead to the future, would be the delivery of first class mail.

There was a paper presented at the IEEE Convention in New York. That is the Institute of Electrical and Electronic Engineers. I haven't received a copy yet. That is a very serious forum and that is not the kind of wild-eyed prediction that you would read in the TV Guide or something. This is something people are presenting serious technical papers about right now.

This would involve an electronic mail box, shall we say, where you took a letter and had it copied by the electronic mail box and it would be transmitted through the system and end up displayed either on a facsimile machine associated with the TV set or maybe stored on video tape.

Senator Prowse: It would take the contents of my letter and somehow deliver that?

Mr. Ted Jarmain: Yes.

Senator Prowse: Something like the TWX development?

Mr. Ted Jarmain: Except it would be facsimile in the sense it would be an actual picture of your letter. If it were handwritten that is what would go through.

Mr. Ed Jarmain: I think, Mr. Chairman, if you have not seen the IEEE brief, if it has not come to your attention, I would recommend you have a look at it.

It is a very throughful document and while we don't agree with all the conclusions that it has reached I think it is one of the most searching and thoughtful investigations into the future of broadband cable systems that I have seen and I would recommend it to you. If you wish we could send you a copy.

The Chairman: We would be most grateful. We would be delighted to accept. We appreciate that very much.

Mr. Ed Jarmain: With provision we don't necessarily agree with each and every one of the conclusions.

Mr. Ted Jarmain: Particularly the policy conclusions.

The Chairman: Are there any other questions? Mr. Fortier, you have one last question? Your question will be the last one.

Mr. Fortier: At the bottom of page 17 you say:

"I believe that the public interest will be much better served if we worry more about poor or mediocre performance and less about the particular form of ownership."

The question which comes to my mind is should we simply worry in Canada about poor performance or should we do something about it? Do you think programs should be regulated?

Mr. Ted Jarmain: Do I think programs...

Mr. Fortier: Programming should be regulated?

Mr. Ted Jarmain: If you are asking the question: should the details of program matter be regulated? I would think not. Is that the question you asked? I don't know how you could regulate that. It is like "Should the playwright be regulated?" "Thou shalt write good plays." I don't know how you can do that.

Mr. Fortier: I am quoting your words. The public interest concept, which you and I agree should be protected, will be much better served if we worry more about poor or mediocre performance.

Should we worry or should we have a regulatory agency such as the CRTC which will regulate programming.

Mr. Ted Jarmain: I think the easy answer is we have regulatory agencies and I think the time would be better spent. I don't mean the CRTC, we have all the mechanics now surely all of the things we are talking about. The time of these organiza'ions would, in my view, be better spent if they worried or concerned themselves with the quality of the performance as opposed to the form of the organization or organizational arrangements that created the performance.

Mr. Fortier: This worry should be translated into positive action by the CRTC?

Mr. Ted Jarmain: I would think so.

Senator Prowse: A study of programming, which they do now anyway, don't they?

Mr. Fortier: Is this what you are saying?

Mr. Ted Jarmain: Yes.

Senator Prowse: Some radio stations have been told if they don't upgrade their performance by such-and-such a date they won't be renewed. They do that now, don't they?

Mr. Ed Jarmain: This is right. Actually there is a case in the Maritimes recently where the licence was suspended.

Mr. Ted Jarmain: I suppose we all have a tendency to attack the problems easiest to attack. It is a lot easier surely to attack the problem of structure. You can draw that on a paper and say I like that or I don't. It is a lot easier to attack a problem of structure than it is to attack a problem of performance.

Mr. Fortier: Wouldn't you be scared? I would be actually scared, I would be petrified of an agency such as the CRTC censoring the programs I may like but which you as a viewer looking at the same program may dislike. I would rather let you make your own judgment and let me make my own judgment than have the CRTC say "That was a mediocre performance. We shall not have it again."

Mr. Ted Jarmain: I think I would agree with you. I think I began a long answer with that statement. I don't think you have to get into the details of programming in order to be concerned about performance.

Mr. Fortier: Thank you.

Mr. Ed Jarmain: I think it is more the public interest that is being talked about here than the actual nuts and bolts of the program.

Mr. Fortier: You have to relate it to something.

Mr. Ed Jarmain: What did they relate it to when they cancelled the licence in the Maritimes? That was public interest. I think they took the action rightfully without at the same time telling the radio stations how they should program.

Senator Prowse: "We don't like the way you have been programming."

Mr. Ed Jarmain: "We don't like the way you have been programming. We don't think it is in the public interest."

The Chairman: Messrs. Jarmain, on behalf of the Committee may I say how grateful we are both for your written brief and oral presentation that you gave us this morning. We have studied and read your brief with considerable interest. It has been instrumental in bringing us to a clearer understanding of where cable fits into the broad picture.

Thank you so much.

May I say to the Senators we will adjourn until 4.00 p.m. when we will meet in Room 356-S to receive the brief from Actra.

The Committee adjourned.
Upon resuming at 4.00 p.m.

The Chairman: Honourable Senators, if I may call the session to order. The brief we are receiving this afternoon is from the Association of Canadian Television and Radio Artists, sometimes known as ACTRA. Sitting on my right is Mr. Victor Knight, who is the National President of ACTRA, and he is himself an actor, and on my immediate right is Mr. Jack Gray, who is a playwright and writer, and he is more importantly for today a member of the Actra executive. On my immediate left is Mr. Paul Siren, who is the General Secretary of the Association of Canadian Television and Radio Artists.

Mr. Knight, I will simply say to you that the brief that you were kind enough to prepare in compliance with our guidelines has been received and presumably studied by the Senators. The procedure we follow here is relatively informal. We would like you now to make a formal opening statement if you wish, taking 10, 12 or 15 minutes and following that we would like to question you on the contents of your brief, on your oral remarks and perhaps other matters as well. If any of the questions we put to you, you would like to pass on to Mr. Siren or Mr. Gray, please feel free to do so.

Thank you and welcome.

Mr. Victor Knight, National President of the Association of Canadian Television and Radio Artisis: Is it permitted in the opening remarks to hand some of them over to my colleagues?

The Chairman: By all means.

Mr. Knight: Those remarks which are more general, I will handle myself but those which are on copyright and things of that nature and rather more technical I would prefer to turn over.

The Chairman: Well, by all means.

Mr. Knight: Well, first Mr. Chairman, perhaps I might ust point out exactly who we are: as you have already mentioned we are the Association of Television and Radio Art-

ists and we are a professional association and a trade union representing writers who work in films, television, radio and for the stage and for actors, singers, dancers, announcers and other performers who work in television, radio and films.

We have about 13,000 members organized in branches in Newfoundland, Halifax, Montreal, Ottawa, Toronto, Winnipeg, Saskatchewan, Calgary, Edmonton and in Vancouver. The main thrust of this brief—if I may use these words, because they have been used a great many times these last few days at the CRTC hearings which have been taking place across the street—deals with programming in Canadian television or the ability or inability of Canadians to be heard and seen on Canadian television and the reasons for that lack of accessibility to television as a means of communication for Canadians.

The creation of original Canadian television programs in Canadian broadcasting is our main problem and more particularly a balance of programming, and perhaps if I may I would like to enlarge on that particular aspect.

The Chairman: Fine.

Mr. Knight: If you make a study of programming on Canadian television today, you will find they will divide fairly evenly between those programs which can be loosely described as being news, public affairs, education and sporting events and the balance being again those things which could be loosely described as being entertainment programming. When you look carefully at the programming, you will find the majority of these formal sub-sections that is 50 per cent of the programming, is Canadian made. News. public affairs, education and sporting events in the main are Canadian, and education again, in the main is Canadian. Entertainment however, is in the main foreign-made.

Looking at a particular week's programming, and bearing in mind also that the CBC's record in this particular area is far better than any other broadcasters in Canada, of all of the programming, 10 per cent of it was Canadian, whereas 43 per cent of it was American or imported en ertainment shows. We find this particularly disturbing and significant for these reasons: the main purpose of Canadian programming is said to present Canadians to ourselves, to each other and to people abroad. What we seem to be doing however, is to concentrate on public affairs

shows, news shows, and areas where we do a great deal of work in the creation of shows—that is to say in public affairs we tend to deal in Canadian subjects. Public affairs unfortunately, very frequently—in fact, most of the time, tend to be critical of the subject. They tend to study institutions, Canadian mores, Canadian people and they tend, in fact, to be critical of things they study and, in fact, to polarize opinions about these things they study.

The areas where a celebration of life is possible, in song, in dance, in poetry and the dramas, we tend to restrict ourselves to a celebration of those things which are non-Canadian. We find this whole aspect of broadcasting in Canada today to be a very disturbing one. We find that there has been an imbalance in programming which can result in a polarization of opinion about things which are Canadian and a celebration of things which are non-Canadian.

The importation of a large portion of our programming, especially in the entertainment area, has resulted of course, in an almost total displacement of Canadian programming in the entertainment field. As a result of this, many of the writers, the producers, directors and actors have left our country. One of the chief resources fr broadcasting is the talented people that contribute to programming and many of these people are unable to find continuing employment to be able to create for themselves a career in broadcasting in Canada and have left the country, reluctantly sometimes, sometimes jubilantly, but left none the less and they have become as a result of this a loss to this country. One of its chief broadcasting resources is being lost, and is continually being lost.

The Canadian Radio and Television Commission has made a recommendation to limit the importation of foreign material in broadcasting—to limit it to 40% in television. We presented a brief and a great many of the cultural communities all over Canadu presented their point of view in support of that limitation. The limitation is not intended as a negative thing, although the shutting out a thing that the Canadian people desire often is. But it is a positive affirmation of the need for Canadian material on Canadian television.

One of the chief dangers that has perhaps already happened with this wholesale importation of foreign programming is that it is creating a foreign style in Canadian broadcasting and very frequently, even in the areas

where we attempted to create our own programming, we tend to make a judgment upon an Americanization of our own ideas. Very frequently programs are made in Canada with the idea that there is a possibility the can be sold on the international market, and very frequently they are sold on the international market; but for international, most people tend to think in terms of the American market and we have not been very successful in selling materials to the American market. I think the main reason for that lies in the fact that we are attempting to imitate American programming.

Frequently writers are instructed to remove from their scripts references to Canadian events and to place it in symbol as it were, not identifying its origin, the place of origin or the incident or things of this kind in the hope that it can be sold on the international market. Frequently, American codes of acceptability for television are quoted to writers so that they can remove all controversial subjects from these scripts in the hope that it may be sold to foreign markets, principally in mind is the American market.

Our failure in this respect has been signalled almost completely as a failure and the reason is quite plain: when you look at American programming for instance it is always about America, it is always about the United States, the people of the United Sates and its problems. People but it because they are interested in what is happening in United States in the same way that we made positively Canadian programs they would be interested to learn what we say about ourselves. They want to learn about themselves, but this pale imitation, that has resulted from the creation of a style of broadcasting in Canada that is essentially non-Canadian, results in the fact that we are now almost unable, as if guided by this particular philosophy, to create things which are indeed our own. We must of course attempt to reverse this so that we can positively affirm and acclaim Canadianism in broadcasting and then perhaps the world will become in erested in what we have to say about ourselves and about our place in the world.

I suppose having made a statement we must attempt to define in our own minds at least our reason for believing that this has happened. One of the probable reasons is because the very heavy commercial bias that results on television today and we are especially concerned with the commercial requirements that the Parliament of Canada has

tising in a given program, is with American programming.

This of course, is only in the absence of any real attempt ever to do Canadian programming of a kind which would be of direct concern to Canadians. We are forever talking about our problems of Canadians on Canadian television; we are forever talking about the problems of the country geographically, historically, economically, politically, and we are continually talking about these problems, but never yet have we attempted to demonstrate those problems in the form of a dramatic series which is showing the problems of a Canadian living in the country of his birth and having to speak another language, other than the language of his birth, in order to earn a living in his own country. Never once in the English network have we attempted to demonstrate the problems of Canadians in this way through a dramatized series, but we simply talk about their problems and never once have we illustrated them through the use of poems, through the use of songs, through the use of the actor and the performer. We prefer to sit and talk about them and expose only foreign entertainment shows on our network. This has resulted in an imbalance in Canadian network programming Which is causing a bias towards the type of program that we now want to produce to Canadian audiences; and it has resulted in a bias of Canadian audiences who, when asked Which programs they prefer, point to American programming. Because their choice is so limited, there is no real choice for them to make and in consequence, they can only choose those that are being exposed to them.

Mr. Chairman, I think that is a summary of our view points, and if I may I would like to hand over to Mr. Gray so he can follow on from there.

The Chairman: Mr. Gray?

points that we make in the brief and I am come before your Committee: one is freedom

imposed upon the Canadian Broadcasting just going to touch on them briefly. One is the Corporation. At the moment the Canadian film industry in Canada, which at the moment, Broadcasting Corporation is required by Paras you know, is a weak industry. It is not that liament to attempt to find one dollar in every well established and in our analysis of it, we five of the total budget and in consequence are of the opinion that the time has possibly of this, if Mr. Davidson is to be believed, come to give it more assistance. Now, the they have come to the conclusion that the form of that assistance is debatable, but there only place where they can find the bulk of are many ways we can help it. Some may be revenue is in entertainment programming just encouragement and others may be very and that the only way they can deliver the practical. We already have the Canadian Film number of heads that the commercial agencies Development Corporation, which is certainly require in order that they will place adver- a step in the right direction, but there are other things. The big problem is the distribution. How do you get the Canadian films into the Canadian cinemas, and also how do you get the Canadian film into cinemas around the world? That is a real problem, and I suspect that in the long run this will require parliamentary support.

> We are anxious to see, as I think everybody now is, and as the government is now in the process of reviewing the Copyright Act, we are anxious to see a thorough review of the Copyright Act and see it brought into line with modern developments. Our own Act was written back in 1924 and it doesn't really cover the modern technology. We have suggested to the departmental committee some of these things that we would like to see happen and the details of those are appended in our

We are very anxious to see that the future broadcasting in Canada is used in the service of the people of Canada. You get rather unctuous in this area and pious and you begin to say all sorts of stupid things, but the fact is there is no reason in our view to assume that because broadcasting has grown up in a certain way it must continue to go that way. Technology is moving so fast that we are all aware there are many changes coming. For example, cable is coming, satelli es are coming and there are new forms of distribution possible and each of these, we feel must be kept in the forefront of our thinking so we don't make decisions based on for example, a primary commercial-oriented network of the kind we have now.

The main point I think in my own mind and certainly in actors' minds, is that we are determined that whatever form broadcasting takes in the future in Canada, it is not necessarily based on the American model which we think has perhaps served its purpose.

We mentioned that we would like to com-Mr. Jack Gray: There are several other ment, if it is useful, on two matters that have of the press in broadcasting and we have a pending submission we made to the CRTC on the subject on the program the CBC has done called "Air of Death", which develops a few specific ideas about news and comments in broadcasting. They are, as all reporters know, very simple and old-fashioned; there is nothing very revolutionary about them. They are with regards to news: "Always be accurate" and "When in doubt cut it out"; and when news begins to shade into comment, "Always be honest in your bias". This happens in television all the time and I've attempted to be fair, in that we try to get the various relevant sides, and you can't do it with everything but we developed that in some detail and it is also in the brief.

In the final section we talked about the prime functions of the mass media and I think rather than go into that now I would just say that it is there and if it is helpful, peruse it. The mass media obviously are capable of doing certain things well and many things badly; and so they require some regulation and they require an enormous amount of support.

The big thing in broadcasting which is certainly important, is the access, and we just don't mean access between an advertiser, or access to a government program or a CBC programmer but access on the part of the public. This is a matter which is of great concern, I think, to the public though they seldom get a chance to talk about it. It is very, very difficult to be heard in the mass media in Canada to-day. This is particularly true, I think, in broadcasting and our hope is that after the technology developed those methods and those opportunities will increase and I think that is basically what we are trying to say.

The Chairman: Thank you very much. I think that perhaps that the questioning this afternoon will begin with Senator Prowse.

Senator Prowse: The statement was made a few moments ago, and it is in the brief, on Page 9 of this brief, Paragraph 4.2 you say:

"The situation is, very simply, that Parliament has stipulated that the CBC must earn revenue."

Now, what is the basis for that statement?

Mr. Knight: Well, it is a response to a statement made by Dr. Davidson before the House Committee on Broadcasting and Assistance to the Arts in February and March of

1969. Under questioning about the use of American programming, he made the reply and I am going to have to paraphrase him but the substance of his remarks was this: we have been given two sets of instructions from the Parliament of Canada; one is contained in the Broadcasting Act which we consider to be our mandate for programming; and the other is to obtain a percentage of commercial revenue, generally accepted to be around 20 per cent. Then he went on to state the problems that he had to face as a result of this requirement to gain commercial revenue and the effect it has had on programming generally, but those remarks can be found in the minutes of those meetings where appeared before the Parliamentary Committee on the CBC in 1969. February and March are the two separate meetings. I don't have the precise date for you.

Senator Prowse: How much is there to keep things straight. The point I am getting at is this: you make a statement here and it is an unqualified statement. You say "that the Parliament has stipulated that the CBC must earn revenue". I think the fact is that Parliament has agreed that after the CBC has presented a budget, to provide it with a heck of a lot of money—namely about \$160,000,000; and the CBC voluntarily, prior to that said we will raise forty million, or something like that by selling advertising. Now, is that not the situation?

Mr. Knight: Well, as I say we derive our information from a statement made by Dr. Davidson in those minutes and he quite clearly states that it is a requirement from Parliament.

Senator Prowse: It doesn't matter that much. The only thing is I think it should be made clear—but I think you will agree that the Parliament of Canada presently is subsidizing the CBC to the tune of about \$160,000,000?

Mr. Knight: That is correct.

Senator Prowse: Which is subjected to a heck of a lot of criticism from an awful lot of other sources. I think you would agree with that as well?

Mr. Knight: Yes, Senator, I would agree with that.

Mr. Gray: Surely, Senator Prowse, from the beginning the decision was that there would be support for the CBC, first through a licensing fee, which would be paid by the people of Canada and which was never really adequate for the job and then consequently, it was decided to dispense with the license fee and replace that with a subsidy from Parliament for support from Parliament. So presumably what we've had over the years since the beginning of broadcasting was an agreement that in one way or another the Canadian people could afford it.

Senator Prowse: Let us find out exactly What your point is. Is your point that the CBC should be entirely dependent upon the government subsidy and not be required to go out into the commercial market place at all to raise any money?

Mr. Knight: You might be able to see our point of view in that light...

Senator Prowse: No, but what is yours?

Mr. Knight: What we are saying is this: the CBC at the moment is required to derive somehing like 20 per cent...

Senator Prowse: Just don't say is required.

Mr. Knight: In order to meet its commitments which they claim are above and beyond the amount of money that is granted to them by Parliament. They find themselves In a situation of having to find an additional forty million dollars—which is really the figure that it amounts to.

Senator Prowse: If there is ...

Mr. Knight: Something like 20 per cent of their total revenue. This I think is a fairly accurate description of the situation. Now, in order to do this, they find themselves in a situation of having to put the types of programming where the advertiser can count heads in order to determine whether or not it is useful for him to use that program as a medium to advertise his particular products, especially during prime time which is when the bulk of the audience is going to be interested in watching television, in order to attract that particular type of advertising.

Now, if I can draw an analysis here with what happens in the theatre. If you are a theatre owner and you own a piece of real estate which has been designed and built as a theatre—it has no other useful purpose, but ture hall or occasionally as a concert hall but American.

its chief purpose is a theatre and you can't use it for anything else. You can't suddenly use it for packing books or garments or turn it into a factory. It is a theatre: it is designed that way and you have to pay the rent on that theatre. You have to pay the maintenance on it, etc.

In New York City today, for instance, which is the one area where statistics are available in any large degree, it costs anywhere between six and eight thousand dollars a week just to keep the theatre there. Now, quite clearly you are going to want to fill that as much as possible and to keep it open as frequently as possible in order that you will not have to carry those overheads yourself so you tend to play things safe. You tend to look for a writer who has been a success in the past and you tend to buy actors who have been a success in the past. You tend to not take any chances and you can't do things in a formula fashion.

Now the same thing really is a direct parallel to the advertiser who wants to be able to play it safe and he wants to be able to deliver that message to the greatest number of people at any one time. Consequently he chooses programs which have proven themselves, which have been on the air before and it is known that they can deliver an audience and unfortunately the programming of Canadian broadcasting is such, in the entertainment area particularly, where this kind of audience is available to you. If you look through the programs which are tops in the popularity polls, there are no public affairs shows in those top 10, but there is the hockey game and then nine American light entertainment shows. There are no public affairs shows and there are only American light entertainment programs. Dr. Davidson takes the need to find this extra money as almost an obligation on him to use American light entertainment programs. The result is that there is an impasse in Canadian broadcasting as far as we are concerned.

Senator Prowse: Is there any difference with the CTV?

Mr. Knight: No difference at all. The CTV is in precisely the same boat. As a matter of fact there is an article in Time magazine, just this week, which does an analysis of CTV during certain periods-21 hours a week of prime time broadcasting where there were as a theatre. You can't use it for anything absolutely no Canadian programs on CTV at else; you might use it occasionally as a lec- all. All of it is American—all of it is

The Chairman: I think Mr. Knight, that show in New York how long do you stay open perhaps what drew Senator Prowse's atten- if you don't get an audience? tion to this paragraph, and certainly mine, was a suggestion that Parliament says "that the CBC must" sell commercial time. I don't think there is anything in the Act at all that compels the CBC to sell commercial time, do you?

Mr. Knight: Nothing in the Broadcasting Act at all.

Senator Prowse: Well, this is the point, Parliament didn't stipulate the point, the CBC decided that they wanted more money than Parliament was prepared to vote to them.

Mr. Knight: Well, that would be one way of looking at it, certainly, Senator Prowse, but as I said before, I'm quoting Dr. Davidson.

The Chairman: I would like to get that information. When was that?

Mr. Knight: It was either February or March.

The Chairman: Before the Commons Broadcasting Committee?

Mr. Knight: Yes, that's right.

The Chairman: Thank you.

Senator Prowse: Let us just go back to another subject.

Mr. Paul Siren (General Secretary of The Association of Canadian Television and Radio Artists): I think we can also look back to the two reports from Mr. Fowler to committees in 1956 and 1965 and you will find in both reports a recommendation for the CBC to earn commercial revenue.

The Chairman: We are not disagreeing with that at all. I think that the only point that we are disagreeing with is the suggestion that somewhere in the Broadcasting Act it states that the CBC must sell commercial time.

Senator Prowse: Well, we have disposed of that, but the second thing is this: the ability to sell commercial time is the ability of the program to get audiences?

Mr. Knight: That is the advertisers way of looking at it again.

Mr. Knight: You don't.

Senator Prowse: Or Toronto?

Mr. Knight: You close.

Senator Prowse: Or anywhere else?

Mr. Knight: But you see when you are dealing with a theatre, you are dealing with a situation where you have a theatrical house of some 500 seats and the people who buy those seats-you have to pay only your overhead out, pay your actors, your pre-production costs, etc., etc. In broadcasting the Canadian public is not one audience. It is composed of many audiences.

Let me just give you an example of that: the "Wojeck" series and the other series dealing with Parliament that the CBC produced, delivered a very sizable audience. When they took "Wojeck" off the air, it was delivering in excess of three million people, which is a very considerable audience. Now, if you look at the BBM ratings on the top 10 shows in Toronto—and I think it is a very significant aspect of this thing—the most popular show is the hockey game and that delivers-and I am going to say this from memory because I don't have those figures with us.

The Chairman: The Committee has the figures on that.

Mr. Knight: It is less than 15 per cent of the audience. I think I am fairly safe in saying that it is less than 15 per cent of the potential audience at any rate. That means that 85 per cent of the people are not watching it at any one time.

Senator Smith: Is this the hockey game you are referring to?

Mr. Knight: I am talking about hockey, yes. I am using the BBM figures and all of other programs that are in that top 10 list from the BBM; none of them deliver more than 12 per cent of the potential audience, which means that almost 90 per cent of the audience is not watching them. Ninety per cent of the audience are not watching these most popular shows that are so important. So what about the rest of the audience? What about the rest of the people? What about the Senator Prowse: Is it anybody else's way of other three million people who are being looking at it? If you are going to put on a deprived of programs like "Wojeck" and can't

see them because of the demand of the advertiser to deliver the greatest number of heads at any one moment. The audience consists of many small groups of people with many different faces, at many different times.

The Chairman: Well, I was just going to say that this is the argument that I used with some of the private radio broadcasters when they were here but it is not an entirely pure intellectual argument. I am sure you will agree.

Mr. Knight: Yes, indeed.

Senator Prowse: You put it more kindly than I would have!

Mr. Gray: May I just suggest ...

The Chairman: Yes.

Mr. Gray: But the point really, I think, When we get into discussions of this kind, is Whether or not or perhaps to what degree we intend or are prepared to face up to the fact that it is probably impossible to organize any broadcasting for the maximum benefit of the viewer and perhaps even of the producers. Therefore we rely on a commercial base. I think what we have to decide finally, and When I say we, I mean Canadians, is what we are prepared to pay? I think perhaps that, is the point we are trying to make.

Senator Prowse: All right, Mr. Gray, now let us take your point and let us deal with it because I think that it becomes special. The Canadian people are putting up \$160,000,000; out of a \$200,000,000. budget for the CBC today, is that correct?

Mr. Gray: That's right.

Senator Prowse: And you are telling me that CBC is not doing the job it ought to do?

Mr. Gray: Right.

Senator Prowse: Are you suggesting that We then put up the additional \$40,000,000 so they would do the job you are talking about?

Mr. Gray: Money by itself won't do it, no. However, money is part of the issue, yes.

Senator Prowse: The thing that is in issue is talent and ability, is it?

21518-4

talent and ability cannot express itself or is not used to its maximum potential. As a point, for example, there are certainly writers, directors, actors, scene designers and so on in this country at this moment who are quite capable of putting together competence in programming.

Senator Prowse: How would you decide whether a program was a top-notch program or not?

Mr. Gray: It depends very much on the program and on the audience at which it is aimed. For instance, it would be possible to put together a superb program which was not intended to reach the maximum number of viewers. You could put together a program on a subject which was maybe not of interest to a maximum number of viewers. We have here the most popular kind of program, the hockey game, which is only apparently of interest to only 15 per cent of the viewers.

Mr. Knight: In Toronto.

Mr. Gray: In Toronto. In their words, we begin to think of the mass media as having to deal with everybody at all times, but it doesn't work that way. Not everybody reads the same novel at the same moment or watches the same programs and obviously if we wanted that kind of broadcasting for that kind of-I hate to use the word "culture", but I am going to use it anyway-if we want the best kind of culture at any time, presumably what we have to say to ourselves is how much are we prepared to pay for it. Now, it may be that the people of Canada will decide that they are not prepared to pay for that; then it is time for people like me to be quiet.

Senator Prowse: How do you decide that a thing is good? For example, I don't think that Shakespeare had a royal subsidy. Did he?

Mr. Knight: Can I have a go at answering that question?

The Chairman: Certainly.

Mr. Knight: I think if you examine Shakespeare's plays carefully-for example in Othello there is a lovely scene in the middle where they had gone from Italy and they are now on the Greek Islands and they are sitting on the beach and they are getting slowly Mr. Gray: No, I don't think entirely talent drunk. One of them tells a beautiful storyor ability. Talent and ability is there but coming from memory this is a group of Italian Greeks sitting on an island they are telling a beautiful story...

Senator Prowse: Hardly Canadian content!

Mr. Knight: Well, let me finish now—one Englishman can drink any German or Dutchman under the table any time he likes. Now, there is no relevance at all to the story or to Greece or Italy in this particular little scene that they play but there is a relevance to the London audience who are paying their pennies to go to the Globe Theatre to see and hear them. I think it is valid determination of excellence in broadcasting is that it tells in an entertainment fashion a story of Canadians by Canadians—that it celebrates Canadian life that is I think what we are driving for.

Senator Prowse: And that Canadians are prepared to watch it.

Mr. Gray: Yes. The read at wino of describing

Mr. Knight: Yes, I think there will be. There are in Montreal. They watch most of these programs because the programs take place in Montreal, they speak in the dialects of the Montreal and they speak about Montreal. Montreal likes to be recognized; they are concerned about it. I think the same would be true in English Canada if we ever attempted to make that kind of program which we have as yet not attempted to do.

The Chairman: Do you have a supplementary Mr. Fortier?

Mr. Fortier: Yes, I do Mr. Chairman.

The Chairman: Fine.

Mr. Fortier: It is a sort of double-barrelled question.

Senator Prowse: Ask.

Mr. Fortier: First of all, have you any suggestions as to what can be done to attract that 90 per cent who is neither looking at hockey, nor looking at any one of the other top 9 shows now being presented on television? Have you any concrete suggestions of the way this could be done?

Mr. Knight: Well, I think not at any given moment but I think the essential ingredient is choice. You have to give them a choice of programming and a choice of a variety of things in programming.

Mr. Fortier: That is where the cable broadcaster comes into his own, is it not, with a range of vertical channels which would be available for a minority interest.

Mr. Gray: Well, we are off on a trial balloon because it may be that the cable companies will provide the kind of choice that everyone hopes for, but they will only provide it, to be perfectly frank, if they decide to do certain things. For example, as we all know it is very expensive and certain kinds of programming are enormously expensive and I would think that for many cable operators, if they work individually, it will be very difficult for them to supply a really wide range of programming. I am sure that what we will see in the long run, perhaps even a short run, is a grouping of the cable operators, or perhaps even cable networks. They would have to co-operate to put that together those shows, but one of the things I suspect we are going to have to deal with is the degree to which the cable operators are forced to bring in the material from elsewhere.

Mr. Fortier: That would be an answer, though would it not, to increase presentations to minority groups?

Mr. Knight: Technically it is an answer, because technically, cable has the capability of delivering signals. Yes, there is no doubt about it, they can produce a variety of signals, but it is what is contained in the signal that is important surely. But at the moment, all they are doing is picking up other people's signals and transmitting them somewhere else. All they are doing is picking up the signals that the broadcasters are emanating and delivering them to households.

Mr. Fortier: They are doing some programming, as you know.

Mr. Knight: Well, in Montreal they have been doing it for some time. Do you live in Montreal, Mr. Fortier?

Mr. Fortier: Yes, sir.

Mr. Knight: Then if you watch it, it is interesting experimental broadcasting via a group of people who are not necessarily broadcasters. It is interesting from that point of view, but I don't think it is the total answer yet.

Mr. Fortier: How do actors feel towards this non-professional presentation by cable casters of local situation presentations?

Mr. Knight: Well, our attitude towards it has been up until now, without anticipating what is going to happen in future, broadcasters, like anybody else, have to learn, they have to train, they have to find out how to use materials, how to use broadcasting, and that is as good a place as any as far as we are concerned at the moment. This applies to people who are working within a limited range. Now, if they come and ask our members, we are into a different situation. We are a group of professionals and we expect to be paid for the professional work that we do, but we have no objection to other type of broadcasters using that kind of material.

Mr. Fortier: Isn't this an area where you should seek the assistance of the cable owners?

Mr. Knight: Yes, as a matter of fact, we are ac'ively at the beginning of conversations with the cable operators, at the moment. The CRTC meetings last week brought them all together and they stopped us in the corridors and asked us to talk and we have agreed to a series of meetings.

Mr. Fortier: So the hardware is there. The qualified obligation has been imposed on the cablecasters by the CRTC. Will the talent be available?

Mr. Knight: Oh, in large numbers.

Mr. Fortier: There is enough Canadian talent to go around?

Mr. Knight: There is enough Canadian talent to do anything that is thrown at us.

Mr. Fortier: Even 100 per cent Canadian talent?

Mr. Knight: Oh, yes indeed if it is necessary.

The Chairman: Senator Prowse?

Senator Prowse: Well, this is the area that I was wanting to get into earlier. This may be unfair and I will agree that it is before I start that.

The Chairman: That has not inhibited you before!

21518-41

Senator Prowse: Well, I got awfully fed up with looking at program after program and seeing the same faces except at different ends of the podium and perhaps, unfairly, this is where the unfair part comes in—I picked up the idea that this was because they themselves had a real tight-closed shop.

Mr. Knight: The nature of our agreement with all broadcasters is the same and what it amounts to is this. They will ask any nonqualified performer to work with our member and it means simply this: any person that they want to hire, they are free to hire and the only qualifications being that they must pay them our rates and be qualified by the Association. In other words, they have agreed they will not-because the person is not established professionally in the sense that he is a member of this Association or some other Association-be it that he comes from another part of the world-ask him to work for lower rates, but they are quite free to engage anybody they choose. There is no prohibition in any of our agreements in that regard.

Senator Prowse: In other words when a person gets hired to do a job he automatically becomes a member of your Association?

Mr. Knight: No. Our constitution requires him to have four professional engagements before he becomes a member of our association.

Senator Prowse: How in the heck does he get four professional engagements if nobody else can hire him unless he belongs to you?

Mr. Knight: When I was trying it out in Montreal, it required 10 and I got the 10.

Senator Prowse: Well, how do you do it? If they won't let you work...

Mr. Knight: Oh, that's not true.

Senator Prowse: Well, explain it to me then.

Mr. Knight: We will not let them work at rates that are lower than ours. We negotiate minimum rates and anybody who is going to work in the area where our members are employed, all work at the same rate.

Senaior Prowse: Yes.

Mr. Knight: These are minimum rates, you understand. They are not by any means the

highest rates. Many of our members will not work for these rates. They are not allowed to work below that minimum but the producer may choose from among all performers available to him so he is not limited to the membership of ACTRA in choosing these performers or broadcasters he is searching for. He can choose from many sources.

Mr. Fortier: But no member of ACTRA will work with a non-member, is that right?

Mr. Knight: Yes, he will.

Mr. Fortier: In the same performance?

Mr. Knight: In the same performance, by all means.

Senator Prowse: He just insists that the fellow be paid the same rate.

Mr. Knight: That's right.

Senator Prowse: That is better than I thought it was. What provisions do you have for bringing in and training new people?

Mr. Knight: Well, unfortunately we don't have the facilities for training. This is why we keep this open-door policy. Of course, in the dramatic field, there are dramatic schools; in the musical field there are musical schools. But broadcasting is much wider than that and there are many broadcasters who get training in far different fields. Many broadcasters come from the newspaper world, for instance. We don't have the facilities to train people, in fact, neither do we have the ability to judge their merits. This is why we keep the opendoor policy, so that there is an open field for them to come in to broadcasting without any restrictions from us.

Senator Prowse: We have the Ryerson Institute in Toronto and we also have various trade schools.

Mr. Knight: We have the universities also. They are setting up communications departments and things of this nature.

Senator Prowse: You don't have a direct connection there, or do you just carry on a form of...

Mr. Knight: Many of our members work in the communications field as indoor instructors and things of this nature, but no, we don't have any direct connection. Senator Prowse: Generally speaking then, your situation is that your organization—the only limitation that you set is, "Alright, if you are going to put on a show here you have to pay people a fair price for a fair appearance".

Mr. Knight: That's right.

Senator Prowse: Is that basically it?

Mr. Knight: Yes.

Senator Prowse: And you say that in addition to that, you have no concern at all about the ability of the Canadian broadcasting industry to meet the demands that are made upon you now by the CRTC?

Mr. Knight: I believe that the talent is readily available in Canada to do anything that is required of us. If I may quote Mr. Chercover on this at the CRTC hearings last week. He said quite clearly there is no problem with regards to either creative or performing talent in Canada. It is readily available.

Mr. Fortier: He also praised the union for locating new and good Canadian talent. Do you recall that statement?

Mr. Knight: No, I didn't hear it.

Mr. Fortier: Well, I am informed...

Mr. Knight: Because I wasn't there at all the hearings.

Mr. Fortier: Well, I was informed that he did. The question is: what is "new talent"? Is this amateur or professional new talent?

Mr. Knight: Well, there is a stage where almost all talent is amateur and progresses to professional when he gets paid for what he does.

Mr. Fortier: And then he can join you?

Mr. Knight: That's right.

Senator Prowse: On a regular basis?

Mr. Knight: That's right.

Mr. Fortier: Just the same you are not interested in promoting or assisting new talent?

Mr. Knight: Interested we are but we don't have the resources or facilities to do it. We

field in the past, in setting up work shops for Would-be writers, etc. but it has not been entirely on our initiative—it has partly been the CBC.

Senator Prowse: While you don't have the facilities to go out and create the talent yourself or to gather it up and train it, besides this, the only present limitation you have on the use of new talent is that they be paid at professional rates if they are used as professionals.

Mr. Knight: That's right.

Senator Prowse: Is that a fair way of putting it?

Mr. Knight: That is a fair way.

Senator Petten: And then after four occasions do they have to join your union?

Mr. Knight: No, they don't have to. They are invited to, but they can continue to work on their own but most of them join because there are considerable advantages for them.

Senator Petten: They prefer to join?

Mr. Knight: Yes.

Senator Petten: How do you build it up?

Mr. Knight: Well, I have only met one occasion where a performer who had got his four assignments in then didn't want to join the Association but he subsequently did however.

The Chairman: The discussion we have been having relates primarily to television. Have you any comments on the radio?

Mr. Gray: Radio is one of those extraordihary areas. Canadians have done some fabulous things in radio. I listen to a lot of radio and I have spent many years in England and I Would say that our radio at its best is the best in the world. It is the CBC radio I am talking about—I must qualify that; it is the CBC radio that I am talking about. Private radio does not have the same performance record but the CBC radio is in my own opinion one of the finest broadcasting organizations in the World, and it is particularly good in certain

It has I think, trained more talent and particularly given more opportunities to more

have co-operated with the Canadian Broad- writers than any. The BBG of course has a casting Corporation, especially in the writing marvellous record there as well, but it is just. superb and whenever I get an opportunity I like to say so.

> The Chairman: Well, all right then, let me ask you the most obvious question, and it is a pretty tough question, but why doesn't anybody listen?

> Mr. Gray: Well, I suppose-well, I really don't know, I'm not really qualified to answer that.

> The Chairman: You do know that the ratings are very small I'm sure.

> Mr. Gray: The ratings are relatively small but I used to work on Maclean's magazine ...

> The Chairman: Well, I was going to ask you about that in a few minutes.

> Mr. Gray: And I remember Ralph Allen and I once had a long argument about fiction in Maclean's. It is minority audiences that we are talking about now, you know, and everything becomes relative. Well, in any case that only about 40 per cent of the readership of Maclean's read the fiction, issue after issue; one issue would be 39; and the next issue would be 41 and so on. They were determined to kill the fiction which they ultimately did.

The Chairman: Why?

Mr. Gray: His argument was that 40 per cent wasn't enough. I think then what you really get into in regards to radio is probably you have to decide at what point you are not really serving sufficient people to justify it. I think and I have said to the people in the CBC, and I would like to say publicly that I think it would be a disaster if the CBC radio operation were cut-back merely because of some kind of a new miracle appreciation. I suspect the people who do listen to the CBC are very loyal and therefore a very good audience, if I can use those terms. Certainly when you turn the audience around and when you look at what it does for the creative end of the business you then go on to assist the country in many other fields. For example, novels-Morley Callaghan lived on radio you know for years and now everybody says that Morley Callaghan is a fine wri er and we have given him \$65,000.00 this year and so on; but he ate off of the radio program for years. For a long time, it was our Canada, Council.

The Chairman: Again, I just wish more people would listen. What can be done in that area?

Mr. Gray: Yes, I agree.

The Chairman: You know, the private broadcasters have put forward some very interesting views on this. We have heard, for example, and this is one opinion that has been expressed, that the audience goes where the commercials are and that if the CBC radio became more commercial, people would listen.

Mr. Gray: I think that is one of those awful arguments about which I really have no sound comment. You know, that is just not worth a comment.

The Chairman: Another argument which has been put forward and I'm not sure whether it was by the private broadcasters or by others—interestingly most of the private broadcasters have said that CBC radio does have a place, but they have not been able to answer the question why people don't listen—we also have heard that CBC isn't local enough. Do you think that is a valid observation?

Mr. Gray: No, I think local radio is being served very well by many private broadcasters and I would have thought that the CBC's main role was to provide what they call regional programming—other than local or community programming—and a national programming which nobody else seems to be willing to provide. I don't know of any private broadcaster that is willing to invest in the national scene.

The Chairman: Do you think that the people of Canada know about CBC radio?

Mr. Gray: I wonder about that. I wonder—do they really know about that. You know that the CBC audience is very loyal and the people who like it, like it so much that they will go to bat for it.

The Chairman: Mr. Knight?

Mr. Knight: Pierre, as you know, made an interesting comment—not about radio but I think it is relevant to radio as well towards the end of the hearings yesterday. He picked up a copy of the Television Times and the other publications on television and he turned over the pages one after another and all of

them displayed American performers, American programs, American this, American that and none of them was giving any publicity whatsoever to Canadian programs, Canadian radio or Canadian television. He made the complaint that he had kept these copies for over a year and this attitude of the newspaper in publicizing television and radio was throughout all of the issues that he had—he couldn't see any publicity for Canadian programs whatsoever.

The Chairman: Let me ask you a question on newspapers. You say at 2.7 in your brief on Page 7 and I quote:

"One of the reasons it would be difficult to establish a "national newspaper" in Canada, for example, is this desire for the local gossip, which masquerades in our papers under the name of news."

What newspapers are you thinking of? Can you give us some specific examples of what you had in mind?

Mr. Knight: I think Jack could handle that one.

Mr. Gray: I think I am a very avid reader of newspapers and I pick them up in bundles wherever I go in Canada and I'm sure you all do and with the exception of a few newspapers in this country it is extraordinary how parochial they really are. Now, I wouldn't quarrel with that. I think there is a certain amount of rhetoric in this country, as you would understand, but certainly one of the prime functions of the newspapers in our country is to do just that—to reflect their own community. I think they reflect it to the point where they exclude most of the world—that is a personal view. That is really what we meant-in other words, entirely apart from the mechanical difficulties of distributing it across the 4,000 miles simultaneously (and perhaps when facsimiles and things like that come in we will be able to do that) I think that if anybody put together a national newspaper, they would have a lot of trouble anyway unless he made sure that every local edition had these kinds of information in it.

Mr. Knight: There is an interesting example of this kind of thing and that is when Paul Siren had occasion to phone the president of our local association in Edmonton when was it Paul?

Mr. Paul Siren: Yesterday.

Mr. Knight: As you know the CRTC hearings have been going on for almost two weeks and he has been unable to find any satisfying reports in any of the Edmonton newspapers.

Senator Prowse: Well, there is only one he has to look at.

Mr. Knight: I beg your pardon.

Senator Prowse: There is just the one newspaper that he can look at.

Mr. Knight: In that one newspaper he has been unable to find any real coverage of the CRTC hearings and this is something of course which is of national importance to Canada to-day. The future of broadcasting in Canada should be considered—I would have thought—of national importance, but apparently the Edmonton newspaper is not sufficiently interested, in that he can't find enough comment on it to satisfy his demand.

The Chairman: When you say the Edmonton newspaper we should be clear that you are exonerating Canadian press.

Mr. Knight: Oh, yes. They have had good coverage of it.

Senator Prowse: At least they have the stories that do appear in other places.

The Chairman: Notwithstanding the rhetoric inherent in this sentence or two but you did say "with a few exceptions". Are the exceptions so few that you could name them for us or would that be an impossible task?

Mr. Gray: Well, I wouldn't want to name them because the only papers that I really know well are the Toronto papers, but the Toronto papers—particularly the Globe and Mail and the Star seem to me to have a kind of metropolitanism...

The Chairman: How about outside of the Toronto area?

Mr. Gray: Well, the only papers that I see regularly or with any regularity that I can comment on are the Montreal Gazette and the Star. But a comment of this kind I think refers specifically for example to the Halifax Chronicle-Herald. A paper of that kind, which manages in so-called two editions, one in the morning and one in the evening—they are still different papers but they are basically the same—manages to ignore so much of the world it is just astonishing. I sense that

The Chairman: I was going to say you should explain that you had occasion to read those papers regularly.

Mr. Gray: I was briefly connected with the Neptune Theatre when it first began so I was down there about six months. Really you do get so cut-off, you are avid for news so you start buying any newspapers that you can get your hands on at the time.

Senator Smith: Mr. Chairman, this will be a good time for me to comment that the efforts that Mr. Gray put forth were indeed very laudible, to the extent that Neptune is still going along in the Halifax area.

Mr. Gray: I didn't have very much to do with it—it was Leon Major and that marvellous community of yours.

Senator Smith: Well, I thought you had something to do with that as well.

Mr. Gray: I was there, in fact at the very beginning but they did all the work.

Senator Smith: Well, I have heard your name mentioned in connection with that.

Senator Prowse: May I ask just one question.

The Chairman: Well, I would like to stick to newspapers just for a minute or two. Is it on newspapers?

Senator Prowse: No, go ahead.

The Chairman: I will just finish on this because this is not a particular study of broadcasting and television. We are interested in that but as part of the much broader picture. So we are interested in your views on the newspapers. I just have a couple of questions. I'm sure you are familiar, Mr. Knight or Mr. Gray, with the trend towards the concentration of the media in Canada. Does this concern you and do you have an attitude towards it?

Mr. Knight: Yes and no, because I think the same thing is beginning to happen in broadcasting as well. There are two conflicting view poin's on this. First is the one that Jack has talked about, and that is the need for a national reflection in both the newspapers and in broadcasting. I think there is an absolute need to reflect the totality of Canada in both ends of the media—both television and radio and in newspapers. I think we should actively seek

to find ways and means of doing that. However, the CRTC is very much concerned in broadcasting and I notice you have been concerned in recent reports about the media being concentrated in too few hands. I think there is a real danger or perhaps there is an implicit danger that, perhaps not a real danger but there is a possibility of a danger of the medium being directed if it is in too few hands. I think it needs, as Parliament does, an opposition as it were; there needs to be another voice; there have to be several voices, not just one voice. I don't think there is any danger in any newspaper in Canada, or at least Î don't see it—perhaps you have far more information than I have—but certainly looking at newspapers in Canada there doesn't appear to be that kind of reality at the moment.

The Chairman: Mr. Gray?

Mr. Gray: May I make a personal comment?

The Chairman: Certainly.

Mr. Gray: I would have thought-I don't know what the point is but beyond a certain point when they start to grow too large when the chains become too great we are in a real danger. I don't know quite how to express it but I remember back in the days when Lord Thomson was gathering together all of the newspapers-and as you go around the country you begin to see it-now, he was scrupulous in keeping editorial control in the hands of the local editors and to the best of my knowledge never interfered in the actual editorial, running of the paper. But other than that there is an air about them as you know. I would prefer personally to have newspapers owned individually if that were possible.

The Chairman: I have just one other question for Mr. Gray and then I will come to you, Senator Prowse. I am aware of the fact that you were a former assistant editor of Maclean's magazine in the 50's.

Mr. Gray: Yes, everybody was called an assistant editor in those days.

The Chairman: I think the Committee would be interested in any opinion you might express about the Canadian magazine industry presently.

You followed these hearings to know about discussions back and forth?

Mr. Gray: Just through the press.

The Chairman: Well, could you comment on the Canadian magazine industry generally?

Mr. Gray: Well, our current magazine situation obviously is very difficult. There aren't enough of them and they aren't very good. One of the encouraging things and we do hope that it will work out economically is the specialization of magazines. I assume that we will see more of that in the future as there is a larger economic base. But, by and large, the magazine industry doesn't seem—it is not healthier than it was 10 or 15 years ago and it wasn't that healthy at that time.

The Chairman: Is there a future for the magazine industry in Canada?

Mr. Gray: Well, let's put it this way; at this particular point, and I don't know if I am speaking out of turn or not—but at this particular point a magazine like Saturday Night, which is under the editorship of Bob Fulford, has once again become an important magazine in Canada. I understand that it is not as healthy financially as it should be or perhaps it is even in real danger. I don't know specifically and I wouldn't want to put them in public troubles; but if we lose that magazine we have lost something of actual permanent value and as I understand it is not that much money to make it work. In terms of broadcasting, it is just a drop in the bucket.

There are certain areas of concern and information that seems to be better handled in print than in other ways. I think we need the magazine quite frankly. We need the magazine the same as we need the newspapers because I think we need the multiple choice.

The Chairman: Senator Prowse?

Senator Prowse: You are a group of people that are so concerned with the Canadian image and who resist the American image and I am intrigued with the fact that your brief is set up on the 1.1, 1.2, 1.3, which is an American set-up.

Mr. Gray: No, it is a requirement of the Committee, Senator. Like I said in the outline—I have written, or we have never written anything in these terms but it asks that the paragraphs be numbered that is why they are numbered.

Senator Prowse: No, but 1.1, 1.2, 1.3—that is a little different numbering?

Mr. Gray: That is the system that we were asked to use.

Senator Prowse: This particular form of numbering is an American form of numbering.

Well, what I wanted to get to is this business of copyright. What is your complaint about the Copyright Act and I do have a copy of the Act here if somebody wants to play with it.

The Chairman: Mr. Knight?

Mr. Knight: Well, there are a number of areas in the Copyright Act which we feel need to be tightened in some way. There are a number of needs in Canadian education that need to be looked after from the point of view of the Copyright Act; but our chief concern is in broadcasting of course.

A writer at the moment makes contractual arrangements with a broadcaster and always, until the time of the introduction of cable, the broadcaster had control over the disposition of that work. That is no longer true. With cable, it is quite possible for a cable operator to pick a broadcast up and distribute it in an area which was perhaps not reflected in the original copyright or in the original contractual arrangement with the writer.

Now, the Copyright Act is in such vague terms that it is not clear as to whether or not the writer has protection for the use of his intellectual material. The cable operator disassociates himself from any responsibility in this matter and because of the advent of the technical uses that can be put by cable satellite and what you will, I think the Copyright Act needs to be up-dated to reflect the technology of today.

The principal purpose of copyright is to safeguard intellectual material, so that the person creating the material can operate within a profession and provide that material for the benefit of society. He must be able to live and the only means he has to live is through the protection the Copyright Act gives him. If the Act doesn't do that, it needs to be changed in order to serve those purposes. This is our main feeling and we are concerned with updating it so it reflects the technical reality of today.

The Chairman: Mr. Gray?

Mr. Gray: Did you have a specific opportunity to see the specific recommendations that we have made?

Senator Prowse: I read your brief yesterday.

Mr. Gray: I think that Mr. Knight has covered the major points but it is the mechanical change. The other thing is that it seems to us to be very important that Canada participates in the international agreement at the highest level.

Senator Prowse: And you are referring there to a Swedish one.

Mr. Gray: Yes, it is the Stockholm version.

Senator Prowse: Is that bringing something new to copyright, because I didn't have a copy of that and I didn't know where to get one.

Mr. Gray: I believe it is the opinion of those who drafted it that it is the best wording and it covers most of the technology up until three or four years ago. I think it provides certain options which countries can contract out and so on, but the thing that made it difficult, of course, and the reason it hasn't been adopted widely was the protocol and of course the countries are now in the process of sorting that out among themselves.

Generally we hope that Canada will see its way clear to adopt a copyright legislation internally at its highest level and to enter into the international agreement at the every highest level because this is tremendous protection for the Canadian career.

Senator Prowse: So there is not really any great change—it is just a matter of catching up with new situations created by changing technology.

Mr. Knight: Yes.

Mr. Gray: I think it is only fair for us to point out that we have suggested that there be certain changes in the Canadian Act. For example, one of the ones which I would hope to see widely debated in this country is in regards to education. Now, there are certain exceptions for education now, but the technology is such and the use of material in education is such that it looks to us as if that is an area we can examine very carefully. The usual example is that nobody objects to buying the books and nobody objects to

buying the pencils and nobody objects to buying the teachers or paying the teachers why then should the material—the intellectual material—to be used be in some different category?

Now, you can get into long and very interesting philosophical arguments but I think it is a very simple matter in essence. The other thing is the compulsory licensing in the current Act. There are suggestions that there be compulsory licensing for certain purposes and we are worried about that because of the data-retrieval system to come. Now, if there is compulsory licensing for any material...

Senator Prowse: By compulsory—would you explain what compulsory licensing is?

Mr. Gray: Well, as I understand it compulsory licensing—it means that under certain circumstances and at certain times your material can be...

Senator Prowse: It will force me to release my material?

Mr. Gray: Yes, or allow it be used in a certain way.

Senator Prowse: Yes.

Mr. Gray: If for example, there is a compulsory licensing system which allows that material to be inserted in a computer or a data-retrieval system without the permission of the copyright owner, who ever he may be, then you are in real trouble because once it is in I don't think you can really control it.

Senator Prowse: Once that data retrieval system gets into something with a satellite on top of it.

Mr. Gray: That's right, senator.

The Chairman: Mr. Knight?

Mr. Knight: We are concerned also in another area of copyright. We haven't spoken publicly on this yet, but we will be doing so in the near future and that is in relationship to the Rome Convention of Neighbouring Rights which has the effect of granting some degree of copyright protection to a performance by a performer. Not the written words which is being performed but...

Senator Prowse: But to the performance itself?

Mr. Knight: Yes, to the performance itself. This is protected separately in Great Britain under the Performers Protection Act.

The Chairman: I am not sure that I understand what you mean.

Mr. Knight: You see, there are two kinds of copyright. Written work of the poem can be protected and my reading of the poem has at this moment in Canadian law not been protected but it is protected by an International Copyright Act known as the Rome Convention of Neighbouring Rights.

The Chairman: Well, I am sure your reading would be worth protecting.

Mr. Fortier?

Mr. Fortier: As you probably know there is a reference in the Copyright Act to performing rights.

Mr. Knight: Yes, performing rights but it is the performance of his written work, not my performance of his written work that is being protected by the Copyright Act at the moment. There is a difference. If I may explain: our concern about it at the moment is that a little Japanese machine which is being largely distributed amongst educational outlets in Canada at the moment and in various other areas. It is a half-inch video-tape recorder which you can buy for as little as \$800.00. You can attach it to your television set and you can record anything that comes over on half-inch tape. You can replay this and many of the educational authorities in Canada at the moment are doing just that. They are keeping the television sets on constantly, recording everything that is coming in that is of any value to them and then playing it back and distributing it amongst large areas of school boards and that sort of thing. We are very concerned about this because this is completely outside of any contractual arrangements which we have with the broadcasters. Yet, quite obviously, we cannot hold the broadcaster responsible for it, since it is no act of his that is causing this distribution. So it is this that we are looking at at the moment. We haven't come to any final conclusions about it but we are very much concerned about it.

Mr. Fortier: Senator Prowse has just put a copy of the Copyright Act before me. It indicates that the musical performer is protected in cases of literary, dramatic, or musical work, any record, perforated roll, cinematograph film, or other contrivance.

Mr. Gray: Yes.

Mr. Knight: No, I don't believe so.

Mr. Fortier: Well, I had occasion to discuss that with the Honourable Mr. Basford about six months ago and you may recall when the Sound Recording Licence was set up—SRL.

Mr. Knight: Yes.

Mr. Fortier: Yes.

Mr. Knight: The record manufacturer has the right but not the performer.

Mr. Fortier: Well, there was a discussion between the Minister and the people that I was representing—however that is in another field. The question I wanted to ask Mr. Knight or Mr. Gray is this. In Appendix A dealing with the matter of copyright you suggest in Recommendation Number 5;

"That a new Copyright Act clearly prohibit all unauthorized uses of copyright materials, no matter how this is accomplished, and in particular that photocopying, copying off air, and transmission by cables and all similar devices, be brought under control of the Copyright Act."

Are you suggesting that the concept of anything that is broadcast through the air becoming a public property should now be removed and that if it is received by a broadcast undertaking that it be protected also?

Mr. Gray: I am not a lawyer so I wouldn't Want to get involved in legal definitions here but really what we are concerned with is not the transmission but the copying of the transmission for further use.

Mr. Fortier: Well, you have defined it in a way which is quite clear so the transmission in itself—you are not suggesting that it should be protected?

Mr. Gray: No, we are not suggesting it here but there may be people that feel that way.

Mr. Fortier: Yes.

Mr. Knight: Like the Canadian Football League for instance.

Mr. Gray: Yes, but that comes under cable.

Mr. Fortier: Yes.

Mr. Gray: It is when you take it and then retransmit it or carry it, but that is an area that I am not an expert on.

The Chairman: Senator Bourque?

Senator Bourque: I would like to speak on Quebec.

The Chairman: Yould you like to speak before Mr. Fortier?

Senator Bourque: No, I will yield.

Mr. Fortier: I wonder if you would care please to refer to Paragraph 4.6 of your brief wherein you make a tax proposal and expand a little on what is meant by the last two lines.

"The private sector (should) be required to carry a substantial portion of Canadian programming and that its commercial revenues be taxed appropriately, the taxes to be a percentage of its gross revenue."

Would you care to explain that a little further?

Mr. Knight: Well, what we are concerned about there, without getting into the specific and details of the proposal, what we are concerned about really is the ability of the CBC to program in a free fashion. That would allow the introduction of more Canadian materials than it now has and would allow a greater balance of programming than it now has and also would provide revenue for the private sector so that they too can match the CBC performance in the promotion of Canadian material. We feel the way to do that would be to free the CBC of the obligation—perhaps I better not use that word but—the necessity of seeking commercial revenue and leave the commercial field entirely open to the private broadcasters, so that they can get the full benefit of what money is available for commercial field and therefore add to their resources so that they can begin programming. There is a possible source-and it is on that type of suggestion now that we are talking—there is a possible source of one area for further revenue for the CBC if that becomes necessary and that is perhaps a special imposed tax upon the private broadcaster based upon their gross revenues.

Mr. Fortier: On another subject, Mr. Knight, you discussed very briefly a short while ago your concern for encouraging actors' talents and you say that after four presentations a man becomes eligible for membership in the association.

Mr. Knight: Yes.

Mr. Fortier: How many of ACTRA members are fully professionals? The view has been expressed, for example, by television stations and radio stations before this committee that they were required to pay a minimum wage to actors some of which were fully professional and others, in their opinion, who did not deserve even the minimum wage that was written into your contract.

Mr. Knight: I would suggest that it is very bad management practice that can't recognize good talent from bad talent in advance of putting on a show. If he doesn't have a discrimination in judgment to recognize good talent from bad then he shouldn't be in the business.

Mr. Fortier: Is there bad talent in ACTRA?

Mr. Knight: Yes, there is bad talent everywhere. You see we don't control who is hired and we don't control, therefore, those people who become eligible for membership. The broadcasters do that and it is only the broadcasters who can hire a person as a performer and it is only by being hired as a performer that you become eligible as a member of ACTRA. If the person is a bad performer—and there are not that many of them but there are some—you know, it is a fairly large membership—and if a person is a bad performer it is a result of four bad judgments by broadcasters.

Mr. Fortier: So there is no self-discipline or internal dicipline?

Mr. Knight: Oh, by all means.

Mr. Fortier: There is?

Mr. Knight: Yes, there is. We have a Code of Discipline which we impose on our members by a system of fines and suspensions etc. for un-professional behaviour but we cannot be the judge of their talent. We are not equipped to judge anybody else's talent. The only person that can make that judgement is the person who is willing to pay for it.

Mr. Fortier: And the only sanction, of course, would be that a qualified broadcaster does not hire a bad actor?

Mr. Knight: Well certainly not a second time I shouldn't think.

Mr. Fortier: Another criticism which we have heard expressed justifies queries that the minimum salaries, negotiated by ACTRA

on behalf of its members, are much too high and that they inhibit some broadcasters from going into areas of original programming as much as they would like to because they can't afford the going prices?

Mr. Knight: I don't believe so. This is a question that depends on a number of relationships with ACTRA. We base our negotiations with the broadcasters and nego late with them. We don't impose prices or conditions. We negotiate with the broadcaster in order to achieve this and the resulting public agreement is signed by both parties. It is something that they both agree to and they agree to this as a result of very brief negotiations.

Now, our rates are set up on the basis of a minimum rate for a network performance and there are a series of discounts by which they can reduce that rate by the fact that they have reduced the size of the audience that the broadcast is being sent to; or by the frequency of use; or for the number of times a performer is being engaged. That is presuming that we are dealing with the CBC and the CTV.

With local stations we negotiate local rates, specifically designed for their needs and local conditions. Now very frequently, of course, some of the local broadcasters have refused to have anything to do with us; they won't negotiate rates and then they come and want to hire an individual performer. The rate that is available to him is the public rates but I think the problem lies in the fact that sometimes we haven't been able to negotiate the local rate for them.

Mr. Paul Siren: Mr. Chairman, may I extend on Mr. Knight's remark?

The Chairman: By all means.

Mr. Siren: I think that we really should be aware that, as far as the CBC and CTV are concerned, we have not had an increase of any kind in our minimum rate since 1966 so that the industry should not be complaining that the professional performing community demand increases very often or very frequently. We are probably one of the few communities that has not demanded increases in this period of four years, and just as an example, in the case of CTV network, for a half-hour show the rate for a performer is \$66.00. Surely this is not something that could not be handled by the network. In the case of

the CBC, with a much larger market, it is \$70.00. As Mr. Knight indicated, this is discounted on the basis of frequency of use and if the performer is required to work more often, he is guaranteed a certain continuing contract for 13 weeks or 26 weeks and so on, then these rates are discounted.

I merely wish to place on the record, sir, that our opinion is that our rates are not only fair, but they are below standard in many ways.

Mr. Fortier: Have you any evidence, given these answers, which appear to be very clear, have you any evidence that Canadian broadcasters could afford to do more original programming?

Mr. Knight: Well, I think it is probably a question of the whole organization of the pri-Vate broadcasters. Most of the arguments that they have been presenting to the CRTC, are based on the propositions that each broadcasters has to fend for himself; each broadcaster has to supply all of his own programming which of course, is probably not the truth. A program which can demand a reasonable audience in Winnipeg, so long as it is not an entirely parochial program, can certainly get an audience in Vancouver, Toronto, Montreal, and in Halifax. What has not been looked at is any means of introducing the independent producer into the situation; the producers who will produce independently as an individual and then distribute his program around the broadcast community. This has been done quite frequently which is a perfectly good example, and there are others in the field. Broadcasters themselves have frequently created a program for their own station then distributed them amongst other broadcasters. Most of the arguments that the private broadcasters have been presenting, both to the CRTC and—I don't know what they have been saying here but they probably have been saying something of the same kind of idea—are based on the proposition that each station has to program for itself which is clearly not true. They have never done it with the importation of American programs you know, they are independent and they pay only their share of the cost of that program; not for the whole part of the program, I think that is something that needs to be looked at very carefully.

The CTV is a perfectly good example. The CTV as we understand it—now, perhaps we are wrong since we haven't really been able to look at the public structure of the CTV—

but the way we understand CTV is that it is, in fact, a co-operative of a number of stations whose function is to provide those stations with programming. There is nothing on that basis that would require CTV to do any better than break even. Since it is a co-operative of the stations, the stations themselves are paying for the cost of CTV. This is a perfectly good example of the type of institution that has to be considered and perhaps looked at and not necessarily through a network, but through some means of strengthening the resources of the broadcasters together in order to provide for their collective program needs. I don't think this aspect of it has been closely looked at at all.

The Chairman: Senator Bourque?

Senator Bourque: I should have spoken before because I would have had more to say but you have just answered one of the questions about the fact that a French artist can go into Vancouver or anywhere. Do you have control over the Province of Quebec?

Mr. Knight: Not it all. No. We have an office, as a matter of fact I live in Montreal myself and we have an office in Montreal, but we are only concerned with English broadcast in Montreal, not the French.

Senator Bourque: Not the French?

Mr. Knight: No. The Union des Artistes is responsible for the French network, both private and public.

Senator Bourque: Well, as you know we have many French weeklies and there are two or three that are devoted to the stage and music. I have been reading these for a long time and I was going to ask a lot of questions along this but there is no use if you don't have any control over the French artists.

Mr. Knight: I am afraid not.

Senator Bourque: Thank you.

The Chairman: May I ask you one question about a piece of rhetoric that is in your brief. At the end of Paragraph 2.3 you are talking about the differences between the United States and Canada and you say:

"There are many differences. There are differences of origin, of language, of culture, of government, of law, of economic organization, of aspiration, differences that have become painfully obvious to

the last ten years."

Do you think it is true that the younger Canadians are inclined to see these differences more clearly?

Mr. Gray: Well, I have a large reason for supporting a statement of that kind and because of the last moments of that CRTC hearing yesterday, I am able to give you some specific examples.

The Chairman: Please.

Mr. Gray: Through this year I have had some association with the University of Waterloo, with students there in an experimental program, and I don't think it is unfair to say that the young people that I have met there have a view of United States, in particular, which was much different than when I was in university. They are much more skeptical. Some of them are very aware of the problems and in a sense they are kind of on the verge of being Canadians, in other words, they are becoming aware and they are more interested directly in Canada than, it seems to me, we were when I was in university. I suspect that among the youngsters in Canada, there is no doubt that there is na ionalism-there is no other word for it other than "nationalism" so I'll use that word, but I want it understood in a positive sense. There is a feeling about Canada which is very real, very deep and they are looking for some expression of that, looking for some way as to be that or to say that.

Now, last night there were three youngsters at the CRTC hearings—there were two appearances—three unscheduled altogether, two and then another young lad. They were all young people and the first two of them were from Ottawa. I don't know their names but they came forward and they had all kinds of suggestions as to how they wanted to make the CBC work and to make it Canadian. The suggestion that struck me most was, that they thought it would be a very good idea to program all of the commercials in the American programs and no commercials in the Canadian programs and then we would have no problem in deciding which was which. Following that, there came aother young lad and he was a much more serious than the previous boys. He came up and Mr Juneau asked him, "how did you get here?" and this boy said, "Well, I heard about this, I was watching "W-5" and "Week End" and I

many (particularly younger) Canadians in heard you talking about these things and I realized that it was a very important discussion that was going on up here. I wanted to be part of it and so I have taken two days off work and I have come up here." He then told the commission what he thought of them, which included the fact that he didn't think they were getting through to the young people; but he did express a very clear concern, which I myself have, being among young people and being among my own children. The young people in Canada today are very concerned about their own country and I think it behoves some of us in middle-age to get off our back-sides and recognize that.

> The Chairman: The reason I put the question-I don't, even for a second, question the concern but I think the skepticism is not with the United States—it is with the Establishment and I think the life style, the protests and the music are all American imported.

> Mr. Gray: Well, there is no question about the life style, but that's what these boys were saying yesterday. They were in fact-if I understand this country and they want to be words into their mouths—but if I understand them properly, they really want—it is a terrible phrase, but I have to say it—they want to do their own thing and I think that is what they want to do. In one sense they want to understand this country and they want to be part of it. If I understand some of the things that are going on in French Canada at all, that is one of the things that the French Canadians have said to us. I came back to Canada after some years away. We were in England for 8 or 9 years and that is a very goood place for a writer. You know, you can make a good living and people pay attention and treat you with respect. But one of the reasons I came home is that my older children-they insisted we come. That is one of the reasons—that is not the only reason but they wanted to come back because they said that is a very exciting country and it was 1967 and they made up their minds.

> The Chairman: Is there a happier climate here for writers now than when you went to Britain?

Mr. Gray: Not really.

The Chairman: It hasn't changed?

Mr. Gray: Not nearly enough.

The Chairman: People still look at you strangely! to such as allow and as a

Mr. Gray: They don't vocalize it.

The Chairman: Senator Quart?

Senator Quart: May I just add a few words to what Mr. Gray has said.

The Chairman: By all means.

Senator Quart: You may talk about your children; in my position, I talk about grandchildren. Maybe they are too young yet to express opinions but I have heard one of my grandsons—and they are all of a certain age-one is a lawyer and I haven't heard one of them express a wish to go to the States. When I was young, I studied dramatic arts, but I never really got into acting. In my day, it was a great idea for everyone to go into the States but I haven't heard one of these young people, either my grandchildren or my sons express a wish to go to the United States. I quite agree with you that they are probably much more Canadian than I was-than I am now.

The Chairman: I must confess that I am thinking of the day that the underground press were here and those people were certainly not nationalistic in their approach, but however thank you and Senator Quart.

Senator Bourgue: May I just ask one further question.

The Chairman: Yes.

Senator Bourque: In view of the fact that you have told me that you have nothing to do With the French artists, supposing for instance we have a good play in Montreal and they would like to go to Vancouver and they can get an engagement; have you a reciprocal arrangement with the people so that they can go to Vancouver and another troop from Vancouver can come to Montreal?

Mr. Knight: Yes, we do. Unfortunately however, our jurisdiction is limited. We are a purely Canadian Association but our jurisdiction is limited to television and radio so far as actors are concerned. There is another association that manages the stage known as Actors' Equity Association which is an American-based union. There was an agreement between the two associations the Union des Artistes and Actors' Equity. As far as we are concerned, within television, as far as an individual is concerned—he may work in either jurisdiction, French or English, three are such now that even if the language is an

occasions per year without any cost or anything to him; beyond the three occasions he must comply with the constitutional arrangements of the association which he is joining. In my case, if I play in French, and I have on a number of occasions, I would then, after the third occasion in any one year, have to buy a working permit from the Union des Artistes; and as far as we are concerned then a French actor would have to become a member of ACTRA. That is dealing with the individual. When you are dealing with a production that is transferred from the French to the English network, there is no inhibition whatsoever. But a strange thing however, Senator Bourque, and a thing that disturbs us a great deal, is that it so rarely happens. It disturbs us a great deal that the CBC, which is operating two networks, French and English, is not doing a great deal more transferring from one network to the other. It disturbs us very much indeed, that this is not happening and there is really no inhibition in any of the agreements which would prevent it.

Senator Bourque: What I was particularly interested in-was not the dancing, because dancing can go anywhere; if you dance in English or you dance in Russian it is all the same. I was speaking of drama; do you know what there is? I don't think there is any possibility of a French-speaking group going to Vancouver because if they spoke in French there wouldn't be enough people there to pay their fare.

Mr. Knight: La Comédie Française does it.

Senator Bourque: It does?

Mr. Knight: Oh, indeed it does.

Senator Bourque: In French?

Mr. Knight: Oh, yes. It plays in New York, Chicago, and it played in Vancouver on its most recent tour I believe.

Mr. Gray: It even plays in Toronto.

Mr. Knight: Yes, even Toronto.

Mr. Fortier: Didn't Gascon do it in...

Mr. Knight: Stratford?

Mr. Fortier: Yes, Stratford.

Mr. Knight: Yes, it is quite possible and as far as television is concerned, the techniques inhibiting factor, you can dub these into the other language. There is no technical problem in translating it into another language.

The Chairman: Well, thank you very much, gentlemen. I think this has been a very appropriate hearing which is our next to the final hearing. I think you have brought views which have been of great value to the Committee. I think it was important. We were anxious to obtain the opinions of the working newspaper men and we still have steps to take to obtain more of those opinions. We

wanted to have the opinions of working members of the broadcast industry and the people who are associated with ACTRA. We are particularly grateful that you have come. I realize that it was an imposition to ask you to come down here, particularly following your appearance before the CRTC and that makes it doubly grateful.

Thank you.

Mr. Knight: Thank you Senator Davey and Senators.

Queen's Printer for Canada, Ottawa, 1970



Second Session—Twenty-eighth Parliament

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

to examine witheres ON continue take a time

MASS MEDIA

The Honourable KEITH DAVEY, Chairman

No. 43

Braton), McElman, Patter

FRIDAY, APRIL 24, 1970

WITNESS:

Honourable Gérard Pelletier, P.C., M.P., Secretary of State.

MEMBERS OF THE SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, Chairman The Honourable L. P. Beaubien, Deputy Chairman

Beaubien Bourque Davey Everett Hays

Kinnear Macdonald (Cape Breton) Quart McElman Petten Sparrow Sparrow Phillips (Prince)

Prowse Smith Welch

(15 members)

Quorum 5

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee:

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (Cape Breton), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was-

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, December 18th, 1969.

Mith leave of the Senate, with a senate with the senate of the Senate, with the senate of the

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative, on division.

Extract from the Minutes of the Proceedings of the Senate, Friday, December 19th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Langlois:

That the names of the Honourable Senators Bélisle and Phillips (*Prince*) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Langlois:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 10th to 19th February, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, February 5, 1970.

With leave of the Senate, and me dug amed notizeup adT

The Honourable Senator McDonald moved, seconded by the Honourable Senator Haig:

That the names of the Honourable Senators Quart and Welch be substituted for those of the Honourable Senators Bélisle and Willis on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 17, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Connolly (Halifax North):

That the name of the Honourable Senator Kinnear be added to the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was-

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That the name of the Honourable Senator Langlois be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was-

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, March 3, 1970.

With the leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Denis, P.C.:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 4th to 13th March, 1970, both inclu-

sive, and that the Committee have power to sit during sittings of the Senate for that period.

The question being put on the motion, it was-

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, March 19, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media on 24th and 25th March, 1970, and from 14th to 23rd April, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and-

The question being put on the motion, it was—

Resolved in the affirmative.

ROBERT FORTIER, Clerk of the Senate.

MINUTES OF PROCEEDINGS

FRIDAY, April 24, 1970. (43)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey (Chairman); Macdonald (Cape Breton), McElman, Petten, Prowse, Quart and Smith. (7)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel; Miss Cécile Suchal, Research Assistant; Mrs. Peggy J. Pownall, Executive Secretary; Mrs. Judy Walenstein, Secretary.

The following witness was heard:

Honourable Gérard Pelletier, P.C., M.P., Secretary of State.

At 12.25 p.m. the Committee adjourned to the call of the Chairman.

ATTEST:

Denis Bouffard,
Clerk of the Committee.

sive, and that the Committee have power to sit during sittings of the Senate for that period.

The question being put on the motion, it was

FRIDAY, April 24, 1970.

Extract(Shim the Minutes of the Proceedings of the Senate, Thursday, March 19, 1970.

Pursuant to adjournment and notice the Special Senate Committee on days Media met this day at 10.00 a.m.

-noll of yet believes beyon bland of the service of the forest Cape Present: The Honourable Senators: Davey (Chairman) and nodosaid (Cape

Wiffill Howest end the Consultation of the Consultation of the Country of the Consultation of the Consultant of the Consultant of the Country of Suchal, Research Assistant, Was Poggo of Pownells Extending Secretary, Mrs. Poggo of the Country of Secretary. Mrs. Judy Walenstein, Secretary.

The following witness was heard; and no my amed noticeup add.

Honourable Gérard Pelletier, P.C., M.P., Secsetary of Statebash.

At 12.25 p.m. the Committee adjourned to the call of the Chairman

ROBERT FORPESTTA

Denis Bouffard, Clerk of the Committee.

SPECIAL SENATE COMMITTEE ON MASS MEDIA EVIDENCE

Ottawa, Friday, April 24, 1970.

The Special Senate Committee on Mass Media met this day at 10 a.m.

Senator Keith Davey (Chairman) in the Chair.

The Chairman: Honourable Senators, if I may call the session to order.

Ladies and gentlemen and Mr. Minister, for all intents and purposes this is our final public hearing and certainly it is the last public hearing in the series which began on the 9th of December. For that reason, and particularly in View of the witness we have with the Committee this morning, I think it is perhaps useful for me to repeat something that I said many times and in many places and I stress it again this morning, that the initiative I took in proposing this Committee was entirely my own. It had nothing to do with Prime Minister Trudeau or the Government of Canada.

Now, notwithstanding that fact—indeed perhaps because of it—I think it is entirely appropriate that our final witness—our witness this morning—is the federal Minister responsible for the Broadcasting Act. I think that is even more so the case when the Minister in question, the Hon. Gerard Pelletier is also a former journalist quite literally of national reputation as you know. He was the editor of La Presse for example from 1961 through 1965, and so in welcoming you this morning, Mr. Pelletier I first of all would like to thank you for coming and to say that the Committee is anxious to question you and to have your views on a wide range of matters.

I should say, perhaps, to put you at ease, although I am sure it isn't necessary, that happily there is a ministerial precedent for your appearance before this Committee. When Mr. Kierans was before the Committee, in February, he said a great deal in his capacity as a Minister of the Crown, but he also offered many opinions to the Committee making clear that in these opinions, he was speaking less as a minister than as a concerned Canadian.

And so this morning we are anxious to have your views on a wide range of matters, we hope that you won't be too inhibited by the fact that you have ministerial responsibilities. I think, however, I should assure you that as chairman I understand, and members of the Committee certainly do understand your posi-

tion. So by all means please do let us know when you are speaking in your official capacity and when, indeed, you are expressing views which are your own and not necessarily those of the Government.

We have a very relaxed and informal structure here. We often ask the witness if he would like to make any kind of an opening statement. We have, of course, received written briefs from most of the witnesses who appeared before us—obviously that hasn't been the case with you. So if you would like to say something informally now we would be delighted and if not we will proceed right to the questioning.

The Hon. Gerard Pelletier, Secretary of State: The only thing I wanted to say, you just said. I am ready to answer a certain number of questions in a strictly personal capacity on the basis of my experience as a professional journalist of 25 years. However, I would like to make it even clearer if this is possible, which I doubt, because you made it clear yourself. I would like to make a clear distinction every time that I am speaking out of an experience that has been terminated for me about four years ago and when I am answering as a Minister, if you have some questions about the institutions that report through me to the House of Commons. But besides that I think that the question and answer procedure would be the best.

The Chairman: Thank you. In a few minutes I am going to ask Mr. Fortier to ask you some questions about the Broadcasting Act. But I thought I might begin by asking you some general questions about print. When we asked witnesses to come before the Committee, we forwarded them a set of guidelines and asked them to answer some of these questions. It wouldn't be possible, I am afraid, to put all the questions to you because it would take too much time, but I thought I might just ask you to make comments on several of them. For example, just as a first question, I thought I would ask you what is your understanding of freedom of the press? Is it now threatened? Is it adequately protected and what responsibilities go with it? Just a general discussion on the freedom of the press as you understand it.

Mr. Pelletier: Well, freedom of the press I think is not freedom to publish anything. I do think that the freedom of the press is printing the facts about any situation, and it is at the

information function of the press is based on Robert Benchley who used to say the usual honesty and a term that is not as popular in citizen doesn't pretend to have a cure for press circles as it used to be, objectivity, which cancer but all citizens have a cure for hiccups. is very hard to define. I concede that from the The normal citizen doesn't pretend that he can start.

ethics in the information part of a newspaper down in their conscience the conviction that or in the information services of a radio or TV they could be a fairly good journalist.

The freedom of the press is, of course, also the freedom of expressing opinions. I think not only has the press a right to do it, but also it has a duty to express opinions; but I have always been of the school that wanted to have as tight a compartmentalization between that it can be absolute because more and more with the presence of television, the written press have to give background and in a certain way to indulge in commentary which blurs the

line of division a little bit.

Basically I don't think that freedom of the press is under any serious threat in Canada. I have my qualms about the monopolies, or so- profession which the public feels equally called monopolies of the press in a particular competent in! area. I find it very difficult to define what an information monopoly is, but I think that an effort should be made to come to some definition as precise as it can be made. The danger seems to come from these huge organizations. This is my personal view of it. There is also another one which is, in many newspapers, the difficulty of articulating the views of the board of administrators and the policies of the newspaper or the freedom of the newspaper to bounds of these parameters? inform and express opinions.

I have lived through a very painful incident in my life on this very point, but this would lead me into the professional status of newspa-

permen and-

The Chairman: Well, why don't you talk about that, please?

Mr. Pelletier: Well, there is a tension which to a certain extent is inevitable for the board of administrators in a newspaper and the professional staff of newspapermen. For instance, in a certain paper that I was associated with, the administrators wanted to print an editorial on the front page signed by one of the board members, and I as the editor said no. And they said "Why not? If you are allowed to do so as our employee, why should not we as administrators of the newspaper, be in a position to do the same thing?" And the only answer I had ment. This is that it appears completely was that as a professional journalist I had impossible to me to establish all shades learned how to do that and they hadn't. They because the board of directors can produce a didn't like the answer of course, but I have document whose broad outline, the paramealways felt that—in a larger mood you know, ters as you call them, will be established. But,

same time a freedom and a duty. I think the many of you remember a very good piece by be an engineer or an atomic scientist, but I Freedom of the press is, of course, limited by know very few citizens who don't have deep

Senator Prowse: They all want to write a

Mr. Pelletier: This is not my way of looking at it. I think it is a profession—I think it entails very strict technical knowledge, even in the editorial section of a newspaper, and I think editorial and reporting as can be. I don't think that the articulation of a board of administrators with the professional staff that runs the paper is one of the major problems.

I can't pretend that I have found the solution because while looking for it I was kicked out

of the newspaper.

The Chairman: And you went into another

Mr. Pelletier: That is right.

[Translation] to at time if I thin save see

Mr. Fortier: Mr. Minister, on this note, do you accept, professionally, that the owner of a newspaper defines what may be called the parameters of his thought, the parameters of his policy, and compels his editor, his editorial team, to limit itself to editorializing within the

Mr. Pelletier: Yes, I accept it, but I think that this definition must be made-we are in the editorial field?

Mr. Fortier: That is correct.

Mr. Pelletier: I think that this definition must be made if a newspaper is to function properly with the participation of the editor in editorial policy. There are two attitudes which a newspaper can take. It can say: "The thought I wish to express in an editorial, is A, B, C, D, E, F, G, and Mr. Editorial-writer, if you agree with this thought, you are our editorial writer; if not, go elsewhere." There is the second attitude which consists of discussion between the newspaper owners or the board of directors and the editorial writers to reach common ground.

To this I should like to add a simple state but I think it is relevant—I don't know how daily, editorial writers have to write, although it is certainly not possible to see all details, one can keep within the boundaries of a certain concept. I shall give a current example. A Canadian newspaper, at the present time, can decide, for example, to be separatist or federalist, can decide to be nationalist, and can decide to be absolutely indifferent to certain national values, in every case; and this constitutes a general line of thought. It is perfectly legitimate, in my opinion, for the director of a newspaper to tell his editorial writers at any time: "Here is the newspaper's orientation, this is it." It is a matter of discussing it with them if it is to work out. It is necessary that they discuss it with them.

Mr. Fortier: The owner and the board of directors owe themselves the right to have the last word?

Mr. Pelletier: They owe themselves the last word, that is to say that they have the authority, and you cannot deny it to them. But, I think that for the smooth functioning of a newspaper, if professional newspapermen are not concerned with establishing a proposition such as this, you will have an extremely rigid position, on the one hand, or perhaps without significance because, once again, the newspaperman's trade, in my opinion, is a profession and you cannot, it seems to me, decide very fundamental things in a realistic fashion without involving people of the profession with people who are in management.

Mr. Fortier: Having said this, and to use your example, you accept that the owner in the name of the board of directors, after discussion with the editorial team, says: "Here is my political position." Let us say: "The political position of my newspaper is federalism. Editorialize, with as many shades of difference as you wish, but do not depart from this fundamental position."

Mr. Pelletier: In the present organization of the press, I think this is legitimate. And it is inevitable that it turns out like this because, obviously, even if I said that I am against this, would not be very realistic; because it is the board of directors which pays. But, what I do Object to, because it is impractical, is that the board of directors then claims the right to slip its opinions into each of the editorials and to publish or establish a meticulous and fastidi-Ous censorship. This is not a matter of ethics or of morality, it is strictly a practical matter of operation. It cannot work if power is not delegated to someone who supervises, if you will, the putting into practice of this editorial policy.

Mr. Fortier: It is not a matter of force?

Mr. Pelletier: What I find, however, and what I consider invalid, is that a board of directors would presume to tell an editorial room: "On this subject, you will publish no information." For example, very few people will recall, because it is too old, that a certain great newspaper had a senator as its chairman of the board of directors—the moment is right to speak of it here—and for 25 years there was never a mention of the Senate in this newspaper, neither good nor bad. I find this absolutely reprehensible. A newspaper is not a business like others; it has social obligations to the public, that is to keep it informed and to inform it completely and honestly.

Mr. Fortier: At the information level?

Mr. Pelletier: At the information level. I do not admit any kind of interference in this sense. You do not speak of this, you do not speak of that.

Mr. Fortier: What do you think of a President of a radio station—perhaps a hypothetical question—who would instruct his employees not to mention in news bulletins the name of a political party presently offering candidates in Quebec?

Mr. Pelletier: I find this unacceptable. But not more so than I would understand or admit that the board of directors of a newspaper should tell its newspapermen: "You will not speak of such an eyent."

[Text]

The Chairman: Well, to get back to these guidelines, I think the next two questions follow very naturally from this discussion. Number 10: Should the mass media lead public opinion or follow it?

Mr. Pelletier: First and foremost, I think that there are very popular misconceptions about how a newspaper makes its influence felt on the public. I myself am of the school that the information part of a newspaper is much more powerful in leading public opinion by the information it imparts. I would refer to Walter Lippmann who wrote in "Public Opinion" around 1921 or 1922-in fact I think it is the book that made him famous—that no people can govern itself except in the exact measure of the amount of information that it can absorb. So I think that a newspaper influences public opinion much more by the information it gets to the public than by the editorial it writes and publishes. So I think that in the information part of the newspaper, the guestion is to my mind irrelevant after what I just said. But the newspaper has the duty to inform on major questions. It must be a mirror to society and even if society isn't particularly pleased in seeing that it has warts on its face, it should remain a mirror.

Now, in the editorial part, I do think that it is presumptuous that newspapermen, editorial writers, should try at the same time to enlighten and lead public opinion. That is why I have always been in favour of signed editorialswhich is not in the British tradition, I understand, but very much in the French tradition of newspapers-because then you have the exact proportion of the importance of what you are reading. It is Mr. So-and-So's views and not the views of a newspaper that has a circulation of 40,000 or 400,000. It is one individual's, but a professional person's, opinion on a certain matter and there I think it is presumptuous. But I think it is part of the trade that the editorial writer should say, "Well, this is my job-I am supposed to look ahead and I have more time to think about these things and I am supposed to take the risk of expressing my own opinion and pretending it is the right one." I don't think this can be avoided.

The Chairman: I think perhaps you might be able to answer this question quite briefly. In your opinion, is there an "establishment" which controls the mass media in Canada, or any one of the media?

Mr. Pelletier: I read this question when you sent me this document and I am very embarrassed to answer a question like that because I never could really define to my own satisfaction what an "establishment" is.

The Chairman: You will be delighted to know that many of the publishers gave us that same answer.

Mr. Pelletier: Yes.

Mr. Fortier: It is when you become part of that establishment that it is difficult!

Mr. Pelletier: I certainly wouldn't go along with the opinion that there is a mafia of opinion manipulators in Canada who meet secretly in the dark in the Rideau Club every week and say "What is it that we can put on to the Canadian public?" On the other hand, it is ing a newspaper. They might read a news fairly obvious that, with the concentration of magazine, they might pick up a paper some the printed press particularly, there is a small time on occasion. You see the circulation going number of people who control a vast propor- up very sharply, for instance, when there is a tion of the information and editorial writing in moon shot or a general election, or something this country. So I suppose you may say that like that. I don't think we can avoid the fact never have so few had so great an influence on that newspaper readers are diminishing in

"establishment". But I put it in quotation marks because the exact meaning of this question I couldn't define to my own satisfaction.

The Chairman: Marshall McLuhan says that television sounds the death knell of print. And there is also a quotation here by Mr. Walter Lippmann—I am sure you saw this quotation where he says. "Television is adding to the irrationality of the world. It makes everything simpler or more dramatic or more immediate than it is. If you listen to television you cannot find out what is going on in the world. News on television is very good; but you can't live on what they give you. So newspapers are here to stay."-In asking you to comment on this and on Marhsall McLuhan's statement I am reminded of a speech you made, and please correct me if I am wrong. I think you made a speech in London, Ontario, in the past year in which you tended to agree with McLuhan, didn't you?

Mr. Pelletier: I did but I would make some distinctions. I agree with this opinion of Mr. McLuhan to the extent, and this is the opinion that I was expressing-I was saying that from now on, a dictator in a country who would want to manipulate public opinion efficiently without becoming too odious, could very well let the free press, the printed press, operate and television would be enough to manipulate public opinion. And I was projecting into the future that I think this will become more and more true if the present trend in development goes on.

I was very much impressed personally by the fact that every time there was a major strike in major newspapers either in New York or in Canada the papers that were struck lost some circulation. Part of it was picked up by other newspapers; part of it was gained back after the newspaper went into operation again; but part of it never was picked up by anyone. This means that on every one of these occasions-and God knows over the last ten years how many strikes there have been in New York and Montreal and Toronto and Windsor, and all these places-it means that over the decade—I can't give you any statistics because it is certainly an estimate, but there certainly are, in my opinion, hundreds of thousands of people who just gave away the habit of readso many. In this sense there is certainly an proportion, though not in absolute terms. With the increase of population they might be increasing, but I am not familiar with recent statistics on this. But this means that people rely on television.—Some surveys, which I had the advantage of seeing recently, showed that to more and more people—the proportion of people to whom the question was put, "Where do you get the best information and who do you trust?"—TV comes first and the written press comes second.

The Chairman: Does that worry you?

Mr. Pelletier: As a man who has spent 25 Years in the written press, of course it does. I don't think we can do anything about it right now unless the newspapers find the same way as the cinema has found to counteract this trend—the equivalent in the written press of the stereo or the giant screen, or these things—I don't know what it would be.

The Chairman: I was going to ask you if you have any idea what that might be?

Mr. Pelletier: No. I think the moment I came to this conclusion I left the trade and I have more worries now—I have more things to think about.

But on the other hand, it is fairly obvious that you have, as a result of the increasing importance of television, (and that is where Mr. Lippmann is right, so I am sitting between these two very remarkable gentlemen) I think in every country in the western world, one or two newspapers have developed higher quality than they ever have before because there is a minority—and I am not talking about the elite in the traditional sense—but there is a minority I would say that wants to know more and wants to know more through a better analysis than TV wants to make.

You can always stop reading a newspaper piece and read it again if you want to see exactly what happened. The trouble with television and radio is that once it's gone by, it has gone by, and you can't phone and say "Would you read this part of your news bulletin to me again." So I am concerned in this way.

But I do think also that newspapers will have to concentrate on what television can't do, and this is particularly the role of the newspaper, a better analysis, going further, checking better before it puts it on the newsstands. I was in the electronic press for some time also and I know that you have very little time to check your information because you have to go on the air very quickly.

The Chairman: Mr. Lippmann also says that news in television is very good but you can't live on what it gives you. Would you be inclined to agree with that statement?

Mr. Pelletier: I think so and I am disturbed by the fact that so many people think they can.

The Chairman: Yes. That was really what I was after when I asked if it concerned you.

Mr. Pelletier: To illustrate this fact as an example, from another country, France take Le Monde, which is the most austere paper that you could think of, much more so than the New York Times which is not particularly a frivolous paper by any measuring. Le Monde is even more austere and it has been going up like this. They are now close to half a million circulation in France, and they are going up now, but what they are doing is exactly what Mr. Lippmann is talking about, and that is, giving what the audio-visual media cannot possibly give.

The Chairman: I am going to ask you a question which is not from our guidelines and which is a pretty tough question, and probably an unfair question, so you can choose how you wish to skate away from it. Would you comment on the overall calibre of newspapers in Canada?

Mr. Pelletier: It is very difficult for anyone in politics to do but without making any specific reference to any particular newspaper, I think that we have some of the best and we have some of the worst, and the space in between is occupied by mediocrity. I don't have a feeling now, that the quality of our written press is going up; but this is only a personal opinion.

I think the main difficulty was that many newspapers in Canada decided to compete with the television or radio in the wrong way, by being more brassy, louder, leaning more on the side of entertainment and sensationalism. There are more newspapers that have taken this way of trying to maintain their circulation than quality, and I think it was a wrong calculation because I see the newspaper of the future as a newspaper of better quality.

The Chairman: Do you think that the newspapers in Canada are changing their strategy, or do you see them adhering to the strategy you describe of the entertainment, et cetera?

Mr. Pelletier: Well, I haven't seen—as I tell you, it is only an impression, but my impression is that we are not evolving in the right direction generally. I am not speaking of any specific newspaper. I can quote you newspa-

the last five or six years, but generally speak-

ing I think they are not.

I think it is a mistake because only the very bad-you know, there will always be a public who will want to know what calibre shotgun Mr. so-and-so used to kill his mistress, or his wife, or his mother-in-law, but I don't think this is the future of the written press in this country. I think that the future is in giving better information, more serious and better checking and verification of all kinds, than television or radio can make. I don't see any indication that, generally speaking, newspapers have taken this orientation. I might be wrong on this but it is my personal opinion.

The Chairman: Well, I think it would be unfair to ask you to become more specific on that question, but I do have to ask you about one specific organization and i am sure that it is a question that you would expect this morning.

I am sure the committee would be most interested in your comment on the Canadian Press news service.

Mr. Pelletier: Yes. I hesitate to give you an opinion on this because to assess a press agency, you really have to be working in a newspaper and seeing the output on the wire every day.

I would say that while I was in the trade I saw Canadian Press making tremendous progress in many directios. First of all, when I entered journalism it hadn't come to the minds of those in charge of Canadian Press that there were French language newspapers in Canada, for instance. The only thing they were ready to do was to reduce the price you paid for the wire and let you make your translation yourself.

Just on this realm of activity, we came to the absurd situation where you had an Englishspeaking reporter, for instance-I have a particular case in mind-covering a French-spoken address by the Premier of Quebec. This report of a French speech was sent in English to Canadian Press which had a translator to translate it back into French, and this is exactly how it operated. We eventually got rid of this nonsense to a large extent.

The only thing I could say now about Canadian Press is that for world coverage, CP, to the best of my knowledge, has to rely on foreign agencies much more than they should. This might be a question. You know, they might have very good reasons to do thatmaybe it is because the dailies don't want to pay more, or maybe they can't pay more, I don't know. But we have to rely on American agencies, for instance, far too much.

pers that I believe have been improving over The Chairman: Well, you have anticipated my next question. I was going to ask you about the proportion of news originating from non-Canadian sources, so why don't you just proceed?

> Mr. Pelletier: I would like to give you two examples of that. For instance, in the paper l used to work with we had all the wires, including Agence France-Presse and Reuters and everything we could buy. We would come with all the copy and give it to one man on a particular event and said "Try to make a balanced view of all these conflicting views". This is a way of doing it, but we could find a better one, I am sure.

The example I would like to give you is, for instance, the very poor information you get on the whole area of Latin America. When I was an editor I made it a point of having everything that came from the whole of Latin America on my desk every morning for two months, because I was personally interested in Latin America and I had a hypothesis that the U.S. acted as a screen between Latin America and Canada. I could see that such was the case. Since I am still interested in Latin America very much, I look at the newspapers and I find very little in it, although it is in our hemisphere and although everybody knows there will be about 600 million people there by the 21st century. You know, it is a vital area of the world and communications are difficult there. I can see some of the reasons, but I think that it is really one area of the world where we have no direct feedback on what is happening or what Canada is trying to do there, and I think this is part of the weakness of the Canadian press.

Now, I am not blaming anyone because I am too removed from the field now to know whether it could be better; but I know that when I was an editor, I had to rely on Agence France-Presse on the one side and the Americans on the other which gave very little. Major newspapers like the New York Times used to run pretty adequate coverage of Latin America. I found out over the last five or six years they are slipping; they are not as good as they used to be.

A few years ago, if you wanted balanced information on Latin America, you had to rely on the Spanish edition of The Economist. don't know if it is still being published or not or whether it was a going concern-I never could know because I had no contacts with the people. This is a major weakness, I think, in our system and I don't know, frankly, how it could be corrected, but I think it is a situation which should be corrected.

The Chairman: Mr. Minister, I have only three other questions and then perhaps the senators may want to ask some questions on the newspapers and then we will turn to Mr. Fortier who would like to talk to you about broadcasting.

This is a question we put to many publishers. We have asked publishers in French Canada and in Quebec to comment on the way in which events in Quebec and French Canada are covered in the balance of the country, and we have put the reverse question to many people as well—how is English Canada covered in Quebec and French Canada generally? Could you comment on this?

Mr. Pelletier: Well, I think it is inadequate but it has been getting better over the last ten years or so. There used to be almost an airtight frontier along the Ottawa River and it no longer exists. You have, for instance, many correspondents from English-speaking Canada in Quebec; and the Quebec newspapers and radio and television, and the CBC, are maintaining correspondents in other parts of Canada. I think there has been progress.

The Chairman: I believe about a year ago now you spoke at either the CP dinner or the National Newspaper Awards dinner in Toronto, and I think you complained about the inadequacies both ways. Was this a year ago or two years ago?

Mr. Pelletier: I don't think so. I don't think I ever addressed the groups that you mentioned.

The Chairman: The reason I think you did was because I think I have quoted from your speech. However, so be it.

Senator Prowse: The reason you hope he did.

Mr. Pelletier: I didn't really understand what group you mentioned. But yes, I was talking about the amount of information that was being exchanged now and I think there is a tremendous improvement over the last ten years. The quality is not always there. I remember one speech that I made in the west before going into politics, and the comment I made—back at my office when I saw the press coverage—was that the reporter must have entered through the wrong door into a different hall and listened to someone else because he quoted me as having said what someone else actually had been saying.

I think we have much progress to make in this area, particularly. I believe, that you can't have Canadian unity without Canadian

solidarity. This is one of my deepest convictions. And you can't feel solidarity or interdependence with people that you don't know, whose problems you don't grasp, and for whom you can't feel any sympathy because you don't know them. It is also one of my favourite remarks that everybody in Canada is talking about understanding, when we should start with knowledge because understanding can only come afterwards.

The reporting which is being made is not always—and this is an understatement—of the nature to breed understanding; but very often is quite the reverse. I am not advocating that the press, or radio, or television, or the CBC should indulge in propaganda today. But straight information, well presented, I think is the key to a feeling of solidarity between Canadians.

I always like to quote a press conference that I had in the west which illustrates the point. One of the reporters there said "Why the heck should I worry about French in this country? I hardly meet a French-speaking person every month and yet you would like me to concern myself with this problem." And I said "Why the heck should I be concerned about wheat—I don't know how the stuff looks because we don't grow it in the east." There was a little silence and we all agreed that this was what Canada was all about. If they are not to concern themselves with French and we are not to concern ourselves with wheat, there is no Canada.

The Chairman: The last question we put to the publishers was this one. "Do you observe an increase or decrease in the degree of credibility accorded by the public to the news and opinion disseminated by the media? Does the degree of credibility vary between media?

Mr. Pelletier: It does and I have seen the results.

The Chairman: May I interrupt you long enough—Mr. Fortier has reminded me, and he is perfectly right, that the speech I was referring to in Toronto was by Mr. Claude Ryan. I apologize for that.

Mr. Pelletier: I am reminded that these things happen. This is part of the written press. I am always quoted as having said once that the Liberal party was a trashcan. I had no rights on this quotation, it is Ryan's. We both wrote for the same paper for quite some time, so that is where the confusion lies.

The Chairman: I am sorry I interrupted you.

serious survey and to my surprise, the survey tends to demonstrate that the credibility of television news for most people is higher than the credibility of the newspapers. I was happy to see that the credibility according to this survey is not going down-it is quite adequate. For instance, the number of people who would say that "That is just a pack of lies and I don't want to have anything to do with information—it is all manipulated in advance." Is very, very low, in this survey at least. It is quite an extensive study. It is still not published and that is why I am not referring to it more precisely.

The Chairman: Well, perhaps I should say that this Committee has done a study which shows the exact same thing.

Mr. Pelletier: I was surprised but then I wondered, looking at the results, whether this was not only an indication that more people get their information from television and radio than through the written press. So it might be the fact that they don't read the newspapers as much as they used to do, that leads them to believe that the credibility of television is better. I am not sure how this comes about.

The Chairman: The other question that I wanted to put to you-and I may return later with some other questions, but for the time being the last question—I think the Committee would welcome any general comments you care to make about the magazine industry in Canada. Perhaps it is not something which has concerned you, but you may have views.

Mr. Pelletier: No I don't think I would like to comment on this. I have never worked on a magazine and I am not particularly a magazine reader and I don't think I could contribute anything to it.

The Chairman: I am going to turn to Mr. Fortier who has questions on the Broadcasting Act. Do any of the Senators have questions on things that we have said so far?

Senator Smith: Mr. Chairman, I wouuld like to ask a question.

The Chairman: Senator Smith?

Senator Smith: I would like to ask the Minister, or first perhaps point out to him, that we have had some evidence, or quite strong suggestions, that a great deal of the power in the electronic media relates to the camera itself; it rests with the fellow that pulls the handle on the camera and can destroy an image, with particular reference to politicians. There was one definite complaint made to the

Mr. Pelletier: Well, I just saw the results of a CBC about the camera angles used on a certain public figure at one time which was, in their opinion, very damaging to him, and therefore was unfair and bad reporting. We have had pretty strong suggestions that there is also a lot of power with the fellow back at the radio news department who cuts the tapecuts out what comes before and cuts out what comes after, leaving a bald statement which doesn't tell the whole story. Therefore that is power used in the wrong way. As a very distinguished newspaperman, what kind of power is held in the hands of a night editor, for example, who will, because of his bias, whether it originates with him or whether it comes from what he knows are the publisher's views on the subject, use his power to position a certain news item, or to make sure that a certain kind of headline is put to that story. Is that power an important power for consideration?

> Mr. Pelletier: I think it is a tremendously important power, but there you wake up my instincts as a journalist. I think that generally speaking-let me make a statement which may not be very useful in terms of changes that we can bring about, but that has to be made-I think that the reading public and the listening public have put such demands on the news media that it forces the written press, as well as radio or television, to work at such a pace with so many decisions to make. For instance, in any daily edition of a major newspaper-we once, just for fun, figured out how many decisions were to be taken of the kind that you just referred to. I kept telling people you can't put everything on the front page; the kind of type you use; and the relative importance of stories. Well, it ran up into the vicinity of 2,000 decisions of that kind that have to be made for just an ordinary edition of a newspaper.

> The radio has also a similar problem because in radio all through the day you get news reports and your public wants you to get them on the air before the other station. So you don't check them and this is another very serious problem. Radio corrects its mistakes, but not to the same audience to whom they send the wrong information first. I think it is tremendous power for this reason.

> Because of the demands of the public on the news media, and many times—I disagree with my political colleagues on this because I have lived through it-many faults or biases, that are attributed or traced back by the ordinary reader to some intention or some bias on the part of the journalist, are just due to the fact that he has to work at such a pace that the mistake is almost inevitable. I don't know if I am making myself clear.

Senator Prowse: You are doing very well.

The Chairman: You are indeed.

Mr. Pelletier: It is very difficult but just let me case, I think. When I was the editor of La Presse in Montreal, my good friend Maurice Sauvé who was a Minister here gave a speech to a service club in Montreal. He said: "If you Want to get on the front page of any of our newspapers, just say something extreme, irresponsible but sensational; but if you make a moderate, well-balanced speech on an issue the way I am doing, you will end up with the obituaries." I was reading that in my home at night and I looked and he was on the obituary page! He phoned me and said: "That is a very good joke." And I said: "It is no joke".

We had a final edition and if we didn't move it out of the building by twenty minutes to three, it just didn't sell, because the circulation was such in Montreal that you just couldn't sell it. And the only page, for technical reasons, that you could hold open was the page with the Obituaries on it. He spoke to a service club that finished at two o'clock. The newspaperman could not possibly write his article before twenty minutes to three, so it went into that page. Thus many of the things that people think are inspired by lies are not. I am not Saying we never indulged in sensationalism in the paper when I was there; we tried not to but sometimes we were forced to push these things. It is a tremendous power.

In television it is very bad also. I have been advocating for a long time with my friends in television that they try to demystify or to "educate" the public-I put quotation marks around "educate". We tried it once—I did a one hour show with a CBC correspondent who is now in Washington-Madam Judith Jasmin-Just to make the TV audience conscious of What you could do by cutting. We took a bit of tape and we chose Franco's Spain and we agreed against it. In the first half we had the interview where I was interviewing Madam Jasmin and what she thought about Franco's Spain and she was against it of course. I went into the details as the interviewer. Then we cut it and ran it as cut—and she was favourable to everything that was done in Spain without adding anything; just by editing.

I think it is not much worse than the newspaper, in the sense that the newsmen are sitting in the gallery listening to an hour's speech by the Leader of the Opposition. He has to boil that down to 16 paragraphs, has to do a heck of an amount of cutting as well. But when you read a newspaper report you say "Well, you know, the speech lasted for an hour-it says so, and here are only 16 paragraphs so there

must be something missing and maybe something important is missing."

The trouble with TV is what you see you use one example a classic example or classic don't doubt. And I think that broadcasters should make a point of educating audiences to realize that what they see is not necessarily true because of some of the necessities of cutting it. I don't want to be too long on this, Mr. Chairman, so you interrupt me when you think I am becoming...

> The Chairman: Your answers are most interesting to the committee, Mr. Minister.

Senator Smith: I was very interested in your reference to Maurice Sauvé. Just a few days ago I read a reprint of an article in the London Times and it was making generally the same point, that a good logical speech by someone who has a new idea, which he wants to get to the public's attention, is a most difficult thing to put over so the public can get hold of it. On the other hand, somebody who has a cause can padlock himself to the iron fence in front of 10 Downing Street and his cause is right there on the front page perhaps. It is a dangerous kind of thing, but you can't blame that on the newspaper or the television. I don't know how anybody can blame anybody for that.

I think you would agree that a lot of the reporting of extremist activities all over the world is due to the fact that it is the kind of thing that perhaps must get the front page. How would you, when you were a professional journalist, feel with that general subject that I am talking about?

If I padlocked myself to the steps of the Mayor of Montreal's office and had to be forcefully removed with all the drama that is attached to a hot flame, and so on, would your paper give that a pretty good run as a story and carry with it the point I was trying to make?

Mr. Pelletier: It is a very difficult problem. On the one hand my general comment would be that it is the "man bites dog" kind of angle. which would always get ahead of the "dog bites man." However, there is also another angle. I don't like and I have never liked the people who were in the newspaper business primarily to sell copies of newspapers by any means. That I think is the lowest degree of professionalism you can find in the press. On the other hand, I think that we must realize that without having a mafia or an establishment, whatever that means, the number of people who really have the means of expressing themselves is rather small.

I think it is Mr.—what is the name of the

on this about a year and a half ago. . .

Mr. Fortier: Wedgwood Benn?

Mr. Pelletier: Yes. He was making the point that the poor man in the street or the strikerthey don't have the electronic media, they don't have newspapers and they are left with placards walking in front of a building.

In this sense I think that the newspaper plays them up in a certain way and corrects this imbalance of a small number of people also controlling the information media. I think that balanced news will be a struggle to the end of the world, and that there is certainly a better way of balancing things than we are doing now.

I think it is difficult and I think it is a problem, but I strongly believe that most broadcasters and TV people and press people are doing their best to find the balance. But having lived through the problems and having been accused very often of playing up things that were not that important, I can have sympathy for it.

Senator Smith: How would you describe the kind of journalism which would permit a night editor to remove the lead paragraph of one of your by-line writers, who has a by-line and who doesn't know that it is taken out until he sees it when he gets his paper delivered first thing in the morning? This is a particular instance I am referring to which has been brought to our attention; it had the effect of recolouring the story, and changing the impression that the average reader would have received from that story. What kind of journalism is that?

Mr. Pelletier: Well, it is very bad journalism and the way to correct it-in the two papers that I have worked with on a permanent basis in my life there was in the collective agreement with the newsmen that you had to have their permission to maintain their signature if you changed something. This caused the night desk man to wake him up at four in the morning sometimes, which they didn't particularly like. But otherwise, if any change in the copy of the writer; and if, because of the necessities me. But in this discussion I am in the camp of

British minister who made a brilliant speech of coming out with a newspaper so quickly sometimes, you don't have time to consult the man, or if he is not at home, then you strike the by-line off.

> Senator Smith: For this reason then, I presume, therefore you are a strong supporter of professional unionism wherever it is possible for them to get in. As you know, there are a great many daily newspapers that have no unions of any kind?

Mr. Pelletier: Yes.

Senator Smith: Would you describe that as a definite deficiency in this particular area that we were just talking about?

Mr. Pelletier: Oh yes, and in many other areas too. I would say that my experience as an editor, although I suffered a strike of seven months-I would say that I couldn't contemplate being the editor of a major newspaper without this.

Senator Smith: Thank you very much.

The Chairman: Senator Prowse?

Senator Prowse: I just have two questions in this area. They are addressed to you, sir, as a newspaperman and not in your position as a minister. The first one is this. We have had suggestions made to us by groups that have come before us that there should be legislation providing the same kind of protection for newspapermen to protect their sources that is presently provided in the law, as you know, between solicitor and client. In other words, a newspaperman should never be required under any circumstances to reveal the sources of his information. Now, on the basis of your experience I am sure you are aware of the new developments that are going on. Would you care to give us any observations you have concerning that particular question?

The hon. Mr. Pelletier: Well, I made my personal convictions public a few months ago about this. I can't answer in detail and it is a question that would have to be answered in was to be made, they had to take the by-line detail. Let us say, that generally speaking, I am off. I think if you want to maintain any personin favour under strict rules of the professional al character and any sense of integrity in the secrecy for journalists being protected. This newsman, such practices are very detrimental. would have to be under very strict and But I think a very simple way of doing it is just detailed rules. The possibility of doing just that you have a clause in very all the that you have a clause in your collective agreethat I don't know because I have studied the ment saying that you can't print the signature subject in other countries, how they handle if you change the countries the countries is the countries of the co if you change the copy without the permission this, and I have found nothing that satisfied of the writer and if have found nothing that satisfied

those who think that if you want to have information that the public is entitled to, at a certain point you have to have professional

secrets respected under strict rules.

There is another point which I would like to ask as a rider to this. In some Canadian provinces, the law doesn't give immunity to the newsmen who cover municipal governments which are growing in importance. I think this is very serious and will become more and more serious. Here, for instance, a man can report from the press gallery anything which is said in the house and he can't be sued. Now, if a member gets up and says that so-and-so in Toronto or Vancouver is a liar and a thief, and so on, the man in the press gallery can repeat it, can print it, and he is not liable to be sued.

In some provinces in Canada, municipal councils are not protected in the same way. So it creates a very serious problem for coverage by the newspaper of the municipal councils. I think that we are going towards megalopolistic type of life and I think this is something that eventually every province should be encouraged to correct because I think it is more and more important to cover municipal councils. Otherwise you are very badly stuck With some copy that you know is true and the man comes and says: "I have no protection." You take the risk—tradition is in your favour and I don't think you would be sued. The advice we did receive from lawyers was that we had no protection except precedents, but this is not very comfortable, neither for the reporters nor the editor.

Mr. Fortier: It is for the lawyer though!

Senator Prowse: The second question is this. You made mention of *Le Monde* and am I correct in recalling that *Le Monde* is the newspaper where the actual working journalists have complete control of it?

Mr. Pelletier: Not complete yet. However, they are coming very close to it. If I am not mistaken as the private shareholders die—Le Monde is the successor of Le Temps and the shareholders are pretty old—the shares are given to the body of newsmen and professional people who are working for Le Monde. I think they have effective control right now.

Senator Prowse: Right now?

Mr. Pelletier: Right now. But before they have the absolute majority of shares, they have a few months to go.

Senator Prowse: I have been very intrigued with the suggestion that the way to ensure

professional independence of the professional press—I am thinking of the writers—is that kind of development. Have you seen enough of *Le Monde* to be able to give us a suggestion or give us an opinion as to whether you think the control of that paper by the professional writers has in fact produced a better paper, a better information medium?

Mr. Pelletier: There is no doubt in my mind about that, in the case of Le Monde.

Senator Prowse: Yes.

Mr. Pelletier: And it is the only one that I know of. The journalists were very professional and very responsible, but this doesn't mean that any member of the newsroom can do what he wishes. . .

Senator Prowse: No.

Mr. Pelletier: On the contrary. They will be appointing their own people, but once the man is in power, he is in power and the other owners who are the journalists, as a matter of fact, have to do what he tells them. It is very good. I am told that there is a second case of the same kind in Israel—in Tel Aviv there is a paper which is also run this way and which is also doing a good job. But with *Le Monde*, it is working remarkably well.

Senator Prowse: Thank you.

The Chairman: Are there other questions in this area in general that anyone has, or should we turn to a discussion of broadcasting? I think we will turn to you, Mr. Fortier?

[Translation]

Mr. Fortier: I would still have some questions to ask on the print medium, Mr. Minister. You experienced in Montreal, a few years ago, something which has become very interesting for the members of the Committee, here, and that was the launching of Le Nouveau Journal in competition with La Presse. In your opinion, what does it require in Canada today, besides money, to launch in a metropolitan centre, such as Montreal or Toronto or Vancouver, a new newspaper?

Mr. Pelletier: A daily?

Mr. Fortier: Yes, a daily?

Mr. Pelletier: Money, I can tell you, it takes 6 million dollars.

Mr. Fortier: It takes 6 million dollars. And these are schools which teach a certain technoney was available in the case of *Le Nouveau Journal?*these are schools which teach a certain technology was available in the case of *Le Nouveau Journal?*

Mr. Pelletier: No. It died because someone gave up at 2½ million dollars. The money was there but Calculations were made as exact as possible with newspaper managers, and the conclusion was reached—and still this goes back to 1961—that at that time it was 6 million dollars if you wanted to establish yourself, if you wished to reach the point where the gap could be bridged.

Mr. Fortier: To support the newspaper?

Mr. Pelletier: That's right. If you have 6 million dollars to invest to launch a large newspaper—I am talking about something comparable to La Presse, the Globe and Mait, Le Soleil, etc.

Mr. Fortier: I agree. In Montreal, that is what Le Nouveau Journal wanted.

Mr. Pelletier: That is the price. Here, they had 6 million dollars, and in spite of the strong position of La Presse, they could have survived because that is what they needed. Their break-even point was at about 135,000 or 140,-000 circulation. This cannot be done in less than two years, two years and a half, three years perhaps, and the newspaper was costing at least 2 million dollars per year. This means that there also had to be an amount left at the end in case they did not succeed. It is a major undertaking at the present time unless you benefit from a monopoly position, whose profits are no longer what they once were. Making easy profits in this field has now passed over to television. So, unless you profit from a monopoly situation, it is necessary that you be able to hold out for two years, three years, before breaking even, and this takes an amount of 6 million dollars. In short, I am giving round figures, within \$100,000. But, outside of this, I think that what is needed is good newspaper managers, and I believe this is rather rare. Also professional newspapermen or at least a core of professionals is needed.

I do not know if it is included in your question, but I should like to add in my answer that in my opinion—and it is my personal opinion—I do not know of any universities in Canada yet, and I must say I do not know of any in the United States either, which have really succeeded in setting up a school of journalism which effectively trains newspapermen, and I

should like to give the reason.

There are many schools of journalism, but television station "A"?

nique. There is an advantage, and it lies in savings for newspaper owners, because you have to wait perhaps three or four months at least for the newspaperman to become productive. At the present time, it is the newspapers, in most cases, who pay for the training of journalists. And I think there is a contemporary idea, which I have not yet seen put into practice in any university. This would be an institute of communications which would first, give general training in any discipline, because all newspapermen today are specialists, whether in political science, pure science, of economic science. You need specialists and very competent people in all these fields in a newspaper. It would add training in communications, and I mean communications, because, especially in Canada, I do not believe that the print medium alone offers a sufficient market to justify a school which is solely for newspapermen. But I think that the university which would take the initiative for a communications industry, with a professional specialized training in one of the fields I have mentioned, a more philosophical training as well as the practice of different means of communications, would be justified. There is an employment market if we add to the print medium, broadcasting, public relations, internal communications within governments. industries, within large industrial companies, etc. You have a large market for which men could be trained very responsibly.

I might add one thing: there would always have to be exceptions for certain types. I have known several in my lifetime who were completely at the peak of their profession, in my opinion, with practically negligible schooling, because there is also the skill of being able to communicate a large part of which is a personal talent, an individual gift, and intuition which is not taught in any university.

Mr. Fortier: Does the broadcast journalist in Canada, today, compare favourably or unfavourably with the journalist of the written press?

Mr. Pelletier: I do not think I can add much to this subject. If you speak about the quality of men engaged in one or the other, they are often the same.

Mr. Fortier: Does one necessarily lead to the other? Do the qualities which make an individual a good journalist in "X" newspaper necessarily make him a good journalist at television station "A"?

Mr. Pelletier: If it is a matter of journalists who do not appear on the screen, who practise their profession in the news room, I think that essentially they are the same qualities. When you place the journalist in front of the camera, obviously, here, it takes a certain number of other qualities, which have little to do with training. One of the best editorial writers of a newspaper, for example, if placed before the cameras, could be a very bad commentator on radio or television because he would have faults in diction, or his personality would not come across on the screen.

Mr. Fortier: You refused, and rightly I think, to talk of specific newspapers in Canada, a while ago. I would be interested, on the other hand, to hear you tell us what is, in your opinion, the best newspaper outside of Canada, the most complete newspaper which you can read when the opportunity arises?

Mr. Pelletier: For a long time I wavered between the New York Times and Le Monde, and these last few years I decided in favour of Le Monde, for several reasons. The journalism industry in North America forces us to produce huge newspapers. When we say that the New York Times must publish an index every day, this is not my idea of a newspaper. A newspaper must be something which can be read rapidly. Le Monde has avoided that difficulty, firstly because in Europe the tradition is different. Besides this, the advertising rates In newspapers in Europe are much higher than In Canada, because in Europe there was never the mania for department stores to write and to publish a picture of the article, which they Want Mrs. so and so of Delorimier Street or Yonge Street to buy.

For all these reasons, I believe that Le Monde is superior to the New York Times in being better organized, better laid-out, and that there is less need of moving through tons of paper. Obviously I am speaking of the daily Le Monde. I also am speaking of the daily New York Times

As for the weekend New York Times, it is a kind of interesting monster, but my attitude towards it would be one of great surprise. I shall always recall the cartoon which appeared in the New Yorker of a very, very old Soviet translator to whom Stalin was awarding the medal of the Order of Stalin for being the only Russian translator who had succeeded in translating, in its entirety, an issue of the Sunday New York Times.

Mr. Fortier: When you buy a newspaper, Mr. Minister—and I ask you this question both as a politician and as a man of experience in the

journalistic trade—what is it that you look for first?

Mr. Pelletier: Well, here I shall tell you a secret. In the profession I am in, I rarely buy a newspaper, because the Minister's office has someone who buys newspapers, who makes press clippings, and who gives them to you, and when you find a moment during the day, you read them. So I have difficulty in answering this question because it is a bit readymade, if you will.

Mr. Fortier: I shall not let you get away with this so easily. You travel; you are at the airport, let us say, in Vancouver; you go to buy a newspaper—not today, because there is a strike—you decide at the stand to buy a newspaper. What do you first look for? Is it the news, is it the editorial page? What is it?

Mr. Pelletier: The first thing that I look for is international and national news, and I am only interested in the editorial afterwards. Essentially, it is for me a means of information.

Mr. Fortier: We shall pass to broadcasting.

Mr. Pelletier: At this time, are you questioning me as a Minister?

Mr. Fortier: I am afraid so. It was on March 7, 1968, that the Broadcasting Act was approved and you are the Minister with the title of Secretary of State. As Secretary of State, you are the Minister responsible to Parliament for this Act. Do you think, Mr. Minister, that the CRTC, the Canadian Radio-Television Commission—it has been operating now for nearly two years—has adequately fulfilled in a general way the mandate which Parliament entrusted to it?

Mr. Pelletier: I think it has, and more than adequately. I believe that we did not expect it to do so in this period of time. I am, for my part, very impressed by the task they have accomplished, and with the way in which they got through it.

Mr. Fortier: Does it not frighten you a little that the CRTC has become a federal administrative tribunal which exercises such powers and which, from day to day, by its regulations, affects the survival of so many enterprises which are expanding in the field of communications and this, without receiving in a regular manner, any basic directives from Parliament to which in the final analysis it must answer?

Mr. Pelletier: My reply briefly is no, because this is the way it was conceived. I think that at the time when the Act was adopted, many people had expressed the opinion that we needed in Canada a commission for the air waves if we did not wish our broadcasting system to fall either in anarchy or else disappear completely under foreign competition. I believe that Parliament very wisely gave very broad powers to the CRTC, and I believe that these powers were invested in the CRTC because, simply, we believe that in such matters—and for my part I have not changed my ideas—the opinion of a Minister at the executive level, the role, I mean, of a Minister who would have the powers of the CRTC—not only would be very difficult, but would be very dangerous.

Mr. Fortier: The Act, in Section 27, provides that the Governor in Council, obviously, through you, can "issue directives to the Commission". If my memory serves me well, I believe you did so on two occasions: first, in March in the matter of dable companies, and also in the matter of educational broadcasting.

Mr. Pelletier: Yes, and even on the ownership of the means of distribution.

Mr. Fortier: This is it, control by foreign interests. Mr. Juneau, when he appeared before the Committee nearly a month and a half ago, expressed the hope that there would perhaps be an advantage in the Governor in Council, that is, the Cabinet, giving them instructions for the concentration aspect of the right of ownership. Do you have any comments to make to the members of the Committee on this matter?

Mr. Pelletier: Yes. It is a matter on which we are working, and I do do not say this unthinkingly. There are truly people who are working on this directive, but I do think that the Committee, after what it has heard from the beginning of its hearings, is perfectly aware what difficulties are inherent in the definition of a monopoly in matters of communication. It is a very difficult directive on which to elaborate. But what I wish to emphasize is that very active research is going on already and consultation with people in other countries too, because we are not the only ones to have these problems. We have studied all the laws which we have been able to find. But, the big problem is to define a monopoly in a realistic way, which firstly corresponds to reality, and not to give the CRTC a directive which would be capable of blocking the development of certain groups. We do recognize the need for certain groups even though they have perhaps a paralyzing effect on our whole broadcasting system.

But, this is truly a difficult question not only because it is thorny, but difficult in itself, and I should like to point out for you just one aspect of it. Can you imagine at the present time, a small town in Ontario, for example, where there would e a businessman who would be owner of a radio station, a television station and the only newspaper in the small town?

Mr. Fortier: The answer is yes.

Mr. Pelletier: Good. And you would not have an effective monopoly of information because there are newspapers from the capital which arrive there every day; because there are six radio stations which are heard there and which people can tune in to; because there are perhaps two or three television stations covering the area. I do not say it is desirable that there be this type of owner, but I say that it cannot be argued that it is a monopoly of information because, the communications field being so vast, a captive audience in Canada is only imaginable in the far North.

Mr. Fortier: You plead Mr. Blackburn's case very well.

Mr. Pelletier: I do not know him.

Mr. Fortier: Because the example which you have given reminds us of the situation which prevails in London, Ontario. I am certain that you did not think of any particular town, but this is the one that comes to my mind.

Mr. Pelletier: I was thinking of a particular town, but it was not that one.

Mr. Fortier: Mr. Juneau, Chairman of the CRTC, on this problem, confided to us that he and his colleagues took into consideration, when an application for a licence was made to the Commission, the fact that the applicant might be the owner of a newspaper. Is one of the factors that your team takes into consideration at the moment this one, that is, owner ship by the broadcasting company of a newspaper?

Mr. Pelletier: Yes. We start from a definition of information media which covers the whole range of journalism, weekly magazines, radio stations and television stations. We try to see this as a whole.

Mr. Fortier: Does the cartel aspect interest you? Does the monopoly aspect interest you first?

Mass Media

Mr. Pelletier: Yes. And also the ownership and distribution aspects of the ownership.

Mr. Fortier: Would it be permissable for me to ask this question: is your department doing this study in cooperation with your colleague, Mr. Basford?

Mr. Pelletier: Yes. and with Communications as well.

Mr. Fortier: With Mr. Kierans?

Mr. Pelletier: Yes. I must tell you nevertheless that in spite of the time that has been devoted, the study is pretty far from being completed, precisely because of this complexity of all media, and that we have not yet been able to submit a document to Cabinet, but it should not be delayed much more now.

Mr. Fortier: And the results of this study, Mr. Minister, will it be directed to the CRTC's attention?

Mr. Pelletier: That is why the study is made, yes.

Mr. Fortier: Since it is in progress, I do not wish to go further, even though I would like to. You spoke of Mr. Kierans, a while ago, in answer to a question from the Chairman. I cannot resist the temptation to put this question: are you satisfied that it is the Secretary of State of Canada who must have responsibility to Parliament for the Broadcasting Act, or should it not be rather the Minister of Communications? What is more important, the medium or the message?

Mr. Pelletier: First, I don't think the Secretary of State has the responsibility for the medium. think it's invested in the CRTC. That was discussed at length before the Parliamentary Committee. We even brought over some BBC officials from London when the White Paper was being studied. There were very lengthy and interesting discussions about it—for examble about the role in England of the Postmater General, who has wide responsibilities, where reas the Secretary of State as a Minister, a member of the government, doesn't have any, except to formulate the directives I told you about a while back, for the Cabinet's use, and to Serve as a telephone line between Parliament and the CRTC and the CBC.

The Parliamentary Committee was quite aware of having invested those powers in the CRTC, because we learned (and for me it's something new, because I always thought that

there was no such thing at the BBC) at those hearings that the Postmater General in England can call up the Director of the BBC and say: "I don't want to see that programme on the screen any more". He doesn't often do that, we were told, but he does have that power. Here, we were told generally, both in the Committee and in Parliament, that it was dangerous to leave such powers in the hands of a Minister.

43:23

So I would say the medium is in the hands of the CRTC: and I think that the reason the Secretary of State is invested with whatever functions are left in that area is that there is a very important co-ordination role. For example, if for its part each of the institutions like the CBC, the National Film Board or the Film Development Corporation-let's imagine and absurd case-or that all three, without telling us about it, start to make films about the same subject; you're going to have wasted efforts. The CBC isn't there just to provide information. The CBC is at the National Arts Centre. There's a coordination of roles that can not only result in plenty of savings but can also link the agencies closer together, and can help them support one another. That is, in films, the National Film Board may have things to teach the CBC in the area of feature films and the knowledge that has now accumulated at the Canadian Film Development Corporation may be useful for such purchases at the CBC. etc. There is interdependence and all those institutions should live in symbiosis. I'm adressing that word to Mr. Lynch in particular.

Mr. Fortier: I've read the article in question. Was it you who wrote the Prime Minister's speech?

Mr. Pelletier: No.

Mr. Fortier: Some proposals (and I stress the word proposals) of the CRTC would have the effect of preventing some Canadians from having access to the airwaves that most Canadians have access to. Does that trouble you as a Minister?

Mr. Pelletier: I'm concerned about it, but I'm also troubled by the conviction that I acquired, when I studied the question and the testimony given before the CRTC, that unless the use of microwave is regulated, the whole broadcasting system in Canada could disappear within five years. Besides, if you look at the domestic legislation in the United States, it is extremely restrictive. It's as restrictive as any of the CRTC's decisions. I think that's part of the Canadian dilemma. It's the Canadian dilemma

in communications and, since both factors lutely have to find a compromise because it would be an absolute catastrophe if there no longer existed a distinctly Canadian broad-

casting system.

Now the day an American firm, an industrial firm, without telling a soul in Canada about it, could cross Fifth Avenue, and go and see an American advertising agency across the road and say: "You're going to put me on the Montreal market, the Toronto market, the Vancouver market, the Kamloops market, and the Winwe'd market", be completely short-circuited, and after a short time, there'd no longer be any distinct Canadian broadcast-

That raises thorny problems: it raises problems first of all for the people who are deprived, at least temporarily; it poses political problems also. I think it's going to take quite a bit of political courage to make wise decisions in that area. But I think also, I'm not losing hope, just the contrary, I hope that I'll see Canadians becoming aware of this danger, becoming aware of the reasons that are making the CRTC act the way it is now, and entering the debate in a positive way, without recriminations as though the CRTC wanted to

assassinate people or create injustice.

You know, we've had cases like that in which we've been obliged to carry on. I don't have to tell you that country-wide French-language radio or French-language television is a relatively recent development. I wasn't yet twenty years old when people were complaining in Ontario, Manitoba and the Maritimes about not being able to hear any French. They were deprived for a very long time. At the present time you still have the northern population who not only don't have the American channels, but still don't have any picture on their television sets. There were always inequalities, of necessity, and I'm sure the CRTC wants to remove them, not aggravate them. However, we should know what price we're ready to pay for that. I can't go into the details. But one thing is sure and that's that an attitude on the part of the CRTC that permitted the destruction of the Canadian broadcasting system would be a betrayal by the CRTC of its own mandate. So it has to do some tight-rope walking and I don't envy it. I think that's what it's doing right now with plenty of consultation; it's ready to listen to everybody. Canadians are increasingly aware that they can come and make representations to it. I think that once the shock is over, the initial shock, I think that when everybody is able to realize what's at stake, we'll have much less clear-cut opinions than those we are hearing at the present time.

Mr. Fortier: You talk about the price that will trouble me equally, I tell myself that we abso- have to be paid to prevent that destruction. Is it your opinion that the price has to be paid by both the private interests in the broadcasting field and the CBC?

> Mr. Pelletier: Look, for my part, the distinction you make in your question between private interests and public interests appears to me a bit fallacious. If it's through my income tax that I'm paying for the CBC stations, it's through the detergents that my wife buys every week that I pay for the private stations, but in any case I pay for both. That's one thing perhaps that Canadians should be a little more aware of. We hear some rather sharp criticism of the CBC, some of it true, some not. We don't hear much about the private networks, when Canadians certainly pay for both. I think there's one broadcasting system in Canada as I see it and ...

Mr. Fortier: That's what the Act says?

Mr. Pelletier: That's what the Act says. There's one part composed of private interests and the other is a Crown Corporation. But they shouldn't say, for example, just because they're a private station, that they have no responsibility to the public, because a private station nevertheless has the use of a wavelength that is the property of the people of Canada, and the station is accountable to the people of Canada for what it does with it.

Mr. Fortier: And the people of Canada are represented today by the CRTC?

Mr. Pelletier: That's the philosophy behind the Act.

Mr. Fortier: Do you advocate a larger commercial role for the CBC?

Mr. Pelletier: Larger, no.

Mr. Fortier: Reduced, smaller?

Mr. Pelletier: There you are asking a question in which I see all kinds of problems. That's because in a period of government austerity, there is obviously no question of telling the CBC to give up the some \$30,000,000 or \$40, 000,000 in commercial advertising revenue, and then reducing operations by that much Let's say that my own thinking on the matter is pretty well reflected in the second Fowler Report, but economic considerations enter into the matter, especially in these years.

Mr. Fortier: Yesterday we heard, right before this Committee, the representatives of ACTRA saying that Parliament had imposed on the CBC the obligation to go hunting for \$40,000, 000, to hunt for about one fifth of its budget in advertising. Do you agree that under the present policy, Parliament is compelling the CBC to cover a fifth of its budget through advertising?

Mr. Pelletier: Parliament certainly doesn't compel it specifically.

Mr. Fortier: I haven't found it anywhere, but We were interested.

Mr. Pelletier: Certainly not specifically. If the CBC sets its annual budget at \$200,000,000 and Parliament votes it \$160,000,000 or \$166,000,-000, of course, the CBC has to look for what it needs to make up the difference at the commercial end, but I wouldn't know whether if the Corporation decided to reduce its services, and give up advertising, I can't say it would be a wise decision and that you wouldn't hear even bigger debates than what you have heard until now. That, I think, would be a decision that the Corporation might make.

Mr. Fortier: Surely you agree that such a decision could be imposed on it by Parliament?

Mr. Pelletier: Yes.

Mr. Fortier: But can't you see that?

Mr. Pelletier: It means that Parliament couldn't say: "Go hunt for \$40,000,000", because Parliament doesn't know that the Corporation could hunt up \$40,000,000.

Mr. Fortier: I understand. But Parliament could say "through advertising on the CBC radio network stations"?

Mr. Pelletier: Yes. Only Parliament could say that.

Mr. Fortier: From your present point of view, that is undesirable, is that right?

Mr. Pelletier: I think that not only is it undesirable, but it is impossible until there is a relaxation of budget restrictions.

Mr. Fortier: The Broadcasting Act, in section 2, imposes what the legislators called Broadcasting Policy for Canada and in subsection (g) We read:

Mr. Pelletier: What section is that?

Mr. Fortier: Section 2, subsection (g): "That the national broadcasting service

should" (that's the Canadian Broadcasting Corporation) "contribute to the development of national unity" and "provide for a continuing expression of Canadian identity." Why was this obligation imposed only on the national broadcasting service instead of on the whole Canadian broadcasting system?

Mr. Pelletier: That's a question I've asked myself. And I'm not sure I've found the answer. I think it's implicit that we could argue that the same thing should apply for the stations in the private sector.

Mr. Fortier: That's what Mr. Juneau told us.

Mr. Pelletier: Although that isn't specified here. But what I'm thinking and what I can tell you is to "provide for a continuing expression of Canadian identity" was meant to show that "to contribute to the development of national unity" was not just a business of propaganda. That means (and you have to read both parts of the sentence together) that at the time the Act was voted on in Parliament, an extremely difficult semantic argument arose because "exprimer constamment la réalité canadienne" doesn't seem easy to translate, and in any case it wasn't translated.

Mr. Fortier: Provide for a continuing expression of Canadian identity?"

Mr. Pelletier: It's not an adequate translation and for my part, in this case I much prefer the French, because it reflects the honesty of information and the complete information side which should be the philosophy of the CBC and of all broadcasting for that matter.

Mr. Fortier: If there were a way of doing that constitutionally, would you advocate such an obligation for the written press also?

Mr. Pelletier: I think the written press should have that obligation. I don't know whether there is any legal way of legislating responsibilities like that because when you pass laws. you have to be able to check. That's where my old newspaperman's instincts are awakened. and I would wonder who is going to check the written press. But I think that such an obligation does exist in any social philosophy, and certainly in the social philosophy that is the Canadian consensus. And I think that newspapers that think they are exempt from such responsibilities are betraying their mandate.

Mr. Fortier: Section 22 of the Act provides that:

"(1) No broadcasting licence shall be issued, amended or renewed pursuant to this part,

(a) in contravention of any direction to the Commission issued by the Governor in Council "

that is by you, by the Cabinet.

I have often asked myself this question: "Why is there no mention of refusal of a broadcasting licence by the CRTC?" They mention only issuance, amendment or renewal, and not refusal.

Mr. Pelletier: I think the lawmakers took care to drive out of the government's mind any temptation to go to the CRTC and say: "You have refused one of my friends a broadcasting license, will you please reconsider the matter?" And for my part, I am very happy that it doesn't appear, because people come to see us, and if they could apply to the Cabinet to have a refusal reconsidered. I think it would be very hard to persuade Parliament that the Cabinet is going to take such a decision without any kind of recourse. Right. While on the positive side it makes it possible for the Cabinet to say, for example, if it appears to us that the CRTC has without reason refused, no, not refused. but granted, or has granted in an irresponsible manner, a permit to someone I think that the Cabinet can ask the CRTC to review its decision, and that's good. But, for my part, I think it's a wise thing that the word "refusal" isn't there.

Mr. Fortier: Have you had any occasion to do so until today?

Mr. Pelletier: No, not as long as I have been Secretary of State, in any case. I dont't think it was done before either. Parliament asked us, that is a certain member of Parliament asked us to tell the CRTC to review its refusal to renew the licence of a certain station; the matter is before the Supreme Court at the moment. I answered in the House that the Act did not give us the right.

Mr. Fortier: In the case of the Canadian Broadcasting Corporation, on the other hand, we note in section 17 of the Act, that if a condition is attached to a permit, a licence issued by the CRTC, the Corporation can go to you and say:

"Can you please review or consider this condition." And I quote:

"The Corporation may refer the condition to the Minister for consideration, and the Minister, after consultation with the Commission and the Corporation, may give to the Executive Committee a written directive and the Executive Committee shall

comply with such a directive." That's how it is with the CBC?

Mr. Pelletier: Yes. That, I think, is because the government supervises the budget of the Canadian Broadcasting Corporation.

Mr. Fortier: You think it's a question of dollars and cents? Mr. Pelletier: Well, that's what comes to me first, at any rate. For example, if the CRTC were to say: "You, the Canadian Broadcasting Corporation, must develop 40 stations in the Canadian North because we, the CRTC, think the neglected people up there should have them," at the present time, that would cost close to \$4,000,000. That's quite a decision. The CBC would have to come to back us and say: "Listen, can't they reconsider that or else spread it over several years?" That's the first idea that comes to me. And there again, it seems nearly indispensable to have a clause of that kind.

The other reason is that the Canadian Broadcasting Corporation is a creature of Parliament, and in this Act we never tried to ignore that fact. The CBC deserves special consideration from Parliament and the public authorities, since it is their child.

Mr. Fortier: This question should not peerhaps be put to you as a Minister, and I put it to you as a television viewer. Do you think that one of the CRTC's recent proposals, which was debated at length at its hearings last week and this week, about Canadian content, is good?

Mr. Pelletier: Yes.

Mr. Fortier: Considering your long experience in the profession, do you think it can be carried out?

Mr. Pelletier: Yes, I think it can be done.

Mr. Fortier: Obviously in French Canada, as several Committee witnesses in succession have told us, it causes no problems. Do you think that in English Canada on the other hand, it can cause serious problems for broadcasters?

Mr. Pelletier: I don't know the particulars well enouugh. Besides, I don't know what the final result will be. I can say that I am personally in agreement with the general orientation and for my part, I never talk in terms of Canadian content; I talk in terms of foreign content. Which is another way of putting the question.

Mr. Fortier: The figures are smaller?

Mr. Pelletier: The general orientation of this proposal is still not set, and I can say that I am in agreement, but I think that plenty of people imagine that it is much more difficult and demanding than in fact it is. For example, people would say for music: "Canadian compositions, a third, what are you going to do?" Until you explain to them that you can play Beethoven's 9th that's going to last maybe 40

minutes, and if you play a piece of Canadian music, a minute and a half, and then play two 20-minute symphonies, you have a third. No, you play one more of 20 minutes, and you have a third. It's not a question of time in those limits, since the criticism has been made. Once people know that, they realize that production in Canada, French or English, is perfectly sufficient to meet these standards. Now, before answering your question, I'd like to have the time to give a personal opinion, to read more thoroughly all the testimony that has been given. Let's say that this general orientation of the CRTC's proposal seems to be in the direction indicated by the Act.

Mr. Fortier: I agree. I am going to confine myself to the CRTC's orientation. The CRTC is suggesting at this time, to use your words, a "foreign content" of 40 per cent. If the foreign content suggested should go to 40 per cent, to 30, 20, 10 and finally we exceed the Canadian content, the compulsory Canadian content of 100 per cent, do you think that would be in the direction of the Act?

Mr. Pelletier: No, I think that would be shutting yourself up completely in exaggerated chauvinism. I think that would be quite unrealistic. There isn't a broadcasting chain in the world that has regulations like that.

Mr. Fortier: You realize that you have to talk about percentage?

Mr. Pelletier: Yes, I realize that Canada must be a country that keeps its windows open. Only it mustn't be a barn through which any old wind blows.

Mr. Fortier: On this note, Mr. Minister, I thank you.

[Text]

The Chairman: Do any other Senators have questions in this area? Senator Quart?

Senator Quart: I am going to begin, Mr. Minister and Mr. Chairman, by adopting the technique that you can catch more men with honey than vinegar. I am beginning by giving you a compliment but I have a point later on, which is not quite so complimentary.

Senator Smith: Watch it!

Senator Quart: Well, to begin with I think the CBO radio is excellent as well as the television and I think the news coverage is excellent. You don't have to answer this if you don't want to

Mr. Pelletier: That was the gravy—now comes the fish!

Senctor Quart: Well, Mr. Minister, I don't want you to think that I am a person that is scrupulous and all the rest of it—I had better get on with what I started and stop rambling—but to begin with when our now Senator Lamontagne was Secrétaire d'État—a group of women across Canada, (and I believe the Chairman did see some of these beautifully bound books) circulated a petition to clean up television—a television clean-up campaign. I believe there were about 70,000 signatures.

Well, coming back to this we still receive letters from different ones, and so on and so forth, for our TV clean-up campaign, particularly asking for objectionable programs to be put on at a later hour than when you have the young people as an audience. I myself have mentioned this frequently to different groups and to Mr. Davidson who I have known over the years—I like him very much, I think he is wonderful—but at the same time I have told him this, that when complaints go in to the CBC—are they not swept under the rug a bit? I have told him publicly and many others that the very best thing to do was to write to the minister.

Mr. Pelletier: Ah, that is why!

Senator Quart: Oh, that really isn't nearly the number that we would have sent you if we ever got in. I think it has been much better and the Chairman of our Mass Media Committee did suggest, or at one time did give me a name to call. The gentleman was most co-operative, and he used to call me back and say: "Won't you please look at this program—as Mère Supérieure of that group-and I am not the Mère Supérieure type-would you please alert them and get them to watch this programme." Well, that worked beautifully and now we have sort of forgotten about it. But I think really people are getting used to four letter words and all these sex programmes, and I think now we sort of accept a lot of the permissiveness that maybe five years ago wasn't exactly old hat. However, to come back to this, I have said to many groups: "Don't bother writing to the CBC-maybe it will never reach the President-write to the Minister."

This very morning I received a call—I haven't had time to answer it—about something that was said on the Max Ferguson show. I like Max Ferguson very much, but evidently he or someone on his programme did make some remark about some former Prime Ministers of Canada, but apparently it wasn't too complimentary, whatever they said.

As I said, I didn't have time to listen to it...

The Chairman: Was it on this morning's programme.

Senator Quart: I beg your pardon, Mr. Chairman?

The Chairman: Was this on this morning's programme?

Senator Quart: Yes.

Senctor Smith: Was it obscene?

Senator Quart: Was it obscene?

Senator Smith: Yes, was this remark obscene?

Senator Quart: I don't think so. I don't know what it was about because I didn't have time to listen.

Senctor Prowse: Yesterday morning he played a record which I think surprised him before it was finished.

Senator Quart: However, what do you do with the letters that you receive on your desk?

Senator Prowse: Don't tell her!

Senator Quart: I mean the complaint letters and not the love letters!

Mr. Pelletier: It means that you have never written one to me

Senator Quart: No, I have never written to you.

Mr. Pelletier: That is right, because you would then know what I do with them. I answer the complainant and I say. "You realize that the responsibility of the Minister is not one of censorship, or that he has no part in the programming. He is just a go-between between the Parliament and the CBC and I am forwarding your remarks to the Corporation and I would ask them to make a report to me and to contact you directly as well." I receive a number of those letters and I get the report of the CBC and the people get what the CBC has to tell them as well.

Now, the CBC is a huge organization and I don't know with what dispatch they can answer these things, but as far as I know they answer these things fairly quickly. But the responsibility of the Minister is not engaged here. If, for instance, there were some monitoring to be done—let's examine these areas about something illegal taking place on a CBC station or a private station—it would be for the

CRTC to monitor. All I can do is sympathize with the persons who write to me and hand it over to the CBC for their answer.

You would note in the House of Commons that I never take the CBC answers as mine. I always say the CBC gives me the following answer, and then I proceed to read what they give to me. I read it before to make sure that they don't make me say anything that would obviously be false, but really, my predecessor described herself before the Broadcasting Committee that I was chairing at the time, as a conduit pipe between Parliament and the CBC and nothing else. I think it is an apt description because all the Minister can do, of course, is have regular meetings with the CBC officials and talk about thier problems with then so that he can understand what he is talking about when he answers Parliament, but he hasn't got any power to give any directive to them.

Senator Quart: Well. I am sure you haven't received nearly the number of letters that Senator Lamontagne did at the time because things seemingly have quietened down. People have accepted permissiveness, I think, a little more and just pray for the best. But at the same time—this is a very unfair question and since the Mass Media Committee is just about over I won't be running the risk of being told to get off the Committee. Supposing now you were talking with well, let's say Mr. George Davidson and your wife probably had seen a programme that was thoroughly objectionable at 7.30 in the evening, or something of this kind. Would you whisper in his ear a little bit and say "Well, don't you think you could do something about this-and put it on at 11.00 p.m. or after the news, or something, so that the adult listener might enjoy it"?

Senctor Prowse: The adult listener has gone to bed by that time!

Senator Quart: I would take that back. I am sure you wouldn't.

The Chairman: Mr. Minister, do you have any comment on that?

Mr. Pelletier: Well, the only comment I have is that of course I work with these men and I exchange impressions with them and they don't take objections to it. I would like to just interject here that when the BBC people visited us, they told us of an incident which is, I think, very relevant. The authorities of the BBC had ruled out a programme so the film was shelved—it was jut put on a shelf. Three years later the producer of this programme only three years—went to the authority and

Mass Media

said: "Would you have a second look at it?" And they said "Of course we will but don't think we will change our decision, but let's have a second look." And they confessed—they revised their decision and couldn't even find in their own minds why they had objected to it three years previously—so rapid even in Britain is the change going. And the CBC is in a very difficult position, I would like to say. For instance, censors in all the provinces all play the same game. For instance they say this film is good for Toronto but not for Renfrew, or it is good for Montreal but not St-Zénon, but the CBC can't do that. The menu is the same no matter where it is played.

Mr. Fortier: Maybe they would accept "This Hour Has Seven Days" now in 1970!

Senator Quart: Oh, yes.

The Chairman: I believe Senator Smith has the final question.

Senctor Smith: Thank you, Mr. Chairman. This really should have been a supplementary question because the subject was discussed by Mr. Fortier some time ago but the translation at that moment was a little slow and I couldn't interrupt. It has to do with the commercial policy of the CBC.

We have had several representations by witnesses in recent days about the unfairness in the rate structure of the CBC in charging on the same basis for time which presents a very serious problem to the private broadcaster. I am sure this is nothing new to you, but would you like to comment on that?

Mr. Pelletier: Well, surprisingly enough, it is new to me. It is the first time I have heard this complaint in such a specific way.

Senator Smith: They gave us figures.

Mr. Pelletier: For my own satisfaction I would like to look at the figures and see what it is all about. It has been the contention of many private stations over a long, long period that the CBC's overhead was not taken account of, and so on and so forth, which didn't impress me too much at the time because the CBC also has disadvantages on the market. They have to cater to parts of the population that the private stations won't even touch, but I must say that I am not aware of what the rates are right now, or what the differences are, or what the rates at that level. I am not competent to talk about this today.

be very pleased to learn that you are going to

undertake to take a look at it yourself and perhaps it would be the subject of discussion at one of the meetings that you may have with the management of the CBC.

43:29

Mr. Pelletier: Informally.

The Chairman: Well, Mr. Minister, on behalf of the Committee I would certainly like to express our appreciation for your candor and your frankness and for answering questions in both of your capacities, that is as a former journalist and a concerned citizen, and more particularly, of course, as a Minister of the Crown. I may say very frankly that your answers have been most helpful to us in developing the kind of perspective which I think the Committee needs and is gradually acquiring.

I am sure the members of the Committee will agree with me when I say that you have been a particularly fitting and appropriate witness to close out this series of public hearings which began on the 9th of December. My own closing remarks will be very brief and very much to the point.

Senators and others might be interested to know that in the course of the hearings we have heard from 125 witnesses at 90 sessions on 43 sitting days. The Committee has received from these witnesses 110 briefs. As well as these 110 briefs from our 125 witnesses we have also received a series of written briefs from the media. These are from publishers and broadcasters who did not actually appear before the Committee. We have 32 from daily newspapers and broadcasters, 18 from weekly newspaper publishers and 24 from farm and ethnic publishers.

In the non-media area, because we have heard from many non-media people, we have written briefs from fourteen groups and associations and we received 22 individual written briefs.

Now, none of the material I have been talking about should be confused with the research briefs which the Committee has in hand or, for that matter, with the quite literally hundreds of letters they have received and are continuing to receive from individual citizens.

This is a three phase study. The first two stages, the research phase and the public hearing phase are now virtually complete. I say virtually although there are still one or two miscellaneous matters to deal with in each area—that is in the hearing area and in the research area. In the hearing area I do not anticipate any more public meetings, but I do not want to close the door—some may be necessary. Mr. Fortier, our counsel, tells me that there is even a legal phrase that suits the situation, but I have forgotten what it is.

Mr. Fortier: It was late last night Mr. Chairman! The meetings are adjourned *sine die*.

The Chairman: Thank you.

As far as research is concerned we are still in the process of completing several of our special projects and I might say that we have arranged to meet a representative cross-section of the working press in a series of informal in camera off-the-record sessions.

I do want to take this opportunity, however, to thank the publishers and the broadcasters, and the others who have displayed great interest, and I think who have co-operated fully with this Committee. I may say through the press to the publishers and broadcasters and others who have been interested in this Committee, that we would continue to welcome any briefs or any afterthoughts that they may have as we close these public hearings. I should also

say that we would continue to welcome comments from the public who, after all, are the consumers of the mass media.

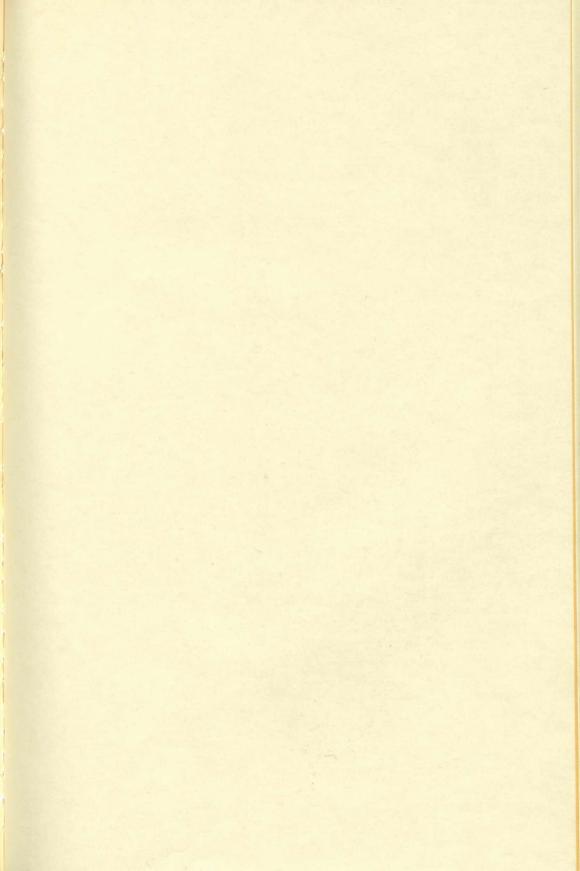
We are well aware that we are now entering as a Committee the thrird and most difficult phase of our work, and that is the deliberative and report-writing phase of our activity. While I am confident—and I know I am speaking for members of the Committee—while we are confident that we have the matter well in hand, I would not want anyone to think that we minimize the task which is in front of us.

My final words must of course be to express my appreciation to my Senatorial colleagues on the Committee, to the Committee staff and to the Senate staff.

This meeting is adjourned. Thank you very much.

The Committee adjourned.

Queen's Printer for Canada, Ottawa, 1970



Wir. Furtier. It was lafe last right Mr. Chniv

The Chairman: Thank you.

As far as research is concerned we ere still in the process of completing several of our species projects and I might say that we have stranged to meet a representative cross-section of the working press in a series of information countries.

I do want to take this opportunity, however, to thank the publishers and the broadcasters and the others who have displayed great interest, and I think who have co-operated fully toth this Committee. I may say through the press to the publishers and broadcasters and others who have been interested in this Committee, that we exceed continue to well-ome any briefs or any a terthologies that they may have

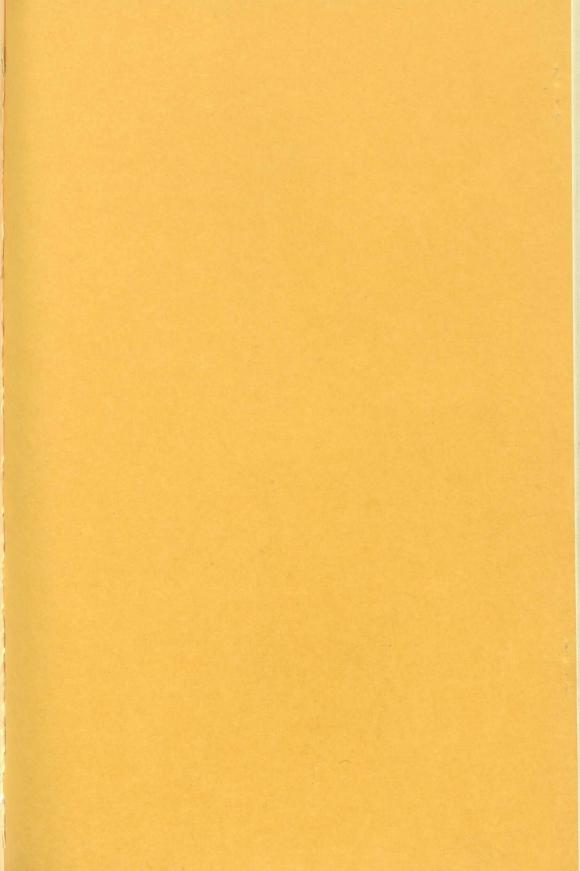
sey that we would continue to welcome of ments from the public who, after all, are consumers of the mass media.

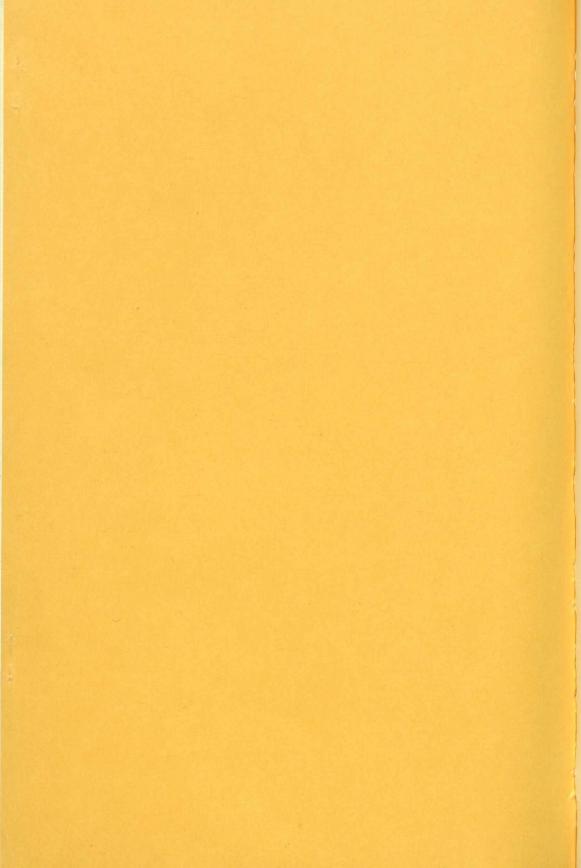
We are well aware that we are now entries a Committee the thrird and most diffusible of our work, and that is the deliberation report writing phase of our activity. We I am confident—and I know I am speaking members of the Committee—while we are a fident that we have the matter well in law would not want argums to think that we a mixe the test which is in front of us.

My final words must of course be to extend appreciation to my Senatorial college on the Committee staff to the Committee staff.

This meeting is adjourned Thank yes.

The Committee adjourned







Second Session—Twenty-eighth Parliament 1969-70

THE SENATE OF CANADA

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, Chairman

INDEX

OF PROCEEDINGS

(Issues Nos 1 to 43 inclusive)



Second Session-Twenty-sighth Parliament 1969-70

THE SENATE OF CANADA

Prepared

by the

Reference Branch

LIBRARY OF PARLIAMENT

MASS MEDIA

The Honourable KEITH DAVEY, Chairman

INDEX

OF PROCEEDINGS

(Issues Nes 1 to 43 inclusive)

INDEX

Audit Bureau of Circulations

ACTRA - 1 MACE learners to steer disautoris estudios

See

Association of Canadian Television and Radio
Artists

Acadia Broadcasting Company Limited

Advertising

Content, regulations 39:39-40

Group One Radio Limited 39:35-37

Bridgewater, coverage 39:34

Personnel, working conditions 39:40-42

Political stand 39:44

Programming 39:33-34

Actualité

Brouillé, Jean-Louis, statement 22:37-39

Circulation 22:39, 22:41, 22:51

Competition 22:43-48

Les Editions de l'Homme, co-operation 22:42

Magazine Advertising Bureau, affiliation 22:50

Postal rates, recommendations 22:41-42, 22:45

Role, specialization 22:38, 22:42-43

The Advertiser (Kentville, Nova Scotia)

Role and revenue 29:37-39

Advertising

Agencies, special fees 39:87-88

Canadian Broadcasting Corporation, amount 30:37

Department stores 13:69-70

Expenditures, per capita, Canada, United States 19:33, 40:62

Government, support, amount 18:19, 20:58, 29:58

"Group One Atlantic", operations 39:35-37

Influences

Advertising agents 1:24, 1:26, 2:25-26, 7:34-35, 11:31-32, 13:79-80, 21:18-21, 21:102

Children, criticism 27:16-17

Life style 39:99-102

Programming 7:34-35

United States 40:16-20, 40:46-47

MacLaren Advertising Agency, operations 18:20 Media

Electronic, public interest 35:28-29, 39:83-84

National, proportion 33:10-11, 33:19-20

"News" 37:19

Newspapers

Ads, cost of setting 11:56

Circulation, effect 11:28-29, 13:71, 22:53

Ratio to news content 5:58, 13:43-44

Rates

Business publications 19:26

Mill line 11:27-28

Proposal by Council, control in single newspaper

markets 10:36

Retail and national, difference 1:19-20

Revenue

Canadian advertising dollar, percent 21:75-76

See also

Audit Bureau of Circulations Canadian Advertising

Advisory Board

Agnew, Spiro, Vice-President, United States of America

Criticism, American television 18:86, 32:16

Agricultural Institute of Canada

Recommendations, mass media for rural population 20:8-10.20:17-20

The Albertan (Calgary, Alberta)

Advertising, mill line rate 11:27

Circulation, comparison, Calgary Herald 11:27

Survival if independent 11:37

Albuquerque Model

Explanation 11:39

All-Canada Radio and Television Limited

Board of directors 35:20-21

Relationships

Member stations 35:20

Selkirk Holdings Limited 35:20-21

Alliston Herald (Ontario)

Administration 29:87-88

Altona Red River Valley Echo (Manitoba)

Administration 29:85-87

American Newspaper Guild

Atlantic Provinces, Quebec, contracts 1:43-44

Admission, conditions 1:40-41

Awards, Heywood Broun 1:35

Canada

Dues 1:39

Failure, reasons 15:20,15:21,16:30

Members, number 1:34,1:40

Canadian District Council, participation 1:39

Craft unions, degree of cooperation 1:41

Membership 1:30,1:31,1:34,1:40

Negotiations, contracts

The Brantford Expositor 10:42

Canadian Broadcasting Corporation 1:30

Instruction, newsmen 1:36

International Union, function 1:46-47

Monopolies, difficulties 1:43

Ottawa newspapers 1:46

Publications, alterations 3:23

"New Lead", Eaton's lay-off of employees, coverage 11:79-80

Ownership, concentration, comments 1:42-43

Personnel, turn-over 1:35-36

Peterborough Examiner strike 1:36-39, 1:41, 1:46,

1:47, 7:82, 7:83, 7:85-87

Recommendations

Journalism, improvements 1:30-32, 1:35-36,

1.30-39

Journalists, protection 1:32-34, 1:38-39

Statements

Ogilvie, Glen 1:29-32

Thomson Newspapers Limited refutation 7:53

Toronto

Journalism, beneficial effects 8:25-26

Members 1:34, 8:25

Wage scales 1:34, 1:44

American Newspaper Publishers Association

Information committee, research 1:11

Anderson, Mrs. Doris McCubbin Editor, Chatelaine Group, Editor-in-Chief, Miss Chatelaine

Content, articles, statement 21:49-51

Armadale Company Limited

Advertising 3:60-61

"Conglomerate", definition 3:46-47

Editors, right to disagree with company 3:38, 3:48-49

Goals, objectives 3:36-37

Journalists, right to protect sources 3:39

Media, freedom to react to technological changes 3:43-44

Newspapers

Political stand 3:56-57

Responsibilities of one only in community 3:51-52

Ownership, Canadian 3:36

Personnel, projects 3:37

Police court news, publishing 3:63-64

Press council proposed 3:61-62

Pressure groups, threats of reprisal 3:44

Publications, power to expose abuses 3:42-43

Readers, measurement of 3:64-65

Recommendations on ownership and controlling interests of media 3:36, 3:57-58

Revenue 3:42

Sifton, Michael, statement 3:35-37

Toronto Life, financing 22:81

See also

The Leader-Post (Regina, Saskatchewan)

Association of Canadian Television and Radio Artists Broadcasters, contracts, salaries 42:51-52, 42:60-61

Membership, qualifications 42:43, 42:51

Association of English-Media Journalists of Quebec

Code of ethics 6:59-60

Freedom of the press

Dangers in Quebec 6:53

Definition 6:45

French journalists association, relations 6:44,

6:52-53, 6:65-66

Functions and responsibilities of mass media 6:45

Journalists

Difficulties with middle management 6:46, 6:72

Education 6:46, 6:64, 6:65

Protection of sources 6:45, 6:49-52

Recruitment policies 6:46

Salaries 6:46

Working conditions 6:46

Membership, lack of television people 6:66-67

News affected by commercial pressures 6:45, 6:54-57

Ownership concentration 6:45-46, 6:68-71

Plans and purposes 6:44

Press council proposed 6:46, 6:52

Recommendations to Senate Mass Media Committee 6:48-49

Reliability of media 6:46-48, 6:67-68

Mass Media 5

Stern, West Germany, editorial charter 6:48, 6:67
Structure 6:43-44

Summary of results of questionnaires sent to members 6:45, 6:46

Water, David, statement 6:43-49

Atlantic Media

Canadian Press, office 2:27, 2:57 Communication block 15:28 Newspapers

Chain ownership, absence of 15:54-55, 15:66 Establishment, possibility 15:42, 15:50-51, 15:64 News, unreported, undebated 15:44-45 Situation, causes 15:64-65

University radio stations 15:47-48

Audit Bureau of Circulations

Function 2:14

Weekly newspapers, relations 29:62-66

Auger, Fred, Publisher, Province, (Vancouver)
Brief, statement 13:63-66
Pacific Press, comments 13:64

BPEA

See

Business Press Editors' Association

Bagdikian, Ben, National Editor, Washington Post United States, mass media, statement 35:51-57

Bagnell, Ken, Correspondent, The Globe and Mail (Toronto)

Irving, K. C., concentration of ownership, comments 1:42-43

Balfour, St. Clair, President, Southam Press Limited

Excessive ownership concentration, suggestions for investigating criteria 13:10

Raymond Nixon's article, concentration in United

States, comments 13:23-26

Statement 13:8-10

Bassett, J.W.H., Chairman and Publisher, The Toronto Telegram

Ownership, comments 8:7, 8:18-28 Sherbrooke Record, interest 8:24-25 Television, community antenna, investment 8:22

Baton Broadcasting Limited

Advertising, Canadian, American 40:15-16, 40:21 Canadian Radio-Television Commission, "fear" of control, comments 40:32, 40:40-41 Windsor, agreement, Canadian Broadcasting Corporation 40:38-39

See also
CFTO (Toronto)

Beattie, Earle, Professor of Journalism, University of Western Ontario

Election survey of Toronto Telegram 14:47, 14:51 John Dickin's case 14:45-46, 14:49

London Free Press

Criticism 14:45-47

Lack of objectivity in coverage of demonstrations 14:46-47, 14:50-51

Ownership concentration, comments 14:47
Summary of brief 14:45-49

Beaverbrook, Lord

Canadian newspapers, interest 5:66

Bédard, Simon, Vice-President, General Manager, Actualité Incorporated

Magazines, future, statement 22:52-53

Beddoes, Richard, Sports Writer, The Globe and Mail (Toronto)

Sports writers, comments 24:64-66

Berton, Pierre, Broadcaster and Author

Maclean's Magazine, dismissal 36:66 Mass media, statement 36:48-56

Biafra

War, coverage 20:64, 21:108-109, 25:14-15, 25:22-25

Blackburn, Walter J., Chairman, CFPL Broadcasting Limited, President and Publisher, The London Free Press

Brief, statement 10:7-10

Newspaper ownership, individual, chain, conglomerate and multimedia, views 10:16-19

Books

Canadian, best sellers 26:19, 40:40-41

Production, value per capita 26:17

Textbooks, educational material, competition American 26:10-18, 26:20-21

Boucher, C.R., President, Canadian Cable Television Association

Television, community antenna, function, future, statement 41:42-43

Boyle, Harry J., Vice-Chairman, Canadian Radio-Television Commission

Comments on speech (December 29, 1969, San Francisco) 26:54-55

Brantford Expositor (Ontario)

Advertising 10:40-41

American Newspaper Guild, contract 10:42

Broadcasting business, interest 10:40 Canadian Press, use of copy 10:36

Chain membership, advantages 10:38

Investigations in community, role of newspaper in reporting 10:42-43

National and international coverage 10:45

"Newspaper-in-the-classroom" program 10:44

Personnel, merit increases 10:42

Press council proposed, comments 10:47

Printing of publishers on masthead 10:38

Purchase offers

American companies 10:37

Canadian chains 10:37-38, 11:15

Sale of paper, possibilities for ownership 10:39-40,

Technological improvements, craft union cooperation 10:49

Bridge River-Lillooet News (British Columbia)

Role, contents 29:64-69

British Columbia

Newspaper situation, comments, Murray, Mrs. Margaret 29:65-67 with house absorbered press motion

Broadcast News Limited

Canadian Press contract 2:11, 2:13 Competitors 2:22

Development 2:10

French Language service 2:10, 2:21-22

Gathering 2:29-30

Selection 2:31-32

Services, Non-exclusive 2:21

Speers, W.A., Statement 2:9-10

Voice reports, operations 2:22-23

Broadcasting

Advertising, net revenue 30:37-38

Audience, middle class, influences (Professor J. Tebbel) 31:10, 31:30-31

Canadian artists

Records, market 38:33-35, 38:37-38

United States, attraction 38:33-35, 38:37-38

"Canadianized" 42:20

Committee, House of Commons, report 31:41

Competition 31:11, 31:15, 31:17, 31:30 38:57,

Copyright Act, problems for broadcasters 42:57-59

Government, assistance

Canada 41:18-19

France and Sweden 31:23

Licences 31:41-42, 35:32

National unity, contribution 26:47-48, 31:17-18

News

Canadian Press, use 2:31-32

Canadian Press, use 2:31-32 Coverage 10:25, 31:37,38, 37:41-42

Regional network 31:40

Ownership Wast Osemnov edited to the Manager of the Wast

Concentration, advantages 6:70, 26:41, 31:39

Shareholders, divulgence 35:17-19

Politicians, attitude, coverage revolutionized 5:29

Politics, position 39:44-45

Prime time 31:25, 35:47, 36:36-37, 37:43-44, 38:69-71

Private Private

Programming, problems 37:18, 42:20

Responsibilities, comparison

Canadian Broadcasting Corporation 30:32-33,

Radio stations and I beaudengs, belangering away

tuntion, causes 15:64-65 mahama aM-MA-MA

Programming, comparison 26:40, 38:50-51,

38-61

Role, future 35:38-39, 35:49, 39:55-56

Private 5:2-8, 15:63-64

University 15:47-48

Religious 25:20-21

Role 39:14

Self-criticism 37-22

Small enterprises, viability 39:50-52, 39:72-73

Statement, Mackay, J. Stuart 35:10-12

Technology, perspectives 38:32, 39:53-55, 42:45

See also Association of Canadian Television and Radio Art-

Canadian Association of Broadcasters

Canadian Broadcasting Corporation

Television

United States

Broadcasting Act

See

Canadian Radio-Television Commission

Bushnell Communications Limited

Board of Directors, membership 39:67

Canadian Radio-Television Commission, regulations,

Canadian content, comments 39:56-57

Censure, "four-letter" words 39:60-62

Experimental, Laurier LaPierre and Patrick Watson, news format 39:64-65

Specials, audience reaction 39:58-59

Business Press

See

Business Press Editors' Association Canadian Business Press

Business Press Editors' Association

Advertising, editorials, comparison of content

18:76-77

American Newspaper Guild, attempt to organize 18:75-76

Canadian identity, promotion 18:69-70

See Parkers az me graffense sonathur villend

CP

Canadian Press

Canadian Labour Congress

Freedom of expression 18:66-69, 18:77

CRTC -- Character - northwater of density

Maclean Hunter Cable TV Limited, relations 41:63

English-language press 18:30
Government, financial 18:21
Centennial project 18:28

Canada Ethnic Press Federation

Assistance

See and the action of the second property and the second party and the s

Grants 18:67 Canadian Radio-Television Commission Maclean-Hunter Limited, affiliation 19:75 CUP Salaries, editors, advertising managers, comparison See See See See St. St. on ton see suit out to april T 18:64, 18:74 Surveys, availability 18:50 Canadian University Press Function, mission-18:10:11:m48:24:c18:26-2 Davidson, Gaoge: Firetta. See also Canadian Business Press See 2300 215:81 Alt:81 anitsatuston Ispino CAB Infinite and the second of Canadian Weekly Newspapers Association Canadian Association of Broadcasters Cable Television See CBC Poster Challe (18 Monard by a deiden La trown Television Community antenna See Canadian Broadcasting Corporation Calgary Herald (Alberta) Advertisement "Palliser Square" 13:59-60 Advertising code of ethics 13:63 CBP roller Of all a Company Aller Company Aller See mention to study the months of the second Bureaus and news services, money spent 13:52 Canadian Business Press By-line Articles 13:59 Thomson Papers 5:29-30 STAIN-SI COMMENT STORY Mixup 13:34-35, 13:59 See manager a high 4400 me 460 ma 2 - pl 10 mono 20 Chamber of Commerce, amount of coverage 13:62 Canadian Central Registry Circulation compared with Calgary Albertan 11:27 Columns, Bobby Orr 13:57-58 National Unity contribution 20 ta lancits Copy, percentage used, Southam News Service See Mach Code 18 11 18 23 4000 Canadian Press 13:54-55 Canadian Cable Television Association Editorial autonomy 13:52-53 Letters to the editor 13:58-59 CDNPA STATE OF AN AN AN OF PROPERTY OF THE PRO News staff 13:61 See the unit a datable leadly develope windlego? Quebec coverage 13:55-57 Canadian Daily Newspaper Publishers Association Reason for success 13:60-61 CHAT DRIVE CAMBRIDGE SA SALES BOOK LEVERING Cameron, Professor Donald, Contributing Editor. The Mysterious East Monarch Broadcasting Brief, statement 15:40-44 Regulations Cadallian Sentents influences Daily Gleaner, criticism 15:40-41, 15:45, 15:51-52, CJOH See LAND DE LA SERVE LES LA SONE Government help, methods in establishing new Bushell Communications Limited Maritime papers 15:42, 15:50-51, 15:54 CKNW (Vancouver) Camp, Dalton, Syndicated Columnist, Freelance See HANDESLACIOCATION OF THE PROPERTY Broadcaster Western Broadcasting Limited Mass media, statement 25:52-60 CKTM-TV PRINCE PRINCE INSIDIRGIN NOT COMPAND Campbell, Donald G., Executive Vice-President, Mac-See TRACTE RE 17-83-08 nonsmotal lean-Hunter Limited Télévision Saint-Maurice Inc. Brief, introduction 19:33

Commercials, comments of Association of Cana-

Suppression, recommendations 21:79, 24:35-36,

Atlantic Provinces, French language stations, person-

Budgets, operation expense, capital expense

CTV Television Network 30:37, 30:40-41, 30:56,

Télé-Métropole Corporation 41:11-12, 41:14-16

Canadian Association of Broadcasters 31:15

Governor in Council, appeal right recommended

30:58-60, 31:16, 31:29-30, 40:60-61, 40:71-72

Farm press, competition 20:24-25, 20:35

George Davidson 42:44-47

nel 26:54, 30:24-26, 30:62-63

Comparison

Networks, English and French 30:60-63

41:14-15, 43:24-25

30:20-24, 30:26-27

BBC 15:55-56

Critical comments

Letters 30:16-19, 30:42

Thomson Papers 5:29-30

Competition

dian Television and Radio Artists, response,

26:56, 27:17-18, 29:92, 30:33, 30:40,

31:20-21, 36:41, 36:59, 39:52, 41:11-12,

Citizenship, Immigration Departments, liaison 18:25 Comments Mokrzycki, Lech 18:14-15 Press council 18:11-12 Time Magazine, function 18:26 Financing 18:10 Function, mission 18:10-11, 18:21, 18:26-27, 18:40-42 Idealogical polarization 18:11, 18:21 Kirschbaum, Dr. J.M., statement 18:9-12 Members 18:13, 18:24 Newspapers Circulation 18:12 English-language 18:13 Publication, prior 1940 18:27 Readership 18:10, 18:12 Postal rates, increase, effect 18:23-24 Press clubs 18:12, 18:13, 18:30 Publishers, association, newspaper associations 18:13 Studies 18:13-14 See also Canadian scene Ethnic Press "The Canadian" Publications, policy 10:27 Canadian Advertising Advisory Board Aim 1:8 Code of ethics 1:20-21, 39:92 Canadian Association of Broadcasters Advertising 31:34 Canadian Broadcasting Corporation, criticism 31:15, Canadian content 31:19, 31:23-24, 31:28 CFTO (Toronto), withdrawal 40:20-22 Comments concerning Association Brief to Canadian Radio-Television Commission 41:34-35, 41:39, 42:25-26 Davidson, G., inquiries 30:14-15 Johnson, Commissioner N., witness, testimony Crépault, Raymond, statement 31:9-12 Members, fees 31:9, 31:26, 31:32 Organization 31:31-32 Ownership, group, "multiple" 31:35-37, 31:39 Programming, public affairs 31:31

30:15-16 Montreal, consolidation 30:21-22 National Unity contribution 20:48, 27:19, 30:64-65, 31:18, 31:21-22, 43:25 Nominations, choice 30:13-14 Political opinions 30:62-64, 30:72-73 Popularity, national, local 30:50-51, 30:56-57, 31:19-21, 42:49-50 Programming Approval "most Canadians" 30:26-27, 30:42-49, 30:53-54, 30:59-60 Canadian Radio-Television Commission, Regulations, Canadian content, influences 30:57-58, 30:60-61 France, Great Britain 30:61 Agriculture, Radio Farm Forum 7:10-11, 7:18-19, 20:10-11 American, purchased 30:36, 30:40-41, 30:68, 31:16, 31:29-30 Consumers 27:16 Edmonton, municipal activities 25:85 Information 30:68-71, 38:57-58 Public affairs, American influence 25:58-59, 25:76-77, 30:68-69 Radio Sales Bureau, purpose 31:33 Radio stations Recommendations to Mass Media Committee Quality, audience 30:51-52, 30:54, 42:53-54 31:11-12 University assistance 15:48 Role, responsibilities 21:106, 30:32-33, 30:45-49, Canadian Broadcasting Corporation 36:55, 36:71, 39:51-52, 39:79, 40:38, 41:15 Rural Canadians, portrayal of image 20:11-12 Chatelaine, Miss Chatelaine 21:59 Satellites 30:75

Advertising

Mass Media

Services

Minority groups 6:33-34, 30:66 National 30:28-29, 30:31, 30:51

Northwest Territories 30:19-20, 30:31-32, 30:65-66

Overseas 30:28

Toronto 30:30-31

Statement, Davidson, George, nature, structure 30.9-12

Stations, affiliated 30:35, 36:39-41

Unions, affiliation 30:59

Canadian Business Press

Advertising

Position 18:51-52

United States, competition 18:59

British journalists 18:66

Business Press Editors' Association, conflicting points of view 19:10

Competition 18:50-51, 18:59, 19:79-80

Credibility

Sources of information 18:48-49

Surveys 18:71-72

Function, role 18:44, 19:61-63

Journalism, differences 18:73, 18:79

Ownership, Canadian 18:44, 18:46

Postal rates

Foreign publications 18:55-57

Increase, comments 18:54-55, 18:61

Kierans, Hon, Eric, comments 18:107-108

Publications

Circulation 18:43, 19:78, 19:80

Number, sale 18:43, 19:72

Quebec 18:72

Specialists, use 18:46-47

Statements

Joel, Aubrey 18:44-45

Marchand, Gabriel 18:43-44

Women, absence, reasons 18:78-79

See also

Business Press Editors' Association

Canadian Cable Television Association

Boucher, C.R., Statement 41:42-43

Canadian Radio-Television Commission regulations, television community antenna, comments

41:42-48, 41:51, 41:57-58

Profits 51:56-57

Programming

American 41:58-59

Production, costs 41:50-51

Role 41:42-43, 41:47, 41:49-50

Canadian Central Registry

Members 19:41

Salesmen, licensing, jurisdiction 19:38-39

Canadian Church Press

Advertising, code of ethics, contents 25:10-11, 25:18-21

Biafra, reports 25:14-15, 25:22-25

Media, criticism, quality 25:13, 25:20-21

Membership, circulation 25:9, 25:11, 25:20

Recommendations

Press council proposed 25:15-18

Publication, united 25:21

Role 25:9, 25:15, 25:23-24, 25:29, 25:46

See also

Presbyterian Record

United Church Observer

Canadian Circulations Audit Bureau

Questionnaire, 1967, paid versus controlled circulation 19:23, 19:25

Canadian Consumer

Circulation, distribution 27:11-12, 27:23

Content, advertising refused 27:18-19

Staff, pay 27:12-13

See also

Consumers' Association of Canada

Canadian Contemporary News System

Ownership 35:31, 35:47

Canadian Daily Newspaper Publishers Association

Advertising, rates, retail, national 1:19-20

Advertising agencies

Directory 1:18, 1:25, 1:26

Franchise 1:12-13, 1:18-19

Research and promotion 1:28

Budget, expenditures 1968 1:29

Classroom programme 1:27

Committees

Freedom of the press 1:20, 1:25

Labour relations 1:10

Public relations 1:29

Meetings, annual 1:15

Membership, fee structure 1:11-12, 1:21-23

Newspapers, ownership restricted by Income Tax Act 1:17, 1:25-26

Organization, goals 1:8-9, 1:12-15, 2:94

Research, audience measurement 1:23-24

Thomson papers membership 1:12, 7:62-63

Canadian Ethnic Press Federation

See

Canada Ethnic Press Federation

Canadian Home and School and Parent-Teacher Federation (Incorporated)

Membership 9:32, 9:34, 9:37, 9:41

Newspapers, influence on children 9:39

Television Church Pees (Statement of the Company of

Involvement 9:33

Recommendations 9:38

Canadian Homes

Content, circulation 24:41

Canadian Labour Congress

Brief, summary 11:90-91

Canadian Broadcasting Corporation, position towards 11:117-118

Electronic media, views 11:116-118

New Democratic Party, affiliation and contribution 11:111-112

Ownership

Concentration, suggestions for diversification of control 11:104, 11:116

Multiple media, government intervention proposed 11:102, 11:119 and an amuse of amuse of an amuse of amuse of an amuse of amuse

Press releases

Carrying by papers 11:92-94

Distribution 11:93

Trade union papers 11:91-92

The Canadian Magazine

Content

Canadian 24:33-34

Editorial, advertising 24:34-36, 24:40

Letters to the editor 24:31-32

Member papers, articles, refusal 24:37

Weekend Magazine, comparison, conflict 24:40, 24:42-44

Canadian Managing Editors Conference

Conference, annual 1:48, 1:50-51, 1:53, 1:55

Financing 1:51, 1:60

Membership 1:48, 1:55

Organization 1:47-48, 1:60

Staff, recruitment 1:50

Canadian Postmaster

Publication ceased 18:89

Canadian Press

Bilingual system proposed 10:52, 11:66, 14:30

British Columbia news, flow to rest of Canada 13:66

Broadcast News, contract 2:11

Budget 2:9, 2:35-36

Comments

Bassett, J.W.H. 8:15

Farrell, Mark 2:43-44

McCabe, St. Clair 7:67

Preston, P.M. 10:45

Correspondents 2:34-35, 4:15, 5:7, 14:48, 14:54-55

Corriere Canadese, membership, relationship 6:13, Newspapers, influence on children 9:39 and 11:3

Cost of services, differences 7:97-98, 21:86, 23:25-26

Criticisms 2:33-34, 2:39, 2:43-44, 7:67, 20:73

Directors, French Canadian, Quebec 2:23-24, 2:26-27

Editor, news exchanges, responsibility 2:28

International agencies, relationship 2:16-17, 2:33-34

International Typographical Union, affiliation 21:86-87, 21:91

Membership

Application 2:13-15, 2:36

Fee Structure 2:14, 2:36-37, 2:43, 23:25-26, 23:58-59

French Canadian newspapers, handicaps 2:25-26, 2:72, 2:80-81, 10:52, 10:61

National unity, contribution 2:40-41, 10:45

Interpretation 2:19-21, 2:33, 14:42

Parliamentary coverage 11:64-65

Selection, sources 2:11, 2:16-17, 2:19

Verification 2:28, 2:38-39

Quality of service provided 10:45, 13:55, 36:72,

Releases, holding 11:88

Services

National, international 2:16, 2:34-35, 13:34

Utilization 2:28, 2:20-31, 2:38-39, 2:57, 7:66-67, 10:36, 11:64-65

Staff 2:9, 2:12, 2:40

Strikes, Vancouver, Peterborough

Examiner, use of services 7:89, 34:16, 34:23

Style books 2:18, 7:68

Technological developments 2:29

Thomson Newspapers Limited services, cost 7:66-68

Wire services 2:17-18

Canadian Public Relations Society

Admission, conditions, qualifications 24:50-53, 24:58

Freedom of the press, ownership concentration, comments 24:60-63

Membership, application, recruitment 24:51-52, 24:54-55, 24:60

Press releases 24:58-59

Public Relations

Media, opinion 24:56-57

Role, influence 24:49-50, 24:53, 24:56

Statement, Wood, David 24:46-48

Terminology, "image", "reputation" 24:55-56

Canadian Radio-Television Commission

Bilingualism 26:57

Broadcasters

Hearings 26:55

Rapport 38:74-75

Broadcasting Act See also Infractions, penalties 31:28-29 Canadian Association of Broadcasters, Canadian Regulations content Canadian content 19:35-36 Censorship 26:49-51 "Canadian Scene" National unity, contribution 2:40, 26:46-48, Alert Service, use 18:37-38 31:22-23 Articles published 18:30-31 Ownership concentration 26:36-38, 26:43 Budget 18:32-33, 18:38-39 Television, community antenna Caccia, Charles, M.P., comments 18:39-40 Advertising 26:60, 42:36-37, 42:39 Ethnic press support 18:37 Role 42:29-30 French-Canadian writers, material 18:42 Canadian content, regulations Funds, source 18:32-35 American programs, dubbed in French 41:24 Government, industry, support, assistance 18:32-35 Government information, pamphlets, rewriting 18:29 Canadian artists, scarcity 42:21-22, 42:24 Haidasz, Dr. Stanley, M.P., comments 18:40 Canadian Association of Broadcasters 31:11, Labour unions, information 18:33-34 Osler, Mrs B.B., statement 18:29-31 31:33-34 Picture service 18:30 Berton, Pierre 36:55, 36:60-61 Projects, special 18:31 Bushnell Communications Limited 39:57-58 Jarmain Cable Systems Limited 42:38-39 Purpose, functions, structure 18:29-30, 18:38-39. McPhail, Professor Thomas L. 26:24-25 18:40 Monarch Broadcasting Company Limited Readership 18:12, 18:15 39:73-79 Services, public awareness 18:31-32, 18:34-35 O'Leary, Senator M. Grattan 20:75-76 Translation, translators 18:17, 18:32-33, 18:39 Rogers Broadcasting Limited 42:19-24 Usage report 18:31, 18:39 Selkirk Holdings Limited 35:29-30 Standard Broadcasting Corporation Limited Canadian Society of Professional Journalists 38:48-50 Central office desired 15:22-23, 15:25 Télé-Métropole Corporation 41:10-13, 41:22 Finances 15:22, 15:28-29 Télévision Saint-Maurice, Inc. 41:34-36, Mass Media Special Committee, criticism of ap-41:39-40 proach 15:9-12, 15:18-19, 15:33 Western Broadcasting Limited 37:34-41 Membership 15:22-23, 15:26-28 Quality, influence 26:51-52, 36:21-22, 36:55 News suppressing and tampering with, comments Composition, nominations, functions 26:34-35 15:9-11, 15:32-33 Licences, issuance 38:20-21, 38:23-25, 38:46, Professionalism, possibility of improvement through 40:31, 40:40-41 other organizations 15:36 Minority groups, services 26:46 Purpose 15:7-8 Ownership, limitation criteria 26:37-45 Technology, position 26:57-59 Canadian University Press Telesat, future 26:60-61 Co-operative advertising bureau 17:23-24, 17:30, Television, closed circuit 17:32 Regulations 41:46 Structure 17:8-9 Television, community antenna, regulations See also Comments Student press Bushnell Communications Limited 39:56 CFPL Broadcasting Limited 36:23 Canadian Weekly Newspapers Association Canadian Cable Television Association Advertising, national 29:13, 29:18, 29:23-24, 41:42-48, 41:50, 41:57-58 29:75-76 Maclean-Hunter Cable TV Limited 41:75 Membership, conditions 29:12-13, 29:17-19 Monarch Broadcasting Company Limited Press council proposed 29:14, 29:16 Provincial associations, Les Hebdos du Canada, Télé-Métropole Corporation 41:16-17 relationship 29:19, 29:30 Télévision Saint-Maurice, Inc. 41:32 Statements Selkirk's policy, decision regarding extension Craven, Gerald C. 29:12-13

> McIntosh, C. Irwin 29:14-15 McLean, Andrew Y. 29:13-14

13:14-16

mission, comparison 23:36

United States, Federal Communications Com-

Cardinal, Harold, "The Unjust Society" Goodis, J., comments 21:11, 21:13, 21:21

Carradine, William, Vice-President and General Manager, The London Free Press Brief, statement 10:12-14

CFPL Broadcasting Limited (London, Ont.)

Advertising 36:18

American stations, conflict 36:15, 36:18, 36:24 Canadian Broadcasting Corporation, affiliation

CFPL radio

Audience reach 10:27-28

Competition from other stations 10:27-28

CFPL-TV, advertising 10:33

John Dickins case 10:77-84, 14:45-46, 14:49, 14:52-53

Programming French 36:24

News, radio, television 36:17

Shares 10:29-30

Staff, selection to serve media industry in various capacities 10:10-11

Television, community antenna, interests 10:86-87

CFRA-CFMO (Ottawa)

CHUM Limited, programming changes 39:22-23

CFRB (Toronto)

Coverage, Templeton, Berton 7:37-38 Popularity 36:71

CFTO-TV (Toronto)

Canadian Association of Broadcasters, withdrawal 40:20-22

Competition 40:11, 40:25-26

Editorial position, lack of technique 8:22

Programming

CTV network, influence 40:22-24, 40:81

Quality, popularity 40:12, 40:25-26

The Telegram, interrelationship 40:10-11, 40:26-27, 40:34-37

Chatelaine, Miss Chatelaine

Advertising

Canadian Broadcasting Corporation 21:59

Policy 21:54-55, 21:65

Canadian Home Journal, merger 21:76

Circulation 19:35, 21:27, 21:48, 21:66, 21:68

Comparison 21:55

Competition 21:48, 21:55-56

Editorial content, English, French, difference

21:48-53, 21:57-58, 21:62-64

Readers, male 21:63-65

Staff 21:51

Statements

Anderson, Mrs. Doris McCubbin 21:49-51

Hodgkinson, Lloyd M. 21:47-49

Saint-Martin, Mrs. Fernande 21:51-53

Chatelaine Adventures in Cooking

Publishing 21:68

Chenoweth, David, Managing Editor, McGill Daily

Comments on media 17:59-60

Student press, arrogance, potential 17:13-14, 17:59

Chercover, Murray, President and Managing Director, CTV Television Network

Network, statement 40:42-47

CHFI (Toronto)

Aim 42:25

The Chronicle-Herald (Halifax)

See

Halifax Herald Limited

CHUM Limited (Toronto)

Expansion, Canadian Radio-Television Commission,

disallowance, reasons 39:24-26

History, structure, functions 39:12-14

Information, sources 39:28-30

Listeners 39:17

Open line shows 39:19-22

Ownership, concentration 39:23-24

Programming

CFRA (Ottawa), changes 39:22-23

Consultants 39:18

Music 39:14-19

CKCK (Regina)

Broadcasting 3:51, 3:58-59

CKCW-TV (Moncton)

Irving, K.C., shares 5:38

CKLW (Windsor, Ontario)

Audience, sale 2:55

Collister, Ron, Parliamentary Correspondent, Cana-

dian Broadcasting Corporation

Parliamentary Press Gallery statement 3:11-12

The Columbian (New Westminster) Circulation, distribution 34:23-24

Combines Investigation Act Advertising rates, monopoly control, offence under

Act 9:20-21

American anti-combines legislation, differences

9:26-27

Canadian Breweries case 9:10, 9:22-23

Criminal law jurisdiction, problems 9:9

Henry, D.H.W., Q.C., statement 9:7-13 Investigations, procedure 9:27-28 Legislation, areas 9:8-9 Limitations 9:11

Mass media inquiries in past decade 9:12
Merger provision 9:9-11

Mergers and monopolies, differences 9:24
Newspapers

Lakehead merger 9:12, 9:19, 9:22

Monopoly, competition element 9:19, 9:24-25 Monopoly situation, areas assessed in investigation 9:15-19

Vancouver case 9:20-21

Object 9:7-8

Programme of compliance 9:11-12
Pure services, lack of control 9:9-10

Western sugar case 9:10-11

Conglomerates

See

Ownership Concentration

Communications

Electronic Industries Association, United States, study 42:41
Satellites 18:87, 40:45-46
Sloan, Tom, statement 3:67-71

Consumers' Association of Canada

Advertising, false, misleading 27:10, 27:16-21, 27:26

Information, control, comments 27:12

News coverage, consumer information 27:11, 27:13, 27:16

Objectives 27:9-10, 27:26

Press council, comments 24:25

See also

Canadian Consumer

Cooper, James L., President and Publisher, The Globe and Mail (Toronto)

Chair of journalism proposed 11:89
Press council proposed, comments 11:89

Copyright Act

Broadcasters, regulations, problems 42:57-59

Correspondents

Canadian, foreign 2:34-35, 4:11-13, 4:15-16, 4:20

Corriere Canadese (Toronto)

Advertising 6:8-10, 6:13-14, 6:19, 6:25-26 Canadian Press, membership, relationship 6:13, 6:17 Changes 6:12-13 Circulation 6:10, 6:13-14, 6:18

English content 6:12-13

Format 6:11-12

Immigrants, transition, function 6:12, 6:23

News

Emphasis 6:11

Italian, Canadian, percentage 6:11-12

Personnel, problems 6:8

Research 6:9, 6:17-18, 6:20

Sir George Williams incident, treatment 6:18-19

Toronto newspapers, relationship 6:14

Costello, Ralph, President and Publisher, The Telegraph-Journal (Saint John, N.B.)

McElman, Senator, criticism, withdrawal from committee requested 5:47, 5:50-51

Newspaper publishing, difficulties 5:47-50

Press council proposed, objections 5:50, 5:52 Recommendations 5:50-51

Statement on the press of Canada-growth, development, professionalism, freedom 1:7-8, 1:13

Countryside Holdings Limited

Listeners 38:10-11

Ownership, comments 38:17-19

Programming, quality 38:21-24

Radio stations, shareholders 38:13-16, 38:19

Craig, J.L., Executive Vice-President, Business Publications Division, Maclean-Hunter limited

Business press, ownership concentration 19:62-63 Trade shows, explanation 19:34

Cran, W.C. Thornton, President, Standard Broadcasting Corporation Limited

Corporation, statement 38:43-45

Craven, Gerald C., President, Canadian Weekly Newspapers Association, Publisher, The Ridgetown Dominion (Ontario)

Association, statement 29:12-13

Crépault, R. President, Canadian Association of Broadcasters; President, Radio-Mutuelle Limitée (Montreal) Association, statement 31:9-12

CTV Television Network Limited

Canadian Broadcasting Corporation, competition 30:37, 30:40-41, 30:56, 30:58-60, 31:16, 31:29-30, 40:60-61, 40:71-72

Canadian content, Canadian Radio-Television Commission regulations, reaction 40:40, 40:56-57, 40:74-78

Chercover, Murray, CTV Network, statement 40:42-49 Evaluation 40:82

Extension of service 26:45

Freedom of expression 40:53

Journalists, training 40:54-55

Lefolii, Ken. contract 21:105-106 Mutually-owned 10:18 Ownership, consortium 40:44, 40:57 Press council proposed, comments 40:48 Production, costs, advantages 40:57-59 Programming CFTO (Toronto), influence 40:22-24, 40:81

Cost, Prime Time 40:80-81 Orientation, quality 40:42-43, 40:48-51, 40:72-73

Cuthand, Rev. Adam, President, Canadian Metis Society

Summary of brief 6:27-28

Daily Gleaner (Fredericton)

Advertisements, censure 5:76-77 Cameron, Donald Criticism by 15:40-41, 15:45, 15:51-52, 15:55 Publication of letters 15:46 Camp, Dalton, comments 25:56 Competition, possible, Fredericton 5:76 Editorial policy 5:73 Irving, K.C., acquisition 5:37-38, 5:69 LaPierre, Laurier, story 15:41-42 Police, attitude towards 15:55 Pornography, campaign against 5:74-75, 15:46 University demonstration, coverage 15:45 Welfare story 15:40, 15:51-52

Daley, L.F., Vice-President and Solicitor, Halifax Herald Limited

Past president, New Brunswick Broadcasting, testimony at hearings of CRTC September 1968 12:31-32

Daly, James A., Vice-Chairman of the Board, Southam **Business Publications Limited** Company structure, operations 19:7-9

Postal rates, effect 19:9

"Dangerous Estate", Williams, Lord Francis Comments, Evans, Mrs. Una MacLean 25:82-83, 25:86

Dansereau, Pierre, President, La Presse (Montreal) Brief, mass media 23:45-46

Dauphinee, John, General Manager, Canadian Press Statement, news, transmission 2:17-18

Davidson, George, President, Canadian Broadcasting Corporation

Corporation, structure, statement 30:9-12

Denhoff, J. W., Publisher, Prince Albert Daily Herald Biographical Data 7:80

Minority groups coverage 7:81-82 Peterborough Examiner strike, comments 7:88

Dennis, G.W., President and Publisher, Chronicle Herald and Mail Star and least an appropriate shows Brief, statement 12:7-8

Ownership, comments 12:7-8, 12:35-38

Deschênes, Jules, Solicitor, Gelco Enterprises Limited Gelco functions, statement 22:33-36

Le Devoir, (Montreal)

Canadian Daily Newspaper Publishers Association relations 2:94

Canadian Press, services, problems 2:72, 2:80-81

Character 2:71

Circulation 2:86

Competition 2:86

Financing 2:85-86

Improvements desired 2:87

Legal structure 2:83-85

Postal regulations changes, effect on costs 2:74-77 Québecor Incorporated, agreement 2:77, 2:86, 23:29-30

Staff 2:87

Dimanche-Matin (Montreal)

Perspectives-Dimanche, publication 24:28-29 Success, reasons 23:69-70

Downey, John, Manager and Editor, "Home Goods Retailing", Business Publications Division, Maclean Hunter Limited

Biographical data 19:59

Business press, function 19:61-62

Drea, Frank, President, Canadian Society of Professional Journalists

Statement on brief 15:7-9

Le Droit (Hull-Ottawa)

Advertisements

Checking content 10:51, 10:64-65

Translation 10:61

Advertising

Code of ethics 10:51, 10:66

Ratio 10:51

Canadian Press, problems with dispatches 10:52, 10:61

Circulation 10:60

CKCH, decision to sell shares 10:58-59

Commercial printing 10:57

Competitors 10:60

Editorial comment, purchase of property by Archbishop of Ottawa 10:65

Editorials 10:51

French-language Ontario residents, concern with problems 10:50, 10:53-54

French language service, promotion 10:52

Government aid to newspapers, opposition 10:50

Newspapers, duties 10:51

Oblates

Contribution 10:55-56

Degree of control 10:55, 10:57-58

Ownership 10:50, 10:54

Postal regulations changes, effect on circulation 10:61-64

Press Council proposed, comments 10:52

Publication of ownership in paper 10:56-57

Shares 10:50, 10:53-55

Staff recruitment 10:51-52

Syndicat d'Oeuvres Sociales Limitée

Change of name 10:56

Control 10:54-55

Drugs

Reports 3:39-40, 3:43, 26:22, 30:48-49, 35:43-44, 36:62

L'Éclaireur-Progrès (St-Georges-de-Beauce) Administration 29:82-91

Edmonton Journal (Alberta)

Content, comments, Evans, Mrs. Una MacLean 25:86

Dissent, handling 8:33, 13:46-48

Editorial meetings 13:47

Newsprint costs 13:20-22

Scarth, Allan, comments 17:48, 17:49

Espie, Dr. Tom, Executive Director, Canadian Council on Rural Development

Purpose of Council 7:7

Rural Canadians

Media's role 7:8-9

Problems 7:8

The Estevan Mercury (Saskatchewan)

Role, contents 29:49-51

Ethnic Groups

Activities, news media coverage, awareness 18:27,

Federal Government, communication, 18:27-28

Italian culture, promotion 6:24-25

Native language, learning 6:24

See also

Ethnic Press

Ethnic Press

Advertising 18:14-15, 18:17 American competition 18:25-26 Canadian content 18:31, 18:37

Circulation, readership 18:10, 18:14-15, 18:30

Correspondents 18:10-11, 18:19, 18:21

Kirschbaum, Dr. J. M., comments 18:9-12

Problems 18:10-11

Purpose, mission, function 18:10, 18:26-27

Toronto 18:15

Ukranian 18:24

See also

Canada Ethnic Press Federation

Canadian Scene

Corriere Canadese

Evans, Mrs. Una MacLean, Alderman, Edmonton

"Dangerous Estate-The Anatomy of Newspapers", Lord F. Williams, comments 25:82-83, 25:86

Statement, municipal affairs, coverage 25:80-83

The Evening Telegram (St. John's, Newfoundland)

Advertising 2:58, 2:67

Canadian Press, use of services 2:57

Circulation 2:61-62, 2:64, 2:66

Code of ethics, national 2:62

"Cornerbrook Western Star", relationship 2:65,

Freedom of the press, explanation 2:56

Headlines 2:61

Journalist, right to comment 2:59-60

Libel suits 2:64-65

Newfoundland, problems of publishing 2:64, 2:66

Ownership, comment 2:58

Police court news, publishing 2:60

Postal regulations changes, effect on circulation

2:58-59, 2:62

Press council, proposed 2:71

Press, self-criticism 2:64-65

Staff recruitment and training 2:62-63, 2:69

Taxation White Paper, effect 2:63

Television, effect on journalism 2:67

Trade unions 2:60

Evening Times Globe (Saint John, New Brunswick)

Advertising rates, differences with Telegraph-Journal 5:54-56

FCC

See

United States. Federal Communications Commission

Farm and Rural Press

Agriculture Department, publication 20:15

Canadian Broadcasting corporation, advertising

competition 20:24-25 Content, orientation 14:24, 20:8-9

Family Herald, reasons for failure 14:22-24

Financing 20:19-22

Postal rates, increase, effect 11:48-53, 20:25-26 Role, importance 7:9-10, 11:48, 20:12, 20:18, 20:19, 20:22

Suburban weeklies, comparison 29:42, 29:46, 29:59-60, 29:78 Viability 11:8, 20:39

Fédération Professionnelle des Journalistes du Québec History 38:76

Ouebec, media, ownership concentration 38:90-94 Recommendations

Commission for freedom of the press 28:88-90 Journalists, judicial authorities, problems 38:77-90 Press council, Quebec province 38:95

Film Industry

Canada, difficulties, distribution 42:45

The Financial Post (Toronto)

Annual publications 19:52 National weekly 20:53

Fisher, Douglas, Broadcaster and Columnist, The Telegram (Toronto)

Statement on brief 5:8-12

Forbes, R.E., Principal, Agricultural Extension Centre, Brandon, Manitoba

Agricultural Institute of Canada, statement on brief 20:7-10

Forrest, Rev. A.C., Editor, The United Church Observer

Middle East situation, reporting 25:33-40

FP Publications Limited

Advertising rates for department stores 11:54-55 Areas, influence 11:13, 11:30-31 Board of directors 11:12 Competition, Ottawa, Winnipeg and Calgary 11:37

Correspondents 3:22, 11:9-10, 11:61

Eaton's lay off of employees, coverage 11: 31-32 Economies of scale 11:15

Editorial contents of member papers, services 11:12, 11:33

Editors

Change in philosophy, repercussions 11:18-20 Political considerations in hiring 11:17-18 Edmonton Bulletin, termination 11:29-30 Features, interchange basis 11:33-35

Globe and Mail, membership, benefits 11:78-79,

Media interest 11:47

Multiple media ownership, attitude 11:21-22 Newspapers, acquisition, motivation 11:13-14, 11:16

Reporting, permissive 11:9, 11:43, 11:46

Shares

Structure 11:12-13 Sun Publishing Company Limited 11:46

Staff, recruitment 11:35-36

France

"Hachette", newspaper 2:91-92

Free Press Prairie Farmer

Circulation 11:51

Postal regulations changes, effect 11:48-53

Subscription rates 11:50-51

Free Press Weekly

Circulation 20:29-31, 20:36

Information, sources 20:38-39

Postal regulations 18:84, 18:99-102, 20:25-34

Revenue 20:29

Freedom of the Press

Comments

Association of Canadian Television and Radio Artists 42:46

Berton, Pierre 36:48-49, 36:62-63

Carradine, William 10:12

McCabe, St. Clair 7:42, 7:56

Smith, Norman 11:62, 11:71, 11:73-74

Europe, Canada, comparison 6:22-23

"Guarded freedom" 2:89, 3:31

Interference

Government

Grants 18:98, 18:107, 20:50, 24:38

Press council proposed 11:70-71

Income Tax Act 1:17

Inquiry of Mass Media Senate Committee 5:70-72

News services, controlled 25:17

Newspapers, public ownership 2:52, 2:76

Ownership concentration 2:47, 2:74, 2:78, 2:89,

3:25-27, 3:33, 24:60-62 Trade unions 2:71-72

Interpretation

Association of English Media Journalists of Quebec 6:45

Camp, Dalton 25:63-64

Canadian Association of Broadcasters 31:10

Collister, Ron 3:21

Costello, Ralph 1:8-9, 1:13, 1:16-17, 5:62

Derksen, G. 29:49

Le Droit, (Hull-Ottawa) 10:52

Fairbairn, Miss Joyce 3:21

Farran, R. 29:56

Farrell, Mark 2:41, 2:48

Fédération professionnelle des journalistes du

Québec, recommendations 38:85-87

Herder, H. C. 2:56

Honderich, Beland 16:8

Hutchins Report 2:47, 31:10 Iannuzzi, D. A. 6:23 Lefolii, Ken 21:98, 21:111 Maclean-Hunter Limited, revenue 19:56 Malone, R. S. 11:24 Miller, Dr. A. I. 29:60 Nichols, T. E. 13:79 O'Leary, Senator M. Grattan 20:63-66, 20:72, 20:76 Pelletier, Hon. Gérard 43:9-10 Québecor Incorporated 23:23-24, 23:32 Ryan, Claude 2:71 Sifton, Michael 3:63 Sloan, Tom 3:71 Swanson, Frank 13:53 Underground press 28:22-23, 28:59-60

Gagnon, Yves, Président, Les Hebdos du Canada; Publisher, Le Canada Français (St-Jean, Québec); Professor of Journalism, Laval University Les Hebdos du Canada, statement 29:26-30

Wardell, Brigadier Michael 5:66, 5:75

Gariépy, Gilles, Président, La Fédération Professionnelle des Journalistes du Québec, Reporter, La Presse Journalists, judicial problems, recommendations 38:73-76

Garner, William J., Publisher and General Manager, Peterborough Examiner

Peterborough Examiner strike 7:80

The Gateway (University of Alberta)
See
Student Press

Gauthier, Jean-Robert, Director of Personnel, La Presse (Montréal)

Trade union, role, statement 23:54-55

The Gazette, (Montréal)
Southam Press Limited, publishers appointed
13:44-45

The Gazette (University of Western Ontario)

See

Student Press

Gelco Enterprises Limited
Deschênes, Jules, statement 23:33-36
Editorial policy 23:36-37, 23:42-44
Expansion, interests 23:39-40
Shares, sales 23:34, 23:36
See also
La Presse (Montreal)

Gellner, John, Vice-President, Canadian Scene Ethnic press, comments 18:40-41

Georgia Straight (Vancouver)
Reasons for publication 13:74-75

Giguère, Roland, President and Director General, Télé-Métropole Corporation Brief, statement 41:9-13

Gillespie, Dr. Edgar D., Chairman, Audio-Visual Committee, Canadian Home and School and Parent-Teacher Federation (Incorporated)

Mass media, criticism 9:31-32 Television, effect on children, research 9:29-31

Gilmour, George, Vice-President, Business Publications Division, Maclean-Hunter Limited Brief, presentation 19:59

Glassco Commission See

Royal Commission on Government Organization

Globe and Mail (Toronto) Circulation 11:79, 11:87

Columnists
George Bain 11:34-35

Use in other papers, attitude 11:77, 24:75
Eaton's lay off of employees, coverage 11:79-80
Edition delivery in Ottawa 11:86-87
Editorial

Board 11:83-85

Policy 11:84-85, 24:69 24:74

Position, comparison with other Toronto newspapers 11:14-15, 11:77

Writers 11:84-85

Editorials, signed 11:85

FP Publications Limited membership, benefits 11:78-79, 11:81

Journalism standards 19:66-67

Labour coverage 11:92

News, opinions and interpretation 11:82

Ownership, publication on masthead 11:38, 11:77-78

Political tendencies 11:82, 11:84

Press release deadlines, policy 11:87-88

Report on Business 11:79

Staff recruitment, training 11:81-82

Weeklies, interest 11:88

Goodis, Jerry, Advertising Executive Brief, mass media, functions 21:9-14

Goodman, Edwin A., Q.C., Counsel and Director, Baton Broadcasting Limited Brief, broadcasting, Toronto 40:9-13 Graham, J.W., Q.C., Chairman of the Board, Rogers Broadcasting Limited

Shares, Rogers Broadcasting Limited, statement 42:9-10

Graphic Arts Industries Association

Recommendations, Canadian educational materials 26:9-10

Gratton, Aurèle, Vice-President and Director General, Le Droit (Hull-Ottawa)

Competition, comments 10:65-66 Reading of brief 10:50-52

Gray, Walter, Vice-President, Hopkins, Hedlin Limited (Toronto)

Study for Mass Media Special Senate Committee, Vancouver newspaper strike, effects 34:9-21

Great Britain

National press council structure, function 3: 22, 3:61, 7:93, 7:95, 8:26, 11:89, 13:53, 16:34 Newspapers, national, reasons for success 24:39

Griffiths, Stuart W., President and Managing Director, **Bushnell Communications Limited**

Competition, American stations, statement 39:48-50

Grosart, Senator Allister

Canadian Press reporters 14:42 Chain ownership, danger 14:43

Media as effective government opposition 14:33-34 Newspapers

Credibility 14:41

Profit motive 14:42-43

Press Council proposed, comment 14:44

Reporting

Balanced 14:35, 14:37-38 Factual 14:35, 14:40-42

Television and newspaper media, comparison of political impact 14:35-37, 14:38-40

Gzowski, Peter, Editor, MacLean's Magazine

"Canadian Forum" (October 1964), article, comments 21:28-29 seems can be appropriately the control of the contr

Halifax Chronicle Herald

See

Halifax Herald Limited

Halifax Herald Limited

Chains, approach to purchase newspaper 12:17-18 Chronicle Herald

Circulation 12:8-9

Fourth Estate's accusation of censorship of writers

Coverage, contents 12:17, 12:20-21, 12:27-29, 12:33-34

Editorial comment

Endorsement of political candidates 12:13-14,

Heavy water situation 12:23-25

Public opinion, moulding 12:18-19, 12:22

Freedom of the press 12:12, 12:19-20

Halifax, dominant position 12:16

Letters to the editor 12:11

Maritime union stand 12:32

Newspaper edition 12:15-16 IV-2 abundo may A Advertising 12:15-16

Circulation combined 12:8

Competition 12:16

Editorial boards 12:10 Editorial boards 12:10

Editorial opinions 12:12-13

Editorials, separate 12:10, 12:12

Services, overlap 12:9-10

Provincial government policies, criticism 12:29-30 Shares 12:31

Negroes 12:14-15

Resignations resulting from disagreement with policy 12:25-27

Salaries, difference with Toronto 12:34-35

Smith, Robert, covering of political events 12:38-39 Weekend sections 12:32-33

The Haney Gazette (British Columbia)

Administration 29:84-85

Harbinger (Toronto)

Content, role, success 21:11, 28:13, 28:23

Les Hebdos du Canada (Montreal)

Canadian Weekly Newspapers Association, relationship 29:19, 29:32

Gagnon, Yves, statement 29:26-30

Press council proposed, comments 29:30

Services 29:27-29

Heine, William, Editor, London Free Press Mass media, needs, statement 10:67-68

Henry, D.H.W., Q.C., Director of Investigation and Research, Combines Investigation Act

Explanation of Act 9:7-12

Mass media, concentration, competition 9:12-14, 9:21-22

Heritage, Allan, Past President, Toronto Mailers' Union

Statements

"Ottawa Citizen", coverage, International Typo" graphical Union 21:81-82, 21:96-97

Reproduction, printed matter 21:93-94
Typographical unions, confusion 21:83-85

Hockey News (Québecor Incorporated)
Circulation 23:14

Hodgkinson, Lloyd, Director, Maclean-Hunter Limited: Publisher, The Chatelaine Group
Activities, position 21:47-49

Hoffman, Jack, President, Bureau of Advertising of American Newspaper Publishers Association Information, newspaper committee 1:11

Holmes, John, Director General of The Canadian Institute of International Affairs

International affairs, Canadian news coverage 4:7-13

"Home Goods Retailing"

Maclean-Hunter Limited. Business Publications
Division

Honderich, Beland, President and Publisher, The Toronto Star Limited

Canadian Association of Professional Journalists, comment on testimony 16:23-25 Statement on brief 16:7-11

"How To Talk Back To Your Television Set", Johnson, Nicholas

Extracts 32:9, 32:22, 32:29, 32:34, 32:36, 32:44

Hull, Robert, President, Parliamentary Press Gallery Press Gallery, statement 3:7-8

Hunco Limited
Shareholders 19:58

Hutchins Report
Freedom of the press 2:47, 31:10

ITU See

International Typographical Union

lannuzzi, D.A., Publisher, Corriere Canadese Ethnic press, problems 6:8-9

International Postal Union
Mail deficit, agreement 19:9, 19:20

Infocor Limited

The Montreal Star (1968) Limited, relations 14:13 Ownership of electronic media desired 14:14-17

Information Canada

Objectivity 20:15, 20:68-69

Information Task Force

Parliamentary Press Gallery, monopoly on information 3:14-16, 3:35 Recommendation 3:35

Inland Publishing Company Limited (Toronto)
Function, revenue 29:72-73

International Typographical Union
Canadian Press, services 21:86-87, 21:91
Contracts, approved 21:87
Foremen, affiliation 21:94-95
"Graphic Arts Unions and Automation" 21:97
Ottawa Citizen, negotiations 21:90-91, 21:96
Pacific Press Limited, relations 21:95-96
Protection, employee, employer 21:92-93
Statement, Heritage, Allan 21:84-85
Tapes, use 21:91-94
Technology, adaptation 21:96
Toronto, conflict 21:84
Training centre 21:85
Unions, local, autonomy 21:84, 21:87-88, 21:93

Institute of Canadian Advertising

Advertising
Credibility 39:103-104
Ownership concentration, influences 39:94-96
Advertising associations, agreement 39:94
Code of ethics 39:92-93, 39:105-106
Financial objectives 39:93-94
Franchising, agency consensus 39:85-87
Membership 39:88-91

Irving, K.C., President, K.C. Irving Limited Criticism of Senator McElman 5:31-32 Pressure groups, political 5:32

K.C. Irving Limited

Daily Gleaner, Fredericton, acquisition 5:37-38, 5:69

Media

Editorial policy, interference 5:33 Investments, motivations 5:33-34, 5:36-41, 5:45-46, 36:42

New Brunswick Publishing Company, financial activity 5:34-36, 36:35, 36:43, 36:45 Ownership, local 5:40, 5:42-43, 25:56-57

Jarmain, W. Edwin, President, Jarmain Cable Systems Limited

Television, community antenna, future, statement 42:28-30

24099-21/2

Jarmain Cable Systems Limited

Advertising, local, national, position 42:33-37, 42:39

Areas covered, number of channels 42:31-32

CFPL-TV, relations 42:34-35

Jarmain, W. Edwin, President, statement 42:28-30

Ownership concentration, comments 42:40

Programming 42:33

Stations, UHF 42:32

Joel, Aubrey, Vice-President, Business Press Association; President, Southam Business Publications

Business press, current conditions 18:45

Johnson, Nicholas, Commissioner, Federal Communications Commission, Washington, D.C.

American mass media, statement 32:9-20 Comments

Canadian Association of Broadcasters 35:9 "How To Talk Back To Your Television Set" 32:9, 32:22, 32:29, 32:34, 32:36, 32:44

Jones, Lawrence, Assistant Director of Information Services, University of Toronto

Function, Information Department 17:18-19

The Journal (St. Mary's University, Halifax)

Student Press

Le Journal de Montréal

Canadian Press, cost of services, negotiations 23:25-26, 23:58 Circulation 23:9, 23:28

Competition 23:15-16, 23:22, 23:28 Content 23:13-15, 23:18-19

History 23:12-13

Personnel 23:17 Success, reasons 21:34-35

Journalism

Definition 25:69

French Canadian-English Canadian differences

Lynch, Charles, situation, statement 3:8-11

"Middle class" 25:77

Schools

Comments, Fulford, R., "Saturday 20:57-58

Federal government, support, recommendation

French-speaking persons, promotion 10:51-52 Functions 36:51

Laval University 3:70-71, 3:82

Spoken 40:53

Standards, professional 3:10, 5:10, 7:25-27, 15:18-20, 15:37-38, 19:60, 19:65-67, 25:55, 25:75, 36:50, 40:54 Underground 25:73

Journalists

Associations 5:21-23

Bilingual 3:33, 10:51-52

Education 1:28, 1:50, 3:71, 5:22-23, 6:46, 6:64-65, 7:27, 15:8, 15:25-26, 16:35, 21:105, 22:59-60, 25:75, 35:61-62, 43:20

Fellowships 16:37-38, 35:62

Hiring criteria 16:35-37, 35:62

Licence 6:63

Middle management, difficulties, communication 6:46, 6:72, 7:29-30, 15:33-34

Objectivity 3:19-20, 3:32, 7:25, 7:30, 10:70, 14:35, 14:39, 14:52, 16:8, 16:13

Commentators, difficulties 3:19-21, 3:32, 5:16 Involvement 1:32, 1:38-39, 1:45, 1:61-62, 3:19-20, 3:26, 7:25, 7:31, 8:19, 10:71-72

Pressure 36:67

Quality, comments

Berton, Pierre 36:59, 36:69

Lefolii, Ken 21:105-107

O'Leary, Senator M. Grattan 20:67, 20:70-71

Sources of information

Protection 1:32-34, 1:38-39, 1:47, 1:58, 3:33, 3:38-41, 6:45, 6:49-52, 7:44-45, 10:85, 11:71-72, 16:32, 20:65-66, 25:54-55, 35:63-64, 36:69, 38:77-89, 39:28-30, 43:18-19

Speculative, factual 3:14-16, 5:17, 15:16-17

Wages 1:34, 3:81, 5:19, 6:46

Working conditions 1:31-32, 1:36, 2:72, 3:8-9, 6:36, 21:53-54, 25:55

See also

Association of English-Media Journalists of Quebec Canadian Society of Professional Journalists Individual newspapers Newspapers

Les Journaux Trans-Canada Limitée

Competition, diversification 23:74 Editorial policy 23:69, 23:71-72 Freedom of the press 23:69-70 Trois-Rivières, Sherbrooke, shares 23:34-35

Juneau, Pierre, Chairman, Canadian Radio-Television Commission

Introductory statement 26:34

Kierans, Hon. Eric, Postmaster General and Minister of Communications

Communications technology, information media 18:86-88

Publications, postal rates 18:80-109

Refutations, declarations

Baetz, Reuben C. "Weekend Magazine" 18:84-85 Malone, R. S. 18:84, 18:99-102

Kings County Record (Sussex, New Brunswick) Revenue 29:69-70

Kirschbaum, Dr. J. M., President, Canada Ethnic Press Federation

Ethnic press, comments 18:9-12, 18:22, 18:26

Kope, Orv, General Manager, Monarch Broadcasting Company Limited, CHAT Radio, CHAT-TV (Medicine Hat. Alberta)

Monarch Broadcasting Company Limited, history, functions 39:67-69

Labour Unions

See

Trade Unions

Laval University (Quebec)

School of journalism 3:70-71, 3:82

The Leader-Post (Regina, Saskatchewan)

Agriculture, coverage 3:53

Circulation 3:51, 3:58

Staff 3:55-56

See also

Armadale Company Limited

Lefolii, Ken, Broadcaster and Commentator

Comments

Biafra, reports 21:108-109 Underground press 21:109-110

Journalists, qualifications 21:105, 21:107-108

Mass media, future, statement 21:98-101

Lethbridge Herald (Alberta)

Benefits of belonging to FP Publications 11:33-34

Life Magazine

Circulation, 1968, 1969, Canada, United States 21:78

Lions Gate Times (West Vancouver, British Columbia) Role, revenue 29:44-45, 29:78

Lippmann, Walter, "Public Opinion" Pelletier, Hon, Gérard, comments 43:11-13

Reasons for growth in Montreal 14:18-19

London Free Press

Advertising, differences in national and local rates

American Newspaper Guild, contract 10:76

Canadian Code of Advertising Standards, publication

"Canadian" magazine, influence on editorial or advertising policies 10:27

Circulation 10:24, 10:26

Comments, David Scott 17:49, 17:55-56

Computers, use 10:14

Coverage

Demonstrations 14:46-47, 14:50-51 Municipal election 10:73-74

Quebec events 10:88

Crank calls 10:86

Dickins, John, case 10:77-84, 14:45-46, 14:49, 14:52-53

Function in the community 10:13, 10:84-85 Letters to the editor 10:14, 10:83

London market, dominant position 10:23-26

News, use by radio stations and neighbouring papers 10:25-26

Personnel, qualifications 10:10-11, 10:33-34 Postal regulations changes, effect 10:31-32 Southam Press, nature of interest 10:29,10:75-76

London Free Press Printing Company Limited Shares, number and holders 10:29-30

Lynch, Charles, Chief, Southam News Services, Member, Parliamentary Press Gallery Journalism, situation, statement 3:8-11

M.P.'s

See

Members of Parliament

MAB

See

Magazine Advertising Bureau

McCabe, St. Clair, Executive President and Managing Director, Thomson Newspapers Limited

Freedom of the press, comments 7:42

McCormack, Mrs. Thelma H., Professor of Sociology, York University

Mass media, terminology, organization, needs comments 25:69-75

MacDonald, Donald, President, Canadian Labour Congress

Summary of brief 11:90-91

MacDonald, M.D., Editor, Star-Phoenix (Saskatoon) Sources of information, rights of protection 3:39-40 McEachern, Ronald A., Executive Vice-President, Maclean-Hunter Limited

Consumer magazines, importance 19:34-35 Maclean's magazine, comments 21:27-28

McElman, Senator Charles, Member, Mass Media Senate Committee

Criticism by witnesses 5:31-32, 5:47, 5:50-51, 5:70-72

MacGregor, A. Ross, General Manager, Maclean-Hunter Cable TV Limited

Programming, comments 41:64-65

McIntosh, C. Irwin, Past President, Canadian Weekly Newspapers Association

Weeklies, future, observations 29:14-15

MacKay, J. Stuart, President, Selkirk Holdings Limited Broadcasting, Canadian, history, functions, statement 35:10-12

McLean, Andrew Y., Chairman, Postal and Parliamentary Committee, Canadian Weekly Newspapers Association; Publisher, The News-Optimist (North Battleford, Saskatchewan)

Comments, advertising, press council proposed 29:13-14

Maclean-Hunter Cable TV Limited

Channels, transmission, number 41:72 Expansion, projects 41:69-70, 41:74 History 41:64, 41:68 Maclean-Hunter Limited, relations 41:63-64, 41:67, 41:76-77

Programming 41:65, 41:78 Shares 41:63

Technology, role 41:65-66, 41:73-74

Maclean-Hunter Limited

Broadcasting, programming, control 19:54-55
Business Publications Division Advertising
News content, ratio 19:74-75
"Time" competition 19:49-50, 19:76-77

Canadian Business Press Association, relationship 19:75-76

Circulation 19:76

Competition 19:71-73, 19:75, 19:79

Distribution, qualified 19:64-65

Editorial stands 19:78-79

English, French parallel publications, co-operation 19:70

"Home Goods Retailing" 19:59, 19:75 Magazines, general interest 19:45-46

Ottawa bureau 19:59, 19:62

Publications, commencement, termination, reasons 19:73-74

Statements

Craig, J.L. 19:34

Downey, John 19:61-62 Desdus A stand

Subscriptions, sales 2018 1 48:81 2 A smolal

Canadian Central Registry, control 19:38-40 Companies, competitive 19:40, 19:43-44

Percentage, Canadian 19:39

Price 19:41-42

Publishers Clearing House, services 19:41-42

Refunds 19:39, 19:43

Southam Business Publications Limited, agreement 19:29, 19:72

Trans Canada Readers Service, relationship 19:39, 19:45

Wallace Publishing Company, refusal to buy 19:73 Canadian Radio-Television Commission, advertising time reduced, consequences 19:36

Co-production 19:36-37

"Editorial Manual and Style Guide" 19:52-54

Freedom of expression

Experiences, comments

Berton, Pierre 36:66

Cardinal, Mario 24:9-12

Sykes P. and Marshall O. 22:37

Templeton, Charles D. 7:25, 7:33-34, 19:55-56

Interests, shares

Countryside Holdings Limited 38:15-16

Subsidiaries, American 19:58

Television, community antenna 19:57-58

Journalists

Mobility, turnover 19:69

Recruitment, training 19:60-61, 19:66, 19:68-70

Newspaper publishing interest 19:37

Ownership, mixed media 19:37

Postal rates, effect 19:50-52

Printing division 19:53-54

Revenue 19:35

Shares 19:57

Structure 19:33

Television, competition 19:34-35

"Time", "Readers' Digest", competition, exemption 19:47-50, 19:76

Trade shows 19:34

Maclean's Magazine

Comments

Berton, Pierre, dismissal 36:66

Gzowski, Peter, "Canadian Forum" (October 1964), article 21:28-29

O'Leary, Senator M. Grattan 21:35-36

Competition 21:35-36

Freedom of expression 21:28-31

Role 21:27, 21:30-31, 21:39, 21:43

Statements

Brander, F.G. 21:26-27

MacEachern, R.A. 21:27-28

"Time", comparison 21:35-38 See also Le Magazine Maclean

McPhail, Thomas L., Professor, Department of Sociology and Communication Arts, Loyola College

Comments, mass media and social problems 26:21-24

Magazine Advertising Bureau

American Magazine Advertising Bureau, relations 21:74-75 History 21:71

Members

Cost, conditions 21:72-74, 21:79-80 Maclean's Magazine 21:41 Saturday Night 20:42-43 Time 20:43, 21:41 (October 20:44, no.C) to talk of Role 20:62, 21:41, 21:70

Le Magazine Maclean

Cardinal, M. letter to Mass Media Committee 24:9-12 Competition 21:34, 21:41-42

Freedom of expression 21:32-33 Translation of articles from English 19:70-71, 21:32-33, 24:9-12

Magazines

Advertising

Advantages 33:10-11, 33:19

Canadian advertising dollar, percent 21:75-76 Revenue 1959-69 21:72

Business

Advertising, annual cost 19:26 Circulation 19:25-27

Disappearance, reasons 20:74

Future 22:23, 22:52-53, 22:75, 22:77-78, 24:30-31, Media 36:65, 39:96-98, 42:56

Government subsidies, recommendations 20:49-51

National 20:53, 24:37, 39:96 Permit to sell, jurisdiction, Canadian Central Regis-

try 19:38-39 Postal rates 18:57

Quality 20:52, 24:18

United States

Canada

Competition 19:13-16, 21:77-78, 24:32-33 Editions 16:10, 16:32-33, 18:70

Future 19:46, 35:68

Number, statistics 18:55

Sales

Cowles 19:44-45 Federal inquiries 19:45

Publishers Clearing House 19:41-42

Specialized

Capital, cost 19:27

Electronic devices, problems, copyright 19:10-11 Public relations, superficial articles 19:10 Viability 21:40

Magna Media

Shares 24:41

Malone, R.S., General Manager and President, FP Publications Limited; Publisher and Editor-in-Chief, Winnipeg Free Press

Postal rates, refutations, declarations, comments Kierans, Hon. E. 18:84, 18:99-102 Statement on brief 11:7-11

Mannion, E.J., President, and Publisher, Canadian Magazine; President, Southstar Publishers Limited Statement, "The Canadian" and "Star Weekly" Magazines 24:29-31

Marchand, Gabriel, President, Canadian Business Press Business press, publications, comments 18:43-44

Maritime Media

See

Atlantic Media

Mass Media Special Senate Committee

Newspapers

Canadian Society of Professionnal Journalists, criticism 15:9-12, 15:18-19, 15:33

Editorializing 10:21, 10:67

Freedom of the press, attacked 1:8, 5:70-72

Purpose, Dalton Camp 25:52, 25:65

University, reasons for choosing 17:68-69

Audience measurement, methods 1:23-24

British infiltration 5:10

Combines Investigation Act, inquiries 9:12

Communication, comparison of ability 7:36

Communications theory 17:39-42, 17:45-48, 17:51

Competition

Benefits 7:25, 7:27-29 Duplication 21:113

Co-production 19:36

Coverage

Global 16:29

Labour 11:90, 11:92-101, 11:104-113

Religion 25:47-48

Credibility gap 7:38, 21:99, 30:74, 36:25

Criticism, Gillespie, Edgar D. 9:31-32

Death duties, majority shareholders, suggestion 41:19-20

Electronic 9:13, 11:116-118, 13:14, 13:49, Middle East 14:14-17, 18:87-88, 21:100, 41:73

"Establishment", control 17:9-10, 43:12

Functions 7:11-12, 25:71-72

Government

Co-operation, attitude 3:11-12 Inquiries 37:15, 37:20-21

Groups

Ethnic, lack of interest 18:27-28, 18:34

Pressure 5:32

Influence, needs 25:60, 25:70-71

Information, accessibility 3:11-12

"Mass media of communication",

definition 25:69-70

Middle East, biased reports 25:33-40

National unity, role 1:21-22, 2:40-41, 3:69, 3:70, 6:63-64, 26:47-48

O'Leary, Senator M. Grattan,

statement, commented on by Ken Lefolii 21:106-107

"Power potential" 10:15, 10:20, 10:67-68, 10: 72-73

Quebec coverage of rest of Canada 12:28

Regulatory bodies, threat 3:46-47

Sensationalism 6:29-30, 25:13, 43:16

Social problems, concern generated 26:22

Statements

Berton, Pierre 36:48-55 Goodis, Jerry 21:9-14

Kierans, Hon. Eric 18:86-88

Lefolii, Ken 21:98-101

McCormack, Mrs. Thelma 25:69-74

McPhail, T.L. 26:21-23

Subsidization 3:74-76, 3:80

Technological changes, reactions, research 3:43-44, 21:100, 35:57

Words, four letter 20:69, 21:109, 26:50

See also

Advertising

Minority Groups

Ownership

Members of Parliament

Canadian Broadcasting Corporation, lack of remuneration for services 5:18

Columns, ability to write, reason for writing 5:17-18

Press treatment, attitude 5:20

Salary increase, press criticism 5:19

See also

Politicians

Memorial University (St. John's, Newfoundland) Conferences on journalism 2:63

Metcalf, Frederick T., President, Maclean-Hunter Cable TV Limited History 41:64

Coverage, biased 25:33-40

Minority Groups

Canadian Broadcasting Corporation, services 6:33-

Culture, promotion 6:24-25, 6:31-33, 6:42 Media

Advertising 6:37-38

Community-owned stations 6:30, 6:33-35, 6:38

Cuthand, Rev. A., recommendations 6:27-28

Information, void 6:39-40

Sensationalism, pre-occupation 6:29-30, 6:35-36, 6:41-43, 21:11

See also

Ethnic Press

The Mirror (Don Mills, Ontario)

Role, content 29:40-41

Miss Chatelaine

See

Chatelaine, Miss Chatelaine

Moffat Broadcasting Limited

Canadian Contemporary News Service, ownership 35:31, 35:47

Competition 35:36, 35:41

CTV, affiliation 35:48-49

Holdings 35:31, 35:35

Ownership concentrated, comments, Randall Moffat 35:31-33

Position

Advertising 35:33-35

Programming 35:37-39, 35:42-46

Vancouver, news services 35:39-40

Mokrzycki, Lech W., President, New Canadian Publications: Advertising Consultant to Canada Ethnic Press Federation

Advertising, statement 18:14-16

Monarch Broadcasting Company Limited

Advertising, local, national, competition 39:71-72, 39:73

Canadian content, Canadian Radio-Television Commission, regulations, comments 39:73-79

History, activities, Kope, Orv 39:67-69

National unity, contribution 39:80-81

Personnel, recruitment, problems 39:70-71

Le Monde (Paris, France)

Information, quality, content 43:13, 43:19

The Monitor (Montreal)

Function, activities 29:54-56

Monopolies

See

Ownership concentration

Montreal

Newspapers 23:12-13, 23:49

Montreal Journalists' Union

Affiliation, activities 23:54-55

Montréal-Matin

Information, sources 2:25-26

Montreal Standard Publishing Company Limited

Activities 24:13

Advertising revenue 24:13-14

See also

Weekend Magazine

Montreal Star

Attitudes, current, reflection 14:19-21

Competition 14:25

Editor's influence 14:10

Ethnic community, service 14:31-32

French Canadian news, coverage and interpretation 14:25-27

French-speaking readers, percentage, estimate 14:25

Labour reporting 14:30-31

"Life Styles" section 14:19-20

News handling 14:21-22

Purchase offers 14:22

Reporters 14:28

St. Lawrence Sugar Refineries, common ownership

Unions 14:18

The Montreal Star (1968) Limited

Infocor, relations 14:13

Multiple Ownership

See

Ownership Concentration

Munro, Ross, Vice-President and Publisher, The Edmonton Journal; Director, Southam Press Limited Criticism of American newspapers, comparison with

Canadian 13:40-41

Murray, Mrs. Margaret, Publisher, Bridge River-Lillooet News (British Columbia)

Canadian newspapers, comments 29:64-69

Mysterious East

Broadcasting 15:66-67

Goals 15:42-43, 15:45

Magazine treatment of subjects 15:56-57

Projects, essay contest and Rubber Duck Awards
15:43-44

National Broadcasting Company

Activities 2:22

New Brunswick

Newspapers

Dailies, number, quality 2:94, 25:57

Editorial situation 10:21-22

Ownership, concentration 16:16-17

Television, French 26:54

New Brunswick Broadcasting Limited

Audience, measurement 36:36-37, 36:40-41

Canadian Broadcasting Corporation, affiliation 36:39-41

New Brunswick Publishing Limited, financial involvement 36:35, 36:43, 36:45

Ownership concentration, advantages 36:42-43

Programming 36:28-32

Television, community antenna, competition 36:38-39

New Brunswick Publishing Company Limited

See

(K.C.) Irving Limited

New Democratic Party

Canadian Labour Congress, affiliation 11:111-112 Support, coverage 5:15, 7:75, 8:18-19, 16:41-42, 36:57

New York Times

Readers, type 25:77, 43:21

Newfoundland

Freedom of the press 2:64

Newman, Peter, Editor-in-Chief, Toronto Star

Bias in books "Renegade in Power" and "Distemper of our Times" 16:13-14

Parliamentary Press Gallery improvements needed 16:11

Newspapers

Advertising

Ads, cost of setting 11:56

Circulation, effect 11:28-29, 13:71, 22:53

Ratio to news content 5:58, 13:43-44

Business press, differences 18:73, 18:79

Carrier-boy organizations 13:65

Censorship 36:50, 36:62-63

Circulation, controlled, paid, comparison 29:72-75

City size able to support competition 3:54-55, 7:55 Community role 10:13, 20:68, 20:72, 23:10, 23:13,

23:16, 23:22, 25:55-56, 29:50, 39:56, 42:54

Competition Postal regulations, effect 2:74-77, 3:70, 3:74-76, Absence of, disadvantages 7:39-40, 8:33-34, 18:80-109, 23:45 13:17, 15:14-15 Power, potential 13:65-66, 13:71-72 Electronic media 9:13, 18:89, 20:62 Printers, pressure 15:59-60 Concentration of small "I" liberals 7:25, 7:31, 8:19, Printing, technology, quality 26:20 Professionalism 1:7, 1:27, 5:27-28, 15:14-15, 15:37 Content, foreign 4:10 Quality 19:66, 25:65, 36:57, 43:13-14 Coverage Recommendations Court of Appeal 36:53 Edmonton, municipal affairs 25:80-84, 25:87 International affairs 4:11-21 Public services, information 2:76-77 Interpretation 1:57, 1:61, 2:19-21, 14:9-10, Self-criticism 2:64, 13:75 14:35, 16:30-31, 19:62, 20:68, 25:76, 35:61 Shareholders, general public, responsibility 7:77, Quality 1:13, 1:35-36, 1:52-54, 3:10 Religion 25:12-13, 25:32-33 "Soul media" 25:77-79 Sports, statement, Dick Beddoes 24:64-66 Sports coverage 5:30, 23:14, 43:11-13 University affairs 17:60-61, 17:66-68 Statements, printing of full texts 4:9, 4:13, 4:19-20 Credibility 7:24, 8:33-34, 14:41, 43:15-16 Stern Publication, Germany 6:48, 6:67, 7:35-36 Criticism 36:51-52 Style books 2:18-19, 7:68 Editorials Subsidization Editor, reflection, influence 36:69-70 Competition, monopolistic areas 15:50-51, 15:54 Independence 16:38-40 Federal government 1:13, 1:27, 10:20, 15:60-62, Influences, control 1:25, 7:29-30, 43:10-12 20:49-50, 23:10 Ouality 1:14 Provincial governments 2:91-92, 18:99 Signed 2:79-80, 3:23, 11:85, 20:68-69, 21:62, Suburban papers growth 6:71 23:52, 23:57, 25:53, 25:62 Technology, research and advancement 1:9-11, "Establishment", control 24:65-66, 24:69-70, 1:62, 2:29, 2:49, 18:87, 21:95 29:63-64, 35:58 Television Farm publications 11:8, 11:47, 11:53, 14:24 Advertising competition 2:71, 20:42, 20:45 Financial returns 8:20-21, 13:52 Comparison French-English Political impact 14:35-40 Differences 2:81-82, 3:77, 6:61-62, 14:27-28 Recording and interpreting events 16:17, Verbal war 13:66-67 20:64-65, 22:53, 25:83-84, 43:12-13 Future 40:73-74, 43:13-14 Differences 20:64-65, 21:17 Headlines 4:19-20, 25:53, 36:52-53 Influence 1:56, 1:63, 2:52, 16:18, 20:51-52, Labour questions, coverage 5:15-16, 11:90, 23:50, 25:64-65, 26:11, 36:54 11:92-101, 11:104-108, 15:33-34 Trade unions 1:10, 2:71-72, 11:8-9, 11:22-24 Mass Media Senate Committee, lack of editorials on Weekend supplements, competition 13:50 activities 10:21, 10:67 See also Material, selection, independence 3:30-31, 15:19-20, Atlantic Media 15:37-38 Names of newspapers Mistakes Ownership Judgment 15:35 Press Public encouragement to expose 11:70 Ouebec Murray, Mrs. Margaret, comments 29:59-63 Student Press National newspaper proposed 3:85-87, 4:8-9, 4:21, Underground Press 14:45, 14:48, 16:34-35, 21:100 Weeklies National unity, contribution 2:40-41, 3:69-70, Newsprint

New Brunswick situation, lack of editorials 10:21-22 New Democratic Party, coverage, support 5:15,

Ownership, publication on mastheads 10:38, 16:34

O'Leary, Senator, M. Grattan 20:71-72 Policies 25:62-63, 25:74, 25:85, 29:47

7:75, 36:57

Party press, comments Lefolii, Ken 21:99-100 Cost, difference, American, Canadian publishers 8:9-14, 13:20-21, 13:28-30, 16:25-26

Newsprint Information Committee (New York)
"Newsprint Facts", comments 1:11

Newsweek (New York)
Canada, circulation, competition 22:23-24, 22:34, 22:78

Nichols, T.E., Vice-President and Publisher, The Hamilton Spectator

Statement on brief 13:78-80

Nobleman, William, President, Saturday Night Publications Limited

Objectives, statement 20:40-42

North Bay Nugget (Ontario) Ownership 1:57-58

North Hill News (Calgary, Alberta)

Functions 29:56-57 Ownership 13:57

North Renfrew Times (Ontario) Functions 29:59-60

Le Nouveau Journal (Montréal)

Canadian Press, cost of service 23:25-26 Failure, reasons 2:25, 23:13, 23:20, 43:20

Le Nouveau Progrès (St-Jérôme, Québec) Functions, advertising 29:57-59

Nova Scotia

Halifax, printed media, comments, Ozard, Bill 39:31-32 Newspapers 12:11-12, 12:16

L'Observateur (Laval, Québec)

Revenue 29:75-77

Octopus (Ottawa) Objectives 28:12

Ogilvie, Glen, Vice-President for Canada, American Newspaper Guild

Statement on Guild 1:30-32

O'Leary, Senator M. Grattan, Chairman, Royal Commission on Publications (1961)

Comments

Canadian periodicals, report 20:66, 20:69, 20:73-75, 21:46

Freedom of the press 20:63-64, 20:65-67 Information office, government 20:64, 20:67-69

Mass media 20:64-67 Party press 20:71-72

O'Leary Report

See

Royal Commission on Publications

Omphalos (Winnipeg, Manitoba) Functions 28:12

Orr, Bobby

Toronto Daily Star, syndicated column 13:57-58. 24:64-65, 24:67-68

Osler, Mrs. B.B., President, "Canadian Scene" "Canadian Scene", description 18:29-31

Ottawa Citizen

Competition, Ottawa Journal 11:29, 11:67-68 Coverage, International Typographical Union, brief 21:81-82

Criticism of Lawrence Freiman 3:26

Labour coverage 11:92-93

Labour dispute, Ontario Labour Relations Board. decision, reactions 21:90-91, 21:96-97 Trade unions 1:46, 13:36

Ottawa Journal

Canadian Press, use of dispatches 11:64-65 Competition, Ottawa Citizen 11:29, 11:67-68 FP Publications

Decision to sell 11:29, 11:61-62, 11:68-69, 20:71 Editorial services available 11:69

French-Canadian community, sympathy 11:66-67

Letters to the editor 11:70 Parliamentary reporting 11:63-65

Reporters assignments 11:64-65, 11:67

Trade unions 1:46

Ownership

Albuquerque model, means of controlling chains 11:39-40

Canadian, American 2:76-77, 21:22

Comments, Johnson, Nicholas 32:10, 32:22-23, 32:29, 32:34, 32:36, 32:44

Foreign, restrictions 1:17, 1:25, 5:12-13

Newspapers, selling, reasons 7:41, 13:8-9, 14:22

Recommendations

Community participation 2:77-78, 2:90-91, 2:93, 3:28, 5:39, 17:53-54, 38:19

Fiscal policy, concessions, small papers 10:9-10. 10:30-31

Journalists, collective control 14:56-57, 15:39 16:39-40, 23:32-33, 23:44, 25:20-21

Taxes, effect 1:17, 1:25-26, 2:49, 7:72-73. 11:54-55, 13:8-19

See also

Combines Investigation Act Ownership Concentration

Ownership Concentration

Advantages 2:73-74, 3:28, 6:46, 7:31, 10:16, 11:14, 23:31

Advertising, influence 39:94-96

Annual reports, publishing 5;26-27

Chains

Growth, dangers 16:8-9

Independent newspapers, reasons for joining 10:60, 10:65-66, 11:72-73, 23:28

Publishers freedom to determine policies 16:9

Southam Newspapers 2:90

Thomson Newspapers 2:90

United States 14:47, 14:56

Comments

Bassett, J.W.H. 8:7, 8:18, 8:20

Beattie, Professor Earle 14:47

Berton, Pierre 36:67-68

Blackburn, Walter J. 10:16

Canadian Public Relations Society 24:60-62

CHUM Limited 39:23-24

Countryside Holdings Limited 38:12-14

Dennis, G.W. 12:7-8, 12:35-38

Goodman, Edwin A. 40:33, 40:39

Hodgkinson, Lloyd M. 21:66

Jarmain Cable Systems Limited 42:40

Lefolii, Ken 21:101, 21:111-112

Members of student press 17:49-53

Moffat, Randall L. 35:31-33

O'Leary, Senator M. Grattan 20:77-78

Sifton, Michael 3:57

Standard Broadcasting Corporation Limited

Conglomerates

Comments, Malone R.S. 11:40

Definition 3:46-47, 32:10-11

Problems 7:35, 36:42-43

Control 11:104, 17:46-47, 17:53-54

Dangers, inconveniences 1:32, 1:42, 2:74, 2:87,

3:25, 3:28-29, 6:46, 7:47-48,11:104

Definition 6:69-70

Freedom of the press, affected 2:47, 2:78, 16:10,

23:32, 24:60-62

French culture, guaranteed continuation 2:88

Government intervention 10:19, 11:40-41, 11:89,

11:102, 13:10, 13:13-14, 16:27, 17:46-47

Growth 9:12-13

Investigating criteria, suggestions 13:10, 26:39

Local, regional 10:59-60, 15:53-54

Multi-media

Advantages 40:10-11, 40:26-27, 40:34-37

Camp, Dalton, opposition 25:68

Comments

Ferguson, David 14:13-14

Hirtle, J. 39:42

Honderich, Beland 16:9, 16:21, 16:42-43

Party press 21:99-100

Power potential 5:9-10

Public interest, acceptable limits 10:17-18, 13:10

Pacific Press Limited

Advertising 11:56-57, 11:60, 13:27

Arrangement

Public consternation 13:68

Recommendation for other cities 13:64, 13:67-68

Decision making 13:25

International Typographical Union, intervention 21:95-96

Labour, practices, problems 13:76-78

Operations 11:57-60, 13:26-27, 13:31

Profits, distribution policy 13:25

Publishers sharing of responsibility 13:75-76

"Parallèle"

"Saturday Night", purchaser 20:60

Parliament

Press criticism 5:20-21

See also

Members of Parliament

Politicians

Parliamentary Press Gallery

Admission, basis 3:13, 3:15-16

Conflict-of-interest 3:14, 3:29-30

Criticism

Government, consequences 3:17-19, 14:33-34,

16:12

O'Leary, Senator M. Grattan 20:67

Freedom of the press, definition 3:21

Information

Control, exclusive 3:14-15, 3:35

Sources 2:11-12, 3:15-16, 5:28-29

Information Task Force, report 3:14-16, 3:35

Members

Information, exchanged 3:16

Privileges 3:13, 3:16, 39:31

Quality 3:11, 25:61

Newman, Peter, improvements, comments 16:11-12

Object, aim 3:7-8

Objectivity 3:19-20, 3:32, 5:23, 20:67

Parliamentary coverage, balanced stories 14:34

President, functions 3:7-8

Press coverage patterns - J. Diefenbaker, P. E.

Trudeau, government of the day 3:18-19, 16:14

Statements

Collister, Ron 3:11

Hull, Robert 3:7-8

Lynch, Charles 3:8-10

Structure 3:7-8

Trudeaumania, role 3:19

Unethical practices, dealings 3:13-14

Working conditions 3:9, 5:18-20

Pembina, North Dakota, Radio Station

Winnipeg broadcasting 35:36-37, 40:13

Periodicals

See

Magazines

Peterborough Examiner (Ontario)

Canadian Press levy, difference, 1967 and 1968 7:97-98

Editorial writer, salary 1:46

Editorializing, responsibility 7:96-97

Letters to the editor 7:90, 7:94

News publication, policy 7:91, 7:98-102

Strike of American Newspaper Guild 1:36-39, 1:41, 1:46-47, 7:52-54, 7:82-89

Thomson newspapers membership, effect on paper 7:90-91

The Picton Gazette (Ontario)

Content, functions 29:53, 29:82

Politicians

Columns, reasons for writing 5:17-18 Objectivity as columnists 5:17 Privacy, invasion by press 5:23-24, 16:16

Pollack, Richard, Writer, Harper's, New York

Comments on "Time after Luce" 22:10, 22:25-27, 22:35

Post Office Department

Classification

Mail 18:103-104

Weeklies, semi-weeklies 18:105-106

Criticism

Canadian Business Press 18:61-62

"Saturday Night", Nobleman W. 20:40-41

Crown Corporation, creation suggested 18:98, 18:103, 29:33

Deficit

Mail

Canada, United States, solutions 18:109, 19:9,

Second-class 18:81-82, 18:83, 18:92, 18:94

Projection 1968-70 18:95-98

Subsidy 18:106-107

Kierans, Hon. Eric

Presentation, comments by Shelford,

R.H., Free Press Weekly 20:26-34

Statement 18:80-86

Mail bags, pounds, classification quantity 18:82-83 Postal rates

Increase

Attempts 1951, 1964, 1967 18:106-107
Newspapers, reactions 18:80
Publications discontinued 18:89-91, 18:96
United States, comparison 23:60-61
Winnipeg Free Press, comment,
Maurice Western 18:81-82

Publications

Foreign 18:55-57

1969-70 18:83, 18:92-95

United States 18:81, 23:60

Third class 18:56-58

Publications

Second class, number 18:94-95

Subsidies, government, problems 18:91-92, 18:95,

18:98, 19:21-22 Al more II A not seed a manufacture.

Recommendations

Royal Commission on Government Organization 18:85, 19:9

Statutory rates 18:67, 19:22

Revenue, cost of delivery 19:11, 19:21

Rural zones, delivery, six-day week 18:107-108

Power Corporation

Consortium 23:40-41

Gelco Enterprises Limited, shares 23:34, 23:36,

Télémedia (Québec) Limitée

Interests, participation 37:10-13, 37:28

Sale, forthcoming 23:38, 23:39

La Tribune (Sherbrooke), purchased 2:88-89, 23:40

Presbyterian Record

Advertising, content, revenue 25:26, 25:28

Freedom of expression, position 25:24, 25:26-27,

25:29-31

Postal rates, increase, effect 25:25

Role 25:22-23, 25:28

Press Council

British 3:61, 7:93, 7:95, 8:26, 11:89, 13:53, 16:34,

18:63

United States 35:55, 35:67-68

Press Council Proposed

Comments

Allard, Robert 22:68-69

Armadale Company Limited 3:61-62

Balfour, St. Clair 13:39-40

Bassett, J.W.H. 8:26

Blackburn, Walter J. 10:8-9

Brantford Expositor 10:46-47

Camp, Dalton C. 25:55

Canadian Business Press 18:63

Calladian Business 11css 16.0.

Canadian Church Press 25:16

Canadian Daily Newspaper Publishers Association 1:13

Canadian Managing Editors Conference 1:59

Canadian Weekly Newspapers Association 29:14, 29:16

Collister, Ron 3:22

Consumers' Association of Canada 27:24-25

Cooper, James L. 11:89

Costello, Ralph 5:50, 5:52, 5:61

CTV Television Network Limited 40:48 Denhoff, J.W. 7:92-93 Le Droit (Hull-Ottawa) 10:52 The Evening Telegram (St. John's, Nfld.) 2:70 Fisher, Douglas 5:23 Garner, William J. 7:94, 7:96 Gelco Enterprises Limited 23:35-36 Goodis, Jerry 21:15 Grosart, Senator Allister 14:44 Les Hebdos du Canada 29:30, 29:50-51, 29:61 Honderich, Beland 16:9-10, 16:25, 16:34, 16:40 Iannuzzi, D.A. 6:10 Kirschbaum, Dr. J.M. 18:11-12 La Presse (Montréal) 23:46, 23:72-73 Lynch, Charles 3:22-23 Malone, R.S. 11:10-11, 11:41-42 O'Neil, Pierre 3:24 Saxe, Stewart 17:10 Smith, Norman 11:62 Swanson, Frank 13:53-54 Thomson Newspapers Limited 7:43-44 The Windsor Star (Ontario) 2:41-42 Purposes 10:8-9, 16:10

Quebec, role 38:95, 41:24-25

Western Press Council proposed, Ross Munro 13:39

Canadian Press services 23:59

La Presse (Montreal)

Representation 23:72-73

Articles, signed 23:52, 23:57-58

Circulation, postal rates increase, effect 23:61
Comic strips, translation 23:58
Competition 23:49
Correspondents, Ottawa, Quebec 23:48, 23:53
Editorial policy, information 23:37-38, 23:46-47, 23:51-54 23:55
Gelco Enterprises Limited, sales, judicial procedures 23:62-63
Morality, public responsibility 23:57, 23:59-60
Readers, type, interests 23:47-48
Reorganization, administrative, financial 23:64-65
"Spec", publication 23:50
Unions
Statement, Gauthier, J.R. 23:54-55

Preston, Jack, President and General Manager, The Brantford Expositor

Technology, reactions 23:56-57

Statement on brief 10:36 Succession duties, comments 10:37, 10:39

Price, Derek A., President, The Montreal Star Statement on brief 14:7-8

Prince Albert Daily Herald Letters to the editor 7:94 Minority groups coverage 7:81-82

Municipal dissent reporting 7:91-92
National unity, contribution 7:100
News publication, policy 7:98
Readers
Measurement 7:99
Quebec, information available 7:101
Sifton papers, Regina, Saskatoon, comparison 7:89-90
Thomson Newspapers Limited

Membership, improvements since takeover 7:102

Use of services 7:99-100

Prince Edward Island

Mass media, service 7:12-14, 7:76-77

Printers

Ownership concentration, problems 29:34
Production difficulties 15:59-60

Le Progrès l'évangéline (Moncton, New Brunswick) Financial difficulties, assistance 2:94-95, 3:82-83

The Province (Vancouver, British Columbia)

Advertising

Department stores 13:69-70 Vancouver Sun, combined rate 11:55-57, 11:60, 11:74-75

Georgia Straight, reporting 13:75
News content 13:64
Quebec news used from wire services 13:66
Staff 13:65, 13:72
See also
Pacific Press Limited

"Public Opinion", Walter Lippmann 1990 Information, impact 43:11-13

Publishers

Disparities 7:31-32
Material, selection 3:32-33
Newspapers, control 10:68-69
Profit motive 5:8-9

Quart, Senator Josie D.

Alert Service, Marjorie Lamb (Toronto) explanation 18:37-38

Quebec Province

Artistic activities 21:51-52
Broadcasting, public opinion, influence 41:25-27
Magazines
Foreign 22:44, 22:46, 22:48
"Playboy", "Life", "Look", circulation 22:46-47

"Playboy", "Life", "Look", circulation 22:40"
Postal rates, increase, effects 22:40
Viability 22:51, 23:17-18, 23:51
National network, viability 41:31-32

Newspapers
Advertising 23:27
Comparison with English dailies 23:67, 29:31-32, 43:15
Coverage 2:81-82, 2:95-96, 23:59
Ownership concentration, dangers 2:73-74, 2:90
Responsibility, Francophones, New Brunswick 2:94-95, 3:82-84
Services, fusion suggested 23:29
Sports, coverage difficulties, reasons 23:14-15
Student 17:19-20
Weeklies, dailies 2:92
Press council proposed 29:29, 38:91-92, 41:24-25

Québecor Incorporated

Advertising 23:19-21, 23:23, 23:26
Le Devoir, agreement 23:29-30
Freedom of the press, interpretation 23:23-24
Media, electronic, interest 23:30-31
"Le Nouveau Samedi", role 23:19
"Photo Vedettes" 23:19
Printing 23:28-29, 23:33
Revenue 23:28-29
Shareholders 23:33
Statement, Péladeau, Pierre 23:9-13
United Press International Services 23:26-27
See also

Textbooks from France 26:15-16

Racism

Sir George Williams University, event, coverage 25:75-76

Radio Futura Limited

See also

Time-Reader's Digest

Le Journal de Montréal

CKVL (Vancouver) success, reasons 38:29-31 Total news concept 38:27-29

Reader's Digest Association (Canada) Limited

Activities 33:22

Advertising 16:32, 16:34-35, 19:15-16, 19:49, 33:10, 33:19-23, 33:25

Assets "fixed" in Canada 33:27-28

Books, Canadian articles 33:12, 33:22

Canadian interest 33:10, 33:29-30, 33:39-40

Circulation, methods 33:12-18, 33:20

Editions, English, French 33:37-38

Editorial policy 5:12-13, 33:11-12, 33:22, 33:34-37, 33:40-41

Printing 33:28-29

Readers 33:16-17

Revenue 33:23, 33:25

Shareholders 33:26-27, 33:29-31

Statement, Zimmerman, E. Paul 33:9-12

Reporters

See

Journalists

Le Réveil (Jonquière, Quebec)
Role 29:38-39

Rogers, Edward S., President, Rogers Cable TV Limited

History 42:10-11

Statement, Canadian programming 42:11-13

Rogers Broadcasting Limited

Advertising, policy 42:17

Canadian Association of Broadcasters attitude to Canadian Radio-Television Commission, comments 42:25-26

CHFI, advertising campaign 42:25

Information

Ottawa service 42:14-16

The Telegram (Toronto) agreement 42:13-14

Operations 42:9-10

Programming, Canadian, problems 42:12

Television, community, antenna, function 42:15

Royal Commission on Government Organization Postal rates, recommendations 19:9

Royal Commission on Publications

Canadian identity, promotion 20:66, 20:69 Farm papers 18:84

Magazines, study, detrimental effect 21:71-72 Recommendations

Recommendation

Periodicals

Foreign, Canadian advertising regulations 18:53-54, 19:77, 20:74

Government assistance 22:39

Postal rates 18:60, 19:22

Specialized publications, competition 19:79-80

Time International of Canada Limited editorial advantages 22:12-13

Rural Canadians

Aspirational levels, problems 7:8, 7:14, 7:22 Farm press 7:12, 11:8, 11:47-53, 14:24 Hutterites 7:15-16, 7:21 Information Canada, role 20:14-15 Media

Recommendations, Forbes, R.E. 20:8-10, 20:17-20

Role, importance 7:8-9, 7:11, 7:15-18, 14:23-24, 20:8, 20:12, 20:17

Newspapers, false image 20:13

Organization membership 7:14-15

Rural communities, viability 20:10, 20:12, 20:14

See also
Canadian Broadcasting Corporation
Farm and Rural Press

Rural Press

See

Farm and Rural Press

Russell, George, Bureau Chief, Canadian University Press

Criticism of media 17:38-41

Ryan, Claude, Editor and Publisher of le Devoir
Ownership, concentration 2:73-74
Postal regulations, change 2:74-77

Saint-Martin, Mrs. Fernande, Editor, Chatelaine Statement, activities, policy 21:51-53

St. Paul Journal (Alberta)

Role, advertising 29:42-44

Saskatchewan

Media into community, penetration 3:51, 3:61

Saturday Evening Post
Publication ceased 19:46

Saturday Night

Advertising

Content 20:58, 20:61-62
Time Magazine 20:44, 21:38
Article "About a Cry of Outrage", R. Fulford 2:33
Competition 20:44-46
Function, "public opinion" guide 20:49, 20:51
Language, standards 20:54-56
Magazine Advertising Bureau, services 20:42-43
National unity, contribution 20:41-42
"Parallèle", edition 20:60
Politics, national, position 20:56-57
Postal rates, increase, effect 20:47-48, 20:59
Specialized magazine 20:46
Statement, Nobleman, W. 20:40-42
Subscriptions, number 20:59

Saxe, Stewart, President, Canadian University Press "Establishment" control of mass media 17:9-10

Scarth, Allan, Editor "The Gateway", University of Alberta

"The Gateway", comments 17:17-18

Scott, David, Editor The Gazette, University of Western Ontario

"The Gazette", comments 17:14-16

Selkirk Holdings Limited

Investments

Canastel, Castleton Investments, British Columbia Television 35:16, 37:46

Southam Press Limited 13:24, 13:37-39, 13:49, 35:13-16

Personnel, quality, promotion 35:25-27

Shareholders, board of directors 35:12-17 Television stations

Affiliation, CTV, Canadian Broadcasting Corporation, preference 35:21

Autonomy 35:22-23

See also

All-Canada Radio and Television

Sept-Jours (Montréal)

Circulation, weekly 22:54-55
Deficit, cost 22:55, 22:57, 22:63
Distribution 22:64-65
English edition, discussion 22:56-57
Objectives 22:56, 22:67
Personnel, correspondents 22:58-59, 22:61-63
Statement, Allard, Robert 22:54-55

Shelford, R.H., General Manager, Free Press Weekly Statement, farm press, situation 20:24-26

Sherbrooke Record (Quebec)
Basset, J.W.H., investment 8:24-25

Sifton, Michael, President, Armadale Company Limited Statement, Armadale Company Limited 3:35-37

Simon, Norm, Director, Public Relations, Canadian Union of Public Employees

Memos received from management while working for Toronto Telegram 11:106, 11:114-115, 13:8

Sloan, Tom, Chairman of Communications and Journalism, Faculty of Arts, Laval University
Communications, Canada 3:67-71

Smith, Michael, Editor, The Journal, St. Mary's University, Halifax
Student press, purpose 17:16-17

Smith, Norman, Editor, Ottawa Journal Brief, statement 11:61-63

Le Soleil (Quebec)

Postal rates, increase, effect 23:61 Saguenay Lake St. John area, editorial, organization 2:92

Southam Business Publications Limited

Advertising

Competition "Time" 19:15-16, 19:19-20

Revenue 19:27

"Beam" program, liaison 19:11

Circulation

Annual 19:26

Qualified, paid 19:12, 19:23-25

Daly, James A., statement 19:7-9

Data retrieval 19:10-12

Journalists

Recruitment sources 19:17-18

Travel expenses, payment 19:17

MacLean-Hunter, arrangement 19:29, 19:72

"Master photographer" 19:18-19

Opinions, conflicting, presentation 19:16, 19:32

Postal rates 19:1, 19:11-12, 19:20-23

Services, operations 19:8, 19:31-32

Southam Press Limited, relationship 19:8

Trade shows 19:27

"Water and Pollution Control", "Eutrophication" article 19:30-31

Southam Press Limited

Advertising

Annual revenue 19:26

Sales organization 13:71

Advisory boards, feasibility 13:22-23

Alberta, concentration of circulation 13:46

Board of directors 13:45

Editorial freedom of papers 13:9-10, 13:41-42,

13:72

Electronic media, policy 13:14, 13:37, 13:49

"Group", "chain" preference 13:11

"London Free Press" investment 10:29, 10:75-76

Magna Media Limited 13:50-51

"Montreal Gazette", weekly paper 13:44

Publishers, appointment 13:44-45

Selkirk Holdings Limited, investment 13:24, 13:37-39, 13:49, 35:13-16

Shares 13:19

Southam News Services

Administration 3:10-11

Agreement, Canadian Press 3:10

Member papers, selection of material 3:30-31

Monopolies, advantages 3:29

Statement, Charles Lynch 3:10-11

Southstar Publishers Limited, administration

13:49-50, 13:53

Statement, Swanson, Frank G. 13:51-53

Trade unions, relations with newspapers 13:36

Wage negotiations 13:20

Working agreements, Winnipeg, Ottawa, Calgary papers 13:30-32

South Side Mirror (Calgary, Alberta)

Advertising, local, circulation 13:57

Southstar Publishers Limited

"Canadian Homes" content, circulation 24:41

Southam Press Limited, administration 13:49-50, 13:53

Star Weekly, circulation 24:30, 24:45-46

Statement, Mannion J. 24:29-31

See also

The Canadian Magazine

The Spectator (Hamilton, Ontario)

Advertisement, CFRB (Toronto) 21:10

Editorial content 13:81

Local news content 13:79-81

McMurrich court case 13:81-87

Staff, specialists, wages 13:87-88

Statement, Nichols. T.E. 13:78-80

Speers, W. A., President, Broadcast News Limited

Statement function 2:9-10

Standard Broadcasting Corporation Limited

Advertising, return 38:57-58

Audience 39:70

Canadian content, music 38:49-51

Editorial policy 38:47-48

History, activities, statement, Cran, W. C. Thornton 38:43-45

Investments 38:63

Ownership concentration, comments 38:61-63

Programming

Comparison, French, English 38:53-55

Syndicated 38:55-56

Standard Broadcast News, services, Canada, United

States 2:22, 38:68-70, 38:74-75

Standard Radio News Network

Western Broadcasting Limited, services 37:30, 37:42

Star-Phoenix (Saskatoon)

Articles, selection 3:48-50

Indians, Metis, coverage 3:43

See also

Armadale Company Limited

Star Weekly

Circulation 24:29-30, 24:45

Stern Publication (Germany)

Charter 6:48, 6:67, 7:35-36

Student Press

Advertising 17:24-27, 17:30, 17:32, 17:69

"Campus Magazine", attitude towards 17:27-29

Community penetration 17:63-64

Criticism 17:13-14, 17:37-38

Financing 17:24, 17:29, 17:59

"The Gateway" (University of Alberta) Task Force on Information Cartoon on Vietnam war, publication 17:18, 2 17:30-33 synthembe betimil zeril mannuo Information, Task Force Editorials 17:16, 17:33 Statement on activities, Allan Scarth 17:17-18 The Telegram (Toronto) "Gazette" (University of Western Ontario) Advertising 17:22-23 40:26-27, 40:34-37 Comments, Scott, D. 17:14-16 Content, presentation, orientation 17:15-16 Code of ethics 8:27-28 Financing 17:15-16, 17:22-23 Columnists 8:26-27, 8:32 Content 22:21 "The Journal" (St. Mary's University, Halifax) Advertising 17:25-26 Coverage Boroughs 8:17 Travel topomyrg assenges level "Dalhousie Gazette", co-operation 17:64 Influence on campus revolutions 17:57-58 "McGill Daily" (McGill University) Advertising 17:26-27 Foreign 8:14 Middle East, partiality 25:38 Content, justification 17:37-38 National news 8:14 "McGill Reporter" (McGill University), function

Mass Media Special Senate Committee, choice of university papers 17:68-69

Newspapers, checks and balances 17:64-65 Political 17:71

Purpose, role, future 17:16-17, 17:70-71, 26:27-28 Quebec situation 17:19-20, 17:34-35 Statement, Stewart Saxe 17:11 Student unions, decline, effect 17:34-37 See also

Canadian University Press

The Sun (Vancouver)

17:20-21

Advertising Mill line rate 11:28

Vancouver Province, combined rate 11:55-57, 11:60, 11:74-75

Strike, socio-economic consequences, report, Gray, W. A. 34:9-20, 34:22-23

See also

Pacific Press Limited

Sutherland, J.R.H., President, Canadian Press Statement on role, activities 2:7-9

Swanson, Frank, Publisher, Calgary Herald, Vice-President, Southam Press Limited Statement on brief 13:51-53

Sweeney (Oakville, Ontario)

Content, role 28:11-12, 28:26-27, 28:60

Switzer, Israel, Chief Technical Officer, Maclean-Hunter Cable TV Limited Statement, technical aspects 41:65-66

Syndicat d'Oeuvres Sociales Limitée See Le Droit

American Newspaper Guild, contracts 8:25 CFTO-TV, advantage co-ownership 40:10-11,

Elections provincial 1967, municipal 1969 8:17, 14:47, 14:51, 24:71-72

Quebec 8:30-31 prompter betime I agent medius

Craft unions, relations 8:25

T. Eaton Company, influence 8:24 Editorials, responsibility 8:21-22, 8:27

Entertainment section 8:15

Freedom of expression 8:26-27

Letters to the editor 8:27

Liberal support, 1963 election, consequences 8:19

New Democratic Party, support 8:19

Newsprint, supplies, delivery methods 8:10-11

Quality, comments, Ken Lefolii 21:99, 21:105, 21:107

Research facilities 8:29-30 Shareholders 8:20

Simon, Norm, memos received from management 11:106, 11:114-115, 13:8

Suburban weeklies, involvement 8:16, 8:18 Sunday paper, attempt to publish 8:31-32

Technological changes, research 8:22-23

Toronto Daily Star

Comparison, J. W. H. Bassett 8:14-15

Co-operation 8:28-29

Competition in delivery 8:29 Wages 1:45

The Telegraph-Journal (Saint John, New Brunswick) Advertising

News content, ratio 5:58 Rates 5:54-56, 5:59

Competition, Saint John and Moncton 5:59-60

Correspondent, Ottawa 5:60

Delivery system 5:57

Dissent handling 5:53

Pollution, lack of coverage 5:49-50, 5:61

Postal rates, increase, effect 5:52-53, 5:57-58

Public relations material, treatment 5:63

Quality, comments, Dalton Camp 25:56-57

Robichaud Government, editorial policy, attitude

towards 5:64-65

Télémedia (Québec)

Canadian content 37:17, 37:21, 37:23-24 Competition 37:14, 37:17 Editorial Policy 37:27 Power Corporation, interests, representatives

37:10-13, 37:28

Quality of services 37:16-17, 37:25-26

Télé-Métropole Corporation

Advertising, cost 41:20-21

Audience 41:21

Canadian Association of Broadcaster, Membership

Canadian Broadcasting Corporation, Competition 41:11-12, 41:14-16

Canadian content 41:10-13, 41:22

Expansion 41:14, 41:17-18

Freedom of expression 41:25

Personnel 41:9-10

Press Council, Quebec 41:24-25

Programmes, American, dubbing 41:24

Shareholders 41:19

Statement, Giguère, Roland 41:9-13

Stations, affiliated 41:13-14

Telesat

Future 26:60-61

Television

American influence 25:58-59

Audience 40:69

Biculturalism 3:69, 3:72-74

Broadcasters, views and interpretation to public 7:37, 40:70-71

Broadcasting waves UHF and VHF, differences

Canadian Home and School and Parent-Teacher Federation (Incorporated), involvement 9:33

Children

Research regarding influence on 9:29-31, 9:33, 26:54

Restriction of programmes 9:39-40

United States, comments, Spiro Agnew 18:86

Committee, "Clean up, TV campaign" 1967 26:52

Credibility 7:24, 30:74, 43:15-16

Diversity of opinion 40:28-31

Educational 9:29, 9:36-37, 26:11 36:70

International affairs, coverage 4:8, 4:17-19

Life style, effect on audience under poverty line 39:100-103

Newspapers

Advertising, competition 2:71, 20:42, 23:45 Effect on 1:56, 1:63, 2:52, 2:67, 16:18, 20:51-52, 23:50, 25:64-65, 26:11, 36:54 Political impact, comparison 14:35-40

Recording and interpreting events, comparison

16:17, 20:64-65, 22:50, 25:83-84, 43:12-13

Obscenity, government control 9:38-39

O'Leary, Senator M. Grattan, comments 20:64

Parliamentary coverage 14:44, 20:84

Programming, foreign, Canadian 3:69, 20:75-76, 21:12-13, 21:15, 42:43-45, 42:61-62

Rural Canadians, effect 7:8-9, 7:15, 20:17

Self-regulatory code 9:31, 9:36

Video tapes, use 36:54

Violence 9:30, 9:34-36, 36:70-71

See also

Canadian Broadcasting Corporation

Canadian Radio-Television Commission

Television, Community Antenna

Television, Community Antenna

Advertising

Canadian Radio-Television Commission, regulations 20:60-61, 42:36-37, 42:39

Local, national 38:19-20, 42:17

Broadcasters

Co-operation 42:29-30

Local stations, disappearance 26:57-58

Definitions "cable system", "cable company" 42:31

Future perspectives 21:100-101, 35:49, 35:56, 35:62, 35:33-34, 39:63, 40:45, 41:18, 41:43,

41:59-60, 41:74, 42:29-30

Montreal, reception "simple antenna" 41:18, 41:52

National identity, contribution 42:24, 42:26-27

Network system 26:60-61

Programming

Public participation 36:53, 42:28

Regional 41:50-53, 42:39

Regulations

American programs 13:17-19, 36:19-21, 41:44-45

Importance 41:16-17, 41:45

Revenue 41:47, 41:64, 41:68

Role 41:42-43, 41:52-53, 41:68, 42:28-30

Technical problems 41:72-73

The Telegram, Toronto, investments 8:22

Television, conventional, conflict 36:19-21. 41:17-18, 41:50, 41:60-61, 41:70, 42:29-31

Territory, exclusive 41:47-49

See also

Canadian Cable Television Association

Canadian Cable Television Commission-Community

Antenna

Jarmain Cable Systems Limited

Maclean Hunter Cable TV Limited

Rogers Broadcasting Limited

Télévision Saint Maurice, Inc.

Canadian Broadcasting Corporation, affiliation 41:33, 41:37-38

Canadian content 41:33-36, 41:38-41 United States, competition 41:32-33, 41:39

Templeton, Charles, Journalist and Broadcaster

CFRB, radio program with Pierre Berton 7:37-38

24099-31/2

MacLean's magazine editorial interference 7:33-34, 21:29, 22:37

Media, information, comments 7:24-25

Thomas, Harry, Editor, "McGill Reporter", McGill University

Comments on "McGill Reporter", "McGill Daily" 17:20-21 Scott D. I had been sound on bit

Thomson, Corey, Vice-President, Radio Futura Lim-

Comments, media, inequality 33:41-42

Thomson Newspapers Limited

Activities 7:39

Advertising

News ratio 7:71-72, 7:78

Rates, local, national, reducing diversity 7:49-50,

American Newspaper Guild brief, refutation 7:53

Broadcasting

Divestment of interests 7:45

Government control 7:45-46

Canadian Broadcasting Corporation, criticism

Canadian Daily Newspaper Publishers Association membership 1:12, 7:62-63

Canadian management group 7:57-58

Criticism 7:67 Canadian Press

Use of services, cost 7:66-68

Code of ethics 7:44

Editorial content, degree of interference 7:58-59

Editorial support, political candidates 7:74-75

Equipment, depreciation 7:65, 7:70

Fisher, Douglas, comments on quality 5:9-10, 7:73, 7:78

Journalism

Dishonest 7:79

Protection of sources 7:44-45

Schools, Ontario community colleges, relations

Labour contracts 7:52

Newspapers

Buying, factors considered 7:55, 29:18-21

Circulations, small 7:61-62

Monthly statements 7:63-64

Opinionated 7:76

Quality diminishing, method of action 7:57-58

Services 7:40, 7:66-67, 7:69, 7:99

Suburban 7:61, 7:70-71

Supervision 7:63-65

Thunder Bay, Ontario, fusion possible 7:55-56,

Personnel 7:40-41, 7:44, 7:50-51, 7:78-79

"Peterborough Examiner" strike 1:32, 1:37-38, 1:41, 1:47, 7:52-54, 7:83-89

Press Council proposed, comments 7:43-44

"Prince Albert Daily Herald", improvements 7:102

Publishers, relations 7:43, 7:63, 7:66, 7:102

Publishing rights, increase, 1967 statement 7:70

Quebec Chronicle-Telegraph 7:56-57, 7:62

Quebec, news coverage 7:77, 7:100-101

Salaries, United States, comparison 7:51

Statement, Tory, John A. 7:39-42

Success, ingredients 7:40

Television, community antenna, interests 7:46

Technology, facsimile press 7:48-49

Time Incorporated (New York)

American edition

Canadian content 22:16-17, 22:19-20

Printing, restriction 22:24

Commentaries, article by R. Pollack, "Time after

Luce" 22:10, 22:25-27, 22:35

Publications, world-wide 22:10

Revenue, annual 19:27, 22:10-11

Success, reasons 21:45, 22:11

Time International of Canada Limited

Advertising

Competition 19:76, 22:22-24, 22:32-33

French 22:20-21

Rates 19:19

Sources, presentation 16:32, 19:76,

22:31-32

"Canadian magazine?" 20:42, 22:14, 22:18-19,

22:35, 22:56, 22:78, 25:65

Circulation 22:11, 22:17, 22:21, 22:28, 22:33

Editorials

Content, comparison, United States 5:13, 21:36,

22:14, 22:18, 22:29-31

Costs, advantages 22:12-13, 22:14

Government, American, representation 22:25-26

Magazine Advertising Bureau, participation, im-

portance 20:43

New York bureau, relations 22:15

O'Leary, report 22:12-13

Personnel, offices 22:30

See also

Time-Reader's Digest

Time-Reader's Digest

Canadian magazines

Advertising, competition 16:32, 19:15-16, 20:70,

24:16-17, 24:38, 25:57-58

Publications ceased 21:38-39, 21:114-115, 22:12, 22:51, 33:24, 39:96-97, 39:107-108

Substitution, possibilities 5:13, 16:34-35

Income Tax Act, exemption 16:34-35, 18:108, 19:48-50, 20:42, 20:44, 22:12, 22:14, 22:38,

36:64-65, 40:14-15

O'Leary, Senator, recommendations, report 1961 20:69-70, 20:73-74, 24:17-18 Postal rates 18:45, 18:108, 19:11-12, 19:50

Trade Unions

American Newspaper Guild 1:30-47
Media

Efforts made to present issues to public 11:95-97, 11:108-111

Labour coverage 11:90, 11:92-101, 11:104-113, 14:30-31, 15:33-34

New Brunswick strikes, problems 11:113

Quebec, northwestern, newspapers control by Noranda Mines 11:100-101

Technological changes, resistance attitude 1:10, 11:103-104, 11:108

Wage rates, publication 11:96-97

Toronto Daily Star

Advertising standards 16:44

Biafra coverage, balanced report 16:27-28

Broadcasting, Infocor relationship 14:14-15, 16:43-44

Correspondents 16:19-20

Editorial freedom, publisher's constraint 16:39

Editorial policy 16:14-15

Entertainment section 8:15

Foreign coverage 8:14, 16:41, 25:36-38

Four-letter words, use 16:26-27

National news coverage 8:14

New Democratic Party, support 16:41-42

Publication, memoirs, Christine Keeler, Gerda Munsinger 16:15-16

Quebec situation, coverage 16:44

Re-write section 16:28, 16:29

Sales, relation to other Toronto papers 6:21-22

Staff 16:35-36

Syndicate, Bobby Orr's column 13:57-58, 16:22-23,

24:64-65, 24:67-68

Travel policy 16:20

Weeklies 16:40, 16:42

Youth, approach 16:26

See also

The Telegram (Toronto)

Toronto Life

Advertising, competition, content 22:73-75, 22:77-78, 22:83-84

Armadale Publishers Limited, ownership 22:81

Centre of interest 22:70-71, 22:84-85

Readers 22:73, 22:80, 22:85-86

Statement, Balmer, Preston 22:70-72

Toronto Newspaper Guild

See

American Newspaper Guild

Toronto Newspapers

Comments, Stephen La Rue 22:21-22

Comparison

Dailies, local 8:14-15, 19:66-67, 23:28, 40:27

Montreal newspapers 23:49

Competitive papers, support 8:15-16

Quebec, popular music, coverage 26:47-48

Sunday edition, proposed 8:31-32

Weeklies 8:15-16

Toronto Telegram

See

The Telegram (Toronto)

Tory, John A., Q.C., General Counsel, Thomson Newspapers Limited

Statement on brief 7:39-42

Trans-Canada Readers Service

Activities, control 19:39, 19:43

Turner, Frank, Manager, Editorial Services and Editorial Art Department, Business Publications Division, Maclean-Hunter Limited

Biographical data 19:59

Journalists, recruitment, training 19:60-61

UPI

See

United Press International

Underground Press

Advertising, refusals 28:26-32, 28:49

Content, selection criteria, influences 28:50-52,

28:55, 28:60, 36:62

Circulation, readers 28:27, 28:55

Definition 28:10, 28:20, 28:59-60

"Establishment" newspapers, criticisms, differences

"Georgia Straight" (Vancouver)

Circulation, financing 28:20-21

Judicial processes 28:36-44, 28:47-48, 36:49-50,

Newspapers, dailies on strike, effect 28:48-49

Obscenities 28:21-28

Success, reasons 13:74-75

"Harbinger" (Toronto), content, role, success 8:27, 21:11, 28:13, 28:23

Nationalism, American influence 28:14-15, 28:16-19

Obscenities 21:110, 28:21-22, 28:43-44, 28:47

"Octopus" (Ottawa) objectives 28:12

"Omphalos" (Winnipeg) role 28:12

Printers, problems 28:21-23, 28:24-26

Radio stations, underground, licences 28:33-35

Recommendations to Committee 28:59-61

Selling in the streets, freedom 28:45-46, 36:48-49 Success, reasons 1:16, 1:22-23, 5:26, 6:62 "Sweeney" (Oakville, Ontario) content, role 28:11-12, 28:26-27, 28:60 United States 1:16, 28:13-14, 28:15-19 Viability 21:23-24

Unions

See

Trade Unions

United Church Observer

Advertising 25:41-42, 25:48-49, 25:50-51 Circulation, distribution 25:32, 25:50 Financing 25:43 Magazine Advertising Bureau, services 25:48-49 Middle East controversy 25:33-40 Postal rates, increase, effects 25:42-43 Vatican Council, articles concerning, readers reac-

United Press International

tions 25:40

Québecor Incorporated, services 23:25

United States Broadcasting, Canadian Competition, Griffiths, S.W., statement 35:48-50 Influence 31:13, 31:17 Programs imported 26:55-56, 37:34-41 Federal Communications Commission Canadian Radio-Television Commission, comparison 26:36

History, function 32:30 "Pastore Bill" 32:13

Influence on Canadian life 32:40-41, 42:44, 42:62-63

Journalists

Information sources, protection 35:63-64 Training, selection criteria 35:61-62 "Washington newspaper men" 5:14 Journals of opinion, comment 20:41 Mass media

Bagdikian, Ben, statement 35:51-57 O'Leary, Senator M. Grattan, comment 20:75 Newspapers

The American Newspaper Guild, research 1:11 Bagdikian, Ben, statement 35:51-57 Coverage, types 35:59-61

Ethnic Press 18:26

Number, dailies, weeklies 35:58

Ownership concentration, comments 13:23-26, 14:47, 14:56, 35:51-52

Politics, influence 10:20, 10:69 Printing technology, influences 35:66-67 "Qualities of greatness" 35:68

Readership 1:11

Reproduction, technique, quality 26:20 Suburban 29:40-41

Underground 1:16, 28:13-19

Unions, penetration, percentage 1:46

Ownership concentration

Anti-trust laws 32:36

Bibliography 32:20-22

Johnson, Nicholas, statement 32:11-20, 32:34

Regulations 26:38-39, 26:51

Postal rates, system 18:81, 20:25-26, 20:33

Press councils, local 35:55, 35:67-68

Radio stations

Pembina, North Dakota 35:36-37, 40:13-14

Underground 28:35-36

Technology, new, future 32:28-29

Television

Controversial programmes 32:49

Doctrine 32:42

Image projected, false 32:25, 32:27-28

Programming

Advertising, influence 32:24-26, 32:32

Production, calibre 32:32-33, 32:44-50, 35:53-56, 35:65-66

Textbooks, educational material, influence in Canada 26:9-16, 26:18-19, 26:20-21

See also

Magazines. United States

University, Newspapers

See

Student press

University of Toronto

Information Department, functions 17:18-19

"The Unjust Society", Harold Cardinal

Comments, J. Goodis 21:11, 21:13, 21:21

Vancouver

Newspapers

Situation 29:65-67

Strike

Effects, socio-economic, Gray, Walter, comments 34:9-20, 34:22-23

Radio news, comments 35:28, 35:39-40, 37:31-34, 38:28

Vancouver Express

Newspaper strike, influences 34:17-18

The Vancouver Province

The Province (Vancouver, British Columbia)

The Vancouver Sun

See

The Sun (Vancouver, British Columbia)

Vancouver Times

Reasons for failure 13:68, 13:71, 13:73-74

Villeneuve, André, Information attaché of Laval University, Editor of "Au fil des Événements"

French student newspapers in Quebec, situation 17:19-20

La Voix de l'Est (Sherbrooke, Québec)

Radio station CHEF, association, advantages 23:67-68

Wallaceburg News

Operation facsimile 2:49

Wardell, Brigadier Michael, Publisher, Daily Gleaner Fredericton

Criticism of Senator McElman's charges 5:70-72

Irving, K. C., contributions to New Brunswick

Robichaud Government, political pressure 5:32, 5:51, 5:67-68

Waters, Allan, President and director, CHUM Limited History, activities 39:11-13

Waters, David, President, Association of English Media Journalists of Quebec

Brief, explanation 6:45-49

Structure, plans and purposes of association 6:43-44

Weekend Magazine

The Canadian Magazine, comparison, competition 24:40, 24:42-44

Circulation 24:34, 24:40

Competition 24:12-13, 24:14, 24:26

"Counter Attack" column, content, writers 24:18-19

Distribution 24:25-27

Masthead, absence 24:14

Newspapers, affiliation, agreement 24:20-21, 24:22-25

O'Leary, Senator M. Grattan, comments 20:68, 20:76-77

Revenue, rotogravure sections 24:15

See also

Perspectives

Weeklies

Advertising

Audit Bureau of Circulations 29:73, 29:75, 29:79 National, local 29:13, 29:23-24, 29:27, 29:39, 29:43, 29:45, 29:54-55, 29:66-67, 29:69-70, 29:73-79, 29:86

Costs, expenses 29:79-92

Journalists, quality, recruitment 29:13, 29:16-17, 29:27, 29:55-56, 29:81

Ownership concentration 29:20-21, 29:29, 29:51

Postal regulations, effect 29:33, 29:43, 29:75-76. 29:82, 29:86, 29:89-90

Reproduction "off-set" 29:15, 29:28 29:34, 29:84 Role, content 29:12, 29:15, 29:35-39, 29:42-44, 29:52, 29:54-56, 29:59-60, 29:72-73, 29:76

Success, reasons 2:93-94, 3:26, 10:16-17, 23:48-49. 29:44-45

Suburban, rural, differences 29:40-42, 29:57, 29:77 Viability 29:14, 29:32, 29:34-35, 29:41 See also

Canadian Weekly Newspapers Association Les Hebdos du Canada

Western Broadcasting Limited

Advertising, policy 37:47

Canadian content, musical programming 37:34-41 Canastel, shareholders, board representation

37:46-47

CKNW (Vancouver)

Newspaper strike 37:31-34, 37:45-46 Programming 37:30-31, 37:44, 37:48-49

Recording equipment 37:46-47

Standard Radio News Network, services 37:30, 37:42

Western Regional Newspapers Limited

Group, role, revenue 20:73-75

The Western Star (Corner Brook, Newfoundland)

Shareholders 2:65, 2:69

The Evening Telegram (St. John's) relations 2:65, 2:68-69

Williams, Lord Francis, Journalists, Broadcaster, Great

"Dangerous Estate" comments, Evans, Mrs. Una MacLean 25:82-83

"Windsor Star" (Ontario)

Advertising, rates 2:47-48

Canadian viewpoint, adequate expression 2:44

Competition, income 2:47

Coverage, topics 2:44-46, 2:50, 2:53

Freedom of the press, explanation 2:41, 2:48, 2:53-54

Press council, proposed 2:41-42

Readers, statistics 2:54

Staff 2:45-46

Taxes, estate 2:42, 2:46-47

Trade unions, views 2:43

Winnipeg

Radio stations, American competition 35:36

"Winnipeg Free Press" (Manitoba)

Advertising rates 11:26, 11:53-54

Circulation 11:25-26
Correspondents 11:9-10
Reactionary 28:19
Unionized departments 11:27-28

"Winnipeg Tribune" (Manitoba) Advertising rates 11:26 Circulation 11:25-26

Wood, David G., Chairman, Canadian Public Relations Society, Incorporated Statement, public relations, activities 24:46-48

Woodmount Investments Limited Shareholders 35:48

Zimmerman, E. Paul, President, The Reader's Digest Association (Canada) Limited Statement, Canadian publication 33:9-12

Briefs

May be consulted at the National Library or the Library of Parliament

Witnesses

- Abell, Dr. Helen, Professor of Sociology, University of Waterloo 7:9-23
- Agnew, Arnold H., Vice-President and Editor-in-Chief, Toronto Telegram 8:27-28
- Akehurst, Paul, General Manager, Canadian Contemporary News System 39:28-31
- -Allard, G. A., Past President, Canadian Cable Television Association 41:44-57
- -Allard, Robert, President, Sept-Jours, Inc. 22:54-69
- -Allard, T. J., Executive Vice-President, Canadian Association of Broadcasters 31:24-26, 31:39
- Alloway, Donald Miller, Senior Vice-President, Graphic Arts Industries Association 26:12-21
- Anderson, Mrs. Doris McCubbin, Chatelaine
 Group; Editor-in-Chief, Miss Chatelaine
 21:49-67
- -Anderson, Len, Editor, Omphalos (Winnipeg) 28:12-24, 28:33, 28:60
- Andras, Andy, Director of Legislation and Government Employees, Canadian Labour Congress 11:98-99, 11:112, 11:119
- Audet, Henri P. Eng., President, Télévision St. Maurice, Incorporated; CKTM-TV (Trois-Rivières) 41:27-41
- -Auger, Fred S., First Vice-President, Canadian Daily Newspaper Publishers Association; Publisher, Vancouver Province 1:9-10, 1:14, 1:18-20, 1:24, 1:29, 13:63-78
- -Bagdikian, Ben, National Editor, The Washington Post 35:51-69

- -Bailey, Rev. T. Melville, Acting Editor, The Presbyterian Record 25:22-31
- -Baker, George C., Publisher, Kentville Advertiser
 (Nova Scotia) 29:37-38, 29:96-97
- Balcer, Jean, President, Quebec Society, The Canadian Public Relations Society, Incorporated 24:59-63
- -Balfour, St. Clair, President, Southam Press Limited 13:8-53
- -Balls, Mrs. B. D., Executive Secretary, Consumers' Association of Canada 27:10-26
- -Balmer, Preston, Vice-President, Toronto Life 22:69-87
- -Balmer, Preston W., Vice-President, Regina Leader-Post 3:50-52, 3:61
- -Bannerman, Donald, Advertising Sales Manager, Toronto Daily Star 16:44-45
- -Barker, Warren, News Director, CKNW, Western Broadcasting Company Limited (Vancouver) 37:32, 37:41-45
- Barr, Dan, Bugle Gazette-Times (Woodstock, New Brunswick) 29:94
- -Bassett, Douglas G., Director, Toronto Telegram 8:10-11, 8:23, 8:28-29
- Bassett, Douglas G., Vice-President and General Manager, Inland Publishing Company Limited 29:71-72, 29:77
- -Bassett, J. W. H., Chairman and Publisher, Toronto Telegram 8:7-36
- -Beattie, Earle, Professor of Journalism, University of Western Ontario 14:45-57
- Beaubien, Philippe de Gaspé, President, Télémedia (Québec) Limitée 37:9-28
- Bédard, Simon, Vice-President and General Manager, Magazine Actualité, Incorporated 22:39-53
- -Beddoes, Richard, Sports Writer, Globe and Mail (Toronto) 24:64-76
- Bélanger, Gaston, Vice-President, Sales and Promotion, Télé-Métropole Corporation, CFTM-TV (Montreal) 41:20-22
- -Bélanger, Jean-Robert, Treasurer, Le Droit, (Hull -Ottawa) 10:53, 10:60
- -Berton, Pierre, Broadcaster and Author 36:48-72
- -Bingle, G.A., Program Manager, CFPL-Radio (London, Ontario) 36:15-16
- -Bjerre, Vaughn, Vice-President and Manager, Rogers Broadcasting Limited 42:13-14, 42:20-22
- -Blackburn, Walter J., Chairman, CFPL Broadcasting Limited; President and Publisher, The London Free Press 10:7-11, 10:14-35, 10:67, 10:72-88
- -Blaker, Rod, Director of Public Affairs, Radio Station CJAD (Montreal) 6:51, 6:55, 6:57, 6:60-72

- Bonneau, Robert, Manager, Télévision Saint-Maurice, Inc., CKTM-TV (Trois-Rivières) 41:33-34
- Botterill, Norm, Vice-President, Stations Operations, Selkirk Holdings Limited 35:17-19, 35:22-27
- -Bouchard, Robert, Staff Representative, National Association of Broadcast Employees and Technicians 11:100-102, 11:114
- -Boucher, C.R., President, Canadian Cable Television Association 41:42-62
- -Boyle, Harry J., Vice-Chairman, Canada Radio-Television Commission 26:54-56, 26:60-61
- -Bradley, Keith, Member, Agricultural Institute of Canada 20:13-14, 20:22
- -Brander, F. Gerald, Publisher, Macleans Magazine and Le Magazine Maclean 21:26-46, 21:71, 21:75
- -Brechin, Mrs. W.A., Chairman, Consumers' Association of Canada 27:9-26
- -Bremner, T. H., News Editor, CFPL-Radio, CFPL Broadcasting Limited 36:17
- -Brisebois, Maurice, Director of The Institute of Canadian Advertising; Executive Vice-President, Vickers and Benson Limited (Montreal) 39:83, 39:99-102, 39:107
- Brouillé, Jean-Louis, Editor-in-Chief, Magazine Actualité, Incorporated 22:37-52
- -Brown, Murray, President and General Manager, CFPL Broadcasting Limited 10:18, 10:27-28, 10:78-81, 36:9-26
- -Bureau, André, Executive Vice-President, La Presse Limitée (Montreal) 23:48-65, 23:73
- -Bushnell, Ernest, Chairman of the Board, Bushnell Communications Limited, 39:61-62, 39:66-67
- -Caccia, Charles, MP, Davenport 18:39-40
- -Cain, Richard, Co-Editor, Octopus (Ottawa) 28:18, 28:28, 28:33-35, 28:51, 28:57
- Cadogan, George, Editor and Publisher, Pictou Advocate (Nova Scotia) 29:96
- -Calnan, Lindley B., President and Magazine Editor, The Picton Gazette (Ontario) 29:53-54, 29:82-83, 29:91
- Cameron, Professor Donald, Contributing Editor,
 The Mysterious East (Saint John, New Brunswick) 15:40-68
- -Camp, Dalton, Syndicated Columnist and Freelance Broadcaster 25:52-68
- -Campbell, Donald G., Executive Vice-President, Maclean-Hunter Limited 19:33, 19:36-37, 19:44, 19:48, 19:52-58, 19:68
- -Campbell, F.W.D., Trustee of the Institute of Canadian Advertising; Partner of Campbell, Lawless and Punchard, Chartered Accountants (Toronto) 39:88, 39:93, 39:99
- Campbell, Keith, Vice-President, Marketing, CTV
 Television Network Limited 40:61-69

- -Carabine, Ronald, General Manager, CKVN (Vancouver) 38:26-27, 38:36
- -Carradine, William, Vice-President and General Manager, The London Free Press 10:12-14, 10:16-17, 10:22-28, 10:31-35, 10:72, 10:74, 10:76, 10:82, 10:84
- -Carruthers, Jeff, Member, Canadian Society of Professional Journalists Executive Board 15:12-13, 15:16, 15:18, 15:20, 15:23, 15:25-27, 15:32-33
- Chafe, Frank, Assistant Director of Legislation, Government Employees' Department, Canadian Labour Congress 11:112
- -Chaston, R.C., Director, Canadian Cable Television Association 41:48-62
- -Chenoweth, David, Managing Editor, McGill Daily 17:12-14, 17:26-31, 17:37-38, 17:58-62, 17:65-68
- -Chercover, Murray, President and Managing Director, CTV Television Network Limited 40:41-83
- -Coleman, Gordon, Barrister and Solicitor 7:86-91, 7:95
- Collister, Ron, Parliamentary Correspondent, Canadian Broadcasting Corporation 3:11-16, 3:19-26, 3:29-35
- -Conduit, A. J., Vice-President And Advertising Director, The Reader's Digest Association (Canada) Limited 33:20
- -Cooper, James L., President and Publisher, The Globe and Mail (Toronto) 11:76-90
- -Corelli, Rae, Member, Canadian Society of Professional Journalists 15:12-16, 15:19-37
- Costello, Ralph, President, Canadian Daily Newspapers Publishers Association; President and Publisher, St. John Telegraph-Journal (New Brunswick) 1:7-29, 5:47-65
- Costello, Ralph, President, New Brunswick Broadcasting Company 36:26-47
- -Cotterill, Murray, Publicity Director for Canada, United Automobile Workers 11:95-97, 11:102, 11:110, 11:117
- -Craig, Jacques, Managing Director, Québecor Incorporated 23:14, 23:17-27
- Craig, J. L., Executive Vice-President, Business
 Publications Division, Maclean-Hunter Limited
 19:34, 19:50-53, 19:58, 19:62-65, 19:68,
 19:71-75, 19:78-80
- -Cran, W. C., Thornton, President, Standard Broadcasting Corporation Limited 38:43-73
- Craven, Gerald C., President, Canadian Weekly Newspapers Association; Publisher, The Ridgetown Dominion (Ridgetown, Ontario) 29:12-25, 29:47-48, 29:94
- -Crépault, R., President, Canadian Association of Broadcasters; President, Radio-Mutuelle Limitée 31:9-42

- -Crittenden, H. A., Vice-President and Managing Director, Trans Canada Communications Ltd. 3:45, 3:48-55, 3:58-60
- -Cromwell, George A., General Manager, New Brunswick Broadcasting Company Limited 36:27-46
- -Crosbie, J., President, Magazine Advertising Bureau 21:69-80, 22:45-48
- -Crowther, Thomas, Vice-President, General Manager, The Telegraph-Journal (Saint John, New-Brunswick) 5:54-59
- -Culley, C. Alex, Business Manager, The Presbyterian Record 25:23-31
- -Cuthand, Rev. Adam, President, Canadian Metis Society 6:27-31, 6:36-38
- -Cyr, Gerald, President and Director, Le Nouveau Progrès, St. Jérôme, (Québec) 29:57-59
- -Daley, L. F., Vice-President and Solicitor, Halifax Herald Ltd. 12:13-18, 12:22-25, 12:29-33, 12:36-38
- -Daly, James A., Vice-Chairman of the Board, Southam Business Publications Limited 19:7-32
- -D'Amour, Charles, President, Le Nouvelliste (Trois Rivières) 23:67-72
- -Dansereau, Maurice, Vice-President, Radio Division, Télémedia (Québec) Limitée 37:17-20, 37:25-27
- -Dansereau, Pierre, President, La Presse Limitée (Montreal) 23:45-52, 23:58-60
 - -Dauphinee, John, General Manager, Canadian Press 2:7, 2:12-23, 12:26-40
- -Davey, Tom, Editor, "Water and Pollution Control" 19:7, 19:28, 19:30-31
- -David, Raymond, Vice-President and General Manager (French Network) Canadian Broadcasting Corporation 30:18-19, 30:22, 30:25, 30:37-38, 30:45, 30:48, 30:60-62, 30:65, 30:73
- -Davidson, George, President, Canadian Broadcasting Corporation 30:9-75
- Davidson, Roy M., Director, Merger and Monopoly Branch, Combines Investigation Act 9:16-17
- -Dawson, Jack, Vice-President and Station Manager, CFRB Limited (Toronto), Standard Broadcasting Corporation Limited 38:46-47, 38:55, 38:60, 38:63-64
- Deiter, Walter, President, National Indian Brotherhood of Canada 6:26-42
- Delaney, E. J., Vice-President, Programming, Baton Broadcasting Limited 40:13, 40:15-25, 40:34-36
- -Delorme, Roger, L'Observateur (Laval) 29:75-77
- -Denhoff, J. W., Publisher, Prince Albert Daily Herald 7:80-82, 7:88-102
- -Dennis, G. W., President and Publisher, Chronicle-Herald and Mail Star 12:7-39

- Deragon, J., Committee Member, Canadian Business Press; Vice-President, Marketing, National Business Publications 18:53, 18:63-64
- Derksen, George, Publisher and Editor, Estevan
 Mercury; Chairman, Saskatchewan Weekly
 Newspapers Association 29:49-52, 29:92
- -Deschênes, Jules, Solicitor, Gelco Enterprises Limited 23:33-36, 23:62-63
 - Desjarlais, Gilles, Member American Newspaper Guild; C.B.C. French News Service, Toronto; Guild Local (CBC) Past President 1:33-34, 1:36, 1:40
 - -Desmarais, Paul G., President, Gelco Enterprises Limited 23:33-44, 23:62
 - -DesMarais, Pierre, Vice-President, Graphic Arts Industries Association 26:12-16
- -Dojack, Charles E., Immediate Past President, Canada Ethnic Press Federation 18:12-13, 18:19-28, 18:42
- -Donovan, W. K., Managing Editor, News, CHSJ-TV and CHSJ-Radio, New Brunswick Broadcasting Company Limited 36:30-31, 36:41
- -Downey, John, manager and Editor, "Home Goods Retailing", Business Publications Division, Maclean-Hunter Limited 19:61-62, 19:71, 19:75, 19:78
- -Doyle, Richard J., Editor, The Globe and Mail (Toronto) 11:77, 11:80, 11:83-88
- -Drea, Frank, President of the Canadian Society of Professional Journalists 15:7-39
- -Drouin, L. H., Publisher, St. Paul Journal (Alberta) 29:42-44
- -Dubé, Yvon, President, La Tribune (Sherbrooke) 23:70-75
- Duffy, James P., President, Ottawa Typographical Union 21:86
- -Dunning, W. Fric, Publisher and Editor, Maple Ridge - Pitt Meadows Gazette (Haney), Coquitlam Herald and Coquitlam - Moody Advance (British Columbia) 29:84-85
- -Eady, Francis, Assistant to the President, Canadian Union of Public Employees 11:97, 11:102-103, 11:112, 11:116
- -Earles, Robert, President, Toronto Mailers' Union 21:92-93
- -Edwardh, Dr. Melvin O., Member, Graphic Arts Industries Association 26:11-17
- -Edwards, Charles B., General Manager, Broadcast News Limited 2:21-23, 2:29-32
- -Elie, Jean-Claude, Assistant to the President, Québecor Incorporated 23:11, 23:32
- -Espie, Dr. Tom, Executive Director, Canadian Council on Rural Development 7:7-12, 7:18-23
- -Evans, Mrs. Una Maclean, Alderman, City of Edmonton 25:80-88

Mass Media

- Ewing, Grégoire, Director of Public Relations, Magazine Actualité, Incorporated 22:37, 22:42
- -Fairbairn, Miss Joyce, F.P. Publications 3:16, 3:21, 3:31, 3:32
- -Farran, Roy, President, North Hill News Limited; Publisher, North Hill News; Publisher, Market Examiner (Alberta) 29:56-57, 29:61-62, 29:79-81, 29:97
- -Farrell, Mark, Publisher, Windsor Star (Ontario) 2:41-55
- -Fellman, C. M., Managing Editor, North Bay Nugget, North Bay, (Ontario) 1:50, 1:57-61
- -Fenety, J., Vice-President, Radio Section, Canadian Association of Broadcasters; Vice-President and General Manager, Radio-Atlantic Limited, Station CFNB, Fredericton 31:19-20, 31:24-26, 31:39-40
- -Fenn, Charles, Marketing Manager, The London Free Press 10:21, 10:33
- -Ferguson, David, President, Infocor Limited 14:13-18
- Fisher, Douglas, Broadcaster and Columnist, Toronto Telegram 5:7-30
- -Fisher, Gordon, Vice-President and Managing Director, Southam Press Limited 13:11-20, 13:24, 13:26, 13:31-33, 13:37-41, 13:44, 13:49-51
- -Fontaine, Lucien, Honorary Secretary, Les Hebdos du Canada; Publisher, L'Echo (Malartic); L'Abitibien (Val d'Or); Le Portage (L'Assomption); L'Echo, (Amos, Quebec) 29:31, 29:36
- -Forbes, R. E., Principal, Agricultural Extension Centre, Brandon, Manitoba 20:7-24
- -Forrest, Alfred C., Editor, The United Church Observer 25:32-51
- -Francoeur, Jacques-G., President, les Journaux Trans-Canada Limitée 23:65-74
- -Fraser, Miss Joan, Reporter, Financial Times of Canada 6:52-56, 6:59-65, 6:68-73
- -Fraser, Ronald, Vice-President, Corporate Affairs, Canadian Broadcasting Corporation 30:17, 30:42
- -Friesen, David K., Publisher, Altona Red River Valley Echo (Manitoba) 29:85-87, 29:92, 29:95
- -Fry, David, Secretary, "Saturday Night" 20:51 -Fulford, Robert, Editor and Director, "Saturday
- Fulford, Robert, Editor and Director, Saturday Night" 20:42, 20:45-58
 Gagné, Aimé, Director, National Council, Canadian
- Gagné, Aimé, Director, National Council, Canadian Public Relations Society, Incorporated; Director, Public Relations, Aluminium Company of Canada Limited 24:48-63
- -Gagnon, Mrs. Lysianne, Vice-President (Dailies), La Fédération Professionnelle des Journalistes du Québec, and Reporter, La Presse 38:77-78, 38:84, 38:93-95
- Gagnon, Yves, Président, Les Hebdos du Canada;
 Publisher, Le Canada Français (St. Jean); Profes-

- sor of Journalism, Laval University 29:26-36, 29:51-52, 29:63-64
 - Gariépy, Gilles, Président, La Fédération Professionnelle des Journalistes du Québec, Reporter, La Presse 38:76-95
 - -Garner, William J., Publisher and General Manager, Peterborough Examiner 7:79-80, 7:82-91, 7:94-102
- -Gauthier, Jean-Louis, President, CHLT Télé 7
 Limitée, Sherbrooke, Télémedia (Québec) Limitée 37:17
- -Gauthier, Jean-Robert, Director of Personnel, La Presse (Montréal) 23:54-55, 23:64-65
- -Gellner, John, Vice-President, "Canadian Scene" 18:35-37, 18:40-41
- -Giguère, Roland, President and Director General, Télé-Métropole Corporation, CFTM-TV (Montréal) 41:9-27
- -Gilbert, Gabriel, Executive Member C.D.N.P.A., Member Executive Committee Canadian Press; Publisher "Le Soleil" 1:10, 1:20, 2:24-26
- -Gillespie, Dr. Edgar D., Chairman, Audio-Visual Committee, The Canadian Home and School and Parent-Teacher Federation (Incorporated) 9:29-42
- -Gilmour, George, Vice-President, Business Publications Division, Maclean-Hunter Limited 19:59-80
- -Gingras, Marcel, Chief Editor, Le Droit (Ottawa -Hull) 10:53-54, 10:58, 10:65
- Glassford, W. B., President, Business Press Editors' Association; Editor, "Modern Power and Engineering" 18:66-77
- -Goodis, Jerry, Advertising Executive 21:9-26
- -Goodman, Edwin A., Q.C., Counsel and Director, Baton Broadcasting Limited 40:9-41
- -Goodman, Martin, Vice-President, Canadian Society of Professional Journalists: Managing Editor, Toronto Daily Star 15:10, 15:18-20, 15:27-28, 15:35-38, 16:20, 16:23, 16:28-29, 16:36-38
- -Goodson, William, President, Montreal Standard Publishing Company Limited 24:12-27, 24:45
- Gordon, Ruth, Editor, "Canadian Scene" 18:33-38
 Graham, John W., Q.C., Chairman of the Board,
 Rogers Broadcasting Limited 42:9-10, 42:16-20,
- -Gratton, Aurèle, Vice-President and Director General, Le Droit 10:50-66

42:25

- Gray, Jack, Director, Association of Canadian Television and Radio Artists 42:45-63
- Gray, Walter, Vice-President, Hopkins, Hedlin
 Limited, Economics and Communications Consultants, Toronto 34:9-28
- Griffiths, Frank, C.A., President, Western Broadcasting Company Limited 37:29, 37:45-46

- -Griffiths, Stuart W., President and Managing Director, Bushnell Communications Limited 39:48-66
 - -Grosart, Senator Allister 14:32-44
 - -Gzwoski, Peter, Editor, Maclean's Magazine 21:28-46
- Hacker, Cliff, President, The Western Regional Newspapers Group; Publisher, Abbotsford Sumas and Matsqui News (Abbotsford and Matsqui, British Columbia) 29:73-75, 29:83-84
- -Haidasz, Dr. Stanley, MP, (Parkdale) 18:40
- -Hallman, Eugene, Vice-President and General Manager (English Network) Canadian Broadcasting Corporation 30:18, 30:39-41, 30:45, 30:48-49, 30:51-60, 30:65, 30:69-72
- -Hamill, Trevor, Director, "Canadian Scene" 18:37-39
- Hamilton, Don, Vice-President, Moffat Broadcasting Limited; Manager, CKLG and CKLG-FM (Vancouver) 35:40-42
- -Hamilton, Miss Margaret, Vice-President and Publishing Executive, Thomson Newspapers Limited 7:44, 7:49-53, 7:57-63, 7:68-69, 7:72-79
- -Hancox, Ralph, Editor, The Reader's Digest 33:29-30, 33:33-41
- -Hanlon, Michael, Editor, Canadian Magazine and the Star Weekly 24:32-33, 24:38-46
- Harrington, Michael, Editor St. John's Evening Telegram, Newfoundland 2:56-69
- Hartford, Donald, President, CFRB Limited (Toronto), Standard Broadcasting Corporation Limited 38:50-52, 38:57-74
- Harris, Charles A., Second Vice-President, Canadian Public Relations Society, Incorporated;
 Director of Public Relations, Canadian National Railways 24:51-63
- -Harris, Stephen, Co-Editor, Octopus (Ottawa) 28:12-13, 28:25-36, 28:43-61
- Hazel, Fred, Managing Editor, The Telegraph-Journal (Saint John, New Brunswick) 5:63
- -Heal, Douglas W., National Secretary, The Canadian Public Relations Society, Incorporated; Vice-President, Public Relations Division, James Lovick Limited 28:55-61
- -Heine, William, Editor, The London Free Press (Ontario) 10:25, 10:67-76, 10:82-88
- Henderson, W. E., General Manager, Agricultural Institute of Canada 20:11-23
- -Henry, D. H. W., Q.C., Director of Investigation and Research, Combines Investigation Act 9:7-28
- -Herder, Hubert C., President, St. John's Evening Telegram, Newfoundland 2:56-70
- -Herder, Stephen P., Vice-President and General Manager, "St. John's Evening Telegram", Newfoundland 2:57-69

- -Heritage, Allan, Former President, Toronto Mailers' Union 21:81-97
- Hewittson, Allan, Director, Business Press Editors'
 Association; Managing Editor, "Canadian Consulting Engineer" 18:76
- -Hirtle, John, Vice-President, Acadia Broadcasting Company Limited; General Manager, CKBW (Bridgewater) 39:32-47
- -Histed, Allan, President, Hamilton Typographical Union 21:86-88, 21:91-92
- -Hodgkinson, Lloyd M., Director, Maclean-Hunter Limited; Publisher, Chatelaine Group 19:47-49, 21:54-68
- -Holmes, John, Director General, Canadian Institute of International Affairs 4:7-21
- -Homewood, Ernest, Assistant Publisher and General Manager, The United Church Observer 25:11, 25:17-21, 25:42, 25:46-49
- -Honderich, Beland, President and Publisher, Toronto Star 16:7-11, 16:15-44
- -Honey, Terrence W., Editorial Page Editor, London Free Press (Ontario) 10:33-34, 10:73
- -Hoodspith, C. S. Q., Publisher, Squamish Howe Sound Times, West Vancouver Lions Gate Times, representative, B.C. Weekly Newspapers Association 29:44-46, 29:62, 29:78-79
- -Houle, Wilfrid, President, Postal Workers' Union 18:90, 18:100
- -Hughes, William, Executive Vice-President, Western Broadcasting Company Limited 37:29-30
- -Hull, Norman, Editor, Windsor Star 2:42-54
- -Hull, Robert, President, Parliamentary Press Gallery, 1969 3:7-8, 3:13-15, 3:24, 3:26, 3:29-30, 3:33-35
- -Hutton, William M., News Director, CKWX Radio Limited (Vancouver) 35:27-29
- -Iannuzzi, D. A., Publisher, Corriere Canadese 6:7-26
- -Irving, K. C., President, K.C. Irving Limited 5:31-46
- -James, Melbourne V., President, Toronto Society, Canadian Public Relations Society, Incorporated; Public Relations Manager, Toronto Area, Bell Canada 24:51-52, 24:58-61
- -Jarmain, Edwin R., Chairman of the Board, Jarmain Cable Systems Limited 42:32-42
- -Jarmain, W. Edwin, President, Jarmain Cable Systems Limited 42:28-42
- -Jennings, Mrs. Douglas, Vice-President, "Canadian Scene" 18:35, 18:38, 18:42
- -Joel, Aubrey, Vice-President, Canadian Business Press; President, Southam Business Publications 18:44-66, 19:11, 19:14, 19:21, 19:25-26, 19:29, 19:32
- -Johnson, Chris, Editor, Cabal 6 (Sudbury) 28:11, 28:14, 28:28-30, 28:47, 28:54, 28:58-60

Mass Media

- Johnson, Nicholas, Commissioner, Federal Communications Commission, (Washington, DC) 32:9-50
- -Jones, Lawrence, Assistant Director of Information Services, University of Toronto 17:18-19
- Jotcham, T. Denis, Secretary Treasurer, The Institute of Canadian Advertising; Vice-President,
 Eastern Division, Manager (Montreal), Foster
 Advertising Limited 39:85-86, 39:91-107
- -Juneau, Pierre, Chairman, Canadian Radio-Television Commission 26:34-61
- -Kay, Barry, Chairman, Toronto Chapter, Business
 Press Editors' Association; Editor, "Canadian
 Paint and Finishing" 18:78-79
- -Keefe, George, First Vice-President, Business Press Editors' Association; Editor, "Canadian Industrial Equipment News" 18:70, 18:73-78
- -Kelly, Fraser, Political Editor, The Telegram, Toronto 8:19, 8:30-31
- -Kielty, Terry, General Manager, CFRA-CFMO (Ottawa) 39:22-23
- -Kierans, Hon. Eric, Minister of Communications and Postmaster General 18:80-110
- -Kirschbaum, Dr. J. M., President, Canada Ethnic Press Federation 18:9-28, 18:36, 18:40-41
- -Knight, C. N., Station Manager, CFPL-Radio 36:11-12, 36:15, 36:24
- Knight, Victor, National President, Association of Canadian Television and Radio Artists 42:43-64
- -Knox, James, Business Manager, Toronto Life 22:74, 22:77-86
- -Kope, Orv, General Manager, CHAT Radio and CHAT-TV, (Mecicine Hat) 39:67-82
- Lafrance, Pierre, News Director, La Presse (Montreal) 23:47-60
- Laidlaw, W. R., News Director, CFLP-TV, CFLP Broadcasting Limited (London, Ontario) 36:25
- -Lanning, Beverly E., Vice-President, Finance, and Treasurer, The London Free Press 10:29-30
- Larone, Ken, Metro-Mirror Publishing Limited,
 The Mirror (Don Mills, Ontario) 29:40-42
- LaRue, Stephen R., Vice-President and Managing Director, Time International of Canada Limited 22:9-34
- Laurin, Jean, Advertising Broker, Les Hebdos A-1 Incorporated 29:62
- -Laxton, John, Legal Counsel, Georgia Straight (Vancouver) 28:16-28, 28:36-48, 28:59-60
- -Lefolii, Ken, Broadcaster and Commentor 21:98-116
- Légaré, Jean, Permanent Secretary, Les Hebdos du Canada 29:33, 29:48-49
- -Lind, Philip B., Director of Public Affairs, Rogers Cable T.V. Limited 42:15-16, 42:26-27
- -Louthood, Lewis, Vice-President, Newspaper Relations, Montreal Standard Publishing Co. Ltd. 24:15, 24:20-27

 Lowe, Frank, Editor, Weekend Magazine 24:18-20, 24:23

45

- -Lynch, Charles, Chief of Southam News Services 3:8-12, 3:16-34
- MacBeth, Mrs. C. I., Editor and Publisher, Milverton Sun (Ontario) 29:52-53
- -McCabe, St. Clair, Executive-President and Managing Director, Thomson Newspapers Limited 7:42-79
- -McCaffrey, Gordon, Assistant Director of Legislation Department, Canadian Labour Congress 11:106-107
- -McCormack, Thelma H., Professor of Sociology, York University 25:69-79
- -McCreath, Ross A., Vice-President and General manager, All-Canada Radio and Television Limited 35:19-20
- McCullum, Hugh, President, Canadian Church Press; Editor, Canadian Churchman 25:9-20
- -McCurdy, H. T., President, CJAD Limited (Montreal), Standard Broadcasting Limited 38:47-48, 38:59-69
- -McDonald, Clyde H., General Manager, Canadian Daily Newspaper Publishers Association 1:12, 1:20, 1:23-24
- -McDonald, Dick, Reporter, Montreal Star 6:50, 6:55-56, 6:59, 6:61, 6:64-68, 6:71, 6:73
- -MacDonald, Donald, President, Canadian Labour Congress 11:90-95, 11:102-119
- -Macdonald, M. D., Editor, The Saskatoon Star-Phoenix 3:38, 3:41-43, 3:48-49, 3:65
- McEachern, Ronald A., Executive Vice-President,Maclean-Hunter Limited 19:34-56, 21:27-28,21:42-43, 21:47, 21:60
- MacGregor, A. Ross, General Manager, Maclean-Hunter Cable TV Limited 41:64-76
- -McGregor, W. D., Vice-President, Television Section, Canadian Association of Broadcasters 31:14-21, 31:29-30, 31:37-40
- McIntosh, C. Irwin, Immediate Past President,
 Canadian Weekly Newspapers Association;
 Publisher, The News-Optimist (North Battleford,
 Saskatchewan) 29:14-23, 29:90-91, 29:97
- -McKenna, J. Louis, President and General Manager, Kings County Record (Sussex, New Brunswick) 29:69-71, 29:78-79, 29:93
- Mackenzie, G. Norris, President, Countryside Holdings Limited 38:9-25
- MacLean, Andrew Y., Chairman, Postal and Parliamentary Committee, Canadian Weekly Newspapers Association; Publisher, The Huron Expositor (Seaforth, Ontario) 29:13-15, 29:94
 - MacLellan, Donald Miller, Senior Vice-President,
 Graphic Arts Industries Association 26:9-20
- -McLeod, Dan, Editor, Georgia Straight (Vancouver) 28:15-32, 28:43-51, 28:56-60

- Macleod, James A., Secretary-Treasurer, Acadia Broadcasting Company Limited; Station Manager CKBW (Bridgewater, Nova Scotia) 39:33-47
 - -McPhail, Thomas L., Professor, Department of Sociology and Communication Arts, Loyola College 26:21-33
 - -MacPherson, William, Managing Editor, Ottawa Citizen 1:54, 1:59
 - Malone, Richard S., General Manager and President of FP Publications Limited; Publisher and Editor-in-Chief of the Winnipeg Free Press 11:7-61
 - -Mannion, E. J., President and Publisher, Canadian Magazine; President, Southstar Publishers Limited ed 24:29-46
 - -Manol, John, General Manager, CKPT (Peterborough) 39:20
 - -Mansfield, George, General Manager, Canadian Business Press 18:46-51, 18:55-66, 19:26, 19:76, 19:78
 - Marchand, Gabriel, President, Canadian Business
 Press 18:43-65
 - -Margles, Sidney, Head, Special Events, CJAD Limited (Montreal), Standard Broadcasting Corporation Limited 38:54, 38:61, 38:70-75
 - -Mauko, Vladimir, Secretary, Canada Ethnic Press Federation 18:17-18, 18:23, 18:27, 18:34
 - -Melville, Scotty, Editor, Regina Leader-Post 3:40, 3:43, 3:50, 3:53-56, 3:62, 3:64
 - -Ménard, Serge, Counsel, La Fédération Professionnelle des Journalistes du Québec 38:78-90
- -- Mercier, A. F., Editor, Perspectives 24:28-29
- -Metcalf, Frederick T., President, Maclean-Hunter Cable TV Limited 41:64-77
 - -Metcalfe, William H., Treasurer, Canadian Managing Editors Conference; Managing Editor, "Ottawa Journal" 1:55, 11:67
 - -Miller, Dr. Allister, Chairman of Editorial Board, North Renfrew Times (Deep River, Ontario) 29:59-61
 - -Miller. Lou, President-Publisher, The Monitor (Montreal); Provicial Director, Canadian Weekly Newspapers Association; Vice-President, Quebec Weekly Newspapers Association 29:54-56, 29:83
 - -Mitchell, J. R., Executive Vice-President, Moffat Broadcasting Limited 35:37-40, 35:44-49
 - -Moffat, Randall L., President, Moffat Broadcasting Limited 35:31-50
 - -Mokrzycki, Lech, Advertising Consultant, Canada Ethnic Press Federation 18:14-23, 18:34-35
 - -Morris, Joseph, Executive Vice-President, Canadian Labour Congress 11:99, 11:100, 11:112
 - -Mounce, Frederic, General Manager, Halifax Herald Limited 12:14-16, 12:33
 - -Munro, Ross, Vice-President and Publisher, The Edmonton Journal; Director, Southam Press

- Limited 13:15, 13:17, 13:20-24, 13:28, 13:33-36, 13:39-43, 13:46-48
 - -Murray, Mrs. Margaret, Publisher, Bridge River-Lillooet News (British Columbia) 29:64-69, 29:98
- -Nash, Frank, Vice-President, Finance, Selkirk Holdings Limited 35:12, 35:16-17
- Nash, Knowlton, Director, Information Programmes, Canadian Broadcasting Corporation 30:68-74
- -Neufeld, Ernie, Managing Editor, Weyburn Review (Saskatchewan) 29:91-92
- -Newman, Peter, Editor-in-Chief, Toronto Star 16:11-18, 16:20, 16:36, 16:40, 16:42, 16:44
 - -Nichols, L. M., Vice-President, Finance, Baton Broadcasting Limited 40:14-23, 40:30-31, 40:37
 - -Nichols, T. E., Vice-President and Publisher, The Hamilton Spectator 13:78-88
- -Nobleman, William, President, "Saturday Night" 20:41-63
- -O'Brien, John L., Q.C., Director, The Reader's Digest Association (Canada) Limited 33:24, 33:26, 33:31
- -Ogilvie, Glen, Vice-President for Canada, American Newspaper Guild 1:30-33, 1:37-40, 1:45, 1:47
- -O'Hara, Terry, Editor, This Paper Belongs to the People (Kingston, Ontario) 28:25, 28:29, 28:35, 28:43-61
- -O'Leary, Senator M. Grattan 20:63-78
- -O'Neil, Pierre, Secretary, Parliamentary Press Gallery 3:12, 3:16, 3:24, 3:28, 3:33-34
- -O'Regan, Brian, President, Ottawa Society, Canadian Public Relations Society, Incorporated 24:51-54, 24:57, 24:60
 - -Osler, Mrs. B. B., President, "Canadian Scene"
- Owen, Robert D., Past President, Canadian Managing Editors' Conference; Editor, The Whig-Standard, (Kingston) 1:53, 1:56-57, 1:60
- -Ozard, Bill, Station CJCH (Halifax) 39:31-32
- -Pageau, Fred, Director, Postal Rates and Classification Branch, Post Office Department 18:105-106
- -Parisien, Jean, Vice-President, Gelco Enterprises Limited 23:41
- -Péladeau, Pierre, President, Québecor Incorporated 23:9-33
- -Pelletier, Hon. Gérard, Secretary of State 43:9-29
- -Penn, David F., Vice-President and General Manager, CHCT-TV, Calgary Television Limited 35:22
- -Picard, Laurent, Executive Vice-President, Canadian Broadcasting Corporation 30:23-27, 30:35-38, 30:59, 30:63
- -Piché, Claude, Vice-President, (Radio and Television), La Fédération Professionnelle des Jour-

- nalistes du Québec; Reporter "Present" Radio-Canada 38:81, 38:86, 39:93
 - Pinckney, John, Publisher, Rosetown Eagle (Saskatchewan) 29:48
 - Plant, J.A., Production Manager, CFPL-TV (London, Ontario) 36:22-23
- -Pollard, F.W., Director, The Brantford Expositor 10:42
- -Potts, J. Lyman, President, Standard Broadcast Productions Limited 38:49-50, 38:52-75
- -Preston, Jack, President and General Manager, The Brantford Expositor 10:35-49
 - -Preston, Peter, Vice-President, Publisher and Executive Editor, The Brantford Expositor 10:38-39, 10:43-48
- -Price, Derek A., President, The Montreal Star 14:7-8, 14:11-31
- -Pryor, James M., Chairman of the Board, Moffat Broadcasting Limited 35:34-39
- -Purcell, Gillis, Retired General Manager, Canadian Press 2:29
- -Quick, Donald, Editor, "Engineering and Contract Records" 19:16, 19:31
- Raley, Deane D. Jr., Printing Planning Manager,
 Corporate Products, Time Incorporated (New York) 22:36
- Ranger, Pierre, Managing Editor, Selection de Reader's Digest (Canada) Limitée 33:32-41
- Renaud, Rev. André, University of Saskatchewan 6:32, 6:33, 6:36-43
- Roche, Douglas, Vice-President, Canadian Church Press, Managing Editor, The United Church Observer 25:12-13, 25:16, 25:20-21
- Rodrigue, Vincent, First Vice-President, Les Hebdos du Canada; Publisher L'Éclaireur-Progrès (St-Georges, Québec) 29:89-90
- Rogers, Allan, Secretary, Countryside Holdings Limited 38:11-24
- Rogers, Bruce, News Commentator, Canadian Broadcasting Corporation 6:28-42
- Rogers, Edward S., President, Rogers Cable TV Limited 42:10-27
- -Rumgay, Gordon J., Manager, Magazine Circulation Division, Maclean-Hunter Limited 19:38-46
- -Rupert, Robert J., International Representative,
 American Newspaper Guild 1:33, 11:108
- Russell, George, Bureau Chief, Canadian University Press 17:11
- -Ryan, Claude, Editor and Publisher of Le Devoir 2:70-78
- -Saint-Martin, Mrs. Fernande, Editor, Chatelaine 21:51-54, 21:61-63, 21:67-68
- Sanburn, Richard, Editor-in-Chief, Calgary Herald
 13:54

- -Sanders, Mrs. Doreen, Director, Business Press Editors' Association; Editor, Business Quarterly, School of Business Administration, University of Western Ontario 18:78-79
 - -Saxe, Stewart, President, Canadian University Press 17:8-11
- -Scarth, Allan, Editor, The Gateway, University of Alberta 17:17-18
- -Scott, David, Editor, The Gazette, University of Western Ontario 17:14-16
- -Scott, John M., Editor, Time (Canada) 22:14-35
 - -Shea, Harold, Senior Member News Department, Halifax Herald Limited 12:9
 - -Shelford, R. H., Vice-President and General Manager, "Free Press Weekly" 20:24-40
 - -Sherman, Patrick, Editor, Vancouver Province
 - -Sherratt, Fred, Vice-President, (Programming and Operations), and Director of CHUM Limited 39:14-19
 - -Shoults, A. M., Second Vice-President, The Institute of Canadian Advertising; President, James Lovick Limited 39:88-91, 39:96-108
 - -Sifton, Michael, President, Armadale Company Limited 3:35-67
 - -Simon, Norm, Director, Public Relations, Canadian Union of Public Employees 11:106
 - -Sinclair, George G., Past President, The Institute of Canadian Advertising; President and Chairman of the Board, MacLaren Advertising Company Limited 39:88-91, 39:95, 39:100-106
 - -Siren, Paul, General Secretary, Association of Canadian Television and Radio Artists 42:48, 42:60-61
 - -Sisto, Jean, Editor, Le Magazine Maclean 21:32-35
 - -Sloan, Tom, Chairman of Communication and Journalism, Laval University 3:67-71
 - -Smith, Michael, Editor, The Journal, St. Mary's University, Halifax 17:16-17
 - -Smith, Norman, 2nd Vice-President, Canadian Press; Editor, Ottawa Journal 2:38, 11:61-63
 - Snelgrove, Ralph, President, CKRV-TV, (Barrie), and Director of CHUM Limited 39:27-28
 - -Solway, Larry, Vice-President, (Creative Development), and Director of CHUM Limited 39:18-22, 39:27-28
 - -Somerville, Donald, Publisher, Oliver Chronicle (British Columbia) 29:82-83
 - -Speers, W. A., President, Broadcast News Limited 2:9-10, 2:13, 2:21, 2:23, 2:29
 - -Speers, W. A., Vice-President, Selkirk Holdings Limited 35:26-27
 - -Stevens, Paul, Editor, Sweeney (Oakville, Ontario) 28:11-18, 28:24-30, 28:46-60

- -Stewart, W. A., Manager, CHSJ-TV, New Brunswick Broadcasting Company Limited 36:27-31, 36:40-41, 36:46-47
 - -Struthers, Jim, Manager, CKCK-TV, Regina 3:59, 3:66
 - -Sutherland, J. R., President, Canadian Press 2:7-41
- -Swanson, Frank, Publisher, Calgary Herald; Vice-President, Southam Press Limited 13:51-53
- -Switzer, Israel, Chief Technical Officer, Maclean-Hunter Cable TV Limited 41:65-75
 - -Templeton, Charles, Journalist and Broadcaster 7:23-38
 - -Thibault, Marc, Director, News and Public Affairs (French Network), Canadian Broadcasting Corporation 30:72
 - -Thomas, Barry, Media Director, McKim/Benton & Bowles Limited 39:89-90
 - -Thomas, Harry, Editor, McGill Reporter, McGill University 17:20-21
 - -Thompson, Ronald, Canadian University Press 17:31
 - -Thomson, Corey, Vice-President, Radio Futura Limited 38:26-42
 - -Thomson, W., Executive Vice-President, Regina Leader-Post 3:45, 3:51-59, 3:65, 3:67
 - -Tietolman, Jack, President, Radio Futura Limited 38:28-41
 - -Tory, John A., Q.C., General Counsel, Thomson Newspapers Limited 7:39-42
- -Turner, Frank, Manager, Editorial Services and Editorial Art Department, Business Publications Division, Maclean-Hunter Limited 19:59-61, 19:65-69, 19:73
- -Turner, Murray, Vice-President, Director of Advertising, Totonto Star 16:32
- -Vaillancourt, Dr. Henri, Publisher, Le Réveil, (Jonquière, Quebec) 29:38-40
 - Verronneau, Gilles, Immediate Past President,
 Business Press Editors' Association; Editor,
 "Génie-Construction" 18:69-79

- -Villeneuve, André, Information Attaché of Laval University, Editor of Au fil des Événements 17:19-20
 - -Walker, Frank P., Editor-in-Chief, The Montreal Star 14:9
 - -Wardell, Brigadier Michael, Publisher, Daily Gleaner, Fredericton 5:65-69
 - -Warren, Roger W., Director, Countryside Holdings Limited 38:17-18
 - -Waters, Allan, President and Director, CHUM Limited 39:11-31
 - Waters, David, President, Association of English Media Journalists of Quebec 6:43-49
 - -Westley, Dennis, Editor, Aquarius (St. Catharines) 28:46-61
 - -Wetzel, Han, Editor, Harbinger, (Toronto) 28:13, 28:22-28, 28:34, 28:49, 28:57
 - -Whitehead, G. A., News Director, CFPL-Radio, CFPL Broadcasting Limited 36:17
 - -Wilkes, Warren H., President, The Institute of Canadian Advertising; President, Tandy Advertising Limited 39:82-106
 - Williams, Ivor, President, Canadian Managing Editors; Managing Editor, The London Free Press 1:47-63, 10:26
 - Williams, Jack, Director of Public Relations, Canadian Labour Congress 11:92
 - -Willis, I. D., Editor and President, Alliston Herald (Ontario) 29:87-89
 - -Wingrove, W. C., Station Manager, CFPL-TV, CFPL Broadcasting Limited 36:13-25
 - -Withers, Frank, Editor, Bugle Gazette-Times (Woodstock, New Brunswick) 29:46-47, 29:62-63, 29:98
 - -Wood, David, National President, The Canadian Public Relations Society, Incorporated; Director of Informations, Western Cooperative Fertilizers Limited 24:46-63
 - -Zimmerman, E. Paul, President, The Reader's Digest Association (Canada) Limited 33:9-41

