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SESSION 1944

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

FRIDAY, MARCH 10, 1944

WEDNESDAY, MARCH 15, 1944

Statement by Major-General the Honourable L. R LaFlèche, Minister of National War Services.

WITNESS:

Dr. René Morin, Chairman of the Board of Governors of the Canadian Broadcasting Corporation.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1944

ORDERS OF REFERENCE

HOUSE OF COMMONS,

February 25, 1944.

Resolved,—That a Select Committee be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies and aims of the Corporation and its regulations, revenues, expenditures and development, with power to examine and inquire into the matters and things herein referred to and to report from time to time their observations and opinion thereon, and to send for persons, papers and records; and that the said committee shall consist of the following members: Messrs. Bertrand *(Prescott)*, Boucher, Casselman (Mrs.) *(Edmonton East)*, Coldwell, Diefenbaker, Douglas *(Queens)*, Durocher, Hansell, Hanson *(Skeena)*, Hazen, Isnor, LaFlèche, Laflamme, Macdonald *(Brantford City)*, McCann, Martin, Matthews, Mullins, Picard, Rennie, Ross *(St. Paul's)*, Tripp, Veniot, and that the presence of at least nine members shall be a quorum of the said committee and that Standing Order 65 be suspended in relation thereto.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

FRIDAY, March 10, 1944.

Ordered,—That the said Committee be empowered to print, from day to day, 500 copies in English and 200 copies in French, of its minutes of proceedings and evidence, and that Standing Order 64 be suspended in relation thereto.

Ordered,—That the said Committee be given leave to sit while the House is in session.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

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REPORT TO HOUSE

FRIDAY, March 10, 1944.

The Special Committee on Radio Broadcasting begs to present the following as its

FIRST REPORT

Your Committee recommends:—

1. That it be empowered to print from day to day 500 copies in English and 200 copies in French of its minutes of proceedings and evidence and that Standing Order 64 be suspended in relation thereto.
2. That it be given leave to sit while the House is in session.

All of which is respectfully submitted.

J. J. McCANN,
Chairman.

(Concurred in on March 10, 1944.)

MINUTES OF PROCEEDINGS

FRIDAY, March 10, 1944.

The Special Committee on Radio Broadcasting met this day at 11 o'clock.

Members present: Mrs. Casselman *(Edmonton East)*, Messrs. Boucher, Coldwell, Diefenbaker, Douglas *(Queens)*, Durocher, Hanson *(Skeena)*, Isnor, LaFlèche, Laflamme, Matthews, McCann, Rennie, Ross *(St. Paul's)*, Tripp and Veniot. (16).

The Clerk of the Committee proceeded to the election of the Chairman.

On motion of Mr. Tripp, Dr. J. J. McCann was unanimously elected chairman of the Committee.

Dr. McCann expressed his thanks for the honour just conferred upon him for the third consecutive year. He hoped to receive the same hearty assistance and co-operation.

On motion of Mr. Isnor, seconded by Mr. Matthews,—

Resolved,—That Dr. Veniot be vice-chairman of the Committee.

The Chairman read the order of reference dated Friday, February 25, 1944.

The Committee decided to print its minutes of proceedings and evidence.

On motion of Mr. Hanson *(Skeena)*, seconded Mr. Ross *(St. Paul's)*,—

Resolved,—That the Committee ask permission to print from day to day 500 copies in English and 200 copies in French of its minutes of proceedings and evidence and that Standing Order 64 be suspended in relation thereto.

On motion of Mr. Hanson *(Skeena)*, seconded by Mr. Isnor,—

Resolved,—That the Committee obtain the authority to sit while the House is in session.

On motion of Mr. Tripp, seconded by Mr. Hanson *(Skeena)*, the Committee agreed that Messrs. Bertrand *(Prescott)*, Coldwell, Hansell, Isnor, Ross *(St. Paul's)* and Mrs. Casselman *(Edmonton East)* do compose the Agenda Committee to assist the Chairman.

The Chairman invited suggestions from the members of the Committee and a discussion followed.

It was agreed that the Minister of National War Services, Major General the Honourable L. R. LaFlèche be heard at the next meeting. He will be followed by the Chairman of the Board of Governors of the Canadian Broadcasting Corporation and by the Acting General Manager.

At 11.28 o'clock, on motion of Mr. Coldwell, the Committee adjourned until Wednesday, March 15, when two meetings will tentatively be held at 11 a.m. and 3 o'clock p.m.

ANTONIO PLOUFFE,
Clerk of the Committee.

WEDNESDAY, March 15, 1944.

The Special Committee on Radio Broadcasting met this day at 11 o'clock, Mr. J. J. McCann, the Chairman, presiding.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Bertrand, (*Prescott*), Boucher, Coldwell, Diefenbaker, Douglas (*Queens*), Durocher, Hansell, Hanson, (*Skeena*), Isnor, LaFlèche, Laflamme, Macdonald (*Brantford City*), McCann, Mullins, Picard, Rennie, Ross (*St. Paul's*), Tripp and Veniot. (20).

As agreed at the previous meeting, Major General the Honourable L. R. LaFlèche, Minister of National War Services, was invited to make a statement on Radio Broadcasting and matters connected therewith.

At the outset of his remarks, the witness expressed his thanks to the Chairman of the Parliamentary Committee, Dr. J. J. McCann. He paid tribute to the Chairman and Governors of the Canadian Broadcasting Corporation and had a word of commendation for the officers and personnel.

General LaFlèche replied to questions.

The following were ordered produced:

1. The Report of the Royal Commission on Radio Broadcasting (1929), presided by Sir John Aird.
2. A list of appointments to the C.B.C. personnel made within the last six months.

At 1 o'clock, the Committee adjourned until 3 p.m. this day.

AFTERNOON SESSION

The Special Committee on Radio Broadcasting resumed its enquiry at 3 o'clock p.m., Mr. J. J. McCann, the Chairman, presiding.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Bertrand (*Prescott*), Boucher, Coldwell, Douglas (*Queens*), Durocher, Hansell, Hanson (*Skeena*), Isnor, LaFlèche, Laflamme, Macdonald, (*Brantford City*), Martin, McCann, Picard, Rennie, Ross (*St. Paul's*), Tripp and Veniot. (19).

Dr. René Morin, Chairman of the Board of Governors, was called. He read a statement and was examined thereon.

The following correction was made on page 30 of the Annual Report of the C.B.C.: Under the heading of expenditures, the figures for Station Network (Wire Lines) should read $777,307.60.

Replying to a question, Dr. Morin gave the dates on which the Board of Governors held its meetings since March 31, 1943.

The Report of the Royal Commission (1929) was produced and copies will be forwarded to the members of the Committee.

A revised edition of the C.B.C.'s policy was respect to Political and Controversial Broadcasting was available and copies distributed to the members present.

On behalf of the Committee, Mrs. Casselman thanked Dr. Morin for his comprehensive statement.

Witness retired.

At 5.15 o'clock, on motion of Mrs. Casselman, the Committee adjourned until Wednesday, March 22nd, at 11 a.m.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

March 15, 1944.

The Special Committee on Radio Broadcasting met this day at 11 o'clock a.m. The Chairman, Dr. J. J. McCann, presided.

The CHAIRMAN: Mrs. Casselman and gentleman: We have a quorum and we shall proceed with the business of the meeting. Following the custom of former years with reference to procedure we have invited Major-General the Hon. L. R. LaFlèche, Minister of National War Services, under whose direction radio broadcasting comes, to be the first witness and to make a statement with reference to radio.

Hon. Mr. LAFLÈCHE: Mr. Chairman, Mrs. Casselman and Gentlemen: This is the second time I have had the pleasure of addressing this committee. I well recall the close attention with which each member of the committee last year approached the many matters which were brought before us, and it is evident that membership on this committee is taken by all as a serious duty. The report of last year's committee reflected progress on the part of the Canadian Broadcasting Corporation with, generally, satisfactory conditions prevailing in the Canadian broadcasting field. As in previous years, the report left one with the clear impression that radio broadcasting in Canada, both state-owned and privately-owned, is a new, changing activity. It is realized by all that radio broadcasting is a new science or a new art, about which there is much to learn, whether it be on the technical or commercial side, or in respect of public relations or public taste. Never-ending and new problems will continue to challenge us.

Canada is still engaged in a life or death struggle against certain nations which attacked our civilization, our way of life, and our ancient freedoms. This struggle for freedom continues to be our all-absorbing purpose and activity, leaving but one sharply defined objective in the minds of all true Canadians—the achievement as quickly as possible and with the least loss of life, of a victorious peace with measures taken to prevent any possible recurrence of attacks.

If I speak of the existing state of hostilities, it is because the importance of radio broadcasting is infinitely greater in time of war than in time of peace. It follows that if radio broadcasting is a weapon, those who deal with it must protect the weapon which helps us to carry on successful warfare. Such is my intention, Mr. Chairman, as I believe it to be the particular duty of each member of this committee.

Mr. Chairman, may I offer you congratulations upon your being reelected to preside at the meetings of this committee. I think I speak in the name of all in paying tribute to your ability and impartiality. The results of the deliberations of this committee, Mr. Chairman, can greatly affect one way or the other that piece of property which has been paid for by the Canadian people and which belongs to the Canadian people—I speak of the Canadian Broadcasting Corporation. May I suggest, Mr. Chairman, that the actions of this committee can also have a great effect upon a broader field, that is to say, the entire radio broadcasting facilities and resources of Canada.

The meetings of this committee offer very proper occasions to make certain that Canada's position in the radio world is developed with the greatest interest of the greatest number in mind. To help in finding the correct policies for the development of the taxpayer's property and fair dealing with privately-owned radio broadcasting stations, keeping in mind that Canada's total radio resources

are made up of both publicly- and privately-owned stations, is the suitable course for this committee to follow, I respectfully suggest.

Since last I had the privilege of addressing this committee, a change in the fortunes of war has occurred. Misfortunes of the early years of this world-wide struggle have given place to allied successes on all fighting fronts. Four years and six months ago Canada turned from peaceful pursuits to the forgotten science of waging war. Under our great war leader, the Right Honourable W. L. Mackenzie King, Prime Minister of Canada, our country has already been largely responsible for the turning back of the enemy,—Canada has helped turn the tide.

I submit that radio broadcasting, being an integral part of our national life, demands our most careful attention to the end that there shall be no weakening of morale. The strength of Canada as a nation is not to be sapped by any person or group of persons.

Until we shall have built a better Canada upon the sacrifices of those whom we shall commemorate as the glorious fallen, one cannot be without concern at the thought that too great a strain is being placed upon any thread of the fabric of our national life. Let me suggest that during the war years there has been criticism which has tended to weaken rather than strengthen Canada in the broadcasting field. That is one reason why I was eager to see this committee set up. It would seem that the Canadian Broadcasting Corporation has been the object of much attention which has not been profitable to the corporation or to its work. Granted that the right to criticize is fundamental to our democracy, it should nonetheless be remembered that criticism focused largely at a publicly-owned corporation, in a field where its privately-owned counterparts also operate, places upon it an unfair and heavy burden. Each one of us should do his best to see that the Canadian Broadcasting Corporation operates with a minimum of disturbance. It is asking very much indeed of the members of the Board of Governors, the officials and employees of the corporation to carry on efficiently under the sting of unfair or gratuitous criticism.

It has been said that the Canadian Broadcasting Corporation has lost the confidence of the people. This I do not believe. I would rather believe that for some much smaller reasons than the national interest, or because of indifference, some have tried to place the corporation under a cloud. The Canadian Broadcasting Corporation now gives greater and better service than at any other time. Reckless or selfish attacks on the property of the Canadian people are as deplorable as they are reprehensible. It may be taken for granted that publicly-owned radio in Canada is here to stay, not, I believe, as a monopoly but to fill a very important part of Canada's radio requirements. Given a readiness on all sides to play fair and work in the general interest of Canada, I can also see a satisfying future for all radio stations.

Recently it was my privilege to attend for the first time a convention of the Canadian Association of Broadcasters. The members of this association own and operate about eighty radio stations as compared to ten long-wave stations operated by the Canadian Broadcasting Corporation. The first-mentioned stations cover local or regional fields as compared to larger areas covered by Canadian radio broadcasting stations. Eighty stations constitute an important part of the whole Canadian radio set-up. The owners of these stations have their own interests at stake and they also have responsibilities to the Canadian people. I am convinced that these gentlemen realize and want to live up to their responsibilities. It was impressed upon me that the members of the Canadian Association of Broadcasters feel that they need a better working arrangement in view of the provisions of the Canadian Broadcasting Act, 1936. I heard at that convention the suggestion which has been echoed elsewhere that there be created a new and separate commission, board or body somewhat along the lines of the Board of Transport Commissioners

for Canada with appropriate and analogous powers but in respect of the Canadian Broadcasting Corporation and of the private broadcasting stations. There may be merit in the suggestion but upon reflecting that the Board of Transport Commissioners deal with very few railroads and that a new body to deal with radio problems would have before them the submissions of a large number of different radio stations, the parallel is not as close as it seems to be at first glance.

Should it be the case that the private broadcasters have not that simple and easy means of discussing things of interest to them with the Canadian Broadcasting Corporation, then it might be well to encourage both to work out a mutually acceptable plan to the desired end before setting up what after all would be still another board. It is not machinery which makes it possible to achieve good results—mutual confidence, faith and good-will around a conference table bring satisfaction and proper working arrangements. Given these factors, if dissatisfaction were to remain, then at least all concerned would have met and no person could say that he had not had a full opportunity of bringing out the merits of his case.

It has been stated that the Canadian Broadcasting Corporation has "gone commercial." It would be more to the point to say that the corporation has some interest in the commercial field. I may add since the very beginning the Canadian Broadcasting Corporation is not—and I trust never will be—controlled by commercial interests nor unduly influenced by such considerations. Revenue from this source has made slight progress throughout the latter years —I speak proportionately—enough to indicate that the corporation's radio stations are held in respect by those who are ready to pay out good money to advertise their products. The proportion of "commercial" to total revenue is now a fraction over 24 per cent. Cannot the situation be properly summed up by saying that the Canadian Broadcasting Corporation needs some commercial advertising and also that advertisers need the Canadian Broadcasting Corporation?

The wartime censorship which is applied for security reasons, though in such a manner as to inconvenience the public as little as possible, obtains for radio as it does to other means of communications.

I have been informed that the utilization of the radio channels which have been allotted to Canada receives the careful attention of the Canadian Broadcasting Corporation.

Mention of the new shortwave station near Sackville, N.B., was made in the report of this committee last year. While it seems probable that there will be a few months' delay in commencing operations at that point, due to difficulties in obtaining equipment, the fact remains that every possible endeavour has been made and is being made to secure preferred priorities in this connection. I understand that the delay may be less than at first anticipated. Certain changes in the design of the station have been made which will ensure to Canada an installation quite in keeping with most modern stations in other countries. The cost will be greater than first estimated; this possibility was reflected in the last report of this committee.

Since the last meeting of this committee the projected pension scheme in favour of the employees of the corporation has been implemented, giving them the desired financial security. The new pension scheme should make for stability in regard to staff personnel.

One cannot speak of staff without thinking of young Canada now overseas in our defence. Radio should offer opportunities of employment to a good number of the Canadian armed forces and it is to be hoped that the corporation and the private broadcasting stations will offer employment wherever possible when young Canada comes marching home. After our sailors, soldiers and airmen have finished their job, Canada must prove to them how very deep our gratitude is and how much we want them to enjoy the fruits of their victory.

It is believed that the Board of Governors of the Canadian Broadcasting Corporation has given further consideration to the question of political or controversial broadcasting, but their deecision is not known.

There remains one vacancy on the Board of Governors of the Canadian Broadcasting Corporation and while it has been my desire and hope to submit a recommendation to His Excellency the Governor General in Council recommending an appointment, it has not yet been my privilege to do so. It would seem that many fail to realize that considerations as to geographical representation, qualifications, experience and character must be taken into account and above all, that at a time when Canada is engaged in an all-out war effort against the enemy, many persons who in normal times could easily be found are now so busily engaged in war work that it would not be in keeping to invite them to join the Board of Governors. In my estimation the vacancies on the Board of Governors have been filled by patriotic Canadians who have brought excellent qualities and strength to the Board. The appointment of a Canadian of the same high qualifications as the other governors will be made. The Act provides for what is in fact, a part-time Chairman of the Board of Governors; the General Manager is, of course, a full-time officer of the board. He is the chief executive; in other words he is there to carry out the policies, not to lay down policies. The Canadian Broadcasting Corporation has now reached the stature of big business and I think it is proper to say that the head of the corporation, i.e. the Chairman of the Board of Governors might, with advantage to the business of the organization, devote his full time to the affairs of the corporation. It is for serious consideration whether necessary action should not be taken to create the position of full-time Chairman. The Chairman representing the Board of Governors would then be available at all times.

The General Managership of the corporation has not been vacant inasmuch as provision was made long ago to the effect that the Assistant General Manager would exercise the powers of General Manager in the latter's absence.

Permit me, Mr. Chairman, to express thanks to the Chairman, and the members of the Board of Governors of the Canadian Broadcasting Corporation, for their devotion to duty and to the interests of the corporation. They have the responsibility for the policies, aims, finances and operations of the Corporation which is an independent body, all according to the Act. My thanks go also to those who are now serving and to those who have completed their term of appointment.

The following gentlemen have joined the Board of Governors since this committee last met:—

F. J. Crawford, Esq., of Toronto;
W. J. Parker, Esq., of Winnipeg.

The Reverend Doctor J. S. Thomson, after completing the year for which he had been appointed, resigned from the position of General Manager and returned to his university, the University of Saskatchewan. You, Mr. Chairman, and the members of this committee will recall the very splendid presentation Dr. Thomson made of his report last year. I am sure that all will wish him every possible success and all happiness.

Dr. Augustin Frigon, the Acting General Manager will appear before the committee and I am sure will be welcomed as he has been in the past. The members of the committee fully appreciate Dr. Frigon's great and exceptional qualifications.

Unfortunately I cannot speak with knowledge of the individual members of the corporation's staff but whatever success the operations of the corporation may have, the members of the staff will and should share in the commendation.

During my remarks made to this committee, Mr. Chairman, on June 9, 1943, I made mention of the fact that representations which should have been addressed to the corporation came to me. This has continued and has led me to the belief that a considerable number of persons are not fully aware of the position of the Minister in relation to the Canadian Broadcasting Corporation. Requests for information of all kinds, applications for positions and many others are mistakenly addressed to me, all of which do keep me fairly well alive to public opinion and to the problems of the corporation. In fact, the position of the Minister in relation to the corporation is quite limited. Under the provisions of the Act certain matters must be submitted to the Minister, such as any agreement involving an expenditure in excess of $10,000; proposed leases for a period exceeding three years; the release of funds from the treasury to the corporation; approval of the recommendation of the Board of Governors for appointment to the position of General Manager of the corporation for submission to His Excellency the Governor General in Council, and other matters.

Better and wider knowledge of the duties imposed upon the Minister by the provisions of the Canadian Broadcasting Act, 1936, might serve to dispel misapprehension concerning the real autonomy of the Canadian Broadcasting Corporation.

It remains for me to mention with pride that the corporation has arranged to send some members of its staff far up to the fighting line, there to see and to report back to Canadians the exploits of our fighting men. The demand for manpower has undoubtedly caused great difficulties to the corporation occasioned by loss of staff and the difficulty of replacement.

Before making way for others who may speak for the corporation, may I Mr. Chairman, emphasize the value of radio broadcasting in the vital matter of winning the war, bringing Canadian news to young Canada overseas, news of them to their dear ones in Canada, the promotion of national unity, harmony and concord which must prevail if Canada is to attain that prominent position in the councils of the world to which for the second time her contributions to the salvation of humanity will have entitled her. The listening public is Canada. This committee and the Parliament have the duty of maintaining free the air waves controlled by Canada for the free voices of free Canadians.

The CHAIRMAN: Thank you, General LaFlèche. Is it the wish of the committee that the statement of General LaFlèche be considered at this time? Are there any questions to be asked or is there any clarification of it that any members want? If so, that may be done now.

Mr. DIEFENBAKER: General LaFlèche, the other day in the house a question was asked in regard to the salaries of certain officials connected with the Canadian Broadcasting Corporation and the news distribution service. The answer that you brought down at that time, as I remember it, was that it was not in the public interest to give that information. Would you amplify that answer, please?

Hon. Mr. LAFLÈCHE: With pleasure, Mr. Chairman. That has been the attitude adopted in replying to questions as far back as I was able to go. When I asked the Canadian Broadcasting Corporation to give information so that those questions might be answered, that is what they said. I knew also that this committee would be coming on, and I recalled that in previous years such detailed information as that would be available here. When we come to that, I hope to be present in the committee; and I may have a question or two to ask those who are speaking for the corporation on that point.

Mr. DIEFENBAKER: I should like to go a little further in that regard. Do you agree with the principle that while the information might be made available to a committee, it should not be made available to the membership of the house and to the country in the House of Commons?

Hon. Mr. LAFLÈCHE: Mr. Diefenbaker will recall that I said that I had remembered that such questions were put and the questioners satisfied in this committee. I do not know whether that information is given here publicly; I do not know how it is given. But I thought it would be a good time to discuss the matter when this committee was in session. As a matter of fact, the gentleman who did put the question raised no objection to that answer.

Mr. DIEFENBAKER: Oh, no. But that is rather beside the point.

Hon. Mr. LAFLÈCHE: Not entirely, because he put the question and he never said anything to me. He appeared to be satisfied. I think the reason for that answer or for that attitude on the part of the corporation is that they have reason to believe that their competitors should not have such intimate details of the operations of the corporation. There is something to be said for that. One might also ask the question, could not those interested have the information otherwise? I cannot answer that question.

Mr. DIEFENBAKER: What do you mean by "competitors"? Who would be the competitors?

Hon. Mr. LAFLÈCHE: The privately-owned stations.

Mr. DIEFENBAKER: In the matter of news distribution and editing?

Hon. Mr. LAFLÈCHE: No. It was not a matter of news editing. It was a matter of salaries paid to certain employees.

Mr. DIEFENBAKER: Yes.

Hon. Mr. LAFLÈCHE: I think that has been the attitude taken by the corporation right from the beginning. I have been told that many times.

Mr. DIEFENBAKER: Following that through, you said that you had looked back over the years, and as far back as you could go the attitude that has been generally accepted is that it is not in the public interest for that information to be given. How far back did you go?

Hon. Mr. LAFLÈCHE: Oh, I have had a number of occasions to make inquiries into that matter; and I tell you that I have learned on those several occasions that the corporation has always taken the attitude that it is not fair to their business operations to give out publicly details of salaries paid and other details concerning the intimate operations of their business.

Mr. DIEFENBAKER: So that is what the public interest means?

Hon. Mr. LAFLÈCHE: That is what it means, yes. If there is any thought as to anything else, then I want to thank the honourable member, Mr. Chairman, for giving me the opportunity of saying that as far as I know it does not apply to any other thing. That is the "public interest".

Mr. BOUCHER: Do you not think—and I think it is reflected by your statement here to-day—that there is in the minds of the public of Canada a very faulty knowledge or a lack of knowledge of the affairs of the C.B.C.?

Hon. Mr. LAFLÈCHE: That is right.

Mr. BOUCHER: And that being the case, do you not think that, for the welfare of the C.B.C., greater information should be given to the public as to the working arrangements, the management, the control, even the salaries and the costs of the C.B.C.?

Hon. Mr. LAFLÈCHE: Well, that is a very interesting question, Mr. Chairman. My thought there is that the public would not care two pence for what so and so is paid; and the public does not know anything about the salaries paid to the employees of privately-owned stations.

Mr. DIEFENBAKER: But they are paying a licence fee each year. Surely they have the right to know how part of their licence fees is being dispersed, and whether or not salaries are being paid which are in accordance with fair and reasonable business practice.

Hon. Mr. LAFLÈCHE: I think, before we make an issue of that, we will wait and get further explanations from those who are in a position to give them; and it is their duty to make known their views on this policy.

Mr. BOUCHER: Are there not two points to be considered in that connection: (1) the publics' interest in their own institution and (2) the position, on a competitive basis, of the government-owned institution against privately-owned institutions? There are two aspects, are there not?

Mr. PICARD: It is the same as the railways.

Hon. Mr. LAFLÈCHE: What is that again, Mr. Boucher?

Mr. BOUCHER: Are there not two aspects to be considered in looking at this thing: (1) the viewpoint of the public as to their own organization and, (2), the situation where public ownership and private ownership compete to a degree, with public ownership having some privileges and some rights that private enterprise has not?

Hon. Mr. LAFLÈCHE: What is the point?

Mr. TRIPP: If the committee is going to have the benefit of this knowledge, it might be pertinent to ask if we are going to have the privilege of inquiring from the private owners when they come before us as to what salaries are paid to their employees.

Mr. BOUCHER: There is no difficulty in securing that, because their returns to the government indicate that.

Mr. PICARD: They are not public. The returns of the private owners made to the income tax office are not public.

Mr. DUROCHER: It would not be a matter of sound business practice to go out and tell everybody what you are paying this man and that man. That is nobody's business except the employer's. What do you care whether a man is getting $10,000 or $8,000, or what do I care? All we are looking for is results.

Mr. DIEFENBAKER: The people of Canada are paying licence fees.

Mr. DUROCHER: That is quite all right.

The CHAIRMAN: Order, gentlemen. Kindly address the chair.

Mr. DUROCHER: But they are not interested in the salaries of every individual employee of the corporation.

Mr. Ross: In that connection, there is a controversy going on at the present time in Toronto about a certain commentator who is paid by the broadcasting corporation and paid a fairly good salary. The broadcasting corporation have evidently gone to the War Labour Board to have that salary increased. That is public information at the present time. Just while we are on that may I ask if we have not, in the past, been accustomed to asking the salaries of—I do not say everybody in the corporation—certain high officials. I think we have had that information given to us before now.

Hon. Mr. LAFLÈCHE: Mr. Chairman—

Mr. Ross: Why would this be released?

Hon. Mr. LAFLÈCHE: I do not know what this is.

Mr. Ross: I beg your pardon?

Hon. Mr. LAFLÈCHE: Just what is this?

Mr. Ross: The War Labour Board allowed the salary to be released under the regulations which we have at the present time.

Hon. Mr. LAFLÈCHE: May I point out that I am very sorry but I do not know to what case you are alluding. I do not know to what case you have reference.

Mr. Ross: I beg your pardon?

Hon. Mr. LAFLÈCHE: I do not know to which case you have reference.

Mr. Ross: I am referring to a case that has been prominent in the newspapers and has had a certain effect on the public.

Hon. Mr. LAFLÈCHE: If there is no secret about it, what is the case?

Mr. Ross: Well, the case is strongly protested. Here is this case—

Hon. Mr. LAFLÈCHE: I know, but what is the name of the person? Of whom are you speaking?

Mr. Ross: The name of the person is Claire Wallace, as far as I know; and the salary was raised from $170 a week to $200 a week. The reason given by the War Labour Board was that she was in an uncontrolled occupation or something like that.

Hon. Mr. LAFLÈCHE: Who pays the salary?

Mr. Ross: Well, I understand that the C.B.C. pay the salary. If they do not pay the salary, perhaps it would be well to let the people of the country know that, because here is a letter which I do not intend to read, or rather an interview which appeared in the paper from a man who says that if they are going to allow that sort of thing to occur, he is not going to be bothered getting any more war savings stamps. That is only one case the public know about.

Mr. HANSELL: Mr. Chairman—

The CHAIRMAN: Order, please.

Hon. Mr. LAFLÈCHE: Wait a moment. I do not think that should be allowed to stand there.

Mr. Ross: I do not think it should be allowed, as far as that is concerned; but it is there and the public know about it.

Hon. Mr. LAFLÈCHE: Anything having to do with the success of our war loans—and without the money raised by war loans Canada cannot carry on her war effort—I think should be discussed right now, it having been mentioned in this committee. I know nothing of—what is the name again, please?

Mr. HANSELL: Claire Wallace.

Hon. Mr. LAFLÈCHE: I know nothing of Miss Claire Wallace. I have heard of that case and I have inquired. I have received no information. I think it would be well that we should know for whom that lady is working.

Mr. HANSELL: Mr. Chairman, might I suggest that we may be a little ahead of ourselves.

The CHAIRMAN: Exactly.

Mr. HANSELL: I do not think we can expect the minister to know all the details of the business management of the corporation, such as the salaries of individuals. I would ask that we take this matter up when the appropriate official is before us.

The CHAIRMAN: Exactly.

Mr. HANSELL: As far as this particular article is concerned, and the criticism in respect to Claire Wallace, I do not want to discuss it now, but I do think that all the details should be known to the public. I am under the impression that her salary would not have been increased unless there were pretty good reasons for doing so. But the public are always wanting to know what they get for their money. The man who gets only $25 a week looks with some suspicion on the person who gets $100 a week. It is just human nature to do that. It may be found that Claire Wallace's expense account is tremendous. Maybe that comes out of her own pocket. I do not know. Those things should be cleared up. I am suggesting that before we get into such details as those, we wait for the appropriate officials to come before us.

Mrs. CASSELMAN: Mr. Chairman, may I just remark that this matter of the salary of Mrs. Claire Wallace Stutt has been the occasion of a news release from the Department of Labour, of February 26, 1944, or from the National War Labour Board. I do not intend to read the whole of it, but it sets forth the reasons for dealing with this matter; and there is this one sentence that it would perhaps be worthwhile to put on the record: "Having established that background, we are all of the opinion that she is an artist and a very fine artist indeed." I quite agree with Mr. Hansell that later on we should go into this, but I would not think that the minister would have all the details of it. But evidently this is a matter of public property, because this is a release to the newspapers and it was given out under date of February 26.

The CHAIRMAN: Just a minute, please. I suggest, for the sake of orderly procedure, that the discussion this morning or at least this part of the morning be confined to the statement which the minister has made. There is going to be plenty of opportunity to bring up any matter before the appropriate officials when they come here. There does not appear to be any particular necessity for haste in bringing the matter of Miss Wallace's engagement or salary up at the present time. For the sake of orderly procedure in the committee, let us confine our discussion at this time to the statement which the minister has made.

Mr. ROSS: Mr. Chairman, I have just one thing further to add in connection with this matter. This matter has been one of controversy, and it has been a matter of editorials in our Toronto papers.

The CHAIRMAN: Yes. But is it necessary that it should be discussed to-day?

Mr. ROSS: Mr. Chairman, would you just let me go on? It is a matter which concerns the broadcasting corporation very much. It is a matter which I think should have been brought to the attention of the minister, if he had not already known of it, and some such statement should have been issued in connection with the matter. I do not know the details of the thing. I do not know about Miss Wallace's expense account or whether it is justified; but the public evidently do not seem to think it is.

Mr. COLDWELL: Mr. Chairman, I was going to refer to the report itself.

The CHAIRMAN: Yes.

Mr. COLDWELL: There is a paragraph in the report that says this: "Better and wider knowledge of the duties imposed upon the minister by the provisions of the Canadian Broadcasting Act, 1936, might serve to dispel misapprehension concerning the real autonomy of the Canadian Broadcasting Corporation." You will find that on the last page of the minister's statement. I think, Mr. Chairman, that since a number of points concerning the principle of national broadcasting have been raised by the minister in his report this morning, it would be interesting if the committee could have available to it a copy of the Aird Report which was made in 1929. Then we can go through the other committee reports that have been made from time to time since then. The Aird Report is to a very large extent the foundation of the broadcasting corporation as we know it to-day. By the same token, there are certain duties imposed on the minister, and conversely there are certain limitations placed upon his authority by parliament, and I want to ask the minister some questions relating to the use of that authority and the limitations put upon it. I should like to ask the minister regarding the question of the Citizens Forum last November. At that time the minister made a statement in which he said that the program announced had been "laid aside pending study of the plan by competent C.B.C. authorities." What I want to know is under what authority he made a statement on behalf of the corporation cancelling a program which had been under consideration for some time. I wonder if the minister would answer that question first?

Mr. ISNOR: Did he say that he cancelled it?

Mr. COLDWELL: He said it had been laid aside. I said that he gave notice to the public that the program had been laid aside pending study of the plan by competent C.B.C. authorities.

Mr. ISNOR: Yes?

Mr. COLDWELL: Which meant that the program had been cancelled temporarily at least.

Mr. ISNOR: What you want to know is under what authority he cancelled it?

Mr. COLDWELL: No. I want to know what authority the minister has for making any statement regarding the policies of the broadcasting corporation.

Hon. Mr. LAFLÈCHE: My reason was a very practical one in fact. I had had many inquiries directed to me, and I mentioned the many things that have been mistakenly addressed to me in my statement this morning. It was necessary for me to dispose of these inquiries as best as I possibly could. I want to point out that the program in question was carried on and any inference to the contrary is wrong.

Mr. COLDWELL: Well, I am asking this: what authority did the minister have for making this announcement?

Hon. Mr. LAFLÈCHE: The authority of any free Canadian.

Mr. COLDWELL: Oh, that is not the point. There are certain duties laid upon the Board of Governors under the Broadcasting Act. I think if you will look at section 22, subsections (*c*), (*d*), and (*e*), those duties are very clearly defined; and one of them is that the Board of Governors shall have full control of the policies and programs of the C.B.C.

Hon. Mr. LAFLÈCHE: Let us clear that up right now. The policies concerning the program in question were dealt with solely by the Canadian Broadcasting Corporation.

Mr. COLDWELL: By the Board of Governors?

Hon. Mr. LAFLÈCHE: It was ultimately, yes.

Mr. COLDWELL: Oh, no, I do not mean that.

Hon. Mr. LAFLÈCHE: But it had never been to the Board of Governors at the time of which you speak.

Mr. COLDWELL: Then what authority had the minister to make the announcement which he made?

Hon. Mr. LAFLÈCHE: To re-assure public opinion.

Mr. COLDWELL: Oh, no. That is no authority. There is a statute which governs your authority, Mr. Minister.

Hon. Mr. LAFLÈCHE: Oh, well; is there anything in that here which says that I may not make a statement?

Mr. COLDWELL: Yes, there certainly is. The authority to deal with programs and policies is clearly laid down in the Act; and the minister on this occasion made an announcement which was entirely beyond his authority, and indicated that there was some interference on the part of the Minister with the broadcasting corporation, a very serious matter having regard to the autonomy of the Canadian Broadcasting Corporation.

Hon. Mr. LAFLÈCHE: There was no interfernece on the part of the minister.

Mr. COLDWELL: I would say there was.

Hon. Mr. LAFLÈCHE: You can say what you like, but I am telling you there was not. Is that categoric enough for you?

Mr. COLDWELL: No.

Hon. Mr. LAFLÈCHE: Then I cannot do more.

Mr. COLDWELL: I say to the committee that the minister made this announcement, and that there is no authority anywhere for the minister interfering with the policies or programs of the corporation.

Hon. Mr. LAFLÈCHE: I repeat again, Mr. Chairman, that I gave out the statement because too many inquires were being addressed to me.

Mr. COLDWELL: Who were the inquiries from?

Hon. Mr. LAFLÈCHE: A little from everybody.

Mr. COLDWELL: I beg your pardon?

Hon. Mr. LAFLÈCHE: A little from everybody.

Mr. COLDWELL: Can the minister produce the correspondence dealing with that?

Hon. Mr. LAFLÈCHE: No. I will look it up.

Mr. COLDWELL: You will look it up?

Hon. Mr. LAFLÈCHE: Yes. I will look it up. Inquiries are not always made in writing, you know.

Mr. COLDWELL: No, I know they are not.

Mr. HANSELL: What was the statement which was made, Mr. Coldwell?

Mr. COLDWELL: I just have part of the statement here, that he announced that the program had "been laid aside pending the study of the plan by competent C.B.C. authorities."

Hon. Mr. LAFLÈCHE: If you wish, I should like to read the whole announcement into the record.

Mr. COLDWELL: I think it should go on the record in full. If the minister has it there, I shall be very glad to have it.

Hon. Mr. LAFLÈCHE: A press release dated November 16, 1943, reads as follows:—

"The acting general manager of the Canadian Broadcasting Corporation recently discussed with me an item 'Of Things to Come' which had been proposed for the Canadian Broadcasting Corporation program. The acting general manager stated that this item had not progressed satisfactorily and, indeed, that it had never been submitted to the Board of Governors. He added that he deemed it necessary to refer the matter to his board and therefore, in the meantime, this item would be considered closed until the proposal had been properly surveyed and approved by competent Canadian Broadcasting Corporation authority. What the acting general manager told me was his own decision and that of no other person."

Mr. HANSELL: I would not regard that as interfering with the corporation at all.

Mr. COLDWELL: Oh, yes. May I ask this question? Why did the general manager discuss this with the minister instead of with the board?

Hon. Mr. LAFLÈCHE: I see the general manager periodically; and on the occasion in question, that question came up, as many other questions come up having to do with matters in which I am called upon to act in my ministerial capacity in relation to the Canadian Broadcasting Corporation.

Mr. HANSELL: May I ask a further question? Is it the duty of the Board of Governors to arrange programs, to cancel them or decide to put them on?

Hon. Mr. LAFLÈCHE: In my estimation, whatever happens in the Canadian Broadcasting Corporation, the directing authority—that is, the Board of Governors—is the responsible authority for everything that is done. I take it then that the programming and everything that is done by the corporation is a matter for legitimate study and decision and control by the Board of Governors.

Mr. COLDWELL: May I ask the minister what was the nature of the objections to this particular program?

Hon. Mr. LAFLÈCHE: As I recall it the matter had not been before the Board of Governors, and that was the main objection. There was no authority to carry on with it.

Mr. COLDWELL: Did all the people who approached you have that same objection?

Hon. Mr. LAFLÈCHE: Most of them, yes; most of them asked that.

Mr. BOUCHER: In regard to that paragraph that Mr. Coldwell just repeated where you stated that "better and wider knowledge of the duties imposed upon the minister by the provisions of the Canadian Broadcasting Act, 1936, might serve to dispel misapprehension," have you any recommendations or suggestions to give to the committee as to any difference in the relationship of the minister to the C.B.C.? In other words, would you be prepared to give us any suggestions or recommendations as to whether or not your relationship with the C.B.C. Board of Governors and the C.B.C. should be varied in any way or changed?

Hon. Mr. LAFLÈCHE: The real difficulty here is that many people who want to make representations or inquire about matters having to do with the business of the corporation mistakenly send their requests in to me, and no one will take it amiss if I say that many members of parliament ask me questions about what is being done.

Mr. BOUCHER: You did not get my point. The relationship of the Minister of War Services to the C.B.C. is set out with certain controls and limitations. Having been minister for some time have you any change to recommend in that relationship? Should you be given more of a listening part in the picture of the C.B.C.? Should you be given more authority? Should you be given more power, more responsibility? Should you be given closer contact or is it too close?

Hon. Mr. LAFLÈCHE: It would not be too close were it not for these inquiries coming in to me. I am sure they have come in to my predecessors, but whenever there is a difficult point, such as the point raised by the hon. member for St. Paul's, people inquire of me and I cannot answer. I must refer the matter to the corporation. If the inquiries were first addressed to the corporation I think the results generally would be better. As to a change in the relative position of the minister to the corporation I have at different times thought either that the minister had too much to do with it or did not have enough, but I am not prepared to make a recommendation and I would never attempt to do so without discussing it with the Board of Governors of the corporation. I have never discussed the point with them.

Mr. BOUCHER: Do you not think that it would help the committee's deliberations if you were to make certain suggestions or submissions along those lines?

Mr. MACDONALD: I think, Mr. Chairman, it is more the duty of the committee to make recommendations, to consider what is in the best interests of the corporation, and after hearing all the evidence to make recommendations.

Mr. BOUCHER: Surely we have the right to make use of the minister as a person giving evidence to us upon which we can make recommendations. All I am wanting him to do is assist us on this particular point.

Hon. Mr. LAFLÈCHE: I would be very glad to discuss that with the Board of Governors.

Mr. MACDONALD: My point is this, that recommendations should be made after all the evidence is heard. We should not ask the minister at the first meeting to make recommendations before we have heard the evidence.

Mr. BOUCHER: The minister is giving evidence.

Mr. MACDONALD: He will be at most of the meetings of the committee, and when all the evidence is in then we can ask his opinion, but I think this is the wrong time to start at the top before we have heard any evidence and ask him to give an opinion.

Hon. Mr. LAFLÈCHE: I think that is very kind, but I have no objection to the question. I will at the first available opportunity see what the Board of Governors have to say about that. There is no doubt that the corporation is growing and the situation is changing, and why not go into that matter just as much as any other?

Mr. BOUCHER: I say I thought that as minister over the department through your contact with the C.B.C. you might be able to give us some suggestions that we can weigh in the balance or continue research on.

Hon. Mr. LAFLÈCHE: Quite right.

Mr. BOUCHER: I am asking you now have you anythng to give us in that regard?

Hon. Mr. LAFLÈCHE: Not that I am prepared to give at the moment, and I would not give it without first discussing it with the Board of Governors.

Mr. COLDWELL: I wanted to ask the minister if when he receives communications regarding programs, policies, appointments or anything else in connection with the corporation does he not pass those on to the Board of Governors?

Hon. Mr. LAFLÈCHE: Yes, of course.

Mr. COLDWELL: And the Board of Governors make the decision?

Hon. Mr. LAFLÈCHE: I ask them to deal with it.

Mr. COLDWELL: Do you have anything to do with appointments at all?

Hon. Mr. LAFLÈCHE: Not a thing, neither fire or hire.

Mr. COLDWELL: You have never made any inquiries about the appointment of any individual as a press man or news editor or journalist or employee of any description?

Hon. Mr. LAFLÈCHE: I do not quite get your question. Have I ever what?

Mr. COLDWELL: Have you ever made inquiries regarding the opinions or otherwise of men who are about to be employed?

Mr. DUROCHER: You mean politically?

Mr. COLDWELL: Any opinions.

Hon. Mr. LAFLÈCHE: You will have to be more specific. I do not get your question.

Mr. COLDWELL: I am simply asking this question, if on any occasion you have made inquiries regarding a possible appointee to the staff of the corporation.

Mr. MACDONALD: What does Mr. Coldwell mean?

Mr. COLDWELL: I am just asking in a general way.

Hon. Mr. LAFLÈCHE: In regard to appointments mistakenly again I am asked on a number of occasions to try to get a job for somebody, and I pass it on to the corporation.

Mr. COLDWELL: With any recommendation?

Hon. Mr. LAFLÈCHE: No.

Mr. COLDWELL: You do not make any inquiries about the individual yourself before you pass it on?

Hon. Mr. LAFLÈCHE: I pass on nothing to the corporation.

Mr. COLDWELL: You pass on nothing to the corporation?

Hon. Mr. LAFLÈCHE: I pass on no such suggestions to the corporation.

Mr. COLDWELL: You do not make any inquiries about any appointments that are likely to be made by the corporation?

Hon. Mr. LAFLÈCHE: Certainly not for the purpose of trying to affect the appointment or firing of the individual.

Mr. COLDWELL: But do you make any recommendation at all or any suggestions?

Hon. Mr. LAFLÈCHE: I pass on, as I told you before, such things as requests for positions and inquiries and everything I get from the public.

Mr. COLDWELL: You do not hear of the possibility of an appointment being made and you yourself make inquiries regarding that individual as to his suitability, and so on?

Hon. Mr. LAFLÈCHE: No, no.

Mr. HANSELL: Maybe the minister is remiss in his duties if he does not do so.

Hon. Mr. LAFLÈCHE: I do not take up such matters with the corporation.

Mr. COLDWELL: With the broadcasting corporation or the acting general manager?

Hon. Mr. LAFLÈCHE: No.

Mr. MACDONALD: I think that if the minister knows of a good man or woman for appointment there would not be anything wrong on his part if he passed that information on to those who are responsible for making appointments. He does not dictate to the governors what appointments should be made.

Hon. Mr. LAFLÈCHE: I certainly have at heart the success of the corporation. You can take it that I try to act on all occasions from that point of view.

Mr. DUROCHER: I think private members occasionally do make recommendations to the corporation.

Mr. COLDWELL: Regarding appointments? I would say that they were exceeding their authority altogether.

Mr. DUROCHER: Not a bit; if I know somebody who is worth while I think it is my duty to recommend that person to the C.B.C. You might do the same thing; anybody might do the same thing.

Mrs. CASSELMAN: You have a duty as a private citizen as well as a member of parliament.

Mr. DUROCHER: I do not see anything wrong if I do make a recommendation any more than you would or anybody else. I have made recommendations but I do not use my influence. I made recommendations because of the fact that I thought the person whom I was recommending was a good citizen to be engaged by the department, who would show good results, and would be an asset to the corporation. You can do the same.

Hon. Mr. LAFLÈCHE: I think I had better say another word. I do not want to leave any misapprehension. I have not told the corporation or anybody in it that they must take so and so or drop so and so. The nearest I have come to dealing with cases of employees of the corporation is when the individual himself has appealed directly to me. In those cases I have sent it back to the corporation.

Mr. DIEFENBAKER: A moment ago I understood the minister to say that he did not. Now he says there are some cases.

Hon. Mr. LAFLÈCHE: Oh no, please, Mr. Diefenbaker.

Mr. DIEFENBAKER: I may have misunderstood. Now that we have it clear that the minister recollects that he did pass on certain names to the corporation will he tell us some of the names he passed on within the last year?

Hon. Mr. LAFLÈCHE: I would look it up. I recall a couple of names now but I do not know whether it would be fair to those persons that I give their names.

Mr. BOUCHER: Is it not fair that this committee should know who recommends anybody?

Hon. Mr. LAFLÈCHE: All right.

Mr. PICARD: We may have to get a whole list.

Hon. Mr. LAFLÈCHE: I will give you the classification. I had a telephone call a couple of weeks ago from a lady, an artist with an international reputation. I learned later on that lady had applied to the corporation for employment. I passed on the inquiry and in passing it on I was told that the lady had applied to the corporation. I do not know whether she has got employment or not. Now Mr. Diefenbaker will not ask that I give the name of the lady. Years pass in so far as artists are concerned as they do as far as you and I are concerned and with their inevitable effect. I recall right away two cases like that. I do not mind telling you that it would have been a matter of pleasure to me had I found later on that employment had been given the lady, but you may rest at peace you would have done at least as much as I did and you would have not done anything wrong.

Mr. BOUCHER: Is it not a matter of common sense that any man making recommendations in his official position either uses too much or not enough influence? That is all it is.

Hon. Mr. LAFLÈCHE: I do not attempt to use influence.

Mr. DIEFENBAKER: The minister has been so very fair. Is this correct, that outside of two cases of artists whose qualifications he passed on to the corporation no official or any other person in the corporation has been appointed to any position, the suggestion coming from him?

Hon. Mr. LAFLÈCHE: I do not know. First I do not limit the number of suggestions that have come to me and I have passed on to the corporation. I do not limit the number to two. I do not know how many there have been, not a great number, and I do not recall whether any of those persons were given employment. That I do not know, and I did not follow up these cases to find out whether employment has been given. I disposed of those requests which should not have come to me. I disposed of them by passing them on to the proper people.

Mr. COLDWELL: I was not thinking of artists. I was thinking of persons who were employed by the corporation on the regular staff. Has the minister made inquiries concerning any appointee of that description from any other person and then passed on the information to the corporation?

Hon. Mr. LAFLÈCHE: No.

Mr. HANSELL: There may be times when that has to be done.

Mr. PICARD: I do not think it would be beyond the duty of the minister. I think it would be his duty, if he knew somebody who was not fit according to his own views, that he should express them.

Mr. COLDWELL: I think quite clearly there are limitations upon the minister, and one of his duties is not to have anything to do with recommendations or appointments to the staff; otherwise we shall find a political machine is being built up.

Hon. Mr. LAFLÈCHE: I want to scotch that right now because that leaves an inference. There is no justification for such a thought.

Mr. DIEFENBAKER: Would the minister not consider that in order to keep the corporation above any such suggestion or suspicion he should not pass on any applications to him, he should refer the individual to the corporation?

Hon. Mr. LAFLÈCHE: That is what I do. That is my answer back. I say that is what I tell the person, that I have passed it on to the corporation. May I make my statement? I do notify the person who writes me that I have passed it on to the corporation, and either that I have asked the corporation to communicate with them, or should there be further communications would they please address them to the corporation. Latterly to save time I have been adopting the routine of sending a copy of my reply to the inquirer with the inquiry that has come to me when I pass it on to the corporation.

Mr. COLDWELL: I wonder if we might have a list of the appointments that have been made to the staff of the C.B.C. during the last six months when the appropriate official is before us. I want to do a little checking.

Mr. ISNOR: I want to go back to the question raised by Mr. Coldwell in reference to this program, "Things To Come". He made a statement that the program was cancelled by the minister. I am just trusting to memory but my recollection is that quite recently within two weeks I heard a program under that title, "Things To Come." I would ask the minister if he knows whether that program is still being carried on, "Things To Come"?

Hon. Mr. LAFLÈCHE: I recall that program was to have gone on until later, it seems to me, later on in the year than this.

Mr. ISNOR: Then we can ask the program manager. I am interested in that because I have heard criticisms. I do not know what the nature is of the criticisms that reach the minister but I have heard criticisms in connection with that program. I made a note of it, and I have it in my file here. The note was to the effect that I intended to bring that matter up and find out who arranged the program and some other questions. I think we should follow it through particularly in view of the fact that Mr. Coldwell has raised it and more or less charged the minister with interference which the minister has denied.

Mr. COLDWELL: And which I repeat.

Mr. ISNOR: And which you repeat. I think it is just another case of Mr. Coldwell being wrong again and for that reason I think we should follow it through, if not to-day, at a later date.

Mr. COLDWELL: I do not mind being wrong occasionally but I think this morning the minister has himself admitted that he made this statement.

Mr. ISNOR: No, he has not.

Hon. Mr. LAFLÈCHE: Now, Mr. Coldwell—

Mr. COLDWELL: You are the person who stated—

Hon. Mr. LAFLÈCHE: Do not try your usual game there of putting words into other people's mouths.

Mr. COLDWELL: I am not putting words into your mouth.

Hon. Mr. LAFLÈCHE: That is my conception of what you are trying to do. I am telling you straight to your face that you cannot do that with me.

Mr. COLDWELL: I am putting your own words into your own mouth. You know that I am.

Hon. Mr. LAFLÈCHE: Would it be that you are disappointed in the outcome of "Things To Come"?

Mr. COLDWELL: No, I am not disappointed.

Hon. Mr. LAFLÈCHE: Would it not be that you were a disturbing influence, or your friends were a disturbing influence in that matter from the beginning?

Mr. COLDWELL: Mr. Chairman, I object to the minister making that statement. I knew nothing about the program "Things To Come" until it was arranged.

Hon. Mr. LAFLÈCHE: Neither did I.

Mr. COLDWELL: And I was invited to speak on it.

Hon. Mr. LAFLÈCHE: Neither did I until so many people were asking questions and I had to dispose of it.

Mr. COLDWELL: It is a forum discussion.

Mr. ISNOR: What do you mean "until it was arranged"?

Mr. COLDWELL: Until I was invited to speak, and then I saw the program.

Mr. ISNOR: The list of speakers?

Mr. COLDWELL: I saw the list of speakers.

Mr. ISNOR: Where did you see it?

Mr. COLDWELL: Of course I saw the list of people who were going to discuss the subject with me. As a matter of fact, this was a forum discussion. If I am invited to speak on a particular program I want to know with whom I am going to speak. I saw a list of the gentlemen who proposed to speak with me.

Mr. ISNOR: Did you see a list of programs to come from night to night?

Mr. COLDWELL: No, I did not.

Mr. MACDONALD: Did you know anything about the speakers before they were arranged?

Mr. COLDWELL: Did I know about the speakers?

The CHAIRMAN: Mr. Coldwell is not the witness.

Mr. MACDONALD: Mr. Chairman, at this point may I interject—

Mr. COLDWELL: I am willing to answer that question because it is a fair one. I would say this, that organizations were asked to submit lists of persons who might speak on these programs. I believe the Progressive Conservatives, the Liberals, the chambers of commerce and we were asked to speak. I saw that list, but I did not see a list of the programs as adopted. I think that is clear.

Mr. ISNOR: Do you recall when you saw that list, about what date it would be?

Mr. COLDWELL: I should think it was probably some time in November before the program was going on.

The CHAIRMAN: Any further questions?

Mr. ISNOR: Coming back to the report there is just one question arising out of an observation made by the minister dealing with the question that has been raised by Mr. Hansell and others as to placing the operations of the C.B.C. and radio broadcasting in general under a commission. He states:—

> There may be merit in the suggestion but upon reflecting that the Board of Transport Commissioners deal with very few railroads and that a new body to deal with radio problems would have before them the submissions of a large number of different radio stations, the parallel is not as close as it seems to be at first glance.

Could the minister state as to whether he looked into the operations of the Canadian Pacific Telegraphs and Canadian National Telegraphs to see as to whether they come under the direction of the transport commissioners?

Hon. Mr. LAFLÈCHE: Answering Mr. Isnor, I did not look into that situation for the purpose of attempting to throw any light on this suggestion that I had here. I did not go into that aspect of it.

Mr. ISNOR: Do you know if they control the operations of the telegraph companies?

Hon. Mr. LAFLÈCHE: I am not certain just to what extent they do.

Mr. BOUCHER: Mr. Minister, you state here:—

> I have been informed that the utilization of the radio channels which have been allotted to Canada receives careful attention of the Canadian Broadcasting Corporation.

You have also stated that it was impressed upon you that the members of the Canadian Association of Broadcasters feel that they need a better working arrangement in view of the provisions of the Canadian Broadcasting Act, 1936. Generally speaking in your report you have not made any recommendations whatever. Do I take it that you do not feel that you should make any recommendations to this committee?

Hon. Mr. LAFLÈCHE: I do not feel that at all.

Mr. BOUCHER: Have you any recommendation either on those two points or anything else?

Hon. Mr. LAFLÈCHE: I mentioned these matters for the very purpose of doing what I could to make certain that these questions would receive the attention of this committee. You have two questions there. In regard to the radio channels I wanted to know whether our position was being protected and I am told it has been protected.

Mr. BOUCHER: Are you convinced it has been?

Hon. Mr. LAFLÈCHE: I am told it is.

Mr. BOUCHER: You would not go so far as to say you are convinced?

Hon. Mr. LAFLÈCHE: Now, Mr. Boucher, I have given you a very straight forward answer there. I made inquiries or I was told voluntarily—I do not know which—that "yes, we are keeping abreast of that situation".

Mr. BOUCHER: Mr. Minister, I am not trying to mislead you.

Hon. Mr. LAFLÈCHE: I am not trying to let you do it either.

Mr. BOUCHER: Quite evidently, but I am of this opinion that as minister you might have some recommendations that would be of value to this committee and I want to give you the opportunity of affording us the benefit of your opinions.

Hon. Mr. LAFLÈCHE: Thank you.

Mr. BOUCHER: Have you any suggestions or recommendations?

Hon. Mr. LAFLÈCHE: In regard to the first question I am not fully aware, I am not fully up to date on the air channels to permit me to make a recommendation, but my very purpose was to have all possible information brought to the attention of this committee. Then I would know as you would know. In regard to the other matter, the feeling, if you like, of the Canadian Association of Broadcasters that they would want a better opportunity, a better piece of machinery whereby they could make known their own problems I think I have gone as far as one could be expected in saying what I did this morning to this committee. They brought up a concrete proposal. I am preaching caution. I say that I do not think we had better jump into a new board until we see whether by mutual agreement the C.A.B. and the C.B.C. cannot contrive to meet each other more often or to set up an informal committee between themselves. I believe that it is proper to give the members of the C.A.B. all reasonable opportunity of making known their problems, and I have said that in here very distinctly.

Mr. BOUCHER: Do you take it that part of your duties as minister is to foster better co-operation between the two, and have you done anything in that regard?

Hon. Mr. LAFLÈCHE: I think I have. I went down to Quebec city on, I believe, the 14th of February. I met, as I said, for the first time the members of the C.A.B. in convention. I stayed there two days. I saw many of them. I heard their deliberations. They were kind enough to invite me to attend their meetings. I addressed them. I was very eager to know their problems. I do think it is my duty, and I take it as my duty, to help all of those with a legitimate place in radio, certainly, but just how that is going to be done I do not know enough about it yet.

Mr. BOUCHER: Having that opinion of your duty then can you tell us what steps you have taken to get a better working arrangement, or a better feeling if you like, between the two organizations?

Hon. Mr. LAFLÈCHE: Yes. I told the C.A.B. in Quebec last month very much what I have said to this committee, and they, I think, are working on that. I know they are coming to Ottawa within the next few days and I know they are going to call on me. I will then get their considered reactions and at the same time I mention it to this commitee and I hope that this committee will ponder and deliberate on what, if anything, is required of that nature.

Mr. BOUCHER: Then, having said that, have you not any suggestions or recommendations to give to us indicating what is the cause of the feeling of the Canadian Association of Broadcasters that they want a better working arrangement?

Mrs. CASSELMAN: I would object to the minister making any recommendation to this committee because it is the duty of this committee to draw its own conclusions. I think that would be interference on his part with this committee to make a recommendation at this stage.

Mr. BOUCHER: Would you say the same thing about the various officials of the C.B.C. from whom you get evidence?

Mrs. CASSELMAN: I would say that you get your evidence and draw your conclusions and make your recommendations as a committee. That is my opinion of a parliamentary committee.

Mr. BOUCHER: Because the minister is before us and because we are a committee and because we have every right to use our own judgment as to whether we accept or prosecute or continue his suggestions does not mean to say that getting suggestions is going to enslave us.

Hon. Mr. LAFLÈCHE: Mr. Chairman, may I point out that I brought up this question. I mentioned this point in my address to you this morning, very much in the light of the attitude expressed a moment ago by Mrs. Casselman. I did not presume to come and say that we should do this or that we should do that. I did make certain that the committee would be seized of the necessity of thinking it over.

Mr. Ross: The minister, then, does not feel that it is his duty. In the one case he says he does not interfere with the C.B.C., and then he tells us he has tried to do something.

Hon. Mr. LAFLÈCHE: Just a minute. Will you pardon me just a minute?

Mr. Ross: Yes.

Hon. Mr. LAFLÈCHE: Mr. Chairman, I have not spoken to the C.B.C. about this matter.

Mr. Ross: All right.

Hon. Mr. LAFLÈCHE: They now know about it.

Mr. Ross: Yes.

Hon. Mr. LAFLÈCHE: They heard of it this morning. They had representatives of the C.A.B. convention in Quebec city where I addressed the C.A.B. They know of it in that way. They had their own representatives there. I have not gone to the C.B.C. and said, "You should do this and you should do that." I bring it to this committee.

Mr. Ross: I want to ask the minister one further question on that matter. Does the minister feel that it is his duty to see that the recommendations of this committee are implemented by the C.B.C.?

Hon. Mr. LaFLÈCHE: I think actions speak louder than words. Unless I am mistaken, the recommendations of this committee have been carried out by the C.B.C.

Mr. Ross: Mr. Chairman, what about this: "That the independent stations be encouraged to improve their facilities and that they be permitted to increase their power and to arrange for multiple station hookups, and generally to do anything that makes for better broadcasting in the public interest; that the independent stations should have the opportunity of participating in the development and use of all new phases of broadcasting as such developments become feasible"? Have those two recommendations been carried out?

Hon. Mr. LaFLÈCHE: What are you referring to there? Was that last year's report?

Mr. Ross: Those are two of the recommendations of last year.

Hon. Mr. LaFLÈCHE: Yes, I know that the C.B.C. has had that under careful consideration. I know, but not the details of the situation, that the C.B.C. officials are awaiting some development before giving decisions on those two points.

Mr. Ross: May I ask one further question. I have a question on the order paper, which was on it last Friday. If, as the minister says here in his statement, "I have been informed that the utilization of the radio channels which have been allotted to Canada receive the careful attention of the Canadian Broadcasting Corporation"—and those are his words—why is my return not down now? It would not take any time to get that return of mine down. I doubt very much if there is much information in the matter or the return would be here now.

Hon. Mr. LaFLÈCHE: I do not know whether there is much or little information. I have not had the information. Were I in my office, I would have a note there as to just what action has been taken by way of getting the information.

Mr. Ross: I will ask the minister whether any stations have been given the privilege of experimentation in connection with television or frequency modulation.

Hon. Mr. LaFLÈCHE: I have seen evidence that the question has been considered by the board, but you would have to cite the particular application, and it is only the C.B.C. who could give you a detailed answer. I could get it, but it is much better for them to give it to you.

Mr. Ross: All right. Our final report last year was dated July 22. It is now what date?

Hon. Mr. LaFLÈCHE: This is the 15th of March, 1944.

Mr. Ross: This is the 15th of March. It is quite a long time since then. I should like to know if these things have been done. I am asking the minister whether he considers it his duty or not his duty to see that the recommendations of this committee are carried out?

Mr. MACDONALD: That is the duty of parliament.

Mr. COLDWELL: Yes, it is the sole duty of parliament.

Mr. Ross: Do we not instruct the minister who is in charge?

The CHAIRMAN: No.

Mr. MACDONALD: No.

Mr. PICARD: The minister reports to the house.

Mrs. CASSELMAN: Our report is to the house, not to the minister, is it not?

Mr. ROSS: Our report is to the house. But there is a minister in charge; and on the minister surely devolves the duty of seeing that the recommendations of this committee are carried out.

Mr. COLDWELL: Is it not a fact that the minister is not in charge of the corporation? He is simply the channel of communication and no more.

Hon. Mr. LAFLÈCHE: That is what it says.

Mr. BOUCHER: He is the megaphone of the corporation.

The CHAIRMAN: Order. This is not a debating society.

Mr. ROSS: I just want to follow my argument a little further.

The CHAIRMAN: All right.

Mr. ROSS: The minister says he is doing everything he can to satisfy the Canadian Association of Broadcasters. Yet he says he does not do anything to interfere with the C.B.C.

Hon. Mr. LAFLÈCHE: Do not say what the minister says and what the minister does not say.

Mr. ROSS: That is what I understood the minister to say.

Hon. Mr. LAFLÈCHE: You are liable to make mistakes; and I am sorry to say that you made a mistake now.

Mr. ROSS: I am simply saying what I understood you to say.

The CHAIRMAN: What is your question?

Mr. ROSS: I just want to know what the position is. Perhaps the minister may implement his own remarks here where he says, "Under the provision of the Act, certain matters must be submitted to the minister." I may not have the right Act here. I do not know whether or not there is one later than the 1936 Act with amendments, but I cannot find many things that the corporation has to submit to the minister, besides financial matters. Where does the minister come into the picture? As we said before, we have one minister and we do not really know what he does in connection with the broadcasting corporation. We have another. Then we have the minister of transport who comes into the picture. There are two or three. Then we come back to the same old thing, a lot of management or a lot of control.

Hon. Mr. LAFLÈCHE: The matter that you raised there, or the point you raised is one for the C.B.C.

Mr. ROSS: I beg your pardon?

Hon. Mr. LAFLÈCHE: The question you put is one for the officials of the C.B.C. to answer.

Mr. ROSS: Then we will ask the officials.

Hon. Mr. LAFLÈCHE: I told you that a moment ago.

Mr. DIEFENBAKER: Mr. Chairman, I am now referring to page 3 of the minister's statement, the third paragraph, which deals with the private stations. It reads: "Eighty stations constitute an important part of the whole Canadian radio setup. The owners of these stations have their own interests at stake and they also have responsibilities to the Canadian people." I should like to ask the minister whether, having regard to the facilities that are now available, the public and the private facilities, he is satisfied that there is ample coverage for all parts of Canada?

Hon. Mr. LAFLÈCHE: Mr. Chairman, we heard last year, I think, that 98 per cent of all of Canada was covered by radio. I think we felt last year that that was coming along pretty well.

Mr. DIEFENBAKER: All right. Then I want to ask the minister this question. Is it a fact that recommendations have come to him, or has he received information to the effect that licences to new radio stations broadcasting the French language exclusively are being considered in Prince Albert, Saskatchewan, Gravelbourg, Saskatchewan and St. Boniface, Manitoba? Has the minister heard of that?

Hon. Mr. LAFLÈCHE: I has not come through me.

Mr. DIEFENBAKER: You have not heard of it?

Hon. Mr. LAFLÈCHE: I have heard something of the St. Boniface situation where a bilingual station was asked for. But you will get those details from the proper people, the officers of the C.B.C.

Mr. DIEFENBAKER: Yes; but you have not heard of the establishment of exclusively French stations in Prince Albert and Gravelbourg?

Hon. Mr. LAFLÈCHE: No.

Mr. DIEFENBAKER: Or anything like that?

Hon. Mr. LAFLÈCHE: No.

Mr. DIEFENBAKER: And you know of no applications now being considered by the corporation in that regard?

Hon. Mr. LAFLÈCHE: I have heard of one application for a bilingual station at St. Boniface.

Mr. DIEFENBAKER: But nothing else?

Hon. Mr. LAFLÈCHE: I do not think so. Certainly it has not come through me.

Mr. PICARD: We know that there is not at the moment enough coverage in French in that district.

Mr. DIEFENBAKER: I was speaking about Prince Albert.

Mr. PICARD: I mean Prince Albert and St. Boniface.

Mr. BERTRAND: Speaking on this particular point, I think I took a certain amount of interest as far as that question was concerned last year. I think we should read the portion of our report to parliament, relating to this matter. It reads: "Your committee has been pleased to learn that the corporation has been very considerate with reference to its services over the French network to the minority in the province of Quebec, and that its policy is to extend the similar consideration to the minority in other parts of Canada." So that if at the present time, that is under consideration, it would only be a fair question to be dealt with.

Mr. DIEFENBAKER: I am asking if it is being done. I asked that question.

Hon. Mr. LAFLÈCHE: I have replied.

Mr. DIEFENBAKER: I want to know the situation.

Hon. Mr. LAFLÈCHE: I have replied that those applications have not and should not come to me or through me.

Mr. BERTRAND: Seeing that Mr. Diefenbaker said, "exclusively in French", I may say that there is a table shown as an appendix to that report, where it shows that radio station CBM, Montreal, broadcasts exclusively in English, where there is no French at all in the province of Quebec.

The CHAIRMAN: That is a matter which Dr. Frigon will be able to deal with.

Mr. BERTRAND: Yes. But I did not want to let that pass without answering it.

Mr. BOUCHER: Do I take it, Mr. Minister, that for reasons probably of your own, and probably because of your being the minister, you do not feel that you should bring any suggestions or any recommendations before this committee?

Hon. Mr. LaFLÈCHE: No, not at all. If I felt like bringing in a recommendation, I would bring it. But I have not felt like doing so in this case. I have made certain that certain points will be discussed by this committee. Surely that is enough.

Mr. BOUCHER: Do I take it that you have no recommendations to bring before the committee?

Hon. Mr. LaFLÈCHE: I have made my address this morning and that is what I wanted to say.

Mr. DIEFENBAKER: Have you given consideration to the suggestion I made that, in order to co-relate the press and radio, one of the appointees to the Board of Governors should be a representative of the Canadian Newspaper Association? Have you given any consideration to that?

Hon. Mr. LaFLÈCHE: Yes; and I hope it will not hurt you if I say that consideration was given before you were good enough to make that suggestion.

Mr. DIEFENBAKER: That may be. What was the decision?

Hon. Mr. LaFLÈCHE: I have not yet announced the appointment of the remaining governor.

Mr. DIEFENBAKER: Then do I take it that he is going to be a representative of the newspapers associations?

Hon. Mr. LaFLÈCHE: Take what you like. It is for you to take what you like. You will have to wait and see who he is.

Mr. Ross: May I ask another question, Mr. Chairman? The minister stated that we were not without a general manager at the present time because we had an assistant general manager, and that the Act or the bylaws provided that the assistant general manager act in his place. It is some considerable time since that position became vacant; and the duties defined in the Act and in the bylaws, of course, are rather different for the general manager and the assistant general manager. Do I take from that, seeing that the position has been vacant for so long, that we have no need for a general manager?

Hon. Mr. LaFLÈCHE: No. I do not think you are justified in holding that belief.

Mr. Ross: Why has there been such a delay in appointing a general manager?

Hon. Mr. LaFLÈCHE: I do not know. I have not had a recommendation from the Board of Governors.

Mr. HANSELL: Do I understand, Mr. Minister, that no appointment is made except by recommendation of the Board of Governors?

Hon. Mr. LaFLÈCHE: May I say, Mr. Chairman, to Mr. Hansell that the Act provides that the general manager shall be appointed by His Excellency the Governor in Council upon the recommendation of the Board of Governors.

Mr. HANSELL: Yes.

Hon. Mr. LaFLÈCHE: But to get to privy council, it has to come to me for my signature.

Mr. HANSELL: Would you or the government have the power to veto that recommendation?

Hon. Mr. LaFLÈCHE: That is a bit hypothetical, I do not mind telling you.

Mr. HANSELL: I mean to say, there is no sense to the thing if you have not that power.

Mr. COLDWELL: You mean refuse to accept the recommendation?

Mr. HANSELL: Yes.

Mr. PICARD: The minister has said that he has received none.

Mr. HANSELL: Yes. But I am just getting the setup. You could refuse to accept the recommendation?

Hon. Mr. LAFLÈCHE: I could refuse to put my name to any piece of paper if I wanted to, yes. I am sorry but I cannot give you any other answer than that. It is obvious.

Mr. BOUCHER: Mr. Minister, you said also, "It is believed that the Board of Governors of the Canadian Broadcasting Corporation has given further consideration to the question of political or controversial broadcasting, but their decision is not known." Could you enlarge upon that statement?

Hon. Mr. LAFLÈCHE: No, I cannot. That has been in the newspapers.

Mr. BOUCHER: I know. But we, as a committee, should like you to enlarge upon it, if you would.

Hon. Mr. LAFLÈCHE: I have nothing more to say than that. I much prefer to have that out at this committee than to see in the press what are, as far as I know, unauthorized statements. I do not know the origin of the thing. I have not heard a thing about the article, except that I saw it in the press.

Mr. BOUCHER: Do you feel that the regulations of the C.B.C. on that should be given consideration by this committee with a view to improving them?

Hon. Mr. LAFLÈCHE: I feel that it would be in the interests of all concerned if no person were to attempt to take advantage of the regulations as they now stand; whether those regulations should be changed is a matter for consideration by the Board of Governors. They deal with those matters, not I.

Mr. BOUCHER: Would you not think that this committee should go into that matter and assist the Board of Governors in making recommendations for improvement in the situation which, I think you will agree, is not quite satisfactory?

Hon. Mr. LAFLÈCHE: Well, because of the abuse, conditions are not satisfactory.

Mr. BOUCHER: Well, abuse by whom? You may as well come all the way, Mr. Minister.

Hon. Mr. LAFLÈCHE: Well, I am thinking of the incident when Mr. Bracken was speaking, I think in Hamilton. I would not believe that Mr. Bracken was responsible, but as I said in the house—

Mr. BOUCHER: But you think—

Hon. Mr. LAFLÈCHE: Just a minute. As I said in the house, that was a slick piece of work and if you will permit me to say so, beneath the dignity of your party.

Mr. BOUCHER: I will permit you to say anything, so far as that is concerned. But we should like you to say what your own individual opinion on this situation is, without reference to Mr. Bracken, or with reference to him as far as you may see fit to give it.

Hon. Mr. LAFLÈCHE: I am giving you the reason for anything that I may believe. To me, any situation which permits of such doings should receive attention by the competent authorities.

Mr. BOUCHER: Do you think, as a minister or as a private individual, as the case may be, that the regulations against political broadcasting in the C.B.C. is a sane regulation or a wise regulation in a democratic country?

Mr. TRIPP: Mr. Chairman, it seems to me—

Hon. Mr. LAFLÈCHE: Well, if I feel that they are not wise, then I am up against this proposition. I understand that those regulations were made with and by the consent of the several political parties. I am not sure that the Liberal party participated in the deliberations. As I say, I am not sure about

that. But I have been told that the other parties did meet with the officials of the C.B.C. and they came to an agreement. Then I think the success of the regulation must depend upon the manner in which it is carried out and the manner in which the spirit of the regulation is respected by all concerned.

Mr. BOUCHER: And the manner in which the regulations are administered by the Board of Governors, or otherwise.

Hon. Mr. LAFLÈCHE: That is right.

Mr. ROSS: There is one remark which the minister made a few moments ago to which I take exception and that is one when he called the application for Mr. Bracken to speak "a slick piece of work". I do not think it was a slick piece of work at all. He may perhaps think that it will turn out well for the party, but it was not a slick piece of business.

Hon. Mr. LAFLÈCHE: I do not think it did very well.

Mr. ROSS: I take exception to the minister's words.

Hon. Mr. LAFLÈCHE: I am sorry. I did not mean to offend the feelings of any person.

Mr. DIEFENBAKER: The minister would not want to set himself up as an authority on slickness. I think that was a most uncalled for remark.

Mr. TRIPP: It seems to me that the sentiment of the committee this morning—

Hon. Mr. LAFLÈCHE: May I say that I am but echoing what is the current opinion, as I have had it, of the publicity fraternity of Canada.

Mr. BOUCHER: As I take it, you gave your personal opinion on it in calling it slick. I have been trying to get your personal opinion on certain things, to get certain recommendations from you and certain complaints from you as to the existing state of affairs, but I cannot do so.

Hon. Mr. LAFLÈCHE: I have answered your questions very correctly, very carefully, and to the best of my ability.

Mr. TRIPP: Mr. Chairman, it seems to me that certain members of the committee this morning are trying to place the minister in a position which he is not in. They are trying to force him into being the head or totum of the Canadian Broadcasting Corporation. I think we as members of the committee know that he is not in that position and that he is not supposed to answer or could not answer all the questions that have been asked. I think that a lot of the questions that have been asked of him this morning should have been more properly addressed to officials of the Canadian Broadcasting Corporation. On the one hand they try to tell the minister that he is not the head of the corporation, and on the other hand they try to infer that he is and ask questions that he should not be called upon to answer. I think, Mr. Chairman, that we should consider this report which the minister has made in which he asked this committee to give him certain consideration and certain recommendations, and that we should not be forcing upon him the position of coming here and making recommendations which I do not think he is in a position to make.

Mr. ROSS: I do not agree with the honourable gentleman, Mr. Chairman.

The CHAIRMAN: Order.

Mr. ROSS: I do not agree with—

The CHAIRMAN: Just a minute, please. I agree with Mr. Tripp. I think the outline he has given is the one which I would desire the committee to follow. But as far as questions go, I leave that to the discretion and the good judgment of the members of the committee.

Mr. BOUCHER: Mr. Chairman, do I take it then that the questions that I particularly have asked, when I asked the minister for suggestions, should not have been asked before this committee?

The CHAIRMAN: Not at all. I have made no objection to that.

Mr. BOUCHER: Apparently Mr. Tripp is objecting to it. But I still feel that when any witness comes before this committee, it is my duty as a member of the committee to try to get all the beneficial information I can from him; and I resent any implication to the contrary.

The CHAIRMAN: Quite right. But we shall make better progress if we attempt to follow the line of questioning with reference to what is contained in the minister's statement.

Mr. MACDONALD: I think we would make better progress if we entered upon this inquiry in a spirit of co-operation. This is the first time I have attended a meeting of the radio committee, and it occurs to me that this is more of a trial than an inquiry, that the witness appears to be on trial. I do not think that should be the purpose of any parliamentary committee. We are here not to try any witness. We are here to try to get information and then to make our recommendations. I do not think we shall make very satisfactory progress if we come here with the idea that we are going to condemn some witness or get some evidence on him that will hurt him. I do not think that should be our purpose. It is rather our purpose to get information which will be of benefit to the Canadian public.

Mr. BOUCHER: If there is any suggestion that, when we ask a witness for his own opinions or his own recommendations, we are trying to get something to hurt him, I rather sympathize with the witness.

Mr. MACDONALD: I might say that I was not referring to Mr. Boucher. I do not know why he should think I was. I was just giving my impression of the evidence which was submitted and the manner in which it was brought out.

The CHAIRMAN: Are there any further questions?

Mr. ROSS: Yes, I have one.

Mr. ISNOR: Mr. Chairman, I have a question arising out of the observation made by the minister in connection with a full time chairman of the Board of Governors. He said: "It is for serious consideration whether necessary action should not be taken to create the position of full time chairman. The chairman representing the Board of Governors would then be available at all times." My question, Mr. Chairman, is more or less directed to you, as to whether the term of reference permits us, if we so desire, to make a recommendation in connection with a full time chairman of the Board of Governors.

The CHAIRMAN: I think so, Mr. Isnor, because the reference says, to review the policy and the management. How this management is set up would be part of the policy, I think.

Mr. ISNOR: I do not care to pursue it further now.

The CHAIRMAN: The order of reference reads: "To review the policies and aims of the corporation and its regulations...." Perhaps the matter of the general managership would come more particularly under "regulations".

Mr. ISNOR: I do not wish to pursue that further at the present time. However, in view of the fact that the minister has embodied it in his report, I believe that we should not lose sight of the fact, but rather should give it serious consideration when we are making our report.

Mr. COLDWELL: Is that not a matter which comes under the Act, though? Is that not a matter of reconsideration of the Canadian Broadcasting Act itself? It reads, "There shall be a general manager."

The CHAIRMAN: It is specifically stated in the Act. His powers are determined.

Mr. ISNOR: I was dealing with the chairman of the Board of Governors, not with the general manager.

Mr. COLDWELL: If you are dealing with the chairman of the Board of Governors, you will have to define his authority and you may find that it means that you will have to divide the authority between the general manager and the chairman of the Board of Governors.

Mr. ISNOR: There is another question I should like to ask the minister in connection with the paragraph dealing with the commercial aspect. It is true that a great many feel that the C.B.C. have entered the commercial field in a larger manner than was intended. Whether that thought is justified or not is something I am not now disputing or discussing. But I should like to ask the minister whether there is any further avenue left open for advertisers who wish to carry on a national network other than the C.B.C.?

Hon. Mr. LAFLÈCHE: National advertising would ordinarily go to the corporation that has the transcontinental systems.

Mr. ISNOR: It is the only avenue that is left open. Is that right?

Hon. Mr. LAFLÈCHE: Oh, I have heard it said that it could be arranged otherwise, but it would be somewhat cumbersome. It could be done. It would not be more difficult, in my estimation, than the placing of advertisements in the nine hundred or one thousand weekly newspapers of Canada. You would have to be dealing with each one of them individually, though.

Mr. ISNOR: No, it is not quite like that. I am looking for information and trying to get it. I should like to know whether it is not the policy set up by the C.B.C. which prevents private stations from joining up in a network and then taking advantage of broadcasting throughout the dominion any particular advertising scheme that might be placed before them.

Hon. Mr. LAFLÈCHE: I think that is held by some to be one of the difficulties.

Mr. ISNOR: Then in other words, they at the present time, in so far as national advertising is concerned, hold a monopoly in Canada?

Hon. Mr. LAFLÈCHE: Yes. But the C.B.C. does use the privately-owned stations for that.

Mr. ISNOR: And withhold, roughly speaking, 50 per cent of the advertising rates?

Hon. Mr. LAFLÈCHE: They withhold something. I do not know exactly how much.

Mr. COLDWELL: The private stations have done pretty well financially, even under that arrangement, have they not?

Mr. ISNOR: That is not the angle I was approaching it from.

Hon. Mr. LAFLÈCHE: It is believed that there is money in the radio business.

Mr. PICARD: It would appear that there is.

Hon. Mr. LAFLÈCHE: But I have not seen the balance sheets of the different privately-owned radio stations.

Mr. ISNOR: Perhaps we shall be in a position to pursue that a little later on.

Hon. Mr. LAFLÈCHE: With pleasure.

Mrs. CASSELMAN: I move that we adjourn.

The CHAIRMAN: Are there any further questions to be asked of the minister? It was proposed that this afternoon we should have a statement from the chairman of the Board of Governors, who has come here from Montreal. I think perhaps we should proceed with that anyway at 3 o'clock.

Mr. COLDWELL: What about the minister? Can we recall him?

The CHAIRMAN: Yes. We can recall the minister at a later date, whenever it is decided. The minister is available at any time; but the chairman of the Board of Governors is here from Montreal, and at some inconvenience.

Mr. COLDWELL: I am not objecting. We can have the minister on again after the chairman of the Board of Governors has completed his evidence.

The CHAIRMAN: Then we shall meet this afternoon at 3 o'clock.

The committee adjourned at 1 p.m. to meet again at 3 p.m.

AFTERNOON SESSION

The committee resumed at 3 o'clock p.m.

The CHAIRMAN: Gentlemen of the committee, we have before us this afternoon, Mr. Rene Morin, Chairman of the Board of Governors of the Canadian Broadcasting Corporation.

Rene MORIN, Chairman of the Board of Governors, Canadian Broadcasting Corporation, called.

The WITNESS: Mr. Chairman, Mrs. Casselman and Gentlemen: May I open my remarks by saying I appreciate the privilege of appearing before you once more and having the opportunity of giving an account of the way in which we on the Board of Governors have carried out the responsibilities imposed on us.

I should like, too, to express my gratification, and my satisfaction with the general approval given to the corporation's activities by the final report of last year's committee. I was particularly glad to notice the committee's reaffirmation of the nine principles governing national broadcasting in Canada. May I say, too, that the staff of the corporation greatly appreciate the tribute paid to them in the concluding paragraph of the report.

My remarks here will be very brief, because I do not wish to take up too much of the committee's time.

Since March 31 of 1943 the board has met eight times, or about once every six weeks on an average. We have had some very important matters to deal with, and I shall begin by speaking of that one which has been much in everybody's mind—I mean the appointment of a general manager.

Dr. James S. Thomson was the general manager of the C.B.C. when its activities were reported upon to the 1943 parliamentary committee. His appointment dated from the 1st of November, 1942, when at the request of the board, after having obtained a leave of absence from the university of Saskatchewan of which he was president, he agreed as a contribution to the war-time effort of Canada, to assume the management of the corporation for the period of one year.

He appeared before the 1943 parliamentary committee who had then the opportunity of appreciating the talent and ability with which he fulfilled the duties of his office as well as the character of his leadership. Dr. Thomson's professional life has, however, been devoted to higher education and scholarship, a field in which he has attained an honourable distinction as evidenced by the important position which he occupies at the university of Saskatchewan. With such a background it was not unnatural that, after the difficult, troublesome and often ungrateful task of directing a national broadcasting service in Canada, he should feel a longing for the peace and quietude of his study and a desire to revert to his academic and scholarly life. So, in the summer of 1943 he intimated his intention not to carry on as chief executive of the corporation beyond the term during which he had agreed to serve, that is to say, beyond the 1st of November, 1943.

At that time the corporation suffered another shock in the untimely death of its Vice-Chairman, Mr. N. L. Nathanson, who had been sitting on the board since 1936 and had always taken a deep interest in its work. His keen mind, his sound judgment, his business experience had been of great help to the board.

On November 1st the term of office of two other members of the board, Messrs. Rowe Holland and Edwin Charleson, came to an end, and the government, though I feel sure fully appreciating the services which these two members had rendered, took advantage of these circumstances to follow the directives of the parliamentary committee and to appoint on the board representatives of special classes of the population.

Mrs. Sutherland, a newspaper editor, had replaced Mrs. McClung; Mr. Howard Chase had been appointed as a labour representative; Mr. F. J. Crawford, a business man, succeeded Mr. Nathanson and Mr. William James Parker was chosen to act as spokesman of the farmers. These appointments were excellent ones but naturally it took some time before they could be made.

On the 1st of November the board was faced with the task of making recommendations for the appointment of a new General Manager to succeed Dr. Thomson. The by-laws of the corporation provide that the assistant general manager shall exercise the powers of the general manager in his absence. Dr. Augustin Frigon, the Assistant General Manager, has been with the corporation since its inception; he had been a member of the Aird Commission which investigated radio broadcasting in 1928 and made a report on which the present legislation in Canada is largely based. There was no doubt that he fully possessed the qualifications to manage the affairs of the corporation, at least until a successor to Dr. Thomson might be appointed.

Nevertheless the board studied the situation keeping in mind, on the one hand the recommendations of the 1942 parliamentary committee as to the qualifications which the chief executive of the corporation should possess and on the other the expansion of the services of the corporation since its inception.

The activities of the chief executive of the corporation embrace two fields which are very wide apart. These activities demand widely differentiated qualities and qualifications.

At present the chief executive has charge of the general program policies of the corporation, under the direction of the board, and must assume the responsibility for all broadcasts respecting political, religious, economic, social, educational and other controversial matters. He is also in charge of public relations as well as of the relations between the corporation and private stations and will soon have to supervise the operation of the government short wave station now under construction.

Further the corporation owns and operates ten broadcasting stations throughout Canada and operates two networks connecting these stations with a large number of private stations; the commercial operations of the corporation have become quite extensive; the relations with a large staff involve many delicate problems and its annual budget now amounts to nearly $5,000,000 involving a strict control of its finances.

One function calls for imagination, a broad culture, a comprehensive understanding of our national problems and an enthusiastic faith in the future of our country whilst for the other, business experience, administrative sense and a positive mind are required.

The members of the board asked themselves whether such divergent functions could properly be filled by a single person, and whether the set up of the corporation would not be improved and a better control exercised should two separate officials, a full-time chairman and a general manager, each possessing the best qualifications possible in the particular field allotted to him, be charged with the carrying out of the provisions of the Canadian Broadcasting Act.

It may be argued that this would involve a dual authority, but each one of them would have his own definite field of action and normally their respective

functions should not involve any conflict and, should one arise, the authority of the chairman might be predominant or the board might easily settle such differences.

Such a set up would call for the appointment of a salaried chairman giving all his time to the corporation and the maintenance of the general manager and of his assistant in their executive functions.

These views were referred to the government but it is evident that no action was possible without an amendment to the Act and without possibly a reference to this parliamentary committee.

It would be almost impossible to find a person possessing all the qualifications needed to fill such divergent functions as those outlined. If we succeeded in discovering such a person, the amount of work to be done and the attention to be given to widely different duties would require almost complete delegation of power to another person who could take care, on his own authority, of certain phases of the work.

FINANCES

The balance sheet for the financial year ending March 31, 1943, is printed in the annual report which you have before you. May I first point out for the sake of keeping the records straight that on page 30 of the annual report, there is a printer's error. Under the heading expenditures the second item station network (wirelines) reads $777,507.60; this figure should read $777,307.60. This balance sheet was presented to the parliamentary committee last year and the then general manager, Dr. Thomson, gave an analysis of it which is on record in the printed proceedings of last year's committee on pages 58 to 61.

In recent years the committee have not begun their sittings until May or June, and consequently we have been able to submit to the committee at any rate a very closely estimated balance sheet. Our books do not close until the 31st March, and consequently I am unable at the present time to give you anything like a balance sheet.

I understand that the house will recess from March 31 until April 17. By that time we could have ready for you a very closely estimated final balance sheet, and I should be very glad to come back at that time and present it to you.

I confess that I myself would much prefer to wait a few weeks until I can give you a balance sheet which will accurately represent our financial standing and which you can compare with the figures submitted for previous years.

I may say this, however, at the present time I am satisfied that we have lived within our estimated budget, and I have reason to believe that our revenue for 1943-44 will exceed our expenditures by over $200,000.

CONTROVERSY AND NEWS

I expect you will wish me to say something about political and controversial broadcasting and commentaries. The policy of the board in these matters is clearly laid down in the white paper. It is based on the following principles:—

1. The air belongs to the people who are entitled to hear the principal points of view on all questions of importance.
2. The air must not fall under the control of any individuals or groups influential by reasons of their wealth or special position.
3. The right to answer is inherent in the democratic doctrine of free speech.
4. Freedom of speech and the full interchange of opinion are among the principal safeguards of free institutions.

The board believes that these principles can be furthered by the provision of free time to competent speakers to present, without let or hindrance, varying points of view on questions of the day. The best safeguard of freedom of discussion is a policy which permits opportunity for the expression of varying points of view.

The only censorship we recognize is that imposed for security reasons by the official censorship directives which apply generally to press and radio alike. Our officials do, as a general principle, read through the scripts of talks and commentaries in advance of the broadcast, in order that they may give to the speakers advice and guidance and in order to see that they comply with C.B.C. regulations and practice, and national censorship directive. I am told it has occasionally happened that in the case of experienced broadcasters who are thoroughly acquainted with C.B.C. regulations and censorship directions, this precaution has been omitted.

The whole question is one which bristles with difficulties, and you may take it from me that the C.B.C. is not the only body which faces these difficulties. The B.B.C. allows to speakers a very wide liberty of expression. I recently read in the *Listener* the text of a radio debate or forum on the future of the empire, during which views were expressed which I am sure would not meet with the approval of all British listeners.

The Columbia Broadcasting System has lately had difficulties in the matter, which were widely publicized in the United States press and on the air. They removed one of their commentators and imposed what was called a "gag", or some form of censorship which would limit commentators to the expression of purely objective news. On the one hand it was said that C.B.S. was only directing news analysts to keep their personal opinions to themselves. On the other hand it was charged that commentators were being prevented from saying anything that might offend the big radio advertisers and that in effect freedom of speech was threatened. Perhaps the two points are best summed up in statements by Paul White, Director of C.B.S. newscasts, and James L. Fly, Chairman of the American Federal Communications Commission. Mr. White said: "We say to these broadcasters: you and a small group of other analysts could, if you opinionated your broadcasting, exert a dominating power over public opinion, and such power in the hands of a few would destroy all fairness on the air, and in a democratic world there's no freedom without fairness".

Mr. Fly drew attention to the tremendous power wielded by the single man who exercises this breadth of discretion for a great broadcasting system in lodging that power over the whole output of news analysis and opinion, and went on to say: "The fact is, of course, that radio does have some of the most competent commentators and analysts on earth and it would be a pity if the rules of the very medium which brings their voices to the people prevents their opinions from reaching the people. Any policy that requires these men to mouth second-hand opinions serves no purpose. The public is looking to these men at the moment. I wonder if it is not the best method to select the most competent men and give them their rein, bearing in mind, of course, there should be an overall general balance on the part of the company".

The policy of our board is as I have outlined it above, and we stand behind that policy. The interpretation and administration of this policy are carried out by the management and I have no doubt that Dr. Frigon will have something to say on the subject and I think you might also, with advantage, so far as English programs are concerned, hear from Mr. Bushnell, the General Supervisor of Programs.

As for party political broadcasting, the board has approved a new and revised edition of the white paper, and this the acting general manager will lay before you for your consideration.

A certain amount of criticism has been directed lately against the impartiality of our news service. The Board of Governors examined this matter very closely at their last meeting, and after hearing from those concerned with the supervision of our news, we came out of the meeting convinced of the integrity and impartiality of our news editors. It is realized that in summarizing a large volume of news for radio bulletins, it is not always possible to give complete reports on all developments. An editor has to make an arbitrary choice of items, and news judgment is a matter on which all may not agree, especially as news writers have a natural tendency to emphasize the stories that they think will be most interesting to listeners. I should like to recommend to this committee, if I may be permitted to do so, that they call the chief news editor as a witness and question him as fully and as closely as they wish. I should like to say in addition that we have at one time or another received from members of all parties in the house, complaints that their particular party was being discriminated against. I am inclined to think that this is evidence of a healthy state of affairs.

COVERAGE

As I was able to tell the committee last year, the corporation has endeavoured to extend its services so as to give complete national coverage. We are very close to that goal. If I may use the analogy of an engine, you will understand that when once you have achieved a certain high degree of efficiency or speed, each successive increase costs a little bit more per unit of efficiency or speed and is more difficult to achieve. I think I may say that we have reached that point in increasing national coverage. To use the same comparison again, I do not think there is any more chance of increasing our coverage to 100 per cent than there is of constructing a mechanical engine with 100 per cent efficiency.

Late last fall we completed field strength surveys and the coverage statistics based on these surveys are at present in the process of revision. It will be a matter of some months before this work is in final form.

According to the latest available figures the C.B.C. national network covered 90·5 per cent of the total population of Canada and 96·1 per cent of those homes in the dominion which had radio receiving sets. Our national network, of course, includes a number of private stations and the coverage of our own ten stations was 80·9 per cent of the population and 85·4 per cent of the radio homes.

During the year under review we have taken some steps to bring the possibility of radio listening to some places which were unable to get reception. We have installed relay transmitters which will bring C.B.C. programs to Prince George, B.C., with a population of 3,500 and 220 radio homes; to Quesnel, B.C., with a population of 1,000 and 75 radio homes; to Williams Lake, B.C., with a population of 1,000 and 133 radio homes and to Sioux Lookout, Ontario, with a population of 2,000 and 541 radio homes.

I think that when the final results of the survey that I have mentioned are available it will be seen that there is some increase in coverage but I do not believe that any additional coverage that may be achieved in one way or another will substantially affect percentages I mentioned earlier on. As I said before to increase your coverage from 96 per cent to 100 per cent is a very much more difficult task than to increase it from 48 per cent, which it was when the C.B.C. started, to the figure at which it stands to-day.

DOMINION NETWORK

In March, 1939, some six months before the war, the Canadian Association of Broadcasters, in a memorandum presented to the Board of Governors of the C.B.C. suggested that a second national network be set up which would be

on the air for four evening hours, two and a half hours of which would be sustaining programs, the remainder commercial. Among other reasons given by the Canadian Association of Broadcasters at that time was that such a network would give many stations not then affiliated with the national network an opportunity to obtain programs of first quality and would provide listeners during its operating hours a choice of good programs.

During the parliamentary committee hearings of 1942 the then general manager said:—

> We should have alternative facilities—planned alternative facilities, in order to meet this point of being able, at any given moment, with a reasonable signal strength, to give the average listener a choice of two programs in accordance with the average mood. We have not got that . . . . . It is definitely a need; that is, the planned alternative program.

The final report of the Special Committee on Radio Broadcasting of the House of Commons 1942 reported as follows:—

> Your committee further recommends that every effort be made to obviate duplication of broadcasts in the same area and provide listeners with alternative programs.

Ever since 1942, when the parliamentary committee recommended that duplication of broadcasting should be obviated and listeners provided with alternative programs, the demand for time on the national network of the C.B.C. has become increasingly insistent. This demand has not arisen from commercial interests alone. There have been many demands for programs sponsored and otherwise, from government sources. Almost every department of the government has required additional time for the fulfilment of its obligations in connection with the war. Unfortunately a radio network is not like a newspaper or magazine. It cannot add hours to its schedule as newspapers and magazines have been able to add pages until very recently. There are only so many hours in a day and only a small percentage of those hours is available for maximum listening.

These circumstances made it imperative that additional facilities should be provided for suitable time to promote the war effort, to present C.B.C. public service broadcasts and to satisfy, even partially, the demands for network outlets to sponsors. Incidentally, a great deal of sponsored time is now devoted without charge by sponsors to the promotion of numerous war efforts.

It was also necessary in accordance with the recommendations of the 1942 Parliamentary Committee to make a real start in getting away from the duplication existing in many parts of Canada, notably on the prairies and in the maritimes. Moreover, there was considerable inequality in the treatment of privately owned stations. Some as members of the C.B.C. national network (now the Trans-Canada network) were in a much better position than those not so fortunate. The situation could not be remedied by attaching these latter stations to the existing national network. That would have further aggravated the over-duplication.

The operation of a second or alternative network actually commenced in July, 1941, on an occasional basis only. However, it was decided in August, 1943, to proceed with the organization of a second network on a regular basis during evening hours. The co-operation of the privately owned stations was sought and secured. A number of stations previously associated with the Trans-Canada network, especially in Saskatchewan, agreed to transfer to the new network, and operations of that network commenced on January 1, 1944. Many problems have to be met but progress has been satisfactory.

Sixty-five out of seventy-nine privately owned stations in Canada now receive network service (Trans-Canada or Dominion) either as affiliated or supplementary stations of the C.B.C. Most of the stations still without C.B.C.

network affiliation are located in centres already served by two other stations. The service thus provided through the new Dominion network has reduced duplication, improved program standards, is building up larger and more consistent station audiences and bringing satisfaction generally to those stations associated with it. Further, and this is the most important point, the general service of the C.B.C. to the Canadian public has been materially increased and our means of reaching all parts of the dominion have become very much more flexible.

CONCLUSION

The operation of a national network of broadcasting stations is not an easy task.

Its service reaches practically every home in Canada and is therein available sixteen hours per day. It has to conform to the tastes and desires of all classes of the population, labour, farmer, middle class, business men and intellectuals, whose tastes differ materially.

It has to meet the program competition of private stations and, in some sections of our country, that of stations operating in the United States, a more populated and wealthier country than ours, where are gathered the most prominent musicians, singers and artists of the world and where operators of networks of stations have practically unlimited resources at their disposal.

Radio and the press have at least one feature in common; they both draw income from advertising and, in this field, they are in a sense competitors; hence the newspapers feel justified in looking at this new instrument of propaganda with some concern, although it must be acknowledged that the press and the news agencies have in many respects given radio a fair and generous treatment and have thus helped in its development.

Under the Broadcasting Act, the corporation has been entrusted with regulatory powers over private stations. Operators of these stations are granted the exclusive and extremely valuable privilege of using one out of a relatively small number of wave lengths available for use in our country, wave lengths which are public property and are used by the licensees, primarily for profit motives, whilst the C.B.C. operates its stations and networks exclusively in the public interest.

Under these conditions, it is natural for private stations, or at least some of them, to resent the limitations imposed upon their activities by these regulations, in spite of the fact that the board has used its regulatory powers only sparingly and in accordance with its conception of public interest and of the letter and spirit of the Broadcasting Act.

Apropos of some remarks made this morning, I should like to mention here that since the C.B.C. started in 1936 the governors have enjoyed close contact and cooperation with the Canadian Association of Broadcasters. In fact, I scarcely remember a meeting of the Board at which representatives of the C.A.B. were not present to discuss with us their views and their problems.

Operators of private stations may look upon the C.B.C. as a competitor; the reverse is not true. The C.B.C. does not operate for profit, it merely tries to serve public interest as efficiently as possible and with that purpose in view, it has imposed upon itself a number of restrictions which are not applied to private stations. It has, moreover, helped many private stations to improve their services to the public by feeding them programs which they could not have easily duplicated.

None will deny that the programs of the C.B.C. have improved though the corporation does not look upon them as having reached the acme of perfection. All of them are appreciated by some people, some of them by all listeners, but it cannot be hoped that all of them will appeal equally well to all listeners.

Criticism is to be expected, and if of a constructive character it is invited and whenever possible used to improve the service.

The board in its policies has been guided by the principles enunciated in the reports of the Parliamentary Committees which investigated the activities of the corporation in past years; it hopes that these principles will be upheld by this committee, but on the other hand, it will welcome any recommendation which may aim at the improvement of radio broadcasting in our country.

The CHAIRMAN: Thank you, Mr. Morin. Are there any questions arising out of the statement made by Mr. Morin?

Mr. COLDWELL: Mr. Chairman, I think we can congratulate the chairman of the board on the report which he has just presented to the committee. I think we all appreciate the work that the C.B.C. is doing in improving the programs; but I was going to ask him this question with regard to the proposal for a full-time chairman and general manager. Is that not going back to the former setup in the organization which parliamentary committees found did not work and of which they disapproved?

The WITNESS: Well, that existed with the old Radio Commission.

Mr. COLDWELL: Yes.

The WITNESS: But the field of action of the Radio Commission was altogether different from the present field of the C.B.C. There is no comparison. You have no idea of the amount of work that falls under the exclusive jurisdiction of the general manager at the present time, and in fields so divergent that it is practically impossible, or at least very difficult, to find a man who will have the special qualifications needed to fulfil all of the functions and duties which would fall upon him.

By Mr. Coldwell.

Q. I have in mind, of course, the long discussion we had here subsequent to that, two or three years ago, on divided authority when we found that that was more or less disastrous.—A. I realize that it has that objection. But there are advantages on the other side. Keep in mind that the functions of the chairman would be so different. He would not be bothered with the internal management of the corporation. Consideration of finances, and consideration of staff. He would attend to the policies, to the control of all the difficulties which arise over the matters of programs, broadcasts and public relations. It is very important that we should have a man able to popularize the work of the corporation. That is a job which is surely big enough for the capacity of one man. If occasionally conflicts should arise between the two, I would have no objection to giving the predominant authority to the chairman of the board, and the board might easily settle any diffiiculties. We have discussed that problem at great length. We have taken no action on it since we have felt that it was not within our powers to do it. On the other hand, we came to the conclusion that it would be better that the problem should be placed before the parliamentary committee and that the decision should rest with that committee.

Q. You have gone into this pretty thoroughly, have you?—A. Yes.

Q. I mean, the board?—A. Yes.

Q. The board is pretty well unanimous on it?—A. Yes. There was a unanimous resolution.

Q. You have a resolution to that effect?—A. Yes.

By Mr. Hansell:

Q. Could you go into a little further detail as to the functions of both these positions? You have intimated it, but I think further elucidation of that would help.—A. I thought I had pretty well covered the point in my statement. The function of the chairman would be, first, the direction of the policies of the corporation; constant supervision of all the programs to ascertain that these programs are in accordance with the policy of the corporation; settling all the

differences which may arise in the matter of the broadcasting of political and controversial matters, popularizing the services of the corporation, and exercising control or direction of private stations to the extent to which the board does exercise control or to which it possesses regulatory power. In contrast to that, the function of the general manager would be the internal management—to see that the programs are carried on in accordance with the directions of the chairman, control the finances, settle relations with the staff, and have direction of the technical operations of the corporation. We have more than $1,000,000 worth of commercial operations, which is something.

By Mr. Coldwell:

Q. Two years ago you had a manager, a general manager and an assistant general manager?—A. Yes.

Q. And you did divide the functions then, it strikes me, very much along the lines you are suggesting now. If I remember rightly, Dr. Frigon had the finances and the technical end and so on.—A. The reasons why that had been done are not the same to-day.

Q. Oh, I know that. But I just wondered if you could cite any business corporations with this kind of establishment.—A. In the former amendment which we had made to our by-laws in order to give certain powers to the assistant general manager, the assistant did not deprive the general manager of his powers at all. He still had them. It did not work properly because certain actions were taken by the assistant general manager whilst on the same matters the general manager would take different action.

Q. Is there not a danger in what you propose that the same thing might happen again?—A. Well, not if we have the proper man.

Q. I have an open mind on the subject. I am asking these questions merely to clarify my own point of view.

By Mr. Isnor:

Q. Mr. Coldwell asks as to whether or not you can point to any commercial large firms which are carrying on a policy such as you suggest?—A. Yes.

Q. I think that is easy to do.—A. I would say that, to my mind, it is practically the general rule.

Mr. COLDWELL: I know of some.

The WITNESS: The Bank of Montreal, for instance, has two general managers.

By Mr. Boucher:

Q. Have you given thought to the advisability or the practicability of forming regional advisory boards to the Board of Governors? The thought has occurred to me that the Board of Governors could very well seek the assistance of volunteer regional advisory boards representing the interests and the welfare of various regions across Canada, all of the regional advisory boards being set up to include men concerned with the public interest and having public experience, and representing an area such as say, roughly, British Columbia, the prairie provinces, central Ontario and eastern Ontario, all reporting to and advising the Board of Governors on the general policy and practice of radio.—A. This policy of having a regional advisory committee has been tried in the past. Advisory committees were appointed in the prairie provinces; the plan did not produce the results we expected, and finally the people became disinterested and it fell of itself.

Q. Has a full, all-out effort been made to build up proper advisory boards in that regard?—A. I think the appointment of the advisory council or the advisory committee in the prairie provinces was made with the sincere desire to make it a success. I am informed that we also had one in British Columbia.

Q. Of course, the advisory board would not be good unless it worked in close co-operation with the Board of Governors and the members of the Board of Governors worked in close co-operation with it?—A. No. But they are so far apart.

Q. Why should they be so far apart?—A. Because the Board of Governors can meet, let us say, once every two months or once every month.

Q. Is it not a fact that the Board of Governors meets so seldom that they do not play a very important role in C.B.C. affairs?—A. I do not think it is a fact. You should attend one of the meetings to find out whether we play a role or not.

Q. Well, the few meetings you hold and the little publicity given to any meetings you do hold might indicate that.—A. We are not trying to give publicity to our meetings.

By Mr. Coldwell:

Q. Would you say you have met every six weeks during the last year?—A. Yes.

Mr. Isnor:

Q. Could you give us the dates?—A. I will have to have them looked up.

Q. In other words, there were eight separate meetings?—A. Yes, eight separate meetings.

By Mr. Coldwell:

Q. How long do the meetings last, as a rule?—A. As a rule, it is two or three days. We had one of three days recently; previously, one of two days. It all depends. I have these dates here.

By Mr. Martin:

Q. Do you conceive that, under the existing law, you have not power yourself to appoint a general manager apart from the chairman?—A. Oh, yes; we have that power to make a recommendation to the government.

Q. To make a recommendation to the government?—A. Yes; the appointment is made by the government.

By Mr. Ross:

Q. What is the objection to appointing a general manager?—A. There is no objection.

Q. What is the objection to having a general manager and an assistant general manager?—A. I should say that the decision as to the choice of the person will not be the same if a full time chairman is appointed; because at the present time, if we appoint a general manager who is the chief executive and has charge of all the operations of the corporation, we have to look for a man possessing the qualifications to fill the job. If there is a permanent chairman appointed and he is chosen for his particular qualifications in a particular field, then the general manager will have to be chosen for his qualifications in the other field.

By Mr. Coldwell:

Q. Does that argument apply with regard to the manager and the assistant general manager?—A. Except that the assistant general manager under the Act has no authority, no power, except to assist the general manager.

By Mr. Ross:

Q. The only thing is that the powers of the general manager and of the assistant general manager would be set out in the by-laws of the corporation. —A. Well, the by-laws might probably be changed. They have been changed once, and the parliamentary committee reported against those changes; so we

reverted to the original by-laws giving all the powers to the general manager and attributing to the assistant general manager merely the function of assisting the general manager.

Mr. COLDWELL: You remind us just now that there were special reasons why the by-laws were changed last time.

Hon. Mr. LAFLÈCHE: May I ask a question, Mr. Chairman?

The CHAIRMAN: Yes.

By Hon. Mr. LaFlèche:

Q. Is not the line of demarcation between the chairman and the general manager the fact that, in the first place, that gentleman is the head of the body which lays down policies, whereas in the second case—that is the general manager—he carries out the policies? Is that not the great difference between the two?—A. Well, there is this difference. I would not agree that the chairman, if he was appointed, would be the one to define the policy. That would belong to the board.

Q. I did not say that. I said he is the head of the board.—A. Yes.

Q. Which lays down policies.

By Mr. Martin:

Q. He is head of the policy-making body?—A. Yes.

By Hon. Mr. LaFlèche:

Q. Whereas the general manager is an officer of the corporation who carries out the policies laid down for him by this body?—A. Yes.

Q. In other words, the body of which the chairman is head?—A. Yes.

The CHAIRMAN: Excuse me a moment. Mr. Isnor asked a question with reference to meetings of the board. Do you want an answer to that now, Mr. Isnor?

Mr. ISNOR: I think it would be well to have it on the record.

The WITNESS: We held a meeting on the 12th and 13th of April; another on the 14th and 15th of June; a third on the 10th and 11th of August; another one on the 28th and 29th of September; another one on the 22nd and 23rd of October; another one on the 22nd of November; another one on the 24th of January and another one on the 20th of February. We are holding another one on the 27th of March.

By Mr. Coldwell:

Q. I was going to follow up that question by the minister. As I understand you, Mr. Morin, you were talking about two men, one the chairman and the other the general manager, and the chairman would have control over programs, policy and that kind of thing?—A. Yes.

Q. He then would become an executive officer of the board as well as the chairman of the Board of Governors. Is that not so? He would be, as it were, a manager in that particular field?—A. Yes. His work would consist of control or direction of the program policies or seeing that the programs are in accordance with the general policies indicated by the board.

By Mr. Boucher:

Q. Do you suggest that he also sit on the executive committee or on the Board of Governors as a member?—A. Yes. I would suggest that the meetings of the board be presided over by him, that he be chairman of the board as well as president of the corporation.

By Mr. Hansell:

Q. Would he do anything more than crystallize what the Board of Governors is doing now?—A. The Board of Governors can lay down the general policies, but when it comes to the application of them, there must be some one to see that these policies are being properly applied; and that would be the function of the chairman.

By Mr. Coldwell:

Q. Is not that the function of the general manager now?—A. Yes, it is the function of the general manager at the present time. But as I said, the field of action of the general manager at the present time is so wide that I think the services of the C.B.C. would be improved if we had a chairman to attend to those particular duties, leaving the internal management to the general manager.

By Mr. Hansell:

Q. What you really want to do is to take part of the function of the general manager now and put that upon the shoulders of a full-time chairman of the board?—A. Yes.

Q. You would still continue to have your assistant general manager, would you?—A. Yes.

By Mr. Coldwell:

Q. With regard to the day to day administration, the chairman would be supreme in certain matters?—A. Yes.

Q. Otherwise the general manager would go directly to the board with his problems?—A. Yes.

By Mr. Martin:

Q. You have in mind the same kind of division as prevails in most corporations. The general manager is the man who carries on the technique of the business, and he is always subject, of course, to the Board of Directors in respect of what is done. The manager that you have in mind is a man who will know the technical side of radio, the engineering features, the business side of programs and that sort of thing. The chairman will be a public relations officer dealing with the public as well as laying down policy?—A. Yes.

Q. That is the type of division you have in mind?—A. That is the idea we have in mind.

By Mr. Veniot:

Q. Are there a very great number of problems which arise from one meeting of your board to another?—A. Oh, I should say very many.

Q. Quite a number?—A. Yes.

Q. And you have a fair-sized agenda each time you have a meeting of the board?—A. Generally a very heavy one.

Q. And your thought would be that a permanent chairman would be able to give some consideration to these problems as they arise and have some suggestions to submit to the board each time that you would meet?—A. We would expect that of him.

Q. And probably you would have more frequent meetings of your board if you had a permanent chairman, because he would be in a position to prepare the way, so to speak, for your board meetings?

Mr. BOUCHER: You might have less.

Mr. HANSELL: I would say you might have less.

The WITNESS: It is extremely difficult to have more than a meeting per month, when you have to bring in members from Halifax and Vancouver. The trip takes a long time; and unless they are willing to stay in Ottawa all the time, it would be very difficult for them to come more often than they do.

By Mrs. Casselman:

Q. Are you getting good representation at your meetings? I mean, are your members coming in?—A. Oh, yes; practically at all of them.

Q. Practically at all of your meetings?—A. Practically at all our meetings.

By Mr. Hansell:

Q. The position now, I suppose, is that the general manager, desiring to consult on a certain thing really has to wait until there is a board meeting. Is that so? What I have in mind is if there were a general chairman, he would not have to wait until there was a board meeting.—A. No.

Q. There could be continuous collaboration between the two?—A. Yes. I think there is a great deal of that. I might add that the chairman, attending the meetings of the board, would have more authority than a general manager who is necessarily a subordinate officer; and the activities or the problems which arise are so varied, so intricate, that it takes a man regularly in the function to be able to advise the board properly as to what to do, and a man enjoying the same authority as the other members of the board.

By Mr. Boucher:

Q. If that setup was adopted, where you had a chairman of the Board of Governors salaried, and the head of the Board of Governors, and you had a general manager also salaried and also an executive officer of the Board of Governors, have you any recommendation to make to the committee as to the personnel of the general manager or of the chairman of the Board of Governors. —A. I will tell you frankly, I do not feel—

Mr. MARTIN: I doubt very much if that is a proper kind of question to put to the chairman of the Board of Governors at this stage. That is a suggestion that the thing is already determined, and all that sort of thing. I do not think that is a fair sort of question to put to the board at this time.

Mrs. CASSELMAN: It is also difficult for the man who might be appointed, because he might not be the first choice. It might be the man you could get rather than the man you would choose.

Mr. BOUCHER: Surely we are not going to take the position that we cannot discuss it now because something like that might happen.

Mr. MACDONALD: I do not think Mr. Boucher asked for any names. He is just asking if he knew a man who could fill that position.

The WITNESS: To tell you frankly, I have no idea as to who might fill the position, personally; but I have discussed that with my colleagues and I have asked them to try to find somebody who would be qualified to fill the job.

By Mr. Isnor:

Q. You have considered this question because of criticisms offered and the suggestions made from time to time that there should be a full-time chairman. Did you consider combining the two, the chairman and general manager, and carrying on as you do at the present time with an assistant general manager? —A. No. We did not consider that because I do not feel that it would be an improving change under the present setup.

Q. It would give you what you are trying to get now, along with the directing head, the general manager. You take the Canadian National Railways. They have the first vice-president and general manager. Other concerns have the same thing. The general manager or chairman of the board presides at the meetings and carries out the policies as already mentioned by the minister. He has no direct contact with the operations of the corporation. I do not see why you could not combine the two and say the chairman and general manager,

and thus bring about the result desired in a better degree and in a more efficient manner than by having the offices separated.—A. My idea is—and it may be wrong; it is a matter of opinion—that there are duties which are too heavy and too divergent in nature to be carried on by a single man, and that there should be two men.

Q. I am not talking about a single man. I am talking about two men; one is the chairman and general manager. That is No. 1.—A. Yes.

Q. The second is your assistant general manager. I suppose, from the statement you made previously, that you would not appoint a full-time chairman of the board as No. 1, a general manager as No. 2 and an assistant general manager as No. 3, would you? Is that your idea?—A. Yes. The assistant general manager would remain and function as such.

Mr. BOUCHER: Have you fully answered my question? I think Mr. Martin objected to you answering it, and I just wondered if there is anything more you have to say or if you are going to give in to his objection?

The WITNESS: I will tell you frankly I have no suggestion to make as to who might be appointed chairman, and I do not feel I am qualified to make a choice of that kind because my field of relations in Montreal amongst French Canadians is quite small, not sufficient to enable me to make an appointment which would apply to the whole of Canada. I do not know the English Canadians in the other provinces, or a sufficient number of them, to feel that I could suggest a proper appointment. I would hesitate to do it.

By Mr. Boucher:

Q. Do you not think that before we decide the policy we should have a man in view? What is the use of creating an office if you do not know whether you will get somebody to fill it or not?—A. Once you know that there is a general manager to appoint, or there is a chairman and then a general manager then the choice would be restricted to some extent, and it would be easy to look for persons qualified to fill those jobs.

By Mr. Isnor:

Q. Do you wish to infer by that that that is the reason given that no general manager has as yet been appointed?—A. I should think so, yes. My answer would be yes.

Q. Then I come back to the thought I expressed a moment ago. I think you should seriously consider combining the chairmanship and the office of general manager into one office. Otherwise I think you are going to have three highly-paid officials doing work that might very well be done by two high-class men. You have one high-class man at the present time in the person of your assistant general manager. If you have a man equally efficient with a knowledge of business methods and pay him the salary which I think should go with such an office there is no reason why you should not combine the chairman and the general manager into one person instead of adding another $15,000, $20,000 or $25,000 to your payroll.—A. That is a solution which certainly deserves consideration.

Mr. BOUCHER: Is it not a case of taking practical men and putting them into executive positions to a greater degree than you have done that you suggest?

Mr. ISNOR: As chairman of the board I believe that you must have a man thoroughly familiar with business principles. You must have a man who understands organization. This is a big organization doing $5,000,000 worth of business. As I stated before I think you should combine the offices so that you would have a chairman closely in touch with the governors, discussing policies as the head of that Board of Governors, and then seeing that they are carried out and put into real effect and operation.

Mr. BOUCHER: I appreciate your viewpoint, Mr. Isnor, but I wanted to get Mr. Morin's view on that very point.

Mr. ISNOR: I thought perhaps you were questioning it.

The WITNESS: Would you repeat your question?

By Mr. Boucher:

Q. Is it not a case of your suggestion being one wherein you want a practical man added to the practical men you already have on your executive body, namely the Board of Governors?—A. To the question as put I would answer no.

Q. Then why would you want to have a chairman of the Board of Governors and a general manager, both full time, both paid, both holding executive positions instead of having the general manager and chairman of the board as one man, and an assistant appointed to assist him as Mr. Isnor suggests?—A. It comes to the same thing. If you give to the assistant manager the power which under my proposal the general manager would have, and give to the chairman the powers of the general manager it would come to the same thing. I do not see any difference.

Mr. ISNOR: Except that you would have one unnecessary head.

Mr. BOUCHER: There is more probability of a conflict in policies.

By Mr. Coldwell:

Q. You do not propose to do away with the position of assistant general manager as I understand it?—A. It was not in our plan.

By Mr. Bertrand:

Q. Does Mr. Morin think that the business of the corporation is large enough to have these three head men, that is, a chairman, general manager and assistant general manager?—A. At the present time there is plenty of work for the three of them, and if each one worked in his separate field of action I think the service of the corporation could only be improved.

By Mr. Isnor:

Q. May I put it another way?—A. The question was asked as to whether you think it is necessary to have three. May I ask do you not think two could carry on as efficiently if the work was properly divided?—A. The work could be divided as I outlined it between the chairman and general manager, or general manager and assistant general manager. I think we might carry on like that, provided, of course, that there would have to be a chief officer appointed to control the French network.

By Mr. Martin:

Q. Is this a fair statement that behind your suggestion and the unanimous decision of the board was this kind of problem, that you found it difficult to find combined in any one person the qualities that you would expect in the chairman of a policy making board and the qualities of a person who would be expected to have technical knowledge of radio operation? It is difficult to find one man who has those two qualities to the desirable degree. Is that not about the position?—A. That is exactly the position. There is too much work for one man.

By Mr. Coldwell:

Q. Have you conveyed this opinion of the board to the government? A. Yes, we did.

Q. I was going to ask you if the board will be left with only one man—and you say that the work is too heavy for one man—for an indefinite length

of time or whether there will be a decision on this by the government apart from the committee or whether the government will wait for the committee to make a decision because it is dragging along, and I agree it is too big a job for one man.—A. It would be important for the committee to make a recommendation on that point as soon as possible, perhaps before the end of its sittings.

Mr. DUROCHER: Do you not think for the good of that institution it would not be advisable to have a chairman whom you might call general manager and have two assistants, one taking care of each department mentioned a moment ago by Mr. Morin, one taking care of the technical department and the other one taking care of the financial department? They would be both working under one head. There would only be one authority instead of two as in the case of a general manager and a chairman who would have to divide their authority. If the same person is both the chairman and the general manager then he can give his orders accordingly to his two assistants who have to act on instructions received. They both would be responsible to him.

Mr. BOUCHER: You would have a two-headed Janus then.

Mr. DUROCHER: He would have only one head but two assistants.

Mr. HANSELL: It seems to me that we must not look at this picture as though we had a corporation simply doing a business of $5,000,000 a year. The fact of the matter is, as I see it, that the business of radio is a tremendously expanding business. You do not know what the corporation may be facing a year or two or three years from now. My opinion is we are only beginning to touch the fringes of radio. I do not think we should be picayune in these things.

Evidently there has been some difficulty in trying to seek out the right man. I do not believe the man exists that the Board of Governors want. He may exist in some large corporation perhaps in some other country, and if he does exist then I fancy he is getting a handsome salary of anywhere from $20,000 to $50,000 a year.

The WITNESS: More than that.

Mr. MARTIN: He is an incentive wages man.

Mr. HANSELL: I think that is true. We cannot get that sort of fellow. That is all there is to it. Nobody is going to leave a big corporation to come down to a salary of from $10,000 to $15,000 a year. I think before this thing is over that the corporation will be getting a man of that kind eventually because, as I say, it is such a tremendously expanding art and science.

By Mr. Hansell:

Q. I should like to ask Mr. Morin a question. It appears to me that perhaps the board has been looking outside for a man of these qualifications. I should like to ask if the board has considered that perhaps a man be found who is already in the corporation. What I have in mind is this; almost any corporation works on a system of seniority. We have a man in the corporation as mentioned this morning, Dr. Frigon, who has been with the corporation ever since its inception. It does seem to me with the growing art and science of radio that some of these men have grown up with it, and I am beginning to question in my mind whether it is necessary to go outside the corporation to find the man you want.—A. That is a question which has been discussed at one or two of our meetings.

Mr. Ross: May I ask a question?

Mr. HANSELL: Just a minute, Mr. Ross.

The WITNESS: The matter was discussed. No action was taken.

Mr. HANSELL: There is another point in this connection. Someone mentioned that we are taking a long time to get a general manager. I do not share that view particularly. I do not think that the public are very much concerned

about whether or not a general manager is appointed now or six months hence. What they are concerned about is the results they get over the air. My impression is they are getting the same result now as they got six months or a year ago. I think that perhaps the Board of Governors and some inside the corporation are more concerned about getting a general manager than the public are. I am not going to suggest that you hurry this thing just because it may appear to be something that is aggravating some one or another. I think it is better to wait and make sure that your policy is a sound one and then make your appointment just as long as the corporation is carrying on satisfactorily as far as results are concerned, and the public are the people who can tell you that.

The WITNESS: That is in line with my views.

Mr. Ross: May I ask a question? Mr. Morin has mentioned that the work is getting very heavy for the chairman and the Board of Governors. It has been suggested that there is some dissatisfaction on the part of private broadcasters—I believe it has been mentioned in Quebec—that C.B.C. act in the position of referee and competitor at the same time, and it has been suggested that an independent board be set up to take care of a great many of the questions which arise in connection with broadcasting generally in Canada. I am going to ask Mr. Morin whether the time of the board and the general manager is taken up with the management of the affairs of the broadcasting corporation itself to this extent which he talks about or is it taken up to a very large extent with the formation of the general policy of broadcasting throughout Canada? It seems to me a good deal of the time must be taken up that way. It appeals to me, too, that the people who are running the C.B.C. should spend their full time on the running of the C.B.C. and not have to bother about general policies of broadcasting throughout Canada.

I should just like to mention one word in passing about Mr. Nathanson. I think he did a very fine job for the broadcasting corporation and it might be in order for the chairman to convey our sympathy to his family in connection with his recent passing.

To go on, I think the people of Canada are entitled to the best direction which they can have for the broadcasting corporation. I must say this, that the broadcasting corporation has done generally a fairly good job. There are some things that may be criticized, many of them that probably will be criticized, but I have the greatest regard for many of the employees who are working and doing a good job in the corporation. I say that, but under the old set-up according to the bylaws—I do not think I have got the recent ones—there was a chairman of the board. In the normal course of events it seems to me that he could easily do his work in connection with the laying down of policy and the running of the corporation itself. The directions of the board in connection with policy would have to be handed on to the general manager of the corporation and there were certain functions that he carried out. The general manager had an assistant. I think it is a very fine thing in a corporation like this that the general manager should have an assistant because he wants an understudy, in other words. He wants somebody coming on. Then, too, I think that the idea of fostering promotion from within the corporation is a good one, as mentioned by Mr. Hansell. Therefore it seems to me that this is not just a simple problem that can be settled by making the job of the chairman of the corporation a full-time job. I should like Mr. Morin's comments on the things I have just said.

The WITNESS: At the present time under the Act as it is the chairman is merely one of the members of the Board of Governors. When he is appointed chairman he is charged with presiding at the meetings of the board. You know very well that the management of a broadcasting system is something of a very technical nature, and members of the board attending meetings, let us say every month or two months, are hardly in a position to pass judgment unless they have

the information and the advice of a man who is in charge of the intricate problems which the corporation has to face, and who is able to put up a case before the board of directors. It is the same thing in the management of any other company. The board of directors meet, you have a general manager who comes in, and I say that nine times out of ten, if not ninety-nine out of one hundred, he knows much more about the thing that is to be done than any of the members of the board of directors. It is his job to put up a case before the board and then the board passes judgment, but before doing so they have the information from one who has inside knowledge of the problems with which they are faced.

By Mr. Martin:

Q. And would be there all the time?—A. And would be there all the time.

Mr. Ross: I understand that, but what I am trying to get at is, is the time of the board taken up more with the management of the corporation itself or is it taken up with the management generally of radio in Canada?

Mr. COLDWELL: With sundry applications from private broadcasters.

The WITNESS: I would say that we spend much more time on the management of radio than on the details of inside management. As a matter of fact, the board does not deal very much with inside management. At all of our meetings we usually have delegations of five, six, seven, eight or nine coming before us to present their cases. One may have something, another one wants a licence, another one wants to increase their power, other ones to transfer licences. The Association of Private Broadcasters has come up at practically all of our meetings. They have supplied us with briefs setting out what they wanted. Sometimes they raise six, seven, eight or nine points. Every one of those points is subsequently discussed by the board. That is not internal management. The board does not bother very much with internal management. It deals with the policy of the corporation.

By Mr. Boucher:

Q. In other words, you say that the biggest part of the work is that of public relations, the relation between the board and private stations rather than the management of the C.B.C. network?—A. We discuss also general policies and matters of programming. We always have at all our meetings a lengthy report on the programs and on suggestions made by the general manager as to the programs which he has in view for organization. We discuss those programs. We give directions.

By Mr. Isnor:

Q. Mr. Morin, this same problem which is facing you to-day as far as responsibility of operation is concerned was the same problem you had on March 24, 1941, by reason of which you set up an executive committee. The same problem faced you at that time, division of authority and control of operations, and you vested that authority in an executive committee?—A. Yes.

Q. My thought is if it was necessary on March 24, 1941, and that some problem faces you to-day, that instead of vesting that authority in an executive vest that authority in the general manager, or combine a chairman of the board and general manager and you will be bringing about the results that you wished to bring about when you set up that executive. Is that not so?—A. The situation which we had to face in 1941 was not exactly the same. We had then to deal with internal management, and the idea of creating an executive committee was to permit it to deal with internal management, not so much with general policy which was to be left to the board.

Mr. COLDWELL: In other words, you were setting up an executive committee because there was lack of confidence in the former general manager.

By Mr. Isnor:

Q. But the same problem faces you today in regard to division of authority and operation? Read over your recommendation.—A. I cannot agree there would be a conflict of authority between the chairman and general manager if we have two good men for the job.

Q. Allow me to read:

"The executive committee shall have power:—

(*a*) to manage the affairs of the corporation, to control its finances and to supervise its operations, in accordance with the general policies laid down by the Board of Governors."

Those powers you would assign to a chairman or general manager if you had the right general manager.

"(*b*) To define the functions, duties and responsibilities of the officers and employees of the corporation and to direct them in the performance of their duties."

A. The definition of the policies to the employee shall be made by the board.

Q. But you are carrying them out?—A. The direction of the officers in the performance of their work might properly be done by either a chairman or general manager.

By Mr. Martin:

Q. Assuming that your proposal was acceptable have you given any consideration as to what financial outlay would be required in addition?—A. No, but at the present time I think a salary of $15,000 might be considered for the chairman.

Q. And the general manager would receive what?—A. At the present time he receives $13,000.

Mr. ROSS: The functions of the chairman of the board and the board today are dual in purpose, that is, the direction of the policy of management of the corporation itself, of the broadcasting of the corporation, and also the management generally of radio in Canada.

The WITNESS: Not the management of radio in Canada, the management of radio through the C.B.C., and the regulatory powers exercised by the board over private stations are relatively simple and we have passed regulations which can be looked into by the members of this committee which were intended to be in what we thought was the public interest.

By Mr. Ross:

Q. You have said that your time was taken up mostly with that sort of thing, in connection with broadcasting generally in Canada, not with the operations of the broadcasting company itself?—A. No, no.

Q. For instance, you deal with the refusal of licencesæ—A. Yes.

Q. Or with questions of increased power?—A. Yes.

Q. Or with applications for channels and all that sort of thing. The majority of the time of you as chairman and of the board itself is taken up with that aspect of the thing?—A. I would hardly say the majority of our time. We spend some time on that but the private broadcasters have always some request to make respecting the application of our regulations, changes to our regulations. We study these problems and we study our general broadcasting policy, and, of course, the control of our finances, the budget.

Q. That is different; the control of your finances and budget is a question which affects your corporation?—A. Yes.

Q. The actual work of your corporation, the putting on of programs, and all that sort of thing, hook-ups and chains and so on, but the other part you have just mentioned is the general policy that you put out for your private stations as to what they shall do and shall not do, your regulations, and so on.—A. It is difficult to answer this question by yes or no. At some meetings we have spent a lot of time on the question of radio licences, but at others we have spent time on our regulations. At others we have spent time in discussing our program policies, our general work, our finances.

Mr. COLDWELL: I think what Mr. Ross is trying to get at is this; do you think you spend such an amount of time on the matters that Mr. Ross mentioned to the detriment of the internal management of your own corporation? I think that is it.

Mr. ROSS: It is not quite that. What I am getting at is you have a dual function, and it seems to me that a company which does $5,000,000 worth of business could certainly stand a board of directors. It certainly can stand a board of directors, it certainly can stand a general manager and a chairman of the board and it certainly can stand an assistant general manager. That is where your organization goes. Then, it seems to me you should have some other organization which does not take into consideration that part at all but deals only with the general policy of broadcasting in Canada. As I understand it from Mr. Morin a great deal of the time is taken up with deciding general policies of broadcasting in Canada.

Mr. MARTIN: What have you got in mind? Are you thinking of something like a board of referees as was suggested in Quebec?

Mr. ROSS: I am saying just as I said a few moments ago that they acted as referees as well as competitors with the private stations. That is exactly the position they are in.

Mr. MARTIN: Just so that we will clearly understand what Mr. Ross has in mind are you now proposing that there should be an executive body to deal with the Canadian Broadcasting Corporation and another body to deal with the general problems of radio including the Canadian Broadcasting Corporation, private broadcasters, and so on?

Mr. ROSS: You can have it either way you like but I think that there are two functions which are mixed up in the Canadian Broadcasting Corporation as it is today. I think that is the cause of a great deal of the trouble we have run into in the past. There are two functions mixed up there. It might be of help if you had something like the Railway Commission which has been mentioned, and which the minister mentioned this morning for the consideration of this committee. It might be better to take it outside of the radio broadcasting corporation altogether.

Mr. MACDONALD: They are all full time on the Railway Commission. All the members of the Railway Commission are full-time members.

Mr. ROSS: Well, in the United States, as you probably all know, it is regulated by the Communications Commission.

Mr. ISNOR: You are talking about two different subjects altogether.

The CHAIRMAN: Order. Have you a question for the witness, Mr. Ross?

Mr. ROSS: Yes, I have. But everybody has been talking.

The CHAIRMAN: Address the chair, please.

Mr. ROSS: I want to get Mr. Morin's idea on this thing.

The CHAIRMAN: Ask the witness questions.

By Mr. Ross:

Q. What do you think about a separate body, such as that in the United States called the Federal Communications Commission? What is your opinion about having that?—A. I do not see the necessity of it, for the following reasons. The first is that it has been so far the policy of these parliamentary committees that it is of paramount importance to have a single national authority to control all broadcasting in the public interest; secondly, if the C.B.C. was to be dependent upon the authority of a tribunal or commission having authority over both private and public stations, our function would be made much more difficult; because we have in mind uplifting the character of our programs. We have in mind having broadcasts of an educational character which do not appeal to the masses of the population. They have to be invited or incited to hear these programs for their own benefit. But if we were placed in this position where we have to compete with the private stations to obtain the popular ear, all those programs would have to be abandoned. There would be no competition possible, in the field of educational broadcasting, with private stations.

By Mr. Coldwell:

Q. In your view, this would strike at the very basis of the present broadcasting system in Canada?—A. I think so. Then I may add that I know of no particular reason why the private broadcasters would be justified in making a demand of that kind. They have made it in their convention in Quebec, but they have not stated any grounds upon which they were basing their request, except perhaps in order to have greater freedom in making money.

Mr. ISNOR: No; to have greater freedom of operation.

By Mr. Ross:

Q. Would you say that the full field of radio broadcasting could be properly fulfilled in Canada under the present system?—A. Because, sir, we have no interests at all in opposition to the interests of private stations. We are not paid. We are not getting any portion of the profits or of the money which is made by the Canadian Broadcasting Corporation. We are not competing with the private stations at all. We are helping them as much as we can. But there is nothing, if the Board of Directors is composed of the proper men, which would justify the private broadcasters in rejecting their authority, because the C.B.C. also operates its own stations. There is no competition possible.

Mr. COLDWELL: I think it would be a good thing for us to read again the Aird Report of 1929, as I suggested this morning.

Mr. ROSS: I have read it.

By Mr. Ross:

Q. I should like to ask this question again. Do you think that the full field of broadcasting is being fulfilled under the present system, as well as it could be fulfilled?—A. My answer is Yes.

Q. Then I am going to ask you another question. Have there been any applications for the experimental use or otherwise of frequency modulation or television?—A. I think that licences for experimental stations by radio enthusiasts have been granted. Is that not right?

Q. Have they been granted?—A. I think so. But we have not granted, so far—and we think it is premature to do so—a licence to operate a frequency modulation station for commercial purposes.

Q. Have any requests been made?—A. Yes.

By Mr. Coldwell:

Q. Are you doing anything of that sort yourself?—A. I beg your pardon?

Q. Is the corporation doing anything of this sort itself with regard to frequency modulation?—A. We had started before the war, and we had planned to build a frequency modulation station in Montreal in conjunction with the Marconi Company. Then the war came and, as you know, on account of priorities we could not get the material, so we let the matter drop until after the war. But I am rather inclined to believe, or rather am strongly of the opinion that after the war there will be a considerable change in broadcasting in Canada, and that frequency modulation will be called upon to play a very important part.

Q. I think that is right.

By Mr. Ross:

Q. I want to ask you one more question. Have any requests been made for increased power since the last meeting of the committee, or rather since our last report?—A. Yes. A lot of them.

Q. Have they been allowed?—A. No, sir.

Q. Have any been allowed?—A. Well, I do not think so, no.

Q. None have been allowed?—A. No. There are two reasons for that. The first is that the material to increase the power of a station is not available on account of the priorities; and the second is that there is at the present time a convention sitting in Washington to discuss the distribution or the allotment of wave lengths in North America, and this convention may change the present setup. It was therefore felt that it would not be in the interests of the private broadcasters to allow them to spend a lot of money to increase the power of their stations when we know that right after the war everything may have to be changed.

Q. Is that not a matter for the private broadcasting stations to make up their own minds about?—A. Well, it is difficult to agree to one request and to refuse the others. I think the problem is so wide that we must wait until we can take a decision that will cover the whole field.

Q. Last year Professor Bayly was here and gave us a very interesting brief on broadcasting. He made some very interesting statements in that brief. He said that Canada had lost or would lose many of the channels which were allotted to her. Was his statement correct? Perhaps this matter is one for the engineering staff. But if his statement was correct, how could you justify not giving the power requested to these stations? That is, if his statement was correct.—A. I may say that we doubted the accuracy of the statement. Since that time there has been this convention called in Washington to discuss that very situation, which was another inducement causing us to refrain from taking action until the matter would be cleared up.

Q. One other thing. You appreciate the fact, of course, that unless Canada fills her channels by 1945, I think it is, when the agreement runs out, we are liable to lose those channels?—A. Yes. We are taking care of that. We do not forget that point, and it is not our intention to run the risk of losing those wave lengths.

Mr. MARTIN: They do not run out in 1945. It is in 1946 that they run out, is it not?

The WITNESS: 1946.

By Mr. Ross:

Q. Yes; but you have to be prepared before 1946.—A. Dr. Frigon has gone to Washington and has discussed that situation with the F.C.C. officials and he may be able, when he appears before this committee, to give you more accurate information than I have.

By Mrs. Casselman:

Q. I expect you have just answered my question. I was going to ask if Canada was represented at that conference?—A. Yes.

Q. By Dr. Frigon?—A. Yes.

By Mr. Veniot:

Q. Dr. Morin, you recommend the appointment of a full-time chairman. Presently you are functioning as chairman of the board—A. Yes.

Q. Your function consists of presiding at meetings of the board, let us say, every six weeks?—A. Yes.

Q. Much of your time, you must devote to the affairs of the board in between those meetings—that is, your personal time?—A. Yes.

Q. Do you not have to receive representations, and so forth, and so on, and have cases presented to you in the meantime? Is it not as a result of this obligation to receive presentations and devote a certain amount of your time to thinking about C.B.C. problems, that there has grown the recommendation that you make today?—A. That is a fact, sir. I must modestly confess that I do not give the C.B.C. as much time as I should, because I cannot. I have not got it at my disposal. But I feel that the situation would be improved if there were a permanent chairman. I attend all the meetings of the board. Apart from that, I receive daily correspondence, and once in a while some people will come to see me about the affairs of the C. B. C. As to the correspondence which I can handle from my office, I do not object. I do it gladly. But I have not the time to go deeply enough into the problems with which we are faced, and that is one of the reasons why I submit there should be a permanent chairman giving all of his time to these matters.

By Mr. Martin:

Q. Your honorarium is how much a year?—A. $1,500 a year.

By Mr. Ross:

Q. I have one other question. Can you tell us, Dr. Morin, what the general opinion in Great Britain is today with respect to the control of radio by the B.B.C.?—A. I am sorry, I have no information on that. I have read an address given by Brendan Bracken in which he seemed satisfied with the work that the B.B.C. were doing; but I have not enough information to answer your question otherwise.

Q. There was an article which appeared in the *"New Statesman* and *Nation"* and also is reprinted in *"The News"* in Toronto of September 25, 1943. I believe that most of the people of the Canadian Broadcasting Corporation have received this. I wondered if you had received it and read th e articles that were in it? —A. I am sorry, I have not seen it.

By Mr. Hansell:

Q. Mr. Chairman, might I ask one further question. I am not altogether satisfied that the question has been fully answered as to whether or not the responsibilities of the C.B.C. would be amplified in case there was a separate body such as has been suggested, such as a commission, a board or something else, to handle the radio policy throughout Canada. My feeling is that naturally if the C.B.C. board had their responsibilities confined to the operation of the corporation itself, their responsibilities would be less. I do not see that it would prevent the C.B.C. from carrying out its cultural programs and attempting to do what ordinary private commercial stations do. I wish Mr. Morin could give us some further light on that. Perhaps some further witness may do so. I would fancy that most of the time or a good deal of the time of the Board of

Governors is taken up in respect of general radio policy, national policy, that another board could very well handle while the Board of Governors could confine their work pretty much to the operation of the corporation itself.—A. I do not think it is proper to say that the Board of Governors is losing much of its time in attending to the adoption or the enactment of the general regulations applying to all broadcasting stations in Canada. As I have stated, if there was an independent tribunal or commission dealing with broadcasting in Canada over and above the head of the C.B.C., it would mean that the national broadcasting system would fall upon the same regulations as the private stations; and the result of this would be that the national system would enter into competition with the private stations in respect of the means to obtain the audience which it needs. I believe that the result of this competition would lead it to appeal to the masses of the people with programs of a more popular character than it wishes to do, and therefore that the interests of the Canadian public would not receive better service in that way than they do at the present time.

Q. Could not a board or commission care for the welfare of the people just the same?—A. Such a tribunal could not submit the national system to different regulations than those applying to private stations.

Q. Quite so.

By Mr. Coldwell:

Q. The regulatory power would simply deal with licences, wave lengths and that kind of thing; it would not have any control over the character of programs. I think that is what you mean. The C.B.C. would then be merely a broadcasting organization competing for audience?—A. Yes.

Q. And for advertising and so on?—A. Yes.

Q. With the private broadcasters?—A. Yes.

Q. And the regulatory body would deal mainly with applications for licences?—A. Yes.

Q. And wave lengths, and that kind of thing?—A. Yes.

Q. Is that what you had in mind, Mr. Morin?—A. Yes.

Mr. Ross: That is not necessarily so. It would depend upon what the powers of the board were.

Mr. HANSELL: It depends on the duties.

Mr. Ross: I have just one further question.

The WITNESS: If the private stations have reasonable grounds for complaint against the regulations enacted by the board, I should like them to bring them up; then if we have failed in our duty towards them, the question of appointing a tribunal which would have jurisdiction in these matters might be considered. But I do not think it would be proper to take a decision on a matter of that kind merely on the word that the private broadcasters would prefer to have it that way.

The CHAIRMAN: Are you finished, Mr. Hansell?

Mr. HANSELL: On that point.

By Mr. Ross:

Q. Some of the private broadcasters have asked for an increase in power, and they have done it for a definite purpose, namely to serve the people of the country, the people they are broadcasting to. It is not a question of getting very wide coverage, because power does not enter into that to any great extent. But you get a better signal, and that is what they want.—A. That is a technical matter, and I think that the assistant general manager may be in a much better position to give you details, and may be able to amplify the answer to this question better than I can. But we do not feel that we have hurt the private

broadcasters in any way in delaying taking action. We keep in close touch with the situation in Washington, and we have as much interest as they have in preserving for Canada the wave lengths allotted to us under the Havana Conference. We do not intend to allow them to be lost, unless we come to the conclusion that it would be in the interests of Canada to abandon them. We fought hard to get them. It is certainly not our idea to drop them.

Q. I am not speaking now for the protection of private stations. I am speaking for the protection of the public of Canada.—A. Yes. That is what we have in mind.

Q. That is the point; and I can see no reason at all why, if a station wants to increase its power in order to increase the signal to its listeners, it should not be allowed to do so, unless the C.B.C. is afraid of that competition.—A. You base your stand now, I understand, on a statement which was made by Professor Bayly last year. But there was no evidence in rebuttal of the statement which he made before this committee last year. This year you may question our technical officers on this point, and they will give you the answers.

By Mr. Coldwell:

Q. If you are through with that topic, I was going to ask you another question. Does the Board of Governors review the proposals for new programs? —A. I would say yes, we do.

Q. I am going to ask you about the program "Things to Come."—A. Yes?

Q. When was that first brought before the board? Have you any recollection of that?—A. I think it was the end of October, sir; the end of October.

Q. And the board authorized that program, did it?—A. We did authorize it; but the arrangements for those programs had been made by Dr. Thomson as general manager.

Q. Oh, he had made the arrangements?—A. He had made the arrangements. Then we heard some criticism about this program and the board had a meeting. We considered the situation and decided to go on.

Q. When did you first hear about the criticism of the program?—A. About the end of October, I think.

Q. The end of which?—A. The end of October.

Q. The end of October?—A. Yes.

Q. An announcement was made that the program would be deferred, postponed or temporarily cancelled, or whatever you like to say, through the minister, I think, on the 17th of November. Was that statement made with the authority of the Board of Governors?—A. No, sir.

Q. No?—A. No. By referring to the notes here, I see that the board took cognizance of this program only at its meeting of November 22.

By Mr. Isnor:

Q. November 22, did you say?—A. November 22.

Q. The latter part of November?—A. The 22nd of November.

By Mr. Coldwell:

Q. This program was postponed without the knowledge of the board?—A. I do not feel it was postponed. The statement was made that it might be postponed, but I do not believe there was any postponement. All the programs went on at the dates which had been originally fixed.

Q. I know. But the announcement was made by the minister that it was to be postponed.—A. Yes. There was no delay so far as I know.

By Mr. Hansell:

Q. May I ask a further question? Assuming now that perhaps an additional post will be created and you will have a full-time chairman of the board, did I understand you to say that part of his function would be to act as a sort of a public relations officer?—A. Yes.

Q. Complementary to that, might I make this observation. The minister this morning in submitting his brief to us suggested that some considerable criticism has been made which tended to weaken rather than strengthen the corporation. I feel that a public relations officer is very essential. I feel that the Canadian Broadcasting Corporation has still to be sold to the Canadian people. I do not believe the corporation has paid enough attention to that end of it. I want to look at everything in the fairest light possible. I think in a committee of this kind there should not be too much manoeuvring for political position. All the public know is that they pay $2.50 a year. I should not say that is all they know, but that is the big thing they have in mind. They say, "I pay $2.50 a year. What am I getting for it?" They are never told what they are getting for it. I feel that is a part of the business of the corporation that has perhaps been neglected. How many times, for instance, are we aware that some official of the corporation is giving a lecture to the service clubs of Canada? I do not know of any. Perhaps they have. We have a National Film Board, which produces a series of pictures called "Canada Carries On". Well, Canada carries on in the field of radio broadcasting. I think perhaps there is an avenue through which we can publicize our corporation to the people of Canada. Some of these films are for rent. A good series of pictures or a good film on the corporation, showing some of our people, some of the equipment they have, how things are done and so on, I think would help in publicizing the thing in Canada. I make that observation because I think it is a very necessary thing.—A. I share those views, Mr. Hansell.

Q. There is another question I should like to ask. I do not know whether Mr. Morin is the person to answer it or not. It is in respect to equipment in the way of buildings, studios and so forth. Do the Board of Governors decide on that, or is that left with the management? Suppose you want to put up a studio costing $20,000. Who decides that?—A. Oh, the Board of Governors decide on that.

Q. Has there been anything done along that line recently?—A. Well, yes. We are enlarging our studios in Montreal and in Toronto, I think; in Quebec, Montreal and Toronto. Those are decisions taken recently.

Q. I am going to make this observation. I said a little while ago that we should not be picayune in this matter. Perhaps the war has something to do with priorities and so forth with respect to building. But I am of the impression that our present building equipment, particularly with respect to studios, does not give the picture I should like to see given. As a matter of fact, I may as well say that I visited the studio in Toronto, and was very much surprised to find that it was housed in a factory. As a matter of fact, I could not get in there. I had the address. I went to the address, and all I could see under that address was this factory. I could not even see the studios. Of course, I expected to see some pretentious building.

Mr. ISNOR: A Radio City.

Mr. HANSELL: Yes, a Radio City. We talk about the corporation doing $5,000,000 worth of business a year. Naturally I expected to see quite a Radio City. Instead I saw a big iron cage with a policeman standing there. When I went to the policeman, I had the impression that I was trying to get into a prison camp. Eventually I met the manager of the station who was very very courteous to me, but I could not help feeling that our corporation deserves more than they have got. I know that radio is still in its infancy. What might be built to-day might be obsolete five or ten years from now. I do not know, but I think we should pay some attention to that.—A. I am in entire agreement with you. The deplorable situation which you found in Toronto is duplicated in Montreal. Before the war we had decided to build two buildings for our studios and offices in Montreal and Toronto. In Toronto we purchased

a piece of land at a cost of $50,000. In Montreal we obtained a free grant of a very fine piece of property from the city of Montreal and we ordered plans for a new building. The plans were completed and tenders were being asked for the construction when war was declared. We had to borrow money from the government and the government had agreed to lend that money to pay the cost of these buildings but the war came on and then we were notified by the government there would be no money available, and that the government was opposed to the construction of these buildings during wartime. They wanted to preserve all construction until after the war in order to give employment to people coming out from the army or from the war factories. Therefore, our plans were left in suspense but it shows that we realized fully as you do, Mr. Hansell, the necessity of having proper studios and proper offices for our stations.

By Mr. Durocher:

Q. May I ask Mr. Morin if that location in Montreal is the one on Berri street?—A. Yes.

Q. Because I know I was in the city council when it was handed over to the government, but I thought there had been some change subsequently.—A. No. The grant was made for the establishment of our studios. The studio is not being built. We would have a doubtful title to the land at the present time unless the grant is renewed.

Q. We must not wait until it has elapsed before asking for renewal.

Mr. Ross: I have one or two further comments.

Mr. Hansell: Just a moment; in Toronto you have several studios and they are spread all over the place. I understand that a considerable sum of money has been laid out in the matter of repairing, painting and fixing up. Could we have a statement in respect of that? Could one of the officials give us that later as to what has been the outlay over the past several years since the war, we will say, for buildings and equipment?

The Witness: The cost of installing studios is very high, extremely high, in whatever buildings we can get. Certainly you can get this information but you must not forget that knowing the character of the buildings in which these expenditures were made we provided for their depreciation on a rapid scale.

Mr. Hansell: What I mean is this; you said a little while ago that the government said no money was available for building but still we are paying out money on the fixing up of old buildings which will soon be obsolete and we will not use them any more. I have an idea—it may not be sound because I am not a business man, I am not a business administrator—that that thing could be done even in wartime, from now on, anyway. In the first part of the war when we were speeding up production it was a little different. Now we have reached a certain productive capacity and I think perhaps labour and materials might be available, and that something of the nature could be built, maybe not immediately but within the next few years, something that would house all the studios in one building. I understand that many of these programs have an audience admitted free. I do not see why some little charge might not be made to those attending to help to amortize the loan or something of that sort. I have not got all the details of it but I believe it is possible and that the matter should be given further consideration at any rate.

Mr. Isnor: In other words, you would enter the field of amusement, entertainment, which is subject to the amusement tax, and so on, in competition with the theatres and shows.

Mr. Hansell: I do not know about that. There is no reason why you should not. You can go into a show and stay there all day for 50 cents.

Mr. ISNOR: The sponsors of these programs usually issue tickets as a form of advertising.

Mr. ROSS: I have a couple more questions.

Mr. HANSELL: Some of these programs are worth listening to and worth paying money to see.

Mr. ROSS: I have a couple more questions. Dr. Morin said when I was speaking about Professor Bayly's evidence which was given here last year that it was never controverted here in the committee. I would have thought that evidence of such great import if it were not true would have been controverted before now, but there has never been another word that I know of that it has been controverted. The committee was here, and it seems to me that something should have been done about it to take care of the situation if it is not so. I do not only get my information from Professor Bayly's words. I get it from other sources as well.

The WITNESS: I would not say that Dr. Bayly's evidence was not true. I would not say that. I do not want that to be inferred from my statement, but there are certain aspects of the question which were not considered because the committee adjourned after the evidence given by Dr. Bayly.

Mr. ROSS: That was given on the 13th of July.

The CHAIRMAN: It was the last public sitting, Mr. Ross.

Mr. ROSS: I have one further question to ask Mr. Morin. That is in connection with our radio commentators. What supervision is given to the work of commentators? Are their scripts looked over, how are they taken care of or are they given a free hand, and if they do go beyond the bounds of what the corporation suggests what is done about it?

The WITNESS: I have covered this question partly in my statement when I said that:

> "The only censorship that we recognize is that imposed for security reasons by the official censorship directives which apply generally to press and radio alike."

We have discussed this question. It is impossible to expect that a news commentator on the radio, preparing his address practically on the events which have occurred up to the time he goes before the microphone, should have to send his script over to the head office of the company, or one of the regional offices, and have an officer of the corporation look into his text. Who would be the officer who would be qualified to take, let us say, Mr. Willson Woodside's text, and say, "You will strike this passage out," or do this or that. It might be the superior officer of the studio where the broadcast is given but instead of imposing such restrictions, which would be of a humiliating character, we allow a free hand to our commentators in the expectation and on the direction that they limit themselves in their comments within the lines of decency and the regulations of censorship and regulations of the corporation; but we allow them to express their own opinions. It may very well happen that some of the opinions they express do not coincide with opinions of certain groups of the population but I do not think that would be sufficient grounds to prevent them from speaking.

Mr. COLDWELL: Does that not occur in all cases? You have a number of commenators. I have listened to some of them sometimes. Sometimes I agree with them and sometimes I violently disagree with them, but if you want the right type of commentator, a man who is a responsible man, who is a thinker, surely you cannot say to him, "you cannot say what you think." If we are going to have any measure of freedom in the country on the air surely people should be allowed to express their own considered opinions.

Mr. Ross: I quite agree with you but occasionally there are broadcasts by commentators which I do not think are quite right. One broadcast that has been in the public eye lately is one by Mr. Philpott. He can express his own views, but I do not think it is right to create suspicion in the minds of the public to whom he broadcasts. Anybody can read the script. It has been tabled, but I thought I would bring this to the attention of the committee: He says here:

> I have not received second-hand access to the papers the Prime Minister showed to the leaders of parliament.

It seems to me the Prime Minister showed these to the leaders of parliament in secret, and surely they could make up their minds about the situation.

> I have received reliable information on this case which shows me that it raises some issues of deepest national concern.

When a matter like that is before the leaders of parliament it seems to me that any commentator should refrain from commenting in that way. Anybody can read the script. I have not got the whole of it here. I just draw it to your attention, and I was wondering when a commentator does something like that is anything said to him about it, or is he allowed to go on again?

Mrs. CASSELMAN: This is the first afternoon meeting we have had. Have we no time limit or is it in order to move the adjournment, or would that mean that Mr. Morin would have to come again?

The CHAIRMAN: I think, Mrs. Casselman, it would be quite agreeable to move the adjournment at this time. I was just going to bring to the attention of the committee that Mr. Morin could catch the 5.45 train for Montreal, and that if he does not leave now he would not be able to make it. Therefore, I would suggest that we adjourn now.

Mr. HANSELL: We can deal with Mr. Ross' question under programs.

The CHAIRMAN: Just a moment, please; just before adjournment I should like to announce that I have for distribution the new edition of the white paper on political and controversial broadcasting. If the members of the committee will get that now they will have an opportunity of looking it over before the next meeting. Is it the wish of the committee that Mr. Morin should appear at the next meeting for further questioning?

Mr. COLDWELL: Why not leave Mr. Morin to the call of the chair?

The CHAIRMAN: And hear from Dr. Frigon at the next meeting?

Mr. ISNOR: That is satisfactory to me, except that I wanted to discuss the question of CJFX, the Antigonish station, with Mr. Morin.

The CHAIRMAN: I think probably Dr. Frigon knows more about that.

The WITNESS: Dr. Frigon knows more about it than I do.

Mr. MARTIN: The question of the news editorship and the alternative plan can be discussed through another witness?

The CHAIRMAN: We will bring the news editor here.

Mrs. CASSELMAN: I think we should thank Mr. Morin for his attendance here and for his report.

The CHAIRMAN: What is the wish of the committee with reference to the next sitting? Is it agreeable that we sit a week from to-day, two sittings? All right; the committee stands adjourned until Wednesday, March 22, at 11 o'clock a.m.

The committee adjourned at 5.15 p.m. to meet again on Wednesday, March 22, at 11 o'clock a.m.

SESSION 1944

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

WEDNESDAY, MARCH 22, 1944

WITNESS:

Dr. Augustin Frigon, Acting General Manager of the Canadian Broadcasting Corporation.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1944

MINUTES OF PROCEEDINGS

WEDNESDAY, March 22, 1944.
(4)

The Special Committee on Radio Broadcasting met this day at 11 o'clock. Mr. J. J. McCann, the Chairman, presided.

Members present: Messrs. Bertrand (*Prescott*), Boucher, Coldwell, Diefenbaker, Douglas (*Queens*), Durocher, Hansell, Hanson (*Skeena*), Isnor, LaFlèche, Matthews, McCann, Picard, Rennie, Ross (*St. Paul's*), Tripp—16.

Dr. Augustin Frigon, acting general manager of the C.B.C., was present at the meetings of March 15 last, assisting the Chairman of the Board of Governors.

In attendance: Senator Arthur Beaubien.

Complying with a request of the Committee, the following were tabled:—

1. Appointments to the Staff of the Canadian Broadcasting Corporation (Sept. 15, 1944 to March 15, 1944).
   (*See Appendix A to this day's evidence.*)
2. A breakdown of expenditures respecting alterations and improvements to studios in Montreal and Toronto from 1939 to 1943 inclusive.
   (*See Appendix B to this day's evidence.*)

The above were ordered printed as appendices to this day's minutes of proceedings and evidence.

Dr. Augustin Frigon, acting general manager of the C.B.C., was called.

It was agreed that his examination be made after the conclusion of his statement.

Dr. Frigon tabled the following documents:—

1. School Broadcasts for 1943-1944 (Young Canada Listens).
2. Radio-College for the year 1943-1944.
3. C.B.C. Pension Plan.

The above mentioned documents were distributed forthwith.

The witness proceeded with his statement relative to:—

(*a*) Program policy.
(*b*) School broadcasts.
(*c*) Farm broadcasting.
(*d*) Overseas Unit.
(*e*) Controversial broadcasts.
(*f*) Of Things to Come.
(*g*) National News Service.
(*h*) Staff Councils.
(*i*) Pension Fund.

Witness retired.

At 12.45 p.m., on motion of Mr. Picard, seconded by Mr. Durocher, the Committee adjourned until 3 p.m. this day.

ANTONIO PLOUFFE,
Clerk of the Committee.

WEDNESDAY, March 22, 1944.

The Special Committee on Radio Broadcasting resumed at 3 o'clock. The Chairman, Mr. J. J. McCann, presided.

Members present: Mrs. Casselman, Messrs. Bertrand (*Prescott*), Coldwell, Diefenbaker, Douglas (*Queens*), Durocher, Hansell, Hanson (*Skeena*), Isnor, LaFlèche, Martin, Matthews, McCann, Mullins, Picard, Ross (*St. Paul's*), Tripp and Veniot—18.

Dr. Augustin Frigon, acting general manager of the C.B.C., was recalled. He continued with his presentation and was examined thereon.

The topics covered at this sitting were:—

1. Power Increases and Havana Agreement.
2. Network Operations.
3. Canadian Commercial Continuity.

At the suggestion of Mr. Diefenbaker, the witness agreed to produce a list of the C.B.C. salary schedules for all employees showing the number of employees in each category.

Referring to the C.B.C. income of $1,243,553.08 for commercial advertising, Mr. Diefenbaker asked that the Committee be furnished with a general breakdown.

The case of Mr. Edouard Beaudry, killed over North Africa on his way to the Casablanca Conference on a special assignment, was briefly discussed.

The Chairman transmitted to the members of the Committee an invitation of the acting general manager to visit the Montreal and Toronto studios.

Witness retired.

At 5.15 p.m., on motion of Mr. Coldwell, the Committee adjourned until Wednesday, March 29, at 11 a.m.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, MARCH 22, 1944.

The Special Committee on Radio Broadcasting met this day at 11 o'clock a.m. The Chairman, Dr. J. J. McCann, presided.

The CHAIRMAN: We shall proceed with the business of the meeting this morning. The first business arising out of the last meeting has to do with some returns which were ordered produced. A copy of the report of the Royal Commission on Radio Broadcasting, 1929, commonly known as the Air Report, has been supplied to each member of the committee. The next item has to do with the request by Mr. Coldwell for a list of the appointments to the staff of the C.B.C. in the past six months. That list is here and will appear as an appendix. The next matter has to do with a question raised by Mr. Hansell. He wanted to know how much money has been spent in recent years on improvements and alterations to studios in Montreal and Toronto. We have the return here, and that will also appear as an appendix to our proceedings. The business of to-day, gentlemen, will be the presentation by Dr. Augustin Frigon, Acting General Manager of the C.B.C. Copies of Dr. Frigon's presentation will be handed to you immediately.

Dr. AUGUSTIN FRIGON, Acting General Manager of the Canadian Broadcasting Corporation, called.

The WITNESS: After I have made some general remarks, I would like to talk about our program policy generally. Then, with your permission, I shall tell you about our school broadcasts, farm and labour forum and the work of our overseas unit. Then will come some notes on controversial broadcasts, followed by a discussion of our national news service. I may then give you some information on our staff councils. Either to-day or at some future date, I shall submit a discussion on the power increase of broadcasting stations, followed by a progress report on the shortwave station. Then, my intention is to cover the question of network operation and of our commercial department. Finally will come financial matters and possibly some notes on the technical side.

If you prefer, I shall be prepared to discuss these points in turn after I have read my notes on each chapter, so to speak. Of course, I am entirely in your hands as to the manner in which you propose to proceed with me.

As you already know, I have been acting general manager of the C.B.C. since Dr. Thomson left us last fall and have really been in charge since the end of September, 1943 Before submitting to you the statement I have prepared on various phases of our activities, I would like to make it clear at this time, first, that I am reporting on the affairs of the Corporation since another committee of the House made its enquiry last year; and, secondly, that there has been no change whatever in our regulations or in our interpretation of the regulations since that time. Indeed the same people are exercising the same functions now as they did last summer, except that when in doubt they now refer their case to me instead of to Dr. Thomson. As a matter of fact I have tried not to upset our established practice as it has existed for some time.

I do not believe it was my duty, as acting general manager, to attempt to modify the policy and practice of the Corporation or to initiate any important changes which I might think advisable in our administration or mode of operation. Furthermore, when I took over, most of the radio season was already planned and under way. Therefore, even if I had wanted to change important program decisions, it would have been too late for me to do so, except for some minor details. Our new policy in respect to political broadcasts was made public last week but has not been applied yet.

My duty was to carry on, and that is what I have done. I do not say this because I want to duck responsibility; on the contrary. I am quite prepared to stand by any decision I have made. I simply want to emphasize the fact that there has been no change whatever in the manner of running our affairs since I was given the responsibility of acting general manager.

May I point out to you that the duties of whoever is in charge of our organization have become quite considerable in importance, complexity and responsibility. Our budget will reach $5,400,000 for the coming year; our employees now number 807. We have commercial dealings either through actual program bookings or subsidiary network arrangements with the majority of the 79 privately owned stations to which line facilities are available, and are responsible under the Broadcasting Act for the observance by private stations as well as C.B.C. stations of the regulations made under that Act; we have engineers designing radio equipment and engaged in extensive construction work; we have a staff of war correspondents on the battle front; we employ in our own studios some seven or eight hundred radio artists every week; we have an extensive news bulletin service; in conjunction with the radio branch of the Department of Transport we are heavily engaged in the application of international agreements and we will soon do international broadcasting; we bring broadcasts into schools; we encourage talent across the country; our own commercial activities are important; we regulate programs on all stations; we advise the government on the allocation of broadcast permits; incidentally we struggle with controversial broadcasts. All this requires expert knowledge, experience, background and so much attention and time that the load is indeed very heavy.

One feature of our affairs is the spontaneity of decision which is required. Our responsibility in respect to program control, both for ourselves and for private enterprise, results in a continuous series of crises which, at times, come in such rapid succession that one's mind has difficulty in adjusting itself to the tempo. Problems arise all over the country, at the most unexpected moments, which require a solution in a matter of minutes. Most frequently these have to be submitted to the highest authority of the Corporation.

I have had quite varied experience in my life, at times in very important fields of activities, but I do not know of any business which is so active and complicated and which requires such sustained attention as that of the C.B.C.

With these preliminary remarks, I would like to give you a general view on certain aspects of our program policy which, in my estimation, must be taken into account by anyone who wants to analyze the service we give to the public.

In his address to the Canadian Association of Broadcasters in Quebec City on February 14th last, Dr. Angell, Vice-President of the NBC, gave a very clear picture of the background of broadcasting under different systems as they exist in Europe and America. He remarked that the aim of a privately-owned system, living on commercial revenues, was fundamentally to sell to as many people as possible the greatest quantity of low cost articles. For that purpose, they must reach the homes of families with incomes in the lower or medium bracket: they must produce programs which appeal to the great mass of their

potential listeners. There is, therefore, a tendency to neglect minority groups with possibly a higher intellectual background or a taste for the most refined type of programs.

In the case of state-owned systems, as they exist in some European countries, the result is somehow the reverse, says Dr. Angell. There is a tendency to neglect the great majority of people who like the type of popular programs which, through the ages, have always been the joy of working classes and of many others.

Dr. Angell did not pursue his remarks further, but it must have been evident to all those who heard him that had he continued the normal trend of his reasoning, he would have been led to state that Canada enjoys the advantages of both systems. May I be permitted to elaborate on that a little further, and say a few words about our broadcasts properly speaking. After all, the things that counts is what actually comes out of the radio loud speaker in the homes of Canadian citizens. Items which, put together, constitute the C.B.C. weekly schedule of radio programs, contain everything: news bulletins, actualities, talks, addresses, discussions, church services, school teaching, official communiques, commercial advertisement, music, drama, variety shows, sports news, and at present war news and services of all kinds.

An individual listener would generally analyze the situation from his own particular point of view. If he is a lover of high class music, he has no use for the ultra-modern dance band; if he is a religious man, he has his own views in respect to what drama should be; if he is a party politician, he would like his friends to broadcast often and followers of other parties not so often. This may be considered a normal attitude on the part of the individual. The C.B.C. management, must, however, view the whole matter quite differently. Our duty is to keep constantly in mind the interests of that rather indescribable thing which is called the "Public". To do this, we must envisage the problem with a certain perspective, and in doing so we are faced with the most amazing kaleidoscopic picture of human opinions and prejudices. It is unquestionably our duty to try to meet, somehow, and as often as possible, the requirements of each unit of that human kaleidoscope, often ignoring the predominance of some desire at a given moment, in order to protect the interest of a minority. This is not an easy task. It means that, at all times, whatever is decided will meet with the mild, strong, or violent opposition of a great number of people.

To achieve our ideal of purpose we must consider not single program items irrespective of all others; it is, rather, essential that we should constantly have in mind the complete picture, that is, the program-day or even the program-week and the future.

I am talking now from the point of view of the man who *does* things, not of the critic who says: "You should have done so". Those in charge of the C.B.C. must further have constantly in mind the very basic responsibilities which have been entrusted to our organization; that is, to procure for the public the best possible radio broadcasting service in the interest of the nation, not forgetting the broad educational possibilities. This means that although we may live in large centres, we must recognize that those who live in the most densely populated sections of the country are less in need of an organization such as the C.B.C. Spreading out across Canada all that is best in the most important centres is possibly the major function of the C.B.C., so that Canadians from coast to coast may share all the intellectual and artistic capital of the nation.

From time to time one hears people say that C.B.C. programs are not as popular as other commercials. We do not accept that as a general statement; we know that we can and do produce popular entertainment. However, the Corporation does not have, as its prime motive, the maintenance of a high over-all

audience rating; if it tried to do so, it would be failing in its duty. Radio stations or systems which are in the business for commercial and profit-making motives have necessarily to do all that they can to secure a maximum audience all the time—they have to be able to prove to a sponsor that their stations have a large listening audience at any given time of day or night. The C.B.C., on the other hand, is not a profit-making institution, it is not its business to appeal to a *mass* audience for sixteen hours a day. It has cultural and educational responsibilities as well as those of pure entertainment, and consequently many of its programs will appeal only to limited audiences—though it is encouraging to note that the size of those limited audiences is growing.

I am not suggesting that such big commercial systems as the NBC or Columbia and the Blue, for instance, neglect such cultural programs; they have some very fine ones. But you will find that generally speaking they do not tend to put this type of program into the good commercial hours, that is, into the time between seven and eleven at night when most people are at leisure to listen. We in the Corporation feel that it is our duty to put some of our important programs with limited appeal into hours when the people for whom they are intended have an opportunity of hearing them; for this purpose we are perfectly prepared to give up a mass audience and to sacrifice commercial revenue. We do not seriously believe that, as an audience getter, a series of the complete organ works of Bach can compete with Charlie McCarthy; but we do believe that there are a number of people who would like to hear Bach's works played by leading Canadian organists, and we are determined that they shall have an occasional opportunity of hearing such programs. And it must be remembered that on the same evening the people who don't like Bach have a chance to hear "Fibber McGee and Molly"—they do not have to listen to Bach all night. I might say, too, that a very large number of people listen to both programs and enjoy them both. Talks or lectures may be very boring to a great many listeners; nevertheless, some people are interested in learning more about everything and, therefore, it is also our duty to see that these people are well served.

Let us consider a typical weekly schedule to see whether we succeed in the aim I have just expressed. May I talk first of the Quebec network with which I am more familiar. To save time, I shall deal only with evening programs. For instance, on Sunday evening we have at six o'clock half an hour of good light music by an orchestra under Jean des Lauriers—a commercial program. The next 30 minutes is filled by news, 15 minutes in French and then the BBC news from London in English. At seven o'clock there comes "Nos Colleges au Micro", a competition amongst art students of the various classical colleges, a program of high educational interest; it gets a very big listening audience. At 7.30 there is an actuality broadcast by Roger Baulu summing up and illustrating the week's happenings. From eight to nine we have L'Operette. This is a weekly feature—a broadcast lasting one hour, of a light opera, such as "The Grand Duchess" and "The Drum Major's Daughter" by Offenbach, "The Chocolate Soldier" and "The Waltz Dream" by Strauss, "Monsieur Beaucaire" and "The Merry Widow". This program is one which appeals to a large audience including high brows, middle brows and low brows; it has a nearly universal appeal. At nine o'clock we devote our time to that thoughtful and more serious section of the public which is interested in listening to a half-hour discussion of some of the more important problems facing Canadians today. The program "Opinions" is a discussion type with similar aims to those of the English program "Of Things to Come". It is followed by a thirty minute commercial program with a high audience rating, "The Album of Familiar Music", catering to the tastes of those who like restful music well performed. At ten o'clock comes Radio Journal (news in

French), and then we join the English network to hear the Vancouver program "Songs of Empire" and the harpsichord recital from Toronto. At eleven we broadcast news in English, and finish the day with fifteen minutes of dance music.

This, I submit, constitutes very good radio fare and it seems to me that anyone who wants to listen to our French Network on Sunday evening should be able to find at least one hour of enjoyment. And that will cost him not quite three quarters of a cent, on a pro rata basis.

From Monday to Friday the hours from six to eight follow a more or less set pattern. First fifteen minutes of music supplied locally by the various stations on the network. Then news in French, including reports from our war correspondents, followed either by a news commentary by Jean Louis Gagnon, or R. A. Benoit, or a topical talk such as the one on dental hygiene on the Friday of the week I have in mind. And every evening at a quarter to seven we broadcast the B.B.C. English news from London.

At seven o'clock the regular program is that popular perennial "Un Homme et Son Peche" which enjoys a very high rating; spoken in French-Canadian French it has strictly local colour; it is unquestionably of a high literary and artistic standard. At 7.15 a commercial serial drama "Metropole", at 7.30 the B.B.C. French newsreel and at 7.45 either an episode of the very stirring and successful propaganda drama "La Fiancee du Commando", or "Melodies Masquees", a program of light music. That deals with the hours from six to eight from Monday to Friday.

On Monday at eight o'clock we have Mart Kenney for half an hour and then "Freres d'Armes", the French equivalent of "Comrades in Arms", a feature program devoted to and arranged by the three fighting services. At nine there is Romans Lyriques, a commercial program of concert music and at 9.30 a vocal and instrumental recital of more serious music from Quebec. At ten followed news in French, a talk, and a half hour of dance music, then news in English and fifteen minutes of music; and to finish the evening we broadcast as usual a brief summary of the latest news in French.

On Tuesday the hour from eight to nine is taken up by two commercial programs with mass appeal—a mystery drama "Les Secrets du Dr. Morhanges" and a premium giving quiz show "La Mine d'Or". The next hour is devoted to the interests of those of quieter and more serious taste—a symphony broadcast by Les Concerts Symphoniques of Montreal conducted by Desire Defaux of the Chicago Symphony Orchestra, for the typical week I am referring to here. At ten o'clock Radio Journal, a talk in the series Institut Familial, and at 10.30 a Bach organ recital. Then news in English, some recorded music, and the usual French news summary.

Wednesday evening, too, provides listeners with a wide variety of entertainment and instruction. At eight o'clock the popular Serenade for Strings, a program of really good music, classical and modern, played by Jean des Lauriers and his string orchestra with a soloist. This is followed by a discussion group on post-war plans under the title "Preparons l'Avenir" on the pattern of "Of Things to Come". Then we have our weekly hour of drama, Radio Theatre; the play that week was "Yamile sous les Cedres", a radio adaptation of the film by Henry Bordeaux. This, by the way, is an interesting series, and furnishes another example of the co-operation we seek and obtain from others interested in providing entertainment. By a special arrangement with France Film, we have been able to present radio versions of the best French films and have even been given the privilege of using parts of their sound track. The rest of the evening is filled with news in French and English, a fifteen minute talk and a piano recital.

Among the highlights of Thursday evening I may mention "Choc des Idees", a weekly "Farm Forum" for rural listeners and devoted to a discussion of the problems of agriculture; the subject for that particular evening was agricultural education. Then comes a program of light and popular music from Quebec "Ici l'on Change", a variety program and a program produced in London with the armed services by our overseas unit "Sur le qui vive". And I should mention another program which would appeal only to a discriminating group—a viola recital by Louis Bailly.

On Friday night we have the very popular dance music of Mart Kenney on tour through the camps and industrial plants of the Dominion, then a feature program "Je me souviens". This is an exceptional and quite original program; I do not believe that there is anything like it elsewhere. It is highly artistic in presentation—quite a beautiful work of art and thoroughly French-Canadian in spirit and background, dealing with life in old time Quebec; then the commercial program "Waltz Time" with a big audience, and then half an hour of more serious music from Chuhaldin of the C.B.C. Strings. At ten Radio Journal, at 10.15 "Notre francais sur le vif", a talk on the French language, and at half past ten a program by Francois Rozet, diseur. The last half hour of the evening followed the usual pattern of news and music.

Saturday evening is almost entirely given over to lighter fare with hockey taking up an hour and a half. But I should mention especially "Questionnaire de la Jeunesse", a popular educational program with young people participating from seven to seven-thirty. This has been on the air for four years and is still going strong. All programs produced by us are of the highest quality. The war effort is not only taken care of in programs specially produced for the purpose but it is introduced in a great many others. Of the most important programs I have mentioned above, twelve were sponsored, and twenty-one were sustainers produced by us with our own revenues to assure a proper schedule balance.

These figures do not include a large number of sustaining programs of minor importance. The overall picture is approximately 25 per cent commercial programs and 75 per cent sustaining programs, over the week.

May I now say a few words about programs on our English networks. I propose to deal with this very briefly, but if you should want to know more, I am sure you will like to give Mr. Bushnell, our general supervisor of programs, an opportunity to answer your questions. Let us, however, consider now one typical week starting on February 20. On Sunday we had one-half hour of music, a commentary on the news from our overseas representatives in London, a short address by the Governor General on the opening of Boy Scout week, the B.B.C. news, "L for Lanky", a popular program about the RCAF; Charlie McCarthy, the Week-End Review, a special Red Cross story, Stage 44—one of a series of radio plays written, produced and acted by Canadians, the "Album of Familiar Music", the National News Bulletin, "Songs of Empire"—a popular program of British music originating in Vancouver, a recital on the harpsichord and the B.B.C. Newsreel followed by a B.B.C. program called "North American Guest Night".

The hour between 6.00 and 7.00 o'clock follows the same pattern from Monday to Friday and consists of fifteen minutes of old time dance music, C.B.C. News, a brief program of light music and the B.B.C. News from London. On Monday of the week referred to, we had a violin recital by Albert Pratz, a variety program from the N.B.C., the C.B.C. News Round-up during which we bring our listeners comments and descriptive talks by war correspondents with the Canadian troops at the battlefront and behind the front. We regard this as an extremely important service to the public. Some of the battle

descriptions accompanied by the actual sound of artillery and machine guns have been done at the risk of our commentators' lives. This series has had a most gratifying response from the general public. There was a half-hour of dance music from one of Canada's leading dance orchestras which is touring the military camps, then the Farm Radio Forum, the famous Lux Radio Theatre, the ten o'clock news bulletin, and Canadian Round-up—a weekly program which brings to listeners interesting first hand information from various parts of Canada. Then "Information Please" and the B.B.C. Newsreel.

I do not want to bore you with a day to day review as Mr. Bushnell will be at your disposal if you want more details. Let us, however, take one more evening; Thursday, for instance, when we have the "Voice of Victor", a Canadian sponsored musical program of wide popular appeal; the Aldrich Family, "Bing Crosby", "Fighting Navy", and the B.B.C. religious drama "The Man Born to be King", and the B.B.C. Newsreel and commentary from London.

I submit that our schedule presents a varied and well balanced diet for the listener with something at some time or another to suit almost every variety of taste. It was the same throughout that week; we have catered for the mass audience and have devoted a reasonable amount of time to satisfy the more discriminating palate of select groups. And it must not be forgotten that alongside the Trans-Canada network we are beginning to build up the Dominion network. The highbrow who cannot laugh at Fibber McGee on a Tuesday night could twist his dial and bring in a concert by "Les Concerts Symphoniques" of Montreal. On Tuesday, too, the man who doesn't like Bach on the Trans-Canada could hear "Portrait of a Woman"—a series of dramas on the lives of famous women of history which is featured on the Dominion network. Similarly on Wednesday the listener who prefers light music to serious music could find a dance orchestra on the Dominion while the Trans-Canada broadcast a pianoforte recital.

On the Friday we offered a popular Canadian commercial drama "That Brewster Boy" as an alternative to Mr. Chuhaldin and the C.B.C. Strings. On Saturday night at 10.30 if you didn't want to hear an organ recital you could switch over to the other network for a dance orchestra.

I must apologize for having taken so much of your time to discuss this matter point by point. I firmly believe, however, that it is not possible for anyone to have a true picture of our problems without studying details. It is all very well to talk about general policies, but the application of such policies is reflected in the actual job of producing programs and transmitting them to the listeners.

I hope you will find an opportunity to visit both Toronto and Montreal, as I know that direct contact with our means of operation may completely change the picture you may have of our activities. You may find, for instance, an explanation for what seems to be the large staff that we require. You will have to remember that we ourselves produce in our own studios, with our own staff and with the listeners' money, more programs, possibly better rehearsed and in most instances more carefully organized, than the majority of private stations whose capabilities are limited and whose responsibilities may not be as great as ours.

We do not believe that every man who has paid his licence fee is entitled to sixteen hours a day of just what he personally likes; but we do feel that so far as possible every licence holder is entitled to have his tastes considered some time during the good broadcasting hours. As I said before, we do not seek a maximum audience all the time we are on the air. And I will say this, the programs with a very high audience rating are not always the most edifying or the most entertaining—they often are, but by no means always. There is

one very ready means of securing a large audience; give them plenty of dollar bills, and offer the outside listener a chance of having his name drawn out of a barrel and of winning a large sum of money. When I hear that at one time we have hundreds of thousands of people listening to a soap opera on our network, and at another only a few thousand perhaps listening to the Parlow String Quartet then, while I am glad that so many are getting such enjoyment, I am more proud of the fact that the C.B.C. has given a first rate Canadian string quartet an opportunity to get going, and that the relatively few people who love chamber music have a chance of hearing it, if only for half an hour a week.

School Broadcasts

During 1943-44 the C.B.C. continued to collaborate with Provincial Departments of Education interested in using radio in the schools, on the basis of:

(*a*) Provision by the C.B.C. of time on the air, studio and production facilities.

(*b*) Provision by the Provincial Department of Education of program material, i.e., scripts, acting and music talent (if any).

On this basis, programs have been provided by the Department of Education in six provinces; in the other provinces programs have been provided either by the C.B.C. or by the Department of Education. Schemes of regional collaboration have also been established, in the east, among the three Maritime Provinces; and in the west, among the four Western Provinces.

In 1942-43 for the first time we tried the experiment broadcasting an all-Canadian series for schools on the national network, with the co-operation of the nine Provincial Departments of Education and the Canadian Teachers' Federation.

As a result of this experiment a resolution was passed at the second National Conference on School Broadcasting in May, 1943, recommending that the program of National School Broadcasts should be continued and where possible expanded during 1943-44. At the same time, a resolution was also passed favouring a more formal recognition of the participation of Provincial Departments of Education in the planning of these broadcasts.

To give effect to these recommendations the C.B.C. in August, 1943, established an Education Department; and in September, 1943, worked out in collaboration with the Canada and Newfoundland Educational Association a plan for the setting up of a National Advisory Council on School Broadcasting. This council consists of 18 members, together with a chairman nominated by the C.B.C. The membership consists of one representative from each Department of Education except Quebec which nominates two representatives; two representatives each of the Conference of Canadian Universities; the Canadian Teachers' Federation and the National Federation of Home and School; one representative of the Canadian Trustees' Association and one representative of Quebec School Trustees. The functions of the council are: to advise the C.B.C. in the planning of national school broadcasts and to co-operate in the development and use of these programs.

At the invitation of the Board of Governors of the C.B.C., Dr. R. C. Wallace, Principal of Queen's University, Kingston, consented to act as chairman of the new council, which held its first meeting on March 9 and 10, 1944.

During 1943-44, 39 National School Broadcasts were put on the air, of which eleven were heard also on either N.B.C. or C.B.C. networks in the United States. The subjects of these broadcasts included: "My Canada" (9 programs—Canadian geography), "The Way of Free Men" (6 programs—history of

democracy), "Proud Procession" (8 programs—contemporary Canadian achievements); also 4 dramatic readings from Shakespeare plays for senior students, and a weekly news bulletin for schools.

A 60-page printed manual was issued by the C.B.C. to go with these school broadcasts. The programs were carried on 46 stations, and were heard in about 4,300 schools across the Dominion.

The same careful attention is given to the question of educational broadcasting on the French network with Radio College, but the subject is handled somewhat differently. Our broadcasts are intended for high school listeners rather than for children in the elementary grades.

By my own judgment and from the enthusiastic comment that I receive, I am quite sure that Radio College is doing very fine educational work and that it is widely appreciated. The programs include courses in Canadian history, science and natural science, vocational guidance, geography, music, art, etc.

I might add here last fall we received almost 11,000 separate requests for the booklet containing the year's program, not lists of people but almost 11,000 individual requests for copies of the programs.

Associated with these directly teaching programs is a series of classical dramas broadcast on Sunday afternoons, during which we present radio versions of the Chefs d'œuvre of Corneille, Racine, Moliere—our French equivalents of Shakespeare and Sheridan.

I should like to mention, too, that we have inaugurated competitions for listeners in connection with Radio College.

Labour Forum

Some months ago our program department, with the approval of Dr. Thomson, had planned a very elaborate set of broadcasts in the form of a Labour Forum with listening groups somewhat on the same pattern as "Of Things to Come". When I took over last September no final steps had been taken to implement that idea and indeed there was still a lot to be done.

It seemed clear to me that it would be impossible at that time to organize properly for this season. The man we had actually chosen to take care of this work was in ill health and, with the controversy which arose in respect to "Of Things to Come", I thought we had our hands full for the time being. After consulting the Board it was decided to carry on with a Labour Forum designed to give to labour the liberty to express their views to the Canadian public without going into the extensive educational feature of widely organized listening groups, with a correspondingly elaborate set-up. I know that some labour groups would have liked us to proceed as had originally been planned, but on the other hand I am sure that those who know the picture well enough understood our position. As matters stand now, the Board of Governors has instructed the management to consult labour organizations in this respect. Unfortunately pressure of work and other matters have prevented me from taking any final action in that respect. No doubt the general manager who will be appointed to replace Dr. Thomson will proceed as the Board proposed.

Farm Broadcasting

The broadcast service for Canadian farm listeners has continued to expand. Regional farm broadcasts continue to be heard in all regions during the local noon hour.

National Farm Radio Forum is just completing its most successful season and is recognized in Canada and the United States as a Canadian institution that is unique. Several prominent Americans have participated in Farm Forum this year and others have come to Canada to study the project.

The French equivalent of Farm Radio Forum, Le Choc des Idees, is just completing its first season.

Weekly broadcasts for gardeners are in operation in all regions except the Maritimes which will have a similar series in the near future.

Co-operation continues between the C.B.C. and all Departments of Agriculture and other organizations having anything to do with Canadian agriculture.

We regard these programs devoted to the interests of our farmers as of the very greatest importance, and I can tell you that they meet with wide and favourable acceptance by the public.

Overseas Unit

There is a total of 25 people in the C.B.C. overseas unit, 16 men and 9 women—stenographers, secretaries and clerical help—at London C.B.C. headquarters under John Kannawin, C.B.C. overseas unit director, and in the field. There are three sections—news, program and engineering.

A. E. Powley is senior editor of the overseas news service, and under him are the following war correspondents: Matthew Halton, Peter Stursberg and Andrew Cowan on the English side; Marcel Ouimet, Paul Barrette and Benoit Lafleur on the French side.

The program section consists of Gerry Wilmot on the English side and Paul Dupuis on the French side.

The engineering section is headed by Arthur W. Holmes, Toronto, engineer-in-charge; F. Paul Johnson, Edmonton; Alex J. McDonald, Kingston; Lloyd Moore, Montreal; F. Harold Wadsworth, Ottawa; Joseph Beauregard, Montreal (French). All these men have the honorary rank of Captain in the Canadian army and, when with the troops, wear the khaki uniform of Canadian war correspondents with regulation war correspondent cap and soldier badges.

All through the Sicilian and Italian campaigns, C.B.C. war correspondents have maintained a steady flow of voice commentaries covering every aspect of the fighting in both French and English in which Canadian troops have been engaged. Many of these commentaries have carried the actual sounds of battle. Our units in the field, regardless of personal risk to both correspondents and engineers, have by voice given Canadians at home a graphic picture of the heroic part played by our men on the fighting fronts. These commentaries have been—and still are—recorded at the actual front, flown to Algiers and transmitted to Canada by short wave. They have been widely used by the BBC for British listeners, as well as in Canada. We have reason to believe that our radio war reporting has not been surpassed anywhere.

Arrangements were made to have copies of all cables from our overseas correspondents sent to Canadian Press and British United Press bureaus as soon as they were received in Montreal and this step resulted in many of our stories being carried over the news wires and given considerable prominence in many Canadian dailies.

I should like to make mention of some of what, in my opinion, have been the outstanding broadcasts by our overseas correspondents:

1. Stursberg's story by cable of the original landing in Sicily, this being the first time Canadian troops had been in any big action since Dieppe.
2. Stursberg's interview of July 15th with General Montgomery (Ross Munro, Canadian Press, Toronto, was also at this interview).
3. Stursberg's interview with Major General Guy S. Simonds, commanding first Canadian division in British Eighth Army, on July 17. Simonds later had this interview mimeographed and issued it in the field as an order of the day.

4. Halton's voice reporting of the assault landing on the Italian mainland. This was the first C.B.C. voice report to come from this theatre.
5. Halton's voice report of Canadian troops crossing Sangro River and his description of the bridge being built by Canadian engineers under fire.
6. Voice report by Marcel Ouimet of a Canadian artillery barrage. Paul Johnson's "masterly" recording of this barrage is claimed by B.B.C. experts as the finest recording of gun fire in existence.
7. Halton's inspired commentary in the interests of the Fifth Victory Loan Campaign, recorded in Italy under fire. During the recording of this voice report a shell exploded within thirty feet killing several soldiers nearby. Johnson and Halton were lucky to escape with their lives.
8. Marcel Ouimet's scoop of Colonel Ralston's visit to the Canadian troops in Italy. First definite announcement that Ralston was in the front line was made in Ouimet's broadcast from Italy December 3, 1943. On this broadcast Ouimet interviewed the Minister of Defence.
9. Halton's outstanding voice report on the battle of Ortona.

The program side of the overseas unit has two primary functions: (*a*) to keep the folks at home in Canada in touch with the Canadian troops overseas, (*b*) to keep all Canadian forces in the United Kingdom and in battle theatres in touch with the folks at home.

Ninety per cent of function (*a*) is handled by the C.B.C. overseas news service and the other ten per cent is handled by the program section—mainly through "Eyes Front" (in English) and "Sur le qui vive" (in French) which is a weekly account of "stewardship" about our troops in Britain. Both programs deal mainly with the activities of our armed forces in Britain and are largely produced by members of these forces for the people at home.

Another function of the C.B.C. program section overseas is to report to Canada through Canadian eyes what is happening in the United Kingdom and Europe generally in wartime. Examples of this are Stursberg and Barette's interviews at a Scottish port with repatriated prisoners who were sent home from Germany through Sweden.

Benoit Lafleur gave us extremely interesting interviews with Canadian officers, French officials and others from Algiers. Kannawin has done various reports in R.C.A.F. work at bomber, fighting and coastal command stations. Wadsworth flew on a Berlin raid in the Ruhr Express, a Lancaster bomber built at Malton Airport (the first Lancaster built in Canada) and recorded the commentary during the flight by Flying Officer Ray Mackness, R.C.A.F., formerly C.B.C. Vancouver announcer. Flight Lieutenant Jack Peach, formerly C.B.C. Vancouver program man did a linking commentary on the ground.

The job of keeping our troops in Britain in touch with home is done chiefly over the B.B.C. Forces Service (this is the B.B.C. service which is broadcast opposite the B.B.C. Home Service).

Seven nights a week from 7-7.05 p.m. British summer time (6-6.05 p.m. GMT) a five minute news broadcast is carried, supplied by daily cable by C.B.C. national news service in Canada. This is supplemented once a week (Thursday 10-10.15 p.m. BST) by a news summary of the week's Canadian highlights, including sports.

The daily five minute news bulletin gives leading Canadian news headlines and hockey results briefly, then specializes in regional and small town news,

in the following order: Monday—maritimes, Tuesday—Quebec French, Wednesday—Quebec English, Thursday—Ontario, Friday—prairies, Saturday—British Columbia, Sunday—news for Canadian forces in Britain about Canadian forces fighting in the frontline.

These news bulletins are read each day except Tuesday by Gerry Wilmot, C.B.C. Overseas Unit Program Director (English) and Paul Dupuis, Program Director (French) does the Tuesday bulletin.

Once a week (Monday night) a digest is sent to Italy on the B.B.C. general overseas service by Gerry Wilmot to keep Canadian troops in that theatre in touch with news of Canada. Our mobile van in Italy is equipped to receive shortwave and medium wave broadcasts and it is not unusual to see one hundred or more Canadian soldiers gathered around our van to hear this weekly broadcast. Other troops, of course, can pick it up if their posts are equipped with short wave or medium wave receiving sets.

Everyone of the 16 members of the C.B.C. Overseas Unit is available as consultant to the B.B.C. in connection with all program material broadcast by the B.B.C. dealing with Canada or Canadians. The B.B.C. takes constant advantage of this service. Our Overseas Unit makes frequent contributions to B.B.C. Radio Newsreel and other programs designed for the B.B.C. North American Service. These activities have their origination in the work done by E. L. Bushnell, C.B.C. General Supervisor of Programs, who early in the war was seconded to the B.B.C. and whose work contributed greatly to the present set-up and wartime operation of the B.B.C. North American Service.

The CHAIRMAN: You can see, gentlemen, that the next part has to do with controversial broadcasts. I have no doubt it will perhaps be controversial in nature. Would it be the wish of the committee to continue with the presentation or would you like to discuss what has already been presented? I am entirely in your hands.

Dr. Frigon has already been an hour now.

Mr. ROSS: I think he might as well go on for another hour.

Mr. HANSON: I think we had better have the report and discuss it afterwards.

Mr. COLDWELL: It seems to me it is almost necessary inasmuch as there is so much in the report that we should have an opportunity of reading it before discussing it. Dr. Frigon reads rather rapidly.

The WITNESS: I thought it would take too much of your time reading.

Mr. COLDWELL: But, on the other hand, to continue for another hour is pretty hard on Dr. Frigon.

The CHAIRMAN: It is quite all right with him, but we will take it now that will be put on the record before it will be discussed. That is the point that I want to make. We are not going to break into the next part of it for a discussion on it.

Mr. COLDWELL: I would think it might be well to discuss the first part because if we get into the controversial broadcasts section we might omit a discussion of some of the important parts of this presentation.

The CHAIRMAN: That is just what I suggested. Do you want to discuss what has already been given now or do you want to continue with the presentation?

Mr. BOUCHER: It seems to me that we have not had time to check over what has already been given. There is not only the aspect of what Dr. Frigon has said in his comments on programs, but there is the aspect of what programs might be substituted. I think it would take some considerable time to go thoroughly into the matter he has discussed. We should consider it first rather than start a discussion now when we have not made up our minds.

The CHAIRMAN: Is it satisfactory to the committee that when the discussion does take place we do it in an orderly fashion starting from the beginning of the report?

Mr. COLDWELL: Yes, that is essential.

The CHAIRMAN: All right; that is the course we will follow. We will continue with the presentation.

The WITNESS:

CONTROVERSIAL BROADCASTS

There are programs which are the bugbear of all broadcasters in free countries, especially of those in charge of broadcasting organizations who may not be in the privileged position of private broadcasters who are regarded by the public as quite free to run their business as they please within reasonable limits. I refer to *controversial broadcasts*, including forum, discussion and political broadcasts, etc. It may be useful to review here briefly what has been the policy of the C.B.C. in respect to political broadcasts since the beginning.

Up to 1939 there seemed to be no particular problem. We applied in the matter of political broadcasting the system of examining each case on its merits and in the light of the situation prevailing when it occurred. The only existing regulation at that time was regulation 8 made under the Broadcasting Act, which reads as follows:—

> 8. (1) Political broadcasts are governed by subsections (3), (4) and (5) of section 22 of The Canadian Broadcasting Act, 1936, which reads as follows:—
>
> (3) Dramatized political broadcasts are prohibited.
>
> (4) The names of the sponsor or sponsors and the political party, if any, upon whose behalf any political speech or address is broadcast shall be announced immediately preceding and immediately after such broadcasts.
>
> (5) Political broadcasts on any dominion, provincial or municipal election day and on the two days immediately preceding any such election day are prohibited.
>
> (2) Each station shall allocate time for political broadcasts as fairly as possible between the different parties or candidates desiring to purchase or obtain time for such broadcasts.

It soon became evident, however, that we needed some well defined policy which could be applied during the time of general election. Therefore, in the summer of 1939 a Committee composed of C.B.C. officials and representatives of all parties in the House of Commons was set up to study the question. After many weeks of discussion and consideration our statement of policy with respect to controversial broadcasting was issued on July 8. This was the first edition of the white paper. The basic principle of the white paper is that, generally speaking, network party political broadcasting during a general election is to be on a sustaining or free basis. The C.B.C. grants to the various parties, at no cost, periods of time for the broadcast of political addresses over the national network. Privately owned stations affiliated to the network are required to carry these broadcasts; and other private stations are invited to do so. During the election of 1940 all these free broadcasts took place in reserved time, that is to say during hours which the private stations have agreed to reserve for the broadcasting of C.B.C. network programs, commercial or sustaining. So that during election campaigns the C.B.C. places

its own stations at the disposal of political parties, grants the use of network lines free of charge, and arranges for privately owned stations also to give free time for these particular broadcasts.

Of course, the first difficulty was to define what is a political party. It is all very well to say that one politician should be allowed to speak and another not allowed to speak, but those responsible for operating the network must have a clear cut definition of what is or what is not a political party in order that a proper allocation of time and speakers might be made. The committee of 1939 adopted the following definition which was acceptable to all:—

> While it is impossible to lay down an exact definition, it is suggested that such a party would be one which, among other things, would:
>
> (1) have policies on a wide range of national issues;
>
> (2) have a recognized national leader;
>
> (3) have a nation-wide organization established as the result of a national conference or convention;
>
> (4) seek the election of candidates in at least three of the provinces, having a minimum number of 61 officially nominated candidates in the field (being approximately one for every four constituencies); and,
>
> (5) demonstrate by the nature of its campaign that it had attained national proportions and significance.

I will repeat that this definition was approved and adopted by the committee on which all parties were represented in 1939. With this definition as a background, a formula was adopted for the proper division of periods available to all recognized parties. That arrangement was applied during the federal election and proved to be entirely satisfactory. Paid political broadcasting was left entirely to the private stations; the C.B.C. does not sell time on its own stations for political broadcasting at any time, except in a limited number of quite justified cases. Private stations may sell their facilities outside of reserved time as they wish, subject to Regulation 8 (2), which says that time must be allocated as fairly as possible among the various parties or candidates who wish to buy or obtain time.

As was reported to this committee last year, the policy with respect to dominion general elections has since been extended to cover general elections for the provincial legislatures.

Up to the fall of 1942, no political broadcasts were accepted on our network in the periods between general election campaigns, but private stations were and are still free to accept such broadcasts as they may desire.

It is false to say that we do not allow criticism of the government on the air. Those who spread this statement must do so with a political aim. If, up to last year, we did not accept political broadcasts, it was simply to prevent our network across the country from developing into a political forum. As a matter of fact political speakers could have the use of the air at all times of the day on any one of some 79 stations throughout Canada, except during the two hours which are reserved for network broadcasts by the C.B.C. You might object that this has to be done on stations individually and that we do not permit the hookup of various stations for the purpose of broadcasting political speeches between elections. Do I need to remind you that this is done for the simple reason of preventing people with money from buying up groups of stations to broadcast their views. It is true that recordings may be used and that their use can achieve somewhat the same effect as network broadcasting. This method, however, offers a barrier which is an efficient check against abuses which may otherwise develop.

Regulation 19 (4) says:—

> 19. (4) No one shall by means of a mechanical reproduction or otherwise broadcast any program which achieves indirectly by an evasion what a regulation or ruling of the corporation prohibits from being broadcast directly and which shall have the effect of allowing the broadcasting of any program or speech, the simultaneous broadcasting of which over a network or hookup is contrary to the regulations or rulings of the corporation.

In the winter of 1943, it was decided to offer the use of the national network to political leaders so that they might give an account of their stewardship to their followers and to other citizens who might be interested.

The Board of Governors at their February meeting approved of the issue of a new white paper. The old white paper has been revised in detail and brought up to date. We have distributed a copy of this to every member of the committee so that you have had opportunity of studying it and, I hope, of asking questions about it.

Outside of wartime, our restrictions in respect to party political broadcasts are not intended to prevent people from expressing their views on such matters; they are meant to protect us from any possibility of our facilities becoming a political arena to the detriment of the general public. This is possible without restricting freedom of speech because other stations in Canada can be used individually for political purposes.

Amongst programs in the category of controversial broadcasts we may include news commentaries. Because of public interest in the interpretation of news, it is common practice on broadcasting stations everywhere to invite persons who have special knowledge of various phases of national or international affairs to submit their comments on the news of the day. Their work differs from that of the newscaster in that they are supposed to interpret the news for the listeners in the light of their knowledge of the problems involved. Each individual commentator is supposed to be an expert in his own field and should know more than most persons engaged otherwise in broadcasting. On that account they must be allowed great latitude in expressing their views, and whatever they say is to be considered strictly as their own opinion and not as that of those who engaged them. It must be remembered that their comments may be affected by last minute events immediately before the broadcast. For these reasons, it will be readily understood that it is not practical or even feasible to expect that their manuscripts will be subject to general censorship. As is the case with all responsible persons, they are expected to live up to the laws of the country, and at this time in particular, to the provisions of the Defence of Canada Act. If they were to disregard these laws they would be liable to the usual punishment applied in such cases. The same applies to C.B.C. regulations. If a commentator were to broadcast anything which might injure individuals, which would be against good morals, etc., action would be taken immediately.

When it comes to opinions, the question must be left entirely in the hands of the commentator. It is to be expected that he will make mistakes, at least in the opinion of individual listeners. If the C.B.C. management finds that a commentator is too erratic in his statements or that he is liable to frequent serious mistakes the obvious course is not to invite that person to broadcast any more. However, occasional errors, if they are not too flagrant, have to be more or less ignored; as a matter of fact, the commentator himself will soon find out to what extent he is being criticized and whether his talks are acceptable to his public or not. In actual practice one of the difficulties is to invite

commentators to broadcast for a series long enough for them to establish themselves, and at the same time not to make their broadcasts a permanent feature of the schedule. This is a problem which is not easy to solve. If a broadcaster (and I use this term to mean a station or network owner or operator) has no commentary at all, he will be accused of neglecting to inform his public. If he has commentators and tries to exercise a close control of their manuscript, he is accused of interfering with free speech. Again, if there is only an overall supervision and the commentator says something which may displease certain groups, he is liable to be criticized for allowing such statements on his station.

Like many other things in broadcasting, commentators' broadcasts, although an almost indispensable feature to a complete schedule, can never please the majority of the people all the time. Indeed some of the most popular commentators are very hotly criticized by a large section of the public. But the colour they give to their broadcast, the personal and sometimes daring views which they express, bring them popularity, in the same way as some newspapers get circulation with highly coloured news. In the C.B.C. we frequently discuss with our commentators the general trend of their broadcasts without interfering with their personal opinions. Whenever we find that one man does not completely meet our requirements, we change to some other. Indeed it may be good practice not to keep the same person on the air too long.

OF THINGS TO COME

May I say a few words now about the series "Of Things to Come". The first broadcast this season took place on November 23, 1943. The first two broadcasts consisted of dramatic sketches of important national issues devised to be a sort of a build-up to the discussions that were to follow. On the first broadcast Dr. A. E. Corbett, Director of the Canadian Association for Adult Education, introduced the series to listening groups organized by his Association. On the second broadcast, Percy Philipps, speaking as a non-Canadian friendly to our nation, gave a short address on the state of our country in war and in the international field. Up to date, the following topics have been discussed:—

The New Demand—The Right to Work
Public and Private Enterprise
Social Security Plans
We Want to Know Why
The Right to be Healthy
The School Comes First
A Man's Own Castle
The Constitutional Barrier
One People—Two Cultures
Canadians—World Citizens
Canada Within the British Empire
Canada and the Anglo-American World
The New Relationship with Soviet Russia
The Rise of Asia—Canada Faces the New Power of the East
Our Trade with the World—Canada in an International Economy

The following persons discussed those important problems, thereby giving to the Canadian public their own opinion on these matters:—

James I. Simpson, President and General Manager of the Dunlop Tire & Rubber Goods Company.
Russell Harvey, representative of the American Federation of Labor in Canada.
P. M. Richards, Financial Editor of *Saturday Night*.

Francis Hankin, economic and political writer of Francis Hankin & Co., Municipal Engineers.
Robert Haddow of the Machinists Union.
P. C. Armstrong, economic adviser of the C.P.R.
Miss Charlotte Whitton, C.B.E., and author of "Dawn of Ampler Life".
Paul Martin, M.P. for Essex East and Parliamentary Assistant to the Minister of Labour.
Frank Underhill, Professor of History, University of Toronto.
Miss Margaret Boos, an office worker.
Mr. Forest Telfer, an architect.
Mr. Jack Milne, an insurance man.
Hon. F. R. Davis, Minister of Health for Nova Scotia.
S. H. Prince, Professor of Sociology, King's College, Chairman, Halifax Housing Committee.
Dr. Allan R. Morton, Health Commissioner for the city of Halifax.
Dr. Fletcher Peacock, Director of Education of the Province of New Brunswick and Vice-President of the Canada-Newfoundland Education Association.
A. W. Trueman, Superintendent of Schools for the city of Saint John.
Keith Rogers, President and Manager of the Island Broadcasting Co., Charlottetown, and Vice-President of the Canadian Chamber of Commerce.
L. S. Killaly of the Ottawa Branch of the Sun Life Assurance Company.
Professor John Bland, Director of the School of Architecture at McGill University.
J. L. E. Price, President of J. L. E. Price and Co., Montreal, Building and Engineering Contractors.
Frank Scott, Professor of Constitutional Law at McGill University, and National Chairman of the C.C.F.
Claude Prevost, Barrister of Montreal.
Madame Pierre Casgrain.
Edmond Turcotte, Editor of *Le Canada.*
Roland Michener, Progressive Conservative candidate.
Capt. R. G. Cavell of the Canadian Institute of International Affairs.
Dr. R. G. Trotter, Professor of History, Queen's University, Kingston.
Rev. Dr. J. M. Endicott, former secretary to Madame Chiang Kai-Shek.
Aileen Garland, School Principal.
M. A. MacPherson, Barrister.
A. R. M. Lower, United College, Winnipeg.
John Sydie, Investment Dealer.
A. Blair Paterson, Barrister.
Dr. George Hardy, University of Alberta.
Leon Ladner, K.C.
Nigel Morgan, International Woodworkers of America.
Professor G. F. Drummond, University of B.C.
Sir Robert Holland, Indian Civil Service for 30 years and member of Secretary of State's Council for India in London; also a judicial adviser to the Government of Siam.
Miss Helen Chang, Chinese Canadian scientist and leader in Chinese community of Vancouver.
Darshan Singh Sangh, a Sikh from the Punjab; Member of the All India National Progress; at present a trade union official, B.C.
Hon. J. G. Taggart, Minister of Agriculture, Saskatchewan.
Professor Vernon Fowke, Acting Head of Department of Economics, University of Saskatchewan.
R. P. Sparks, Consulting Economist from Ottawa.

This is proof that we are protecting free speech.

C.B.C. NATIONAL NEWS SERVICE

Since its formation in 1941, our news service has been looked upon as a public trust. C.B.C. news bulletins, and particularly the national news summary each night at 10.00 p.m. EDT, are heard in countless Canadian homes. The dangers inherent in anything except complete impartiality in presenting political news are obvious, and should very properly be a matter of public inquiry if such impartiality is in doubt.

Before discussing this criticism in a detailed way, it might be helpful if I outlined, as briefly as possible, the way in which our news service was organized, with particular regard to two things—our staff, and our policy in handling political and controversial news.

Before January, 1941, the news bulletins carried on the C.B.C. network were provided by The Canadian Press. After the outbreak of war, when our service of bulletins was considerably extended, the Board of Governors and the C.B.C. management decided that it would be in the public interest to follow the example of the B.B.C. and the large American networks in setting up our own service of news bulletins, which would be available to C.B.C. network stations, and to independent stations, on a sustaining basis, free of any commercial sponsorship. Arrangements were made with both The Canadian Press and the British United Press for their full newspaper wire services, so that C.B.C. editors would be in a position to select and summarize in a style suited to radio, from the dispatches supplied by these services and by the Associated Press, the United Press, Reuters News Agency, and other news gathering organizations with which The Canadian Press and the British United Press have affiliation. This gives our editors substantially the same service of general news as the largest Canadian daily papers.

When our news service was organized, one of the basic policy directives given to our editors for their guidance, was the following:—

> Domestic political news must be treated with absolute impartiality and in controversial stories, both sides of the issue must be given equal emphasis.

During the three years that the C.B.C. news service has been in operation, many additional directives have been issued outlining this policy in more particular aspects. Copies of these directives, some printed in C.B.C. Internal Rules and Regulations, and more recent ones mimeographed, are available to the members of this committee.

It is true that more space is devoted to government news in C.B.C. bulletins, than to Opposition criticism. This is because stories dealing with official policy, special statements from the many departments of government, such as the Wartime Prices and Trade Board, etc., and announcements by the Prime Minister and members of the Cabinet, have special news interest for listeners quite apart from any political considerations. It is realized that any government carries a heavy burden of responsibility, especially in wartime; we try to present a fair picture of government activities and policies, apart from straight political news. But because of this heavy preponderance of government news, there is a special obligation to give reasonable space to Opposition criticism in our bulletins.

In keeping with democratic practice, criticism of a government in power, either provincial or federal, is the privilege of Opposition spokesmen or other critics. As a non-partisan news service, it is recognized that C.B.C. bulletins should give reasonable space to such criticism, when it comes from responsible spokesmen for any important political group.

C.B.C. editors have been instructed to be as careful to present the government case, when it is given, as that of the Opposition in any controversy. If at times certain spokesmen have been more active in presenting their views, that is a matter outside the province of our editors to remedy. They select and present the news, they do not make it.

C.B.C. editors exercise no political censorship over the news. Anything that a political leader says, whether he is a government spokesman or a representative of an Opposition party, is said on his own responsibility. His remarks may be deeply offensive to some listeners. But it has not been considered the duty of C.B.C. editors to pass judgment on such statements, or modify their meaning in any way, when they come from persons who are recognized as responsible party spokesmen. It is, of course, the responsibility of our editors, to see that such statements are presented accurately, without special emphasis or comment.

Our policy in general has been to accept our Ottawa news through the Ottawa Bureau of The Canadian Press, which serves papers of different political affiliations.

As soon as the Session opens, the central newsroom at Toronto receives from The Canadian Press Ottawa Bureau from two to five thousand words of additional copy each day that the house is sitting. From an editor's standpoint, it is a much more difficult and exacting job to summarize these reports into from five to eight hundred words for a radio bulletin, than to print them in full as a newspaper can do. Our ten o'clock bulletin is a summary of the whole day's important news. It must cover all war fronts, news from London and Washington and other capitals, any important Canadian news of a non-political sort, official announcements of any important new policies from government departments and agencies, as well as a report of parliamentary debates. The amount of time that can be devoted to parliamentary debates is conditioned by other news developments on that particular day.

The editor who handles the parliamentary reports is forced to make an arbitrary selection. Even if the whole fifteen minute bulletin were devoted to parliamentary news, this would still be the case. No matter how impartial an editor may try to be, his selection will always be open to criticism. Our editors are not infallible and they may, at times, make mistakes in judgment. In a radio bulletin, where space is at a premium, a single item or even a single quotation takes on an emphasis that may seem out of proportion to its news value. Our editors are placed in a position which is always under the spotlight of public criticism, and quite rightly so.

In past years, the editors who handled the general news for the national news summary at 10.00 p.m., also edited the parliamentary copy. This year, when parliament opened, we followed the same practice. But we soon found that the volume of copy on parliamentary debates was too great, and the problem of summarizing too difficult, to expect our editors to do justice to it and, at the same time, handle all the war and other news. After the first fortnight of the session, we made this a special full-time assignment for one of our most experienced editors.

It is my contention that no fair appraisal can be made of our news bulletins, without making a careful survey covering a period of at least several months. A listener who may have very definite political views and hold these views with great sincerity, will very naturally be disturbed if he hears a bulletin in which views with which he violently disagrees, are given prominence. On another occasion, a listener of quite opposite views might have the same unfavourable reaction. It is an interesting fact that we have been criticized, at one time or

another, by supporters of all of the different federal parties. We have even had criticism from more than one party, over a single item, and for entirely opposite reasons.

When the C.B.C. news service was first organized, it was subjected to advance criticism from many sources on the score that it was merely a mouthpiece for the government. It is our hope that the majority of listeners now realize that this is entirely without foundation and that an honest effort is being made to give Canadians a fair presentation of domestic political news.

I hope you will not hesitate to question anyone on our staff that you may wish on that important matter. May I suggest in particular our General Supervisor of Programs, Mr. Bushnell, and our Chief News Editor, Mr. McArthur.

STAFF COUNCILS

The staff council organization is now over three years old. The third annual meeting of staff council representatives was held last December, at which time many important problems of administration were discussed with them.

At that meeting staff councils set up a national executive to carry forward all matters arising between annual meetings. Matters discussed have included cost-of-living bonus, retiring leave, staff publication and job analysis.

A number of requests submitted by the councils have been approved. One of them pertains to the cost-of-living bonus which is to be added to the regular salary as of March 1, 1944. Although the corporation started to pay the bonus before it was required by law, the amount to be added to salaries was based not on the bonus paid last year, but, with the approval of the National War Labour Board, on the full rate. This increase to which we were not committed by law has meant an additional $25,000 on our payroll for the year 1944-45.

Certain adjustments were made in the operation of regulations governing retiring leave for employees. This was the subject of several discussions with council representatives and the final decision was mutually satisfactory.

Our staff councils also submitted that it would be to the advantage of the staff, and indeed of the corporation, if they had their own publication which would serve as a medium to inform the staff on C.B.C. affairs, which would establish a closer contact between our widely distributed centres of operation, and, so to speak, between each individual, the staff officials and the management. The board has agreed to such a publication which will be paid for entirely by the corporation, but edited and published exclusively by staff representatives. I believe this will do much to promote the best possible staff-management relations.

In view of the development of the corporation, it is periodically necessary to examine its job structure, to see that it operates efficiently, and remains related to current needs. Such a job analysis is therefore projected. The plan is being worked out with staff councils to promote maximum success.

Such, in brief, is a review of the relations of staff councils with management in the promotion of the general welfare of the corporation. As I said, we are about to start a complete job analysis of our entire staff. This will take many months but we hope that with that information in hand, we will be in a position, at the end of the coming fiscal year, to readjust our personnel both as to occupation and salary. We do not expect there will be a material increase in our payroll but we hope to devise some means of introducing in our mode of payment certain factors that will make the personnel happy. We are trying to secure the close co-operation of all those working for us and to that effect we are most anxious to know their problems and to meet their requests more than

half way. A careful study in New York of conditions that exist within the great American networks has revealed that in certain fields of staff-management relations we are well in advance whilst we are at least keeping pace with others in our endeavour to treat our employees fairly.

We now have 807 employees divided as follows:—

Accounting	Press & Information
Administration	Station Relations
Engineering	Commercial
Program	

This means that we will start the next fiscal year with a payroll of $1,850,000.

In addition to the above we have 108 employees who are on temporary leave for military duty. Moreover, a number of employees have been lent to the National Research Council, the Department of National Defence, British Security Co-ordination, British Ministry of Information, etc.

I would like to take this opportunity to tell you that we have a highly qualified and loyal staff. Without their enthusiasm it would have been impossible for us to have achieved what we have during the last seven years. The only trouble we have in that direction is that our personnel is too limited. In fact, we are trying to do a $10,000,000 a year job with $5,000,000. This situation will become even more acute when the war is over and we must adjust ourselves to post-war standards.

PENSION FUND

Our pension fund is now fully operating. The corporation has unquestionably been generous towards its employees. According to experts consulted, we have a very excellent system which should work to the advantage of all concerned. It consists in the purchase of annuities for each individual employed, the first $1,200 being purchased from the government annuities branch, and the remainder underwritten by a group of private insurance companies. It applies retroactively to employees of long service; it takes care of employees who have reached the age when they could not be expected to buy for themselves a satisfactory annuity; it also takes care of employees who are now on active service, and there is provision for death benefits.

We have distributed to members of the committee a booklet which was printed for the information of our employees, and which contains full details about the working of the scheme.

The CHAIRMAN: The rest of the presentation, gentlemen, deals with the technical features, power increases and the Havana agreement. I think we might well break off here in the presentation and enter into a discussion of what has been given and at a future meeting put on the record that part of the report which has to do with power increases and the Havana agreement.

Mr. ROSS: I think we should have that now. I think we should have it so we can study it.

The CHAIRMAN: You have it before you. I am sorry; I beg your pardon, it has not been distributed.

Mr. ROSS: I think we should have the full report from the general manager.

Mr. PICARD: Would it not be preferable if we waited until this afternoon to start the discussion? It might give us time to study this. There is only about twenty minutes left.

The CHAIRMAN: The part which has yet to be presented, power increases and the Havana agreement, will take longer than the time between now and

one o'clock. Is it the wish of the committee to adjourn now, and further is it the wish of the committee to have the rest of the presentation which Dr. Frigon has to make immediately following our convening at 3 o'clock?

Mr. DIEFENBAKER: How long would the rest take?

The CHAIRMAN: It will take half an hour.

Mr. HANSON: Let us have the rest of the presentation. I would suggest we have the balance of the presentation before we start any discussion.

The CHAIRMAN: Does the committee wish to enter into a discussion now, or to adjourn now and have the rest of the presentation this afternoon?

Mr. COLDWELL: I think it would be wise to adjourn now rather than begin a discussion of this, so that we may look it over. What Mr. Picard suggests is a good thing. If the other part did not take half an hour I would suggest that we continue.

The WITNESS: I am through with the policy part. Now I am coming to the administration, technical features, and other things.

Mr. COLDWELL: The two matters are separate.

The WITNESS: It is quite separate.

Mr. COLDWELL: Two separate fields. I think we should adjourn now.

Mr. PICARD: I would move the adjournment now, Mr. Chairman.

The CHAIRMAN: Moved by Mr. Picard, seconded by Mr. Durocher that we adjourn. Is that the wish of the meeting?

The meeting stands adjourned until 3 o'clock this afternoon.

The committee adjourned at 12.40 o'clock p.m. to meet again at 3 o'clock p.m.

AFTERNOON SESSION

The CHAIRMAN: Mrs. Casselman and gentlemen: this morning Dr. Frigon covered a wide range of subjects in his report. The report is not entirely submitted as yet. He has a number of matters to present, power increases of broadcasting stations followed by a progress report on the shortwave station; then the matter of network operation, the commercial department, financial matters, and some notes on the technical side. What is the wish of the committee, to defer that presentation until later and proceed this afternoon with a discussion of what has been submitted this morning? Dr. Frigon is not prepared at the present time to present all of the balance of his report, but part of it is ready and could be presented if we want it.

Hon. Mr. LAFLÈCHE: Let us have what he has ready, if that would be acceptable.

The CHAIRMAN: All right; is that the wish of the committee?

Mr. ROSS: What did the minister say?

The CHAIRMAN: He said, "Let us have what he has ready". He has ready the matter of power increases and the Havana Agreement. That will take about half an hour. That is all he has ready to present this afternoon. It is a question of whether we want to break off there or break off now.

Mr. MATTHEWS: Has he any preference himself?

The WITNESS: Up to now I have covered the policy side of my report. There is a break now. I should like whenever you are ready to go into the

technical, financial and commercial side. I could proceed with some twelve pages I have here. I am sorry I have no copies to distribute. I have copies of this part. I am at your disposal, of course.

Mr. DUROCHER: When will the next sitting be?

The CHAIRMAN: Probably a week from to-day.

Mr. ROSS: I think we ought to have what he has got now so that we will be able to study it.

The CHAIRMAN: All right, we shall proceed with the presentation by Doctor Frigon.

Dr. AUGUSTIN FRIGON, recalled.

The WITNESS:

Power Increases and Havana Agreement

At an early session of this committee, someone expressed uneasiness of the fact that the C.B.C. had not yet recommended that radio broadcasting stations in Canada be permitted to increase the power under which they operate. Broadcasters have been told that it is our intention to do so in due time. The last time any official representation was made was when Mr. Joseph Sedgwick and Mr. Glen Bannerman appeared before the board on September 20, 1943, for the one and only purpose of getting some news about this situation. They were told that the priority for use of higher power on channels used in Canada is protected by terms of the North American Regional Broadcasting Agreement for the duration of the agreement. By resolution the board requested the Department of Transport to advise to that effect all applicants for increase in power to their stations. These two gentlemen representing the C.A.B. were also told that when the time came each application for power increase would be considered on its merits. They declared they were perfectly satisfied and left us smiling. The next thing we heard was a public statement made by Mr. Bannerman to the effect that the C.A.B. was not satisfied with our handling of the problem.

Our stand is fully justified and is supported by the views of those who know the technical side of the business, and I include in this group most private broadcasters and government officials in the United States. As a matter of fact, the Federal Communications Commission issued a freezing order on February 24, 1942, which stated that no further grants for construction or changes in stations will be granted. The F.C.C. have adhered strictly to that policy with the possible exception of some 100- and 250-watt stations and of a very small number of stations which already had the equipment required. In Canada, the transport department with our concurrence has also issued new permits for low-power stations but none of them have been able to find the equipment required. One of the most active and prosperous broadcasters of Canada has been unable to raise the power of some of his stations from 100 watts to 250 watts, although he had agreed to do so in exchange for some concessions made to him. Had we acceded quickly to requests for increases in power, the most influential stations would have had their demand granted before we would have had a chance to study the national problem as a whole and the position of all broadcasters across Canada.

We, and the radio branch of the Department of Transport, know more about the Havana Agreement and such questions than anybody else in Canada. Indeed, we were in Havana; we participated in the framing of the agreement. After the United States we may well say that we were the most influential group there, and even the drafting of the agreement was a good deal left in our hands. We are in constant touch with F.C.C. officials and other big radio organizations in the United States, Mexico and elsewhere, including broadcasters and manufacturers.

The C.B.C. is fully justified in not recommending increase in power over 1,000 watts on the ground that there is no equipment available and that whatever there is, if any, should be used for war purposes. But there is another and even more important reason for our withholding recommendations. It is quite possible, and even probable, that when the war is over, important changes will occur in the method now used in broadcasting, when frequency modulation, television, and possibly facsimile, will come definitely into the picture. A new North American agreement may be required. We know that frequency modulation will most probably better cover certain areas with lower power than is now done by amplitude modulation. All parties interested are studying the problem. A Radio Technical Planning Board in the U.S.A. has been organized on which all important bodies in the United States are represented, including Washington officials, manufacturers and broadcasters. The C.B.C. is represented on committees of the board. This board is studying the whole question of radio broadcasting from the technical side and it is expected that its report, which will come out in a few months, will influence considerably whatever decision is taken by governments, with respect to the future of broadcasting.

Private broadcasters of Canada were told by us that the board intends to study each case on its merits and to recommend to the minister whatever increase in power may be most appropriate to protect the interests of Canada and improve the service to listeners. Our staff has studied the whole question very thoroughly. I have, myself, had long discussions with United States officials and I can assure you that private broadcasters have no reason to complain; nobody is justified in saying that we have failed in our duties towards them or towards the Canadian public. I do not think this committee should take into consideration opinions which are not backed by facts. Someone mentioned the other day in this room that the committee, last year, would have expected an answer to Professor Bayly's submission. Of coure, you will have noticed that we did not have the opportunity to appear before you after the C.A.B. representatives, including Mr. Bayly, submitted their case. We did not intend to go back on Professor Bayly's submission but in case there might be any doubt in your mind as to our position, may I be permitted to make certain remarks on what Professor Bayly said? It is not going too far to say that the whole of Mr. Bayly's case is vitiated by his own concluding words: "I must apologize for my vagueness, but my memory after two years is not too complete."

Mr. Bayly's first finding was "that because of present limitations of power, beyond those limitations contained in the Havana Agreement, Canada has already lost permanently much possible radio coverage." This as it stands is not correct. A careful review of all existing Canadian broadcasting stations shows that every station can still increase power to the maximum allowed under the treaty.

May I give you some sort of demonstration on this matter of power? If I could use a sort of image, suppose you decided to blow up two similar balloons under five pounds pressure and having a diameter of three feet each, setting their centre at two and a half feet. You can see the picture of two balloons with their centre parts pressed against each other and having their pressure and their size as stated.

In the process of doing so if you first inflate balloon No. 2 to the extent of two pounds the balloon will take a round spherical shape. Then you put the pressure on No. 1 balloon up to five pounds and immediately No. 1 balloon will cut into the volume of No. 2 on account of the pressure of No. 1 balloon being five pounds instead of two pounds. Therefore, you would have No. 2 balloon losing some of its territory, so to speak, but the moment you inflate No. 2 balloon to five pounds it will push back No. 1 and they will both get to

their place. That is what we have now with the situation whereby the United States is using power which would make it come within our territory and influence the coverage of some Canadian station, but whenever we can bring the power of these Canadian stations up to what is authorized everything will come back to normal as intended under the Havana Agreement. Therefore, we do not lose anything by not inflating our balloons to five pounds right now.

Many of these stations would, it is true, require directional antennas but these would have been required if the increase to maximum power had been made when the agreement became effective. Any loss in "possible Canadian radio coverage" occurred betwen December, 1937, and March, 1941. The agreement was signed on the former date, but due to delay by Mexico in ratifying the agreement, it did not become effective until March, 1941. The delay was not in any way due either to the C.B.C. or to the Canadian government who ratified in November, 1938. During that unfortunate interim old agreements were in force, under which Canada's share of the spectrum was limited to a total of 30 channels altogether. Stations in the U.S.A. exploited the delay to their full advantage, while Canada was in a quite different position. The situation was in no way connected with a power freeze to a thousand watts on Canadian private stations. As a matter of fact, even if new stations were being built to-day, or had been built since April, 1941, up to a power which might have meant a loss of coverage to us, those stations had to be built in such a way as to protect us fully whenever the station which would interfere is operating under the full power authorized under the Havana Agreement.

In other words, a new station which might have been built in the United States since the agreement has been in force would have to be built and designed in such a way as not to interfere with us when we are up to full power, so we are protected under the Havana Agreement. Furthermore, as I state here, between 1937 and 1941 there was an interim period during which we were exactly as we were before the Havana Agreement, and because that was not satisfactory we asked for a conference in Havana to correct the situation. The difficult position in which we were up to 1937 continued until the time when the agreement was actually put into force. Therefore, we are not responsible for what happened before 1941; international agreements and conditions were responsible for the state in which we were. Indeed, the loss of coverage which we may have suffered in recent years is probably not as much as what we have actually lost through the decrease in power which was made necessary under war conditions and which nobody has noticed or criticized. I am sure none of you noticed that the C.B.C. reduced its power by 20 per cent in May, 1942, and later a general order was issued in Canada to all private stations to do the same. This was followed by a similar action on the part of the F.C.C. in Washington. This simple procedure has doubled the life of certain types of radio tubes used in transmitters. However, it can hardly be said that the public has suffered very greatly by the change.

In other words, in 1942 we were having trouble in getting tubes and we decided to reduce the power of our own stations by 20 per cent. A 50 kilowatt station went down to 40 kilowatts. Nobody noticed the difference. There was no criticism and no complaints; we just went on without any difficulty. Then the Department of Transport in Canada issued an order to all stations to do the same. Later on the F.C.C. issued orders to all American stations to reduce by 20 per cent. That reduction meant more in the matter of coverage than many of the difficulties we have had in applying the Havana Agreement, yet nobody said anything about it.

The next finding was that "unless all increases in power possible under the agreement are made as soon as conditions permit, Canada will lose a great deal more of her potential radio coverage." This is perfectly true, provided that the suggestive word "more" is deleted and that we do not act at the proper time.

Mr. Bayly is not very precise on the subject of channels. He states that under the agreement two types of channels were assigned—clear channels and shared channels. As a matter of fact all channels are shared channels under the agreement. There is no such thing as an exclusive channel, although there used to be under the old agreement between Canada and the U.S.A. There are to-day three types of channels, clear, regional and local, all of which are shared within specified technical limits.

Mr. Bayly goes very far astray when he comes to deal with time limits affecting the occupation of channels. He says that "you have a six month period in normal times once you have filed an intent to occupy a channel, which means that six months before the expiry of this treaty is the last date at which the increased power can take place". As a matter of fact the agreement definitely states that changes must be actually consummated within one year (not six months) of the date of notification of a proposed change or of an authorization of a new station. And there is the further provision that in special cases where circumstances beyond the control of the administration concerned have prevented the completion of the change or the construction of the new station, the twelve month term of the original notification may be extended for six months. This is very different from Mr. Bayly's statement. Actually if notification of a change in assignment is given, the station can go into continuous operation at the notified power on the last day on which the agreement is in effect. A minimum of 12 months from the date of preliminary investigation is required to get a 50 kw. transmitter into operation, so that plans for such a station would have to be started not later than March 29th, 1945. An earlier date would be necessary in some parts of Canada in order to take advantage of the summer weather for construction. From an answer given to Mr. Ross last year (p. 213) it appears that Mr. Bayly believes that if Canada is not fully occupying one of her assigned channels on March 29th, 1946, any country, Mexico for example, could put up a 50 kw. station on that frequency and nobody could say them nay. The fact of the matter is that all other parties to the agreement would have as much right to the empty channel as say Mexico. The agreement states that "at the expiration of this agreement the other countries, parties thereto, shall have the right, if they see fit, to withdraw the unused privileges from such countries and to assign them to any or all of the other interested countries". The use of an unoccupied channel then will be assigned by agreement among the contracting parties, and not "grabbed" by any one country. The use of the words "if they see fit" in the agreement would suggest that the unused channel might even, in some circumstances, be reassigned to the country which had neglected to occupy it.

We could easily prove that Professor Bayly was wrong in his interpretation of the fictitious example he gave and in his discussion of directional antennae but I do not want to use too much of your time.

Mr. Bayly believes that if a station is prevented from completing construction because of scarcity of war materials, the home administration can authorize delays. This is wrong. The agreement allows twelve months for the completion of construction or alteration; the contracting parties may agree to allow a further six months. But no single administration may permit a delay beyond eighteen months without the consent of all signatories to the agreement; no one country can make assignments for the purpose of freezing channels for future use. As a matter of fact cases are on record where both in Canada and the U.S.A. special extensions of time have been granted by agreement among all the contracting parties.

By Mr. Durocher:

Q. Pardon me, Mr. Chairman; for the benefit of those who do not know Mr. Bayly will you kindly tell the committee who he is?—A. Last year the Canadian Association of Broadcasters had Professor Bayly appear before the committee to give his views on the implementation of the Havana Agreement. He appeared the day before the committee adjourned.

Q. Who is he?—A. He is a professor at the University of Toronto. He is now in the United States acting in some capacity there; I do not know exactly what.

Mr. Ross: He is employed by the British government at the present time.

The WITNESS: Is he?

Mr. Ross: He is probably one of the outstanding engineers in Canada on that subject.

The WITNESS: The statements about CFPL London and a hypothetical 250-watt station in New York state are completely at variance with facts. The power of CFPL may still be increased to 50 kilowatts with a directional antenna, and the designs for this antenna are the same to-day as they would have been when the 1-kilowatt transmitter was installed. The establishment of a 250-watt station in New York state would neither prevent an increase in power at London nor complicate the design of the directional antenna. If London went to 50 kilowatts the New York station would have to limit its field intensity contour so as to protect the London station in Canada.

We agree with Mr. Bayly when he mentions the difficulty of finding a channel for a new 1,000-watt station. But it is misleading for him to say that our possibilities have been encroached upon more and more.

I could show you many other discrepancies in Professor Bayly's report that I believe this will be enough to show you that if we did not insist on answering him last year, it was not because we were confounded. We do not contest Professor Bayly's sincerity but it appears to us that he was not fully familiar with the provisions of the North American agreement passed by all countries after the Havana conference. If you want to go into technical details, our Mr. MacKinnon will be at your disposal. He is one of the best radio engineers on the North American continent, especially in respect to frequency allocation, antenna design, field strength measurements, etc. Mr. MacKinnon has been loaned to the National Research Council of Canada for the duration. I understand that he had the greatest success in highly responsible and extremely important war work. At Havana, he was one of the four or five experts who actually worked out the technical details of the agreement. While he was away with the research council, he kept in touch with us, but his assistant, Mr. Richardson, who knows all that is to be known about the Havana Agreement carried on very efficiently. Do not forget either the very capable experts, Mr. Bain and others, of the Department of Transport, who after all are in charge of this sort of work for the government.

While an issue is being raised in some quarters about discussion of power, do not forget that what we are interested in is the most efficient use of whatever technical facilities may exist to give the best service to as many people as possible. We will not find a solution by simply raising power at random. In fact, the effect of transmitter power on actual coverage has been over-emphasized. As I said last year, an efficient antenna and many other factors are also of primary importance although often neglected. Power of course, remains a predominant condition for wide coverage and strong signal, but the fact remains that much of the increase in coverage which was obtained between 1936 and 1944, that is from 48·8 per cent to over 90 per cent (96 per cent of radio homes)

was not due to more powerful stations but largely to the suppression of interference under the Havana Agreement; and history is repeating itself to-day. Increased power does, however, permit a higher rate for the sale of time on stations, more on account of the psychological effect than on actual increase in coverage.

To show you that this problem cannot be taken lightly, I would like to close my argument by giving you some illuminating figures. To implement the Havana Agreement with the minimum permissible we will have to build in Canada, before March 29th, 1946, the following stations:

860 kc. Channel Power of present station increased from 10 to 50 kw.
990 kc. Channel Power of present station increased from 15 to 50 kw.
1010 kc. Channel Power of present station increased from 10 to 50 kw.
1580 kc. Channel Power of present station increased from 1 to 50 kw.
1550 kc. Channel Power of present station increased from 1 to 10 kw.
1240 kc. Channel Power of present station increased from 0.05 to 1 kw.

In other words, if we allow the six stations to increase their power within the limits indicated there in each case we are fully protected and we fully implement the requirements of the Havana agreement.

If this is done, Canada will have achieved the minimum expected under the Havana Agreement and would not be threatened with the loss of anything when North American countries meet again to revise the situation. If, however, we were to take the fullest possible advantage of the Havana Agreement, we could have in Canada the following stations:

22 50 kw. stations
37 5 kw. stations
30 0·25 kw. stations

That means that the private stations under the present assignment set-up would have a total power of 882 kilowatts as against a present 90·85 kilowatts. This would mean a total outlay which would run into many millions; the larger stations only would cost upwards of $6,000,000.

We are fully aware of our responsibilities and you can rest assured that we will not fail in our duty in submitting proper recommendations to the government of Canada.

I have another document here but I have no copies to distribute, unfortunately, as I did not expect that this would be brought up today .

Network Operations

As our chairman has already told you we are now operating two networks across the country; one, known as Trans-Canada, is in operation sixteen hours a day—the other, known as Dominion, is gradually building up to what we believe will be a minimum of three hours every evening starting next fall. Both are sustained by the C.B.C., which means that we produce at our own expenses non-commercial programs which are scheduled on these networks along with such commercially sponsored programs as may be contracted for.

The Dominion network existed partly before January 1st last but it became a real network because we made certain switches between stations, and mostly because we started on that date to sustain the network one hour per day thereby giving it its own identity.

May I call attention to the fact that our C.B.C. networks are composed of privately owned and C.B.C. owned stations at present as follows: Basic Trans-Canada Network (English)—25 stations, 19 privately owned and 6 C.B.C. Basic Dominion Network—24 stations, 23 privately owned and one C.B.C. The Quebec Network comprises 7 stations, four private and three C.B.C.

There seems to be some misunderstanding in certain quarters as to how these networks operate. May I be permitted to explain to you how this is done.

To establish a network, whether it is Trans-Canada or Dominion, the C.B.C. must first list a number of privately owned and C.B.C. owned stations which, when they operate simultaneously, will reach the greatest possible proportion of listeners. The C.B.C pays for wire lines to connect the stations together in a network for a number of hours a day—16 hours in the case of Trans-Canada. Throughout the 16 hours the C.B.C. feeds that network with programs either commercial or sustaining; the commercial, of course, being paid for by sponsors, and the sustaining paid for by the C.B.C. Network stations may broadcast absolutely free of charge any sustaining programs which are carried on the lines. This is the contribution of the C.B.C. to the listeners of Canada. In exchange for that free service of sustaining programs and also to make sure that its most important programs will be heard by Canadian listeners, the C.B.C. requires that a certain number of periods be placed at its disposal every day. At the present moment these represent an average of 2½ hours a day in evening hours, plus some day-time periods for school broadcasts and other features of that kind.

Whenever a sponsor wants to buy time on the network he deals through the C.B.C. commercial department, which handles all the commercial business of the network. The commercial department negotiates with the sponsor and in cooperation with the program department it accepts or rejects program contents. The C.B.C. collects the fees which must be paid by the sponsor for station time and for the use of the lines. A good deal of publicity is done by the C.B.C. to impress the network on the minds of advertising agencies and those interested in commercial broadcasting generally. The C.B.C.'s station relations department handles all time clearances for sustaining broadcasts on stations; our traffic department takes care of traffic on landlines. When a commercial broadcast has taken place on the network—that is, after it has been carried by stations on the network—each privately owned station receives from the C.B.C. payment for time used on the station. Roughly this amount is 50 per cent of the card rate of the station after frequency discounts. In other words, if the card rate is $100, and a sponsor takes thirteen weeks, twenty-six weeks or fifty-two weeks there are certain corresponding discounts and those discounts are taken out of the $100 and half of the difference is paid to the station. It is agreed generally that when a station can obtain about 50 per cent of their card rate as clear revenue they are doing a normal business, and that percentage was accepted and is still accepted by all stations on our network as being fair and what the trade could stand. The other 50 per cent is partly used to pay commissions, discounts and all other costs; what is left after this is kept by the C.B.C. as its commission for operating the network.

In other words, when you hear people say that we get 50 per cent of what has been taken in that is not right. With that 50 per cent we pay commissions to agencies, commissions to American networks; we pay regional discounts and other such discounts so that when we have finished paying all that we are supposed to pay out of the 50 per cent then there remains probably 10 per cent, which goes against the cost of running our commercial department.

Of the $1,200,000 worth of commercial revenues reported for the fiscal year 1942-43, $447,000 was for the use of the lines, for which the C.B.C. had, of course, to pay wire line companies. Therefore, although in the statement the figure, $1,200,000 is mentioned that is not all going to broadcasting stations. It is, as I say here, to the extent of $447,000 to pay for wire lines. Also as a charge against that revenue must be included the direct cost of our commercial department and a proper share of the cost of operating stations, studios and

of general overhead. As a matter of fact, if all direct cost were to be charged against commercial revenue the difference would be a deficit and not a profit as people are usually inclined to think.

It is, of course, true that this commercial revenue is of great benefit to the corporation as it helps keep the organization operating. For instance, studios and broadcasting stations are required for our sustaining service. If those facilities are used for commercial purposes for part of the day, it is so much more relief to the corporation. It can therefore be said that although commercial revenues are essential to the C.B.C. to carry on at its present standard, they are not in a true sense profit producing revenues.

We get the best part of our clear commercial revenue through the sale of time on our own stations, but here again it must be remarked that our commercial activities are extremely limited and no privately owned station could operate and survive financially if it restricted its commercials to our self-imposed policy. As I said before, we do not, for instance, take commercial spot advertising and hardly any local commercial business. The spot business alone is absolutely essential to any commercial station. Without it none could enjoy a profit; they would soon be bankrupt.

In other words, in our own stations such as those we have in Toronto we carry network programs. Those programs are carried by all stations on the network from coast to coast. We do not carry any local spot business in that sense; we do not advertise local stores. We do not advertise the local store in spot advertising, those few words you hear during the day, "Buy your shoes on Sparks street and buy your hat on Queen street". We do not carry that.

By Mr. Durocher:

Q. That is what you call spot business?—A. That is spot business locally. There is another expression, "spot business," which is business carried over phonograph records across the country on different stations. Instead of buying a line to do a network broadcast some companies will have records cut and played across the country on different stations at different times. That is spot business. We do have some of those records, but we do not carry local spot and local advertising. We have very very little of that except in Chicoutimi and Prince Rupert where we are the only station operating, and to accommodate the local merchants we operate as private stations do. As a result we pay our costs in Chicoutimi, but that is the only place where we do so.

By Hon. Mr. LaFlèche:

Q. What do you do at Chicoutimi?—A. We run our Chicoutimi station practically as a private station. We accept spot business and local business.

Q. Because there is no other station?—A. Because there is no other station and no local advertiser has the advantage or possibility of advertising over the radio except over our own station. The same applies to Prince Rupert. Chicoutimi is the only station of our whole group which pays its direct cost. That is very important because as I said here private stations could not live without local spot business. That is the cream of the revenue. For instance, I was told a little while ago that a certain gentleman who was an announcer on a station had an arrangement by which he had a fixed salary plus 50 cents per spot. That seemed quite reasonable because the spot was sold at the rate of about $2.50 per spot, but he had forty spots per day so that he was making $20 per day. That is pretty good going. Therefore, the point that we do not carry local commercials is extremely important, and it is one of the principal factors to show that we are not competing commercially with private stations.

Furthermore, we do not carry a number of broadcasts such as patent medicines or other programs of that sort. That is left entirely to private stations. There again there is a very good source of revenue which we completely disregard because we do not want to load our stations with that sort of broadcasting. There may be nothing wrong with it but the C.B.C. do not carry it.

You can readily see that if, on the one hand, we need private stations to obtain the coverage we require for full national service, on the other hand, we are extremely useful to private stations financially. It is truly a co-operative enterprise, where both parties benefit by their association. No station affiliated to our network has ever asked to be relieved of that responsibility; on the contrary, a number of stations are constantly asking to become affiliated and some of them do not hesitate to accuse us of discrimination when we choose one of their competitors as our outlet. That alone is an indisputable proof that we are essential to private enterprise. Again, of course, the situation has to be considered not only in the two largest centres of Toronto and Montreal, but in the other centres across Canada which benefit by the sponsors' purchase of our Trans-Canada network. In other words, when we discuss a network broadcast or commercial broadcast you must not focus your opinion exclusively on Toronto and Montreal. We are just as much interested in Moncton or Regina or Saint John, N.B., as we are in Toronto or Montreal. You cannot therefore judge the situation, talk about competition, talk about whatever you may wish to talk about, by basing your arguments simply on Toronto and Montreal where you have stations affiliated with American networks doing a good business. In fact, some of the stations in Montreal and Toronto are not very anxious to get on our network. They can earn better revenue just by fighting it out among themselves, fed as they are by American programs both commercial and sustaining, but outside of these big centres they all would like to be on the network because not only do they get free sustaining program service but they actually get revenues from us. Once they have agreed to be on the network all they have to do is wait to receive a cheque for the use of their stations by network broadcasters. That cheque means for some of them anywhere between $1,000 to $35,000 per year. Only a very few stations—and those the most prosperous in Canada—seem to have anything to say against our network operations; and they are located where the cream of the market happens to be and are affiliated not to our networks, but to American networks. So please consider this network problem not as a local problem, but as one which involves coast to coast operation at a great number of centres. We have still many things to take care of. When the one or two difficulties, for which the C.B.C. is not responsible, are ironed out, I look forward to the continuance of very happy co-operation between the C.B.C. and all private stations in Canada.

Canadian Commercial Continuity

I would like to make mention of the forward step that has been taken by the corporation to clean up commercial copy, advertising patent medicines and drugs, released for broadcasting over Canadian stations.

While the corporation does not accept such advertising on its own stations, it does act as a clearing house for all patent medicines, drug and pure food radio continuity, claims for which must be approved by the Department of Pensions and National Health under C.B.C. Regulation No. 12. Again, we often hear that the C.B.C. will not accept a certain patent medicine program. We have nothing to do with it except to see that it is accepted or rejected by the Department of Health. The C.B.C. clears an average of 2,000 pieces of such copy per month. Dr. Heagerty of the Department of Pensions and National Health has been most co-operative on such clearances but the approval of the department

is for claims made for the products and does not deal with good taste acceptance. In other words, if you have a laxative program, the Department of Pensions and National Health will pass on whether the laxative can be sold or not, but they do not say anything about the good taste of the program dealing with the laxative. That may be our job.

Previous parliamentary committees have brought up the subject of offensive radio advertising for laxatives, patent medicines and the like and, consistent with the suggestions that some action should be taken, the corporation early last year embarked on a campaign to bring this type of advertising, over all stations in Canada, into line with the good taste policy which had already been enunciated for our own stations. In other words, we have tried in the past to set a good example. We have controlled to a certain degree what was on private stations in that respect. Last year we went one step further and tried to help them in clearing the situation. Conferences were held with leading advertising agencies in Montreal, Toronto, New York and Chicago and further representations were made through Canadian representatives of other American advertising agencies of Hollywood, and other American cities. I can tell you the task was not an easy one. In many instances it meant drastic changes in extensive advertising campaigns and some alarm was expressed by agencies that our requirements would reduce the merchandising value of their copy. Nevertheless, our stand had been taken and we did not depart from it. I must say that in the majority of cases the agencies were most co-operative with us and others soon realized that if they wished to continue advertising over Canadian stations they had no alternative but to submit copy which could be approved for good taste.

The private stations are firmly behind us in this campaign.

The CHAIRMAN: That concludes pretty well what Dr. Frigon is prepared to present to-day. Now, if we want to enter into questioning or discussion of what has been presented in order to cover the matter I think probably we should start from the first of the presentation which had to do with general observations and with programs. I may say that Dr. Frigon is prepared to answer any questions that you may put or he will be glad to hear any observations which any member of the committee cares to make.

By Mr. Coldwell:

Q. On the first page I notice—it may have no significance but if it has I should like to know what significance—"I do not believe it was my duty . . . to initiate any important changes which I might think advisable in our administration or mode of operation." Had you some important changes in view when you included that sentence in the report?—A. Well, every general manager knows his business. It is quite possible that if I had been general manager I might have made some changes which in my view I may have thought were important. I cannot say that I would be prepared to recommend drastic changes—far from it—but any new man coming on a job wants to adjust things if he thinks things should be done differently and, in his mind, more efficiently. There is nothing in that which implies any drastic changes.

Q. That is what I had in mind. With regard to programs I notice this: "Even if I had wanted to change important program decisions it would have been too late for me to do so. . . ." Has that any direct bearing on program arrangements?—A. Not necessarily, except that when you reach the month of October your season is pretty well set up, some programs have been publicized and you cannot keep on changing them; so if the manager of the C.B.C. had planned his season it was not even possible for me to change that materially—not that I think it should have been changed. This first page is meant simply to emphasize the fact that there is no break in continuity between last April and

this March. We followed the same practice, the same regulations, the same procedure, the same everything, except that there is another man at the desk. That was the purpose of this whole first picture.

Q. You have 807 employees now?—A. Yes.

Q. Do you know how their salaries compare with salaries paid by, let us say, the National Broadcasting System of the United States?—A. Oh, well, I have no hesitation to say they are less.

Q. Have you any knowledge of the salary schedules paid by those organizations in the United States?—A. Yes, we have, but I would like to add this; three years ago we made quite an extensive study of this matter and we tried to bring our salary levels to that of the best paid in Canada. Now, times are changed, but we are embarking on a job analysis of the whole system. What that means I do not know. I think it would mean probably some improvement or adjustment in the way of pay—maybe in some cases introducing the merit system—and just a few weeks ago we changed our system of paying announcers: we allow them to participate, to share rather, in the fees we collect, for their services. Now, these things are adjustments that are meant to satisfy the staff and encourage them to the best possible service and to increase their efficiency.

By Mr. Martin:

Q. How do these salaries compare with the private broadcasting stations in Canada?—A. I submitted cases in bigger stations such as free lance announcers. You may find the odd man who gets more than our average but the over all picture is very much, I would say, in our favour, especially if you consider the stations across Canada.

By Mr. Diefenbaker:

Q. Have you any objection to producing the salaries of the 800 odd employees receiving over $2,500 a year?—A. We could give you a salary scale and classification. We would be very willing to show you privately our payroll, but we thought it was not right for us to make public the names and salaries attached to names of the whole personnel.

Q. What is the reason for that?—A. The reason is that I do not think the public is interested in knowing how much Mr. So and So in Winnipeg gets. Your committee may want to investigate that, and if you want to come to our office we will be only too pleased to show you that.

Q. Why do you say the public is not interested?—A. Not any more than any person would like to reveal to the public his salary payroll.

Q. Now, the answer was given in the house that it was not in the public interest to furnish this information because of the fact that the employees might object to it. Is that the point?—A. The employees and the corporation as an institution. It is quite possible, for instance, that our salaries would show to such advantage over a great number of private stations that they may not be very pleased.

Q. I am going to ask you to produce the record of those salaries and if you say it is not in the public interest then I would like to make a motion, Mr. Chairman, that the information be given to this committee. I point out this fact that as time goes on various bodies are set up by parliament and we are told that it is not in the public interest to give certain information when a question is asked with regard to their internal operation. I think that is a very serious trend, one that goes a long way toward establishing bodies which, although created by parliament, are not answerable to parliament. I therefore make this request to Dr. Frigon through the chairman to furnish this committee with that information.

MR. COLDWELL: Would not Mr. Diefenbaker's purpose be served quite well by having schedules brought down showing the positions and the salaries of persons who occupy those positions. I think there is an objection to bringing down long lists of names of persons with the salaries attached. It seems to me the same purpose is served if you have the salary schedule for particular positions. In that way you do not have John Jones of Regina mentioned and all his friends discussing his particular salary. I know as a former public servant that we always took the view that certainly our salaries should be accessible to the public on a schedule but we felt we did not care to have our names attached to individual salaries printed in newspapers and so on.

MR. DIEFENBAKER: If we can agree with that, as a matter of fact I will make a motion that Dr. Frigon should furnish to this committee a list of the various categories into which employment falls and the number in each category.

Mr. COLDWELL: That is better.

Mr. PICARD: That will be much more satisfactory, because the C.B.C. is in competition with private companies, and you cannot force private companies to divulge the names and salaries of their men; therefore, the second way is more practicable and we can come to the conclusion that a salary attached to a certain position is sufficient to serve our purpose. It might not be right to force the C.B.C. to divulge certain things when we cannot force the private companies to do so. I approve the second method.

Mr. DIEFENBAKER: I do that to this extent that out of consideration for the feelings of those who receive those salaries I am prepared to ask at the moment for the production only of the schedules of pay in the various categories.

The CHAIRMAN: For all the employees? You said just those above $2,500.

Mr. DIEFENBAKER: I will take them all. Mr. Chairman, while I am accepting the suggestion I think that we as members of this committee and as members of parliament ought, in greater measure to assert the right of parliament and of members of parliament to information with regard to public bodies which have been set up by parliament.

Mr. PICARD: I agree with you as long as it does not impair the working of that body.

Mr. MARTIN: Dr. Frigon has said that the information is open to everybody in this committee.

Mr. DIEFENBAKER: He offered the access for personal information only and that is not what the people whom we represent have a right to ask for. They are paying the licence fees and they want to know whether or not proper utilization is being made of them and whether proper expenditures are made of the moneys which they advance through licence fees. For that reason I make this motion.

Mr. TRIPP: Is the motion necessary? Dr. Frigon has stated he would give the information.

The CHAIRMAN: The motion is not necessary. The general manager will make a return at the next sitting with reference to the questions put by Mr. Diefenbaker.

Mr. COLDWELL: May I ask if Dr. Frigon has a salary schedule of any of the large Canadian broadcasting stations which would give us some yardstick on which to measure our own salary schedule to see whether it is fair or otherwise—particularly what is paid in some privately owned stations and in the United States.

Mr. DUROCHER: It is pretty hard to compare the United States with Canada.

The WITNESS: The committee may ask the private stations to produce that.

Mr. BERTRAND: To compare our lists with other broadcasting organizations outside of this country would not serve a very good purpose. The amount of money received by any one individual would have to be measured in the value of the currency of that country in order to make a fair comparison; otherwise it would serve no purpose and might induce the people to think they are not receiving fair treatment. So I would not go too far with that suggestion.

Mr. COLDWELL: Suppose I make this suggestion: there are two or three large stations in Canada, now could we get the salary schedules from those large stations and see how our own salaries compare with those of the private stations?

The CHAIRMAN: Do you mean the private stations?

Mr. COLDWELL: In Canada. Yes.

The CHAIRMAN: Yes, we could get them when the representatives of the C.A.B. appear before the committee; we can ask for a return. But that information is not in the possession of the C.B.C., and the general manager can hardly be asked to get it.

Mr. COLDWELL: I wonder if we have not the right as a committee to ask for that information. My impression would be that the authority which has control over these stations through the Act could ask for that information from the private broadcasting stations, but I doubt whether we could get it.

The WITNESS: I doubt if we have power to inquire into the financial set-up.

The CHAIRMAN: You mean the C.B.C.?

The WITNESS: Yes.

Mr. DUROCHER: Have we authority to go into private business and ask them what their salaries are? And if the committee has not that authority why has the C.B.C. more authority than we have?

Mr. COLDWELL: The C.B.C. has certain powers under an Act of parliament.

Hon. Mr. LAFLÈCHE: What are the terms of reference?

The CHAIRMAN: The terms of reference are: That a select committee be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies and aims of the corporation and its regulations, revenues, expenditures and development. . . ." That does not give the right to inquire into the salaries of individuals in private stations ,in my judgment.

Mr. HANSELL: Of course, the reason is that that could not be included in the terms of reference; it would not be ethical, according to the best business practices, to do that. On the other hand, I do not think there is anything to prevent us from asking any witnesses of the private stations if they care to submit this information, and it will be up to them to decide whether or not they desire to submit it or not. I do not think you can have that included in the terms of reference.

Mr. DUROCHER: If we want to judge the salaries of other concerns we may as well ask them for a statement of their affairs,—salaries according to turnover, but not to a position held by a person. If a company is doing a $5,000,000 business they can afford to pay so much salary and if a company is doing a $15,000,000 or $20,000,000 business they can afford to be more generous.

Mr. COLDWELL: We do not know what the private stations are doing, and there is so much talk about the unfairness of the C.B.C. with regard to private broadcasting that I think it would be in the public interest to find out what the private broadcasters are doing, what they are making, and what they are paying their employees.

Mr. DUROCHER: As far as the private concerns are concerned I do not think that this is fair to them at all.

Mr. PICARD: Should the C.B.C. produce that?

Mr. COLDWELL: I just suggest the schedules.

Mr. BERTRAND: Of the most important stations?

Mr. COLDWELL: Yes; their salary schedules.

By Mr. Hansell:

Q. May I ask this: how do the salaries of the corporation compare to the salaries paid to civil servants ? Now, I know that you cannot make an accurate comparison in respect to artists that are employed or the managers of studios or writers, because in the civil service there are none of those people, but I am asking with regard to ordinary occupations such as the stenographic staff—how would they compare with the civil service?—A. We are trying to keep very close to the civil service in our salaries for clerical staff. I think they are comparable.

Q. Would you say you are endeavouring to come up to the civil service salaries or come down to them? Because there is an important point there. As far as I am concerned the civil service of Canada is the worst paid body of people in the whole country. That is my view.

Hon. Mr. LAFLÈCHE: What is the answer?

The WITNESS: The answer is that we do not need to come up or down; I think we are there.

Mr. HANSELL: I suggest they are not paid enough.

Mr. DUROCHER: How many employees of those 807 mentioned will be getting over $1,500?

The CHAIRMAN: The return will show that.

The WITNESS: I would not like to say offhand.

By Mr. Hansell:

Q. Before we leave this point, I notice that on page 2 Dr. Frigon says that they have 807 employees at the present time, and down a little further on the page he says: "....some 700 or 800 artists are employed every week." Do you mean 700 or 800 radio artists are paid by the corporation?—A. Yes.

Q. Well, in that case perhaps the schedule that is called for would not meet the requirements of Mr. Diefenbaker's question.

Mr. COLDWELL: I think the artists are engaged on a fee basis.

The WITNESS: We have an establishment of personnel and that is our permanent personnel. That is what I mean. Now, we employ artists who are paid on occasion. One artist may perform once a week or five times in one week or every week for the whole year or three times a week for two months. In the majority of cases there are union rates regulating what they are supposed to receive. Those fluctuating artists represent a payroll of 800 people.

Mr. DUROCHER: You do not consider them as employees?

The WITNESS: They are not employees

Mr. DUROCHER: The 807 are permanent employees?

The WITNESS: Yes.

By Mr. Coldwell:

Q. I was going to ask a question in connection with people on duty overseas. In the event of death due to enemy action are they protected in any way?—A. We have taken coverage in companies to protect us and in turn that would protect the families of the men.

Q. Would the pensions be comparable to the pensions of men serving in the armed forces; the rank of captain is given to certain of our people overseas; I think that is mentioned here?—A. Yes. They come under government provisions for pension with the rank of captain.

Q. The family would get the regular pension?—A. Yes.

The CHAIRMAN: From whom?

The WITNESS: From the government.

Mr. MARTIN: They are not really C.B.C. employees.

The WITNESS: Yes, they are C.B.C. employees paid by us.

Mr. MARTIN: Are they not part of the armed services?

The WITNESS: No.

Mr. COLDWELL: Does the army assume the responsibility?

The WITNESS: They come under the group of Canadians working in the war zones.

Hon. Mr. LAFLÈCHE: Do you not mean that the government has made the provisions of the Pension Act applicable to these persons; is not that the real answer?

The WITNESS: They come under—I forget the name of the Act—under a group of Canadians in foreign countries who may suffer through enemy action. They are entitled to get pension under some government Act.

By Mr. Martin:

Q. Is there a distinction made between the C.B.C. correspondents and newspaper correspondents who serve newspapers in theatres of war?—A. I do not think there is any difference.

Q. The correspondents who are with the Canadian Army are paid by the Canadian Army, are they not?—A. No.

By Mr. Coldwell:

Q. I think they are paid by the newspapers?—A. They receive pay and they are transported and taken care of by the army.

Q. Are they protected under this Act too, do you know?—A. I think so.

Q. You had an employee killed while on the way to North Africa, did you not? Was he protected under this?—A. I will not say he was an employee until further notice. He was working for us. You are referring to Mr. Beaudry.

Q. Yes.—A. That is a very involved case, involving legal difficulties. Whether he was our employee or not we do not know ourselves. Under his agreement with us and the way he was operating he was really a soldier in the Belgium Army seconded part time to us as a war correspondent for the C.B.C. Now, his actual status when he was killed has not yet been fully determined—I mean his legal status. He was working—doing some work for us, but whether legally he can be considered as an employee of the C.B.C. or working for the C.B.C. under a certain fee is for lawyers to decide.

Q. If it is established that he was an employee of the C.B.C. he would come under this, would he?—A. Yes. As a matter of fact, his widow has obtained a pension, as mentioned before, as a person—well, I can give you something next meeting; there is a legal point that I do not know.

Q. I read something about that case in the newspapers a little while ago and that prompted my question this afternoon.—A. It is a rather involved question, and there are a lot of legal points which I am not qualified to discuss.

Mr. PICARD: At the time he was on an assignment for the C.B.C. It is a matter of deciding whether he was an employee or whether he was just performing a part-time duty—occasional duty.

The WITNESS: Exactly.

By Hon. Mr. LaFlèche:

Q. That matter is before the courts now, is it not?—A. It is before the courts. He left London, where he was working for both us and the Belgian government, under great secrecy for Africa without us in Canada even knowing about it because they were not advertising the fact that we were invading Africa; and we heard that he was killed, where, we do not legally know. That matter is before the courts now; but may I add this: I would say that through this whole matter the Board was extremely sympathetic to Mrs. Beaudry and did everything possible to help her.

Q. Under the authority that you have?—A. Yes.

Q. You have done all you can now under the authority you have?—A. No question about it.

Mr. PICARD: You are paying a pension to her?

The WITNESS: No, the government is.

Mr. MATTHEWS: In the matter of commentators and newscasts, is there any special pay—any set scale of remuneration?

The WITNESS: No, there is no set scale, although we pay them on the same basis. It may vary from $20 to $35; it may vary with the man and the broadcast. In some cases we pay more.

Hon. Mr. LAFLÈCHE: Dr. Frigon, what is the present situation with regard to newscasts being available or heard by persons in the maritime provinces. You know the 10 o'clock newscast?

The WITNESS: Yes.

Hon. Mr. LAFLÈCHE: Is that made available to maritime provinces?

The WITNESS: At 11 o'clock.

By Mr. Hansell:

Q. I am going to ask a question with respect to salaries. It is not on page 2 but it comes in in connection with page 2 and it will follow in proper sequence. I understand that the budget for this year with respect to the payroll is $1,850,000; do I understand that that is the budget for the 807 employees, or does that include—A. That includes them plus provision for new appointments, plus provision for such employees who are now in uniformed services who may come back.

Q. It does not include the 700 or 800 radio artists?—A. No, there is a budget for $1,000,000 for that.

Hon. Mr. LAFLÈCHE: With regard to your 100 odd employees who are now in the armed forces, what provision are you making to give them employment upon their return home?

The WITNESS: When they return home they are entitled to their job or a similar job at the same salary, and further we have agreed to carry them on our establishment or payroll from year to year as if they were still with us. In other words, when they come back they will receive their salary plus natural increments they would have been entitled to from year to year.

Q. And their contributions to the pension fund?—A. That is taken care of fully.

By Mr. Picard:

Q. On page 2 the acting general manager has declared that the duties of whoever is in charge of the organization have become quite considerable in importance, complexity and responsibility. Later on he goes on to talk about commercial dealings, technical activities, the handling of radio artists, the application of international agreements, the struggle with controversial broadcasts. I

should like to ask the witness this question. The minister and the chairman have advocated the creation of the post of a full time chairman with a salary commensurate with the importance of the task. Some people have expressed the opinion that might bring us back to a marked division of authority at the head of the organization. Would Dr. Frigon care to express his views on that? Would he say what he thinks about this objection raised by some people to that proposal?—A. It is hardly for me to give an opinion about what should be done. I can say this, however, that our work can be divided, and is divided, in fact, in two very clearly defined fields. There is the policy field and the administration field. In the policy field you have all sorts of activities—interpretation, application of the regulations, relations with private stations. All that deals with the policy problems of the C.B.C. as a broadcasting organization and as the controlling body over radio broadcasting.

Q. Do you feel that such questions arise frequently enough to warrant the creation of such a position?—A. Matters having to do with the regulations are matters of daily occurrence and sometimes many times a day.

Q. Daily?—A. Yes, every day almost, and sometimes very frequently during the day there are cases which must go to the top man to interpret the regulations as they exist. It may be that an organization wants to go on the network. Somebody has to determine whether that organization is political in scope or not. There may be a speaker who wants to say something which is a borderline case in respect to our regulations. There might be some program offered by other networks and we have to decide whether we should carry that under our regulations. There might be requests for certain broadcasts from halls or meetings and somebody has to determine whether they are permissible; almost every day, as I said, and at times many times a day these things come up through our stations relations department and on up to the general manager for decision. A great number of them are taken care of by the station relations division we have now, but almost continuously there is a flow of cases coming up to headquarters for decision.

Q. So you do not consider that dual authority has been detrimental to the C.B.C. in the past?—A. Like any big organization where the scope is so vast as it is in our own there is some separation between the different functions and the different assignments to different people. In our case there is a distinct division between the policy side and the administrative side. Policy deals with all these matters. Up to this time the board and its chairman have decided on regulations and the general manager has been the man who had the responsibility of interpreting the regulations. He is at the same time the man who runs the business of broadcasting. I say there is a very distinct separation of authority and duties.

Q. So the duties of the full time chairman, according to you, would be to interpret in these daily occurrences the regulations and the policy while the general manager would be the executive arm of the C.B.C.?—A. Yes.

Q. How would you divide the two?—A. I am not thinking about chairman or manager. I am thinking about responsibilities. The administrative part, that is, running the stations, studios, programs, and all that, should receive its directions from the controlling body which is the Board of Governors and its chairman. That body is the logical group to regulate all stations in Canada, privately owned and C.B.C. stations, to see that all people who are broadcasting in Canada are supervised by one single authority.

Q. Would you care to express your view on the idea of an independent controlling board as compared to what you have just suggested with the C.B.C. Board of Governors?—A. I do not know about that. I can only answer this way, that if we have the proper individuals it does not seem to me there is any trouble in the world to run broadcasting under the present system. That is my candid opinion.

By Mr. Hansell:

Q. Might I ask Dr. Frigon this question? Do you agree under the new proposal of a full-time chairman and general manager that both these men should have an understanding and adequate knowledge of radio?—A. It would not harm, but I would say that the main qualifications of the man on top, call him what you want, call him chairman if you like, must be that he has a very wide knowledge of Canadian affairs. He should know a good deal about Canadian politics, national and international. It would be a very good thing if he knew individuals, but he is decidedly a policy man. He does not need to know how the broadcast transmitter is built or even how it operates, but he certainly should be a public relations man, so to speak, more than a technical man. I do not think that it is really essential that he should know exactly about broadcasting properly speaking.

Q. You think that would be up to the general manager to run the operations? —A. Yes. For instance, I hardly think that the presidents of some American networks know much about music and yet they are presidents and they do a good job.

Mr. COLDWELL: That accounts for the kind of music we sometimes get.

The WITNESS: I hardly think that Mr. Sarnoff in the United States is a musician himself, although he may be, but he is president of the R.C.A., and the affiliated body, the N.B.C., because he is a business man.

Mr. MARTIN: The cook is not necessarily the best judge of good eating.

Mr. HANSELL: I am going to suggest, Mr. Chairman, that particularly in the case of the general manager he has got to know something about radio, and I am going to press the point I made the other day. I believe that such a person can be found within the ranks of the C.B.C.

By Mr. Hansell:

Q. While I am on that might I ask Dr. Frigon quite a general question in respect to the matter of a system of promotion and seniority in the C.B.C.? Of course, the C.B.C. is not a tremendously old institution, still in its infancy, but has there been much attention paid to the matter of promotion?—A. Decidedly so.

Mr. HANSELL: It seems just common sense to me, Mr. Chairman, that the party who would know more about the Canadian Broadcasting Corporation and its functioning in Canada would naturally be someone who is already in the organization. It is just common sense to me.

Mr. COLDWELL: Common sense to anybody.

Mr. HANSELL: And I really think it would be an incentive in the matter of public relations with the people.

Mr. PICARD: Do you mean as chairman or as general manager?

Mr. HANSELL: I stress general manager because I recognize that man will have the running of the corporation in reality. It would be a matter of good principle in public relations for the Canadian people to know that in their own corporation there is a system of promotion, and that it is being run by men who are thoroughly familiar with radio broadcasting in Canada.

Mr. MARTIN: Apart from the merits or demerits of Mr. Hansell's observations it is hardly fair to put that kind of question to the acting general manager who is an employee himself.

Mr. HANSELL: I rather judged that, too. I do not want to impose on Dr. Frigon.

The WITNESS: If you count me out I can say this: I think all our top men have graduated from low ranks with very few exceptions, if any.

Mr. HANSELL: I will say this in passing, Mr. Chairman: I said the other day I had moved around a little bit in the studios in Toronto, and had met quite a few of the men in the C.B.C. there. As I said, they were very courteous to me, and I must say this, that I was tremendously impressed with the fact that these men seemed to not merely regard their positions as a job, as a means of livelihood. I could not help being impressed with the fact that they were radio men and their lives were simply wrapped up in their work. There were some university men who were employed.

Mr. COLDWELL: I think that goes pretty well for our research council and much of our civil service. I think that is why we have good men in these places because they are interested in the job they are doing rather than in the salary.

The CHAIRMAN: Along the line Mr. Hansell has been speaking I would call to your attention that Dr. Frigon has issued an invitation to the committee to visit both the Toronto and Montreal studios. I think the committee should turn that over in their own minds.

Mr. HANSELL: I was going to suggest that, because while there is a lot that one will not understand in respect to the technical part of it, it will give us a little broader idea of the functioning of the corporation in respect to the staff, and what is really being done concerning the problems with which they meet.

By Mr. Diefenbaker:

Q. On page 2 reference is made to the budget reaching $5,400,000 this year. I should like to ask a few questions in regard to the policy of the board in reference to the question of advertising. If I understand the situation right some years ago the general conception in the operation of the C.B.C. was that advertising would be restricted to an amount slightly over $500,000, I believe. Am I right in that view?—A. Yes, except that nobody explained what the $500,000 meant.

Q. Pardon?—A. Nobody explained what the $500,000 meant because as I said this afternoon as to that figure of $1,200,000, if you take out $450,000 for lines then you have the remainder in real commercial broadcasting. In other words, if you want to consider the strictly commercial end of broadcasting our $1,200,000 comes down to $770,000 if you take out of the first figure the cost of the lines.

Q. I see. Are you now setting a ceiling beyond which you do not intend to go in commercializing the C.B.C.?—A. In the way of scheduling I think the ceiling will adjust itself whether we like it or not because we must have time for sustaining programs, and we have reached the saturation point. By operating a second network that may mean more revenue on the commercial side but it will involve expenditures on the other side.

Q. Do you feel you have arrived at the ceiling on advertising revenues beyond which you do not intend to increase?—A. I believe our schedule now comprises about as many commercials as we can handle.

Q. About as many as you can possibly handle?—A. And still serve the public as we would like to.

Q. Have you advertising solicitors acting for you?—A. No, we have our own department, but we do not solicit in the usual way.

Q. What proportion of the advertising you put over comes through advertising agencies?—A. About all of it; the largest part of it comes through agencies.

Q. You do not get it direct from the sponsors?—A. Usually all these big accounts come through the agencies. We do not have to solicit them. They come to us.

Q. And does the amount of $1,200,000 represent the full amount that you charged for advertising on your networks or the net amount after deduction of the commissions or allowances to the advertising agencies?—A. That is the amount received after all commissions have been paid.

By Mr. Martin:

Q. You pay the usual commission fee?—A. Yes.

By Mr. Diefenbaker:

Q. Is there any reason why we should not know the total amount you charge for advertising in the course of a year now?—A. As I said, in that business we act for private stations. We sell network facilities and when we get the money, one part goes to the private broadcasters and the rest goes to us for time sold on our stations and network. In other words, when we sell the network a good deal of the money goes to private stations.

Q. Then, what is the total amount that was realized last year before any payments were made for advertising over the C.B.C.?—A. Realized by whom?

Q. The amount charged by you and ultimately divided up?—A. I will give you that figure. I have not got the figure here.

Q. You will give us that figure?—A. Yes. Let me get this clear. You mean the total amount of business going through our office for commercial programs?

Q. Yes.—A. On private stations and our stations?

Q. Yes, that is correct, the total.

By Mr. Coldwell:

Q. I wonder if in the same connection you could give us a hypothetical break-down of $100 paid by an advertiser to the C.B.C. for a program, how is that divided?—A. Right.

Q. What commissions are paid out of that $100 and who gets the residue and in what amounts?—A. Right.

Mr. COLDWELL: If we could get that it would give us the picture.

Mr. DIEFENBAKER: It would give us the true picture because this statement that $1,200,000 represents advertising is in reality not the correct figure. It does not show the extent in amounts of the expenditure for advertising in Canada over the C.B.C.

The WITNESS: That is what I want to know. Do you want the figures of advertising in Canada over broadcasting stations affiliated with our network or our own business of advertising? That is quite different. In other words, if we did not have the network it would not prevent a sponsor from going and buying time on a station, not network time, but this advertising body of sponsors might yet reach the public through private stations even if they did not go through our usual network business.

By Mr. Diefenbaker:

Q. That is perfectly true, but in order to get the true picture I have asked that you give both, the total amount payable to the C.B.C. as such and the amount that is payable as well in respect of the stations operated under the C.B.C., or private stations.—A. We will give you a break-down of the whole picture.

Q. Out of which this $1,200,000 ultimately comes to the C.B.C.—A. Right.

By Mr. Hanson:

Q. May I ask a question in that connection? Would not the financial statement and the yearly report show the gross income?—A. It is not broken down the way Mr. Diefenbaker wants it.

Q. It shows a percentage, anyway, how much is income and how much has been paid out. I should like to see the financial report.—A. What I mean is there is a lot of confusion in the minds of the people as to these figures. People say that the C.B.C. makes $1,000,000 profit. Others say that the C.B.C. takes 50 per cent out of commercial business from private stations. That is all wrong. It does not work that way at all. In some cases we put a program on the network which comes to us from an American agency, a program already carried by an American network. In that case we may have to give a commission to the agency, a commission to the American network, plus all these things that I mentioned before. When you come to those figures you have to qualify them very clearly. I would be pleased to give a break-down of whatever our business is on the networks.

By Mr. Diefenbaker:

Q. I know it may be difficult, but the fact remains that the statement that revenues are $1,200,000 does not show the extent to which advertising on the radio is in existence in Canada to-day?—A. If I give you a break-down of our network operations you will have no indication of what the private stations do on their own. For instance, you have a figure of $1,200,000 commercial revenues to the C.B.C. We have our total budget of $5,000,000. There is the business of all the private stations in Canada. Even if you added them all together you would not approach the $300,000,000 per year of broadcasting in the United States. The business of broadcasting last year in the United States reached a total of $300,000,000.

By Mr. Coldwell:

Q. We do not know what the total in Canada is?—A. We do not know and we have no means of finding out.

Mr. COLDWELL: We should have a means of finding out what the total revenues are.

Mr. TRIPP: Do these private stations not issue annual statements?

Mr. COLDWELL: I do not know.

By Mr. Hansell:

Q. How is it they could find out in the United States and could not find out here?—A. In the United States it is compiled by private firms, magazines, who get reports from all the interested parties. It is nothing official but those figures are recognized as reliable.

By Mr. Diefenbaker:

Q. There is another matter on page 2. It is this:

We encourage talent across the country.

There is a matter I wish to bring to the attention of the committee. A number of complaints are received from time to time that in certain cities it is impossible for talented young persons to receive an opportunity to be put on the network. One place in respect of which I have heard complaints in that connection in this dominion is Toronto. In Toronto musicians find it difficult to get the opportunity to broadcast and to show whatever ability they may possess. I should like to know from you, Dr. Frigon, who is in control in these various centres determining the right of an individual to have the opportunity to receive a test or to go on the network, and also whether or not when a decision by a regional board or regional director is made there is any right of appeal of that person to some central authority so that talent will not be unnecessarily restricted by local considerations? This is a matter I spoke to Dr. Frigon about on one occasion.

It is a matter in respect of which there is quite considerable interest. Would you mind elucidating and giving us the picture?—A. I am sure Mr. Bushnell could give you more details than I can myself, but generally speaking I could tell you this, that the situation referred to as to remarks being made, is, I would say, universal. Anywhere where artists are employed, either in theatres or broadcasting or anywhere else, the discontented artist never admits it is because he cannot perform properly.

Mr. HANSON: They go to Hollywood.

The WITNESS: The second thing is this, that we do give a lot of opportunities to qualified talent. The third point is that we cannot afford to broadcast on the network a performer who is not qualified and will not be received outside of his own city or village or town. Whoever performs on our programs has to be a professionally matured artist. I should like to refer you to some figures I have here which I submitted last year. I have no figures for this year but last year I reported that on the French network alone we had, during the previous twelve months, employed new talent at the rate of twenty-seven musical composers, new composers tried on the network of stations, forty new singers, four new choirs, six musical groups, twenty-one soloist musicians, twenty-one actors and eighteen authors. I went on to say:

> This means that one hundred and six Canadians and ten musical units were given the opportunity to broadcast for the first time from C.B.C. French network studios during the last twelve months.

These people are selected by the person in charge of programs. In other words, you may have a number of shows at a studio where singers are required. Each producer of a show makes his own choice, and if a singer or pianist or musician is not engaged by one of these producers there may be an indication there is something wrong with the artist himself.

By Mr. Diefenbaker:

Q. The artist I have in mind is an artist with an international reputation. I just want to find out from you who it is in the city of Toronto who determines the right of a person to go on the network?—A. The person who decides is the manager of the programs.

Q. Who would that be?—A. There are a number of these producers. I wish you would question Mr. Bushnell on this point. He is much more familiar than I am with the details in the program division.

By Mr. Hansell:

Q. Do you have any amateur hour in Canada? I do not mean children particularly, but something comparable, we will say, with Major Bowes.—A. No, we have none.

Q. I have noticed a program on Sunday afternoon, "Singing Stars of Tomorrow". They have been able to locate some very fine talent.

Hon. Mr. LAFLÈCHE: York Knitting Mills.

Mr. PICARD: The private stations are doing the scouting for that. It is better that it is not spread out on the national network before we know the man is good.

Mr. BUSHNELL: I am sorry; I should not interject, but it is not the private stations that are doing that job. It is the auditioning panels of the C.B.C. who have worked in close co-operation.

Mr. PICARD: I do not think you got what I said exactly. I said that the scouting for talent on amateur hours should be done by private stations, not your own scouting. I bow to your ability to do your own scouting.

By Hon. Mr. LaFlèche:

Q. I have a similar question to ask Dr. Frigon. If he thinks it is not an exhaustive step from the question put by Mr. Hansell would he be good enough to tell us something about what the C.B.C. does as to seeking talent, searching for talent?—A. Well, first of all, we never hesitate to give auditions to artists who apply for positions when they suggest that they are qualified, and last summer we had our director of music conduct quite an extensive set of auditions in the western provinces. I do not know how many he auditioned—dozens, or maybe hundreds—in an endeavour to find some talent; but I would like Mr. Bushnell to report on his finding.

By Mr. Hansell:

Q. I asked the supplementary question to bring out a little clearer something which you said a moment ago: you said your auditioning personnel heard a very great number of presumably amateurs who came before them. Is there any difficulty in their being heard, in their being given an audition?—A. None at all. It is a routine matter.

By Mr. Diefenbaker:

Q. After the auditioning has taken place then the question as to whether the person gets an opportunity to go on C.B.C. rests with one or more of the producers, is that correct?—A. Yes.

Q. And that is where the complaint comes in, that there is more or less of a rarified atmosphere in which they move and persons outside cannot come in? —A. Well, there is another point to be considered there. Most of these coming artists—some of them, I should say—want to go on the air to show that they are good artists, others try to make a living out of radio. Well, now, making a living out of radio is almost an impossible thing. If you have a very good artist appearing every week on the radio program during the season—say twenty-six occasions—it takes quite a good fee to make it a worthwhile profession. Now, all these artists have to earn their living by radio plus something else, and we have constantly on the doorstep qualified artists known to have a high reputation to whom we cannot give work and from them comes the complaint that we give a chance to people who are not qualified. They will tell you, "I have been fifteen years practising and I am well known. I have played all over Europe, and I have to make my living with my music, and the first thing you do is to take in a newcomer who has no art and is not qualified. It is not fair to me, a professional artist." However, Mr. Bushnell can cover that point better than I can.

By Mr. Matthews:

Q. You made the observation that the corporation has cultural and educational responsibilities as well as those of pure entertainment and consequently many of its programs will appeal only to limited audiences, though it is encouraging to note that the size of those limited audiences is growing. I hope you are right, I think you are, but I wonder how you estimate the size of those listening audiences all over the country?—A. Oh, well, it is done a good deal through personal contact with the public; people talk to us; we talk to people—through surveys, listening surveys organized by firms—through different methods such as mail response, people writing in. It can be felt. You cannot give the exact figure, but you can feel that the thing is growing or fading out.

Q. You have no regular system of reporting or anything like that?—A. No, it is very difficult to design anything except when you want something on mass listening for commercial purposes.

Q. You can sense it pretty well?—A. Yes.

Mr. HANSELL: There are commercial firms, though, who make a business of it, are there not?

The WITNESS: Yes, they cover only telephone services in large cities.

Hon. Mr. LAFLÈCHE: But they do operate in Canada, do they not?

The WITNESS: There is a Canadian firm.

Hon. Mr. LAFLÈCHE: Is it a Canadian firm?

The WITNESS: Yes, it is a Canadian firm.

By Mr. Hansell:

Q. Did you ever consider having your own survey?—A. Oh, we have done some surveys through mail response.

Q. No, but I was referring to setting up an organization for that purpose?—A. I do not think it would pay us. I think it is cheaper for us to buy the services of these other people because these people serve all stations and agencies, and they are accepted by everybody whereas our own survey would probably be accused of exaggeration or something like that. These organizations are looked upon as unbiased organizations.

By Hon. Mr. LaFlèche:

Q. May I come back to the staff for a moment. Has the C.B.C. any plan with regard to returned service personnel after the war is over or as demobilization is carried out in addition to their employees who are now in the armed forces; have you in mind that you favour those persons?—A. Well, I suspect that our own employees coming back from the services will more than meet our requirements.

Q. I see.—A. We have not thought of any organized way of enrolling or engaging people outside of our own employees.

Q. You have not anticipated that there will be vacancies?—A. I hope there will not be because our staff is growing so fast that it would be a financial matter.

Q. With regard to your pension plan, how has that been accepted by the members of the staff?—A. Very well. It has been submitted to all government experts, it has been surveyed and studied and we can't find anything wrong with it. The personnel is very pleased.

Q. I know something about the attention which was paid to that scheme before it was approved because I had the honour of bringing it down; but you say that the staff are satisfied with it?—A. Perfectly satisfied. I have not heard anything said against the plan from the staff or from any other source.

By Mr. Coldwell:

Q. I will ask a question based on page 2: "Problems arise all over the country at the most unexpected moments which require a solution in a matter of minutes. Most frequently these have to be submitted to the highest authority of the corporation." Who is the highest authority of the corporation?—A. I am the unfortunate person at the present time.

Q. And if you had to refer it to any other person or authority?—A. If something is contentious I will refer it to the whole board as I have on past occasions.

Q. And to no one else?—A. No one else.

By Hon. Mr. LaFlèche:

Q. You mean, of course, that the board is your higher authority?—A. Of course, but on the operation side, the person on whose desk these things come is myself, but if I am not satisfied I do refer the matter to the board. Next Monday, for instance, there is a case and I want the board to tell me what to do. That is one of the examples.

Q. What system do you use in determining the rates that you will charge to those who rent your time?—A. That is pretty well set by the trade itself, according to the size of the station, the territory covered. It is pretty much standardized across Canada.

Q. Last year we had quite an exposition given of the system used; has it changed since the last year?—A. Not to talk about. There may be one or two adjustments, but nothing much.

By Mr. Tripp:

Q. On that point, you still give discounts to persons who use a large amount of time?—A. Yes.

Q. And the larger companies get a discount over the smaller companies?—A. If they buy a station for one occasion there is a rate; for 13 there is a discount, on 26 there is a discount, or on 39 there is a discount, and so on.

Q. Is that fair to the smaller companies? Is it just the power of might?—A. I do not think many companies are interested in using radio efficiently—

Q. Have you thought of considering a set fee for a set unit irrespective of the amount of time a company or a person might use?—A. Well, I may say that we are following the American practice.

Q. I have heard criticisms of the American practice, and that is the reason I am bringing this up. For instance, if a small company wants, say, 15 minutes a day it is at a disadvantage as compared to another company which wants to use an hour a day. Take your soap companies which were mentioned by Mr. Coldwell some time ago. In that case the overall company goes to the C.B.C. and rents an hour of its time and then awards that time for 15 minutes to this company and 15 minutes to another company, and the result is that the manufacturer of a certain type of soap within that company gets a cheaper rate of advertising than a manufacturer of soap who is not in the combine. Do you get the point?

Mr. COLDWELL: I get the point now.

The WITNESS: We do not do that. We may have one company buying one hour and breaking it down to 15 minutes to advertise different products, but not different companies. They do not sell their time piecemeal.

Mr. TRIPP: These soap companies do. There is an overall company that goes and buys some time; they are a combination of four smaller groups manufacturing different soaps.

Mr. DUROCHER: But they are owned and operated by the same people.

Mr. TRIPP: By the controlling company. Therefore, the smaller manufacturer who is only manufacturing one type of soap is at a disadvantage as compared with the larger company who manufactures four types of soap.

The WITNESS: Unfortunately would not that apply to all types—

Mr. TRIPP: I am using that as an instance, therefore I claim that a small company which is just manufacturing one article is at a disadvantage with a company which controls, say, four different types.

Mr. DUROCHER: The very soap companies that my friend mentioned do exactly the same thing. If I go to them for a case of soap I pay so much, if I take ten cases I pay so much, and if I take a carload I get a larger discount.

Mr. TRIPP: I know that is true, but that type of merchandising leads to certain wrong practises in the end. I just wonder if you are not following the same wrong practices that these private corporations do in their own business.

Mr. DUROCHER: It is the law of supply and demand.

Mr. COLDWELL: Take the case of Lever Brothers, for instance, the makers of Lux and Lifebuoy and several kinds of flakes—there are at least four products—they make a contract for an hour and they divide the hour up into four 15-minute periods for each one of those soaps; if the smaller manufacturer making one soap comes along and wants 15 minutes he is at a disadvantage. What you are doing is encouraging monopolistic enterprise in the control of soaps. I would try to break up these monopolies.

Mr. TRIPP: I have been fighting that sort of thing in my own business and I know all about it.

Mr. ISNOR: When you spoke of 13, 26, 39 and 52, what did you mean?

The WITNESS: Period of weeks.

Mr. ISNOR: You are carrying on the same principle with regard to your advertising rates as do the newspapers in regard to their space. If I contract for 1,000 lines there is a certain rate and there is a different rate for 2,000 or 3,000 or 5,000 as the case may be; it is a matter of reduction in the rate, except in the case of newspapers it is lines and yours is time?

The WITNESS: The same general principle of doing business.

Mr. TRIPP: I know the principle is general, but I want to know whether it is right or not. I do not think it is right, and that is the reason I am bringing the matter up. I think it encourages the building up of monopolies and large institutions to the disadvantage of the small people.

Mr. ISNOR: Mr. Diefenbaker raised the question with regard to the commercial revenue, $1,242,553.08; am I to understand that there is a breakdown, or rather the gross amount as received by the C.B.C. is going to be given to the committee at some future date?

The WITNESS: It has been agreed that I submit to the committee a breakdown, a complete over-all picture of the commercial matter.

By Mr. Isnor:

Q. What I tried to get and I think it is what Mr. Diefenbaker has in mind is the gross amount you received for advertising and then take that gross amount and break it down to see how much the private stations received for their part in carrying those programs and the amount retained by the C.B.C. from the gross amount?—A. The amount private stations received is not included in the $1,200,000.

Q. No, no, but we have tried to get that in the past—the gross amount to start with, and from that gross amount how much goes to the private broadcasters, and from that amount there should be this amount retained, namely $1,243,000?—A. Well, we will give a breakdown. If you do not find in the breakdown what you are looking for we will give you more.

Q. Could you give us the percentage—whether that is one-third or one-half?—A. It is not more than half anyway.

Q. Would it represent one-third or two-thirds?—A. I do not know. I would not like to guess.

Mr. COLDWELL: If you are making that breakdown could we get the net after all the expenses are taken out of this advertising?

Now, Mr. Chairman, could we adjourn? We have been sitting for quite a while and the air is very bad.

The CHAIRMAN: Very well. We will adjourn until one week from to-day when we will hear Dr. Frigon again.

The committee adjourned to meet Wednesday, March 29th.

APPENDIX A

APPOINTMENTS TO THE STAFF OF THE CANADIAN BROADCASTING CORPORATION

SEPTEMBER 15, 1943—MARCH 15, 1944

CBA Transmitter, Sackville—
H. D. MacAuley, Broadcast Operator.
E. C. Hughes,
Broadcast Operator Apprentice.

Halifax Studios—
R. Fraser, Producer, Grade 2.
H. H. Dewar, Announcer, Grade 1.
F. G. Borgerhoff, Announcer, Grade 1.
M. D. Cox, Program Assistant, Grade 2.
W. B. Mounce, Stenographer, Grade 1.
H. M. Morrison, Stenographer, Grade 1.
G. Leahan, Stenographer, Grade 1.
J. R. Dunlop,
Switchboard Operator, Grade 1.
F. B. Parsons,
Broadcast Operator Apprentice.

CBJ, Chicoutimi—
L. Raymond, Announcer, Grade 1.
J. L. Gilbert,
Broadcast Operator Apprentice.
M. Vidal, Broadcast Operator Apprentice.
G. Voyer, Clerk, Grade 2.
F. Dufour, Stenographer, Grade 1.

CBV, Quebec—
C. Montreuil, Announcer, Grade 1.
R. Lelièvre, Announcer, Grade 1.

Keefer Building, Montreal—
L. C. MacAdam,
Broadcast Operator Apprentice.
E. L. Martin, Clerk, Grade 2.
L. M. Roxburgh, Stenographer, Grade 1A.
L. Heninger, Stenographer, Grade 1A.
J. Brunet,
Stenographer, Grade 1 (teletypist).
A. Guindon, Office Boy.

Montreal Studios—
T. Bertrand, News Editor, Grade 2.
J. Y. Dangelzer, Producer, Grade 2.
J. J. Jasmin, Producer, Grade 3.
M. St. Clair Bigg,
Continuity Writer, Grade 3.
J. C. Chapais, Announcer, Grade 1.
R. Chaput, Stores Clerk.
P. H. Chagnon,
Broadcast Operator Apprentice.
F. Laniel, Broadcast Operator Apprentice.
J. L. Lepage,
Broadcast Operator Apprentice.
E. D. Mitchell, Stenographer, Grade 2.
G. Lafrance, Stenographer, Grade 1.
E. Robichon, Stenographer, Grade 1.
M. J. Leclaire, Stenographer, Grade 1.
M. A. Bélanger, Stenographer, Grade 1.
M. Bérubé, Stenographer, Grade 1.
J. Arsenault, Stenographer, Grade 1.
M. T. F. Noreau, Stenographer, Grade 1.
M. Lortie, Typist, Grade 1.
Y. St. Hilaire, Typist, Grade 1.
R. de Vaudreuil, Clerk, Grade 1.
G. Rivet, Clerk, Grade 1.
M. Quesnel, Clerk, Grade 1.
L. Therrien,
Switchboard Operator, Grade 1.
J. R. Landriault,
Switchboard Operator, Grade 1.
G. Tellier, Janitor
H. Rose, Janitor
C. Quintal, Janitor.
P. Gariepy, Office Boy.
M. J. A. Prendergast, Office Boy.
C. Cloutier, Office Boy.

Head Office, Ottawa—
D. G. Chandler, Stenographer, Grade 2.
B. B. Soublière, Clerk, Grade 1.
C. A. Phillips, Clerk, Grade 1.
E. J. Milloy, Clerk, Grade 1.
A. M. Hodgins, Clerk, Grade 1.
B. E. McFarland, Clerk, Grade 1.
F. E. Hatton, Clerk, Grade 1.
J. T. Lloyd, Clerk, Grade 1.
H. M. Kelly, Clerk, Grade 1.
M. M. Gleason, Clerk, Grade 1.
D. Joanisse, Office Girl.
H. Finter, Office Boy.

CBO, Ottawa—
I. S. Gross, Announcer, Grade 1.
W. R. Beatty, Announcer, Grade 1.
F. E. Rushton, Student Operator.
M. M. Armstrong, Clerk, Grade 2.

55 York Street, Toronto—
O. C. Wilson, Producer, Grade 3.
B. Hood, Clerk, Grade 3.
F. MacDonald, Clerk, Grade 3.
M. R. G. Henderson,
Stenographer, Grade 2.
E. T. Melvin, Clerk, Grade 1.
F. I. Reynolds, Clerk, Grade 1.
A. M. Woolley, Clerk, Grade 1.
R. H. Fisher, Clerk, Grade 1.

H. Kerbel, Clerk Grade 1.
S. B. Brown, Stenographer, Grade 1.
A. M. Wilson, Stenographer, Grade 1.
M. H. McKee, Stenographer, Grade 1.
D. A. Earls, Stenographer, Grade 1.
R. Oswald, Stenographer, Grade 1.
E. I. Woodgate, Stenographer, Grade 1.
R. M. Lusted, Stenographer, Grade 1.
G. Kinnunen, Stenographer, Grade 1.
H. E. Mears, Stenographer, Grade 1.
A. L. Shirrif, Stenographer, Grade 1.
D. A. E. Wareham, Stenographer, Grade 1.
E. G. Ellis,
Switchboard Operator, Grade 1.
A. H. McQuarrie,
Switchboard Operator, Grade 1.

Toronto Studios—
S. W. Caldwell, Station Manager, Grade 3.
R. B. Hamilton, News Editor, Grade 2.
L. E. Duffey, News Editor, Grade 2.
J. Annand, Producer, Grade 2.
T. Courtney, Announcer, Grade 1.
N. H. Hanbury, Announcer, Grade 1.
W. W. Lindsay, Announcer, Grade 1.
W. E. Cameron, Announcer, Grade 1.
J. E. Reany, Program Assistant, Grade 1.
A. Rosen, Program Assistant, Grade 1.
F. H. Brown, Program Assistant, Grade 1.
P. J. Murphy, Program Assistant, Grade 1.
E. A. Silvester, Press and Information Assistant, Grade 1.

R. B. Allen, Broadcast Operator.
H. Wright, Broadcast Operator.
R. V. Ferry,
Broadcast Operator Apprentice.
R. J. Sloane,
Broadcast Operator Apprentice
W. Adshead, Student Operator.
B. J. Gregson, Student Operator.
B. R. McClure, Clerk, Grade 2.
N. N. Walsh, Clerk, Grade 1.
G. B. Cooper, Clerk, Grade 1.
J. J. Brisbois, Clerk, Grade 1.
D. M. Johnston, Clerk, Grade 1.
A. J. Rutledge, Clerk, Grade 1.
E. G. Leschuk, Clerk, Grade 1.
B. M. Harding, Clerk, Grade 1.
I. McNaul, Clerk, Grade 1.
R. E. Gross, Stenographer, Grade 1.
J. H. Rose, Stenographer, Grade 1.
H. S. Starkman, Copy Clerk.
G. M. Ackerley, Copy Clerk.
J. T. Komar, Office Boy.
E. Hewson, Office Girl.
R. E. Neilson, Office Girl.

Winnipeg Offices—
H. Robson, News Editor, Grade 2.
P. Cosh, Stenographer, Grade 1.
J. E. Hayward, Stenographer, Grade 1.

CBK Transmitter, Watrous—
A. D. Squires,
Broadcast Operator Apprentice.

CBR, Vancouver—
T. J. Leveque,
Sound Effects Operator, Grade 2.
B. Frost, Switchboard Operator, Grade 1.
S. J. Kerr, Switchboard Operator, Grade 1.

APPENDIX B

IMPROVEMENTS AND ALTERATIONS TO STUDIOS IN MONTREAL AND TORONTO

MONTREAL STUDIOS

Year	Improvements
1939-40	$ 255 51
1940-41	22,022 37
1941-42	1,807 19
1942-43	356 95
	$24,442 02

TORONTO STUDIOS

Year	Improvements
1939-40	$11,633 28
1940-41	9,632 52
1941-42	2,340 88
1942-43	9,879 77
	$33,486 45

TOTAL	$57,928 47

SESSION 1944

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

WEDNESDAY, MARCH 29, 1944

WITNESS:

Dr. Augustin Frigon, Acting General Manager of the Canadian Broadcasting Corporation.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1944

MINUTES OF PROCEEDINGS

WEDNESDAY, March 29, 1944.

(6)

The Special Committee on Radio Broadcasting met this day at 11.00 o'clock, a.m. Mr. J. J. McCann, the Chairman, presided.

Members present: Messrs. Bertrand (*Prescott*), Boucher, Coldwell, Diefenbaker, Douglas (*Queens*), Durocher, Hansell, Hanson (*Skeena*), Isnor, LaFlèche, Laflamme, Macdonald (*Brantford City*), Martin, Matthews, McCann, Mullins, Picard, Rennie, Ross (*St. Paul's*), Tripp, and Veniot. (21).

On behalf of the Committee, Mr. Veniot voiced the good wishes of the members on the occasion of the Chairman's birthday. Mr. McCann thanked Mr. Veniot for this kind expression.

The Chairman tabled the following information which was requested:

1. C.B.C. Commercial Broadcasting operations for the year ended March 31, 1943.
2. C.B.C. establishment of personnel showing classification, number of employees and salary range.

Ordered,—That the above returns be printed as appendices (*See Appendices C and D to this day's minutes of proceedings and evidence*).

Dr. Augustin Frigon was recalled and further examined on C.B.C. matters.

In reply to a question from Hon. Mr. LaFlèche, Dr. Frigon stated that Major Paul Triquet recently decorated with the Victoria Cross, was heard over C.B.C. immediately after his disembarkation at Dorval Airport.

Before proceeding with his supplementary statement, the witness made the following correction:

On page 84 of No. 2 of the minutes of proceedings and evidence the power increase on the 1240 kc. channel should read from 0.05 to 0.1 kw., and not to 1 kilowatt, as printed.

The witness then commenced his statement and was questioned on the following and other relevant questions.

1. Salaries
2. Commercial
3. Technical activities

The witness was asked to furnish the Committee with copies of special maps and to table correspondence exchanged between the C.B.C. and the Canadian Association of Broadcasters together with the C.A.B. brief presented at the private stations convention in Quebec.

Reference was made to a letter dated March 17, 1944, addressed to the Chairman by the President of the Men's Musical Club of Winnipeg Limited.

The witness was retired.

The Committee decided to interrogate Dr. Frigon and to hear Mr. E. L. Bushnell at its next meeting.

At 1.05 o'clock, on motion of Mr. Isnor, the Committee adjourned until Wednesday, April 19, when two meetings will be held.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

March 29, 1944.

The Special Committee on Radio Broadcasting met this day at 11 o'clock a.m. The Chairman, Dr. J. J. McCann, presided.

The CHAIRMAN: Order, please.

Mr. VENIOT: Before the chairman calls the meeting to order I should like to voice the expression of this meeting and extend to the chairman many happy returns on his birthday.

Mr. TRIPP: I hope he has not had too many.

Hon. Mr. LAFLÈCHE: I think Doctor Veniot should complete that by saying how many.

The CHAIRMAN: That is not a secret; that is on the record. Thank you, Dr. Veniot, and the members of the committee, very much for your good wishes. The only complaint I have is that they come too often.

The first business of the meeting this morning is to announce two returns here. One is the Canadian Broadcasting Corporation commercial broadcasting operations for the twelve months' period ending the 31st of March, 1943. As you have not this record I shall read this brief statement; revenue, gross billings, was $2,489,224.01; deduct from that agency commission which amounts to $457,980.45 and payments to private stations of $787,690.48. Both of those added together make $1,245,670.93 which leaves the net of commercial revenue to the C.B.C., $1,243,553. That will appear in the next hansard of the committee. The other return which is made this morning is the establishment of personnel. That was asked for by Mr. Diefenbaker. There is a breakdown here of the salary range of all of the officers of the C.B.C. I am sorry we have not copies of both of these returns but they will be printed in the next hansard of the committee. I should like to know if it is the wish of the committee that this salary range should be given to the press, or is that a matter which it is not in the public interest to make public?

(See appendices C and D to this day's minutes of proceedings and evidence.)

Mr. COLDWELL: I think it should be available to the press.

Mr. ISNOR: So far as public interest is concerned to me it is a question as to what good it is going to do making public the salaries of a lot of individuals. We do not do it in our own business. I doubt very much if it is fair. That is the only point I would make.

Mr. COLDWELL: I understand the individuals are not there.

The CHAIRMAN: The names of the individuals are not here. For instance, we have secretary. Everybody can find out who the secretary is. His salary is $4,500; assistant to the secretary, one employee, and the range is from $3,240 to $3,960. Then there is one law clerk from $2,800 to $3,280, and so all along the line. We have the treasurer's division, clerical grades, engineering division, purchasing and stores, program division, commercial division, press and information, station relations, etc. The whole thing is here and it states, too, that the cost-of-living bonus has been included in the basic rate of employees holding the rank of foreman or below, and amounts to $19.93 a month for adult males and 18·4 per cent of the salary for male employees under twenty-one and female employees who earn less than $100.

Mr. COLDWELL: If the secretary of this corporation is getting $4,500 a year I think it would be in the interests of the corporation to have the salary list published because there is an idea that the salary list of the corporation is very much higher than is indicated by these figures. I think from what I know of salary lists and salary schedules generally that the salaries you have read appear to be very moderate, if I may put it that way, for the positions which are held. I think it might even be in the interests of the corporation.

Hon. Mr. LAFLÈCHE: It was understood, Mr. Chairman, at the last meeting when Mr. Diefenbaker, shall I say, modified his question, that it would be a matter of public information. I took it it was for the public.

Mr. DIEFENBAKER: I deliberately withdrew any suggestion of wanting individuals' names, as General LaFlèche says. The information being by categories I can see no reason why it should not be made public.

Mr. HANSELL: Did you say they were going to be printed in hansard?

The CHAIRMAN: Yes.

Mr. HANSELL: If they are these reports go out all over the country. There is no reason why the press should not have it.

The CHAIRMAN: Is that the wish of the committee that it be given to-day to the press?

Mr. HANSELL: I think so.

The CHAIRMAN: All right. Dr. Frigon says that when in the case of a salary there is no range given, for instance, in the case of the salary of $4,500, that is the minimum salary. It may range higher than that at the present time.

Mr. COLDWELL: With regard to the other return that was tabled the net to the corporation is $1,200,000.

The CHAIRMAN: $1,243,000.

Mr. COLDWELL: I suggested we might get a break-down of say $100 worth of advertising that is placed with the corporation to see what the actual net is to the corporation after paying for the various lines of communication and all that sort of thing which are expenditures beyond the commissions and the payments to the actual stations. I think that presents a picture of what the corporation really gets out of advertising.

The CHAIRMAN: Perhaps Dr. Frigon can answer the question.

Mr. COLDWELL: Because, as I understand it, the stations that are supplied do not pay for that service. The corporation pays for that service so it is an outlay, and that is hardly the net to the corporation.

Dr. AUGUSTIN FRIGON, Acting General Manager, Canadian Broadcasting Corporation, recalled.

The WITNESS: I remember you asked for a break-down on a $1 basis. We have not filed any figures on that because, very frankly, in the way it is figured it is next to impossible to put it on a percentage basis, that is, on a $1 basis. It is very intricate. There are charges for stations; there are frequency discounts; there are line charges. There are all sorts of complicated figures which make it, I would say, almost impossible to give the real picture.

Mr. COLDWELL: Would it not be possible to take that amount you call the net at the moment and tell the committee what the corporation actually receives itself after meeting all the charges that have to come out of that amount? That is what I was interested in.

Hon. Mr. LAFLÈCHE: He wants a percentage basis.

The WITNESS: Should I bring this up when I talk about commercials this morning?

Mr. COLDWELL: That will be all right. I do not mind when it comes.

The WITNESS: I will bring that up later on.

Hon. Mr. LAFLÈCHE: In that connection could Dr. Frigon at the same time give us a comparison with the practice in private business?

The WITNESS: I will try to explain that, if I can, when I come to the commercial department report.

Mr. ROSS: Do private stations pay the same rate for lines as the C.B.C. pays when they have their own regional hookups?

The WITNESS: We buy lines over the year, 365 days a year, 16 hours per day; but the difficulty of breaking down the price is that we have rates which are based on the basic service, plus charges when we extend the line over 16 hours, plus other charges when we have parallel lines, so we have no unit cost. We buy wholesale and we retail on a basis which we think is quite justifiable as compared to other charges by other companies. I will cover that point also in my statement.

Mr. HANSON: I should like to have the names of the ground lines and the amounts of rent we are paying for them?

The WITNESS: We have a basic contract with the C.N. telegraphs and C.P. telegraphs. They give us the service of wire lines across Canada to points mentioned in the basic contract. To these points we add as we go along, according to a certain schedule of rates as set out in the basic contract. If we want to take some other lines in a territory that the C.N.R. or C.P.R. do not reach, we have the right to go to another company, obtain a price from them, and, if the telegraph companies cannot meet that price, we are free to make a contract with the local company. The C.N. and C.P. telegraphs, who have the exclusive rights for our wire line service, must reach the minimum price submitted to us wherever they have no lines themselves; so they go out and they contract with different companies, telephone companies, government telephone companies in the prairies, and other companies in the maritimes, for instance, and they are responsible for buying the service we require and selling it to us at the price we have agreed to. Therefore, when you come to break that down to a unit cost it does not show the true picture; because if you were to buy a line, say in the maritimes, you would not pay the same rate as in British Columbia. But, as we are in the business of retailing wire lines, we average the cost across the country.

By Mr. Hanson:

Q. Just as one example you use the C.N.R. main line to Prince George, British Columbia?—A. To Prince George at the present time we use government lines which have been built and are now under operation for the armed forces.

Q. But you have no connection or no ground line west of Prince George providing the same service by either the C.N.R. or the government—A. No, we have no line from Prince George to Prince Rupert.

Q. Some service is there but I suppose you have not made any contract for that extension?—A. There is a matter of cost which is very material. At the beginning there was the matter of using lines which were used and are still used for war services. We could purchase a service from Prince George to Prince Rupert at a price which is probably too high at the present moment for us to afford.

Q. But you are still considering the extension of that line?—A. Oh yes, certainly.

By Mr. Isnor:

Q. You say that you cannot arrive at a cost. You have a contract with the Canadian National Telegraphs and a contract with the Canadian Pacific

Telegraphs. You know the total amount of those contracts. That cost in relation to the revenue that you receive would help you establish a percentage basis, would it not?—A. Well, for instance, we may be forced to buy a parallel line over a considerable distance.

Q. It does not matter about a parallel line. You know what these lines cost, what these contracts total, and their relation to your revenue would give you a percentage cost of operation.—A. If you want an over-all figure, it will not mean much.

Q. I think that is what Mr. Coldwell wants to start with.—A. That is all right. It is easy to give, and it will not mean very much because in that figure we have to give our own services.

Q. No, first of all, you start with that percentage cost of operation and add to that your own cost. I think that is what Mr. Coldwell wants. That is what I have wanted so as to make up your total costs against revenue.—A. The total cost of lines.

Q. The total cost of lines and other factors which might enter.—A. When they are being used for commercial purposes—that is what it is difficult to determine. I should like to repeat that we may have to put in a parallel line to accommodate a sustaining program or commercial as the case may be during a certain period. That extra line costs more than our basic over-the-year rate. Now, do you charge the extra cost to commercial or to sustaining? Do you break that down according to the region where it happens or do you average it over the country?

Q. You can start as a basis and take the total cost, and then if that is not satisfactory to us we can ask you to break it down.—A. We will give you some more figures, and if what you want is not there, you will ask us for a further breakdown.

By Mr. Coldwell:

Q. I was going to ask you with regard to these advertising commissions. It would seem to me to be a very large amount, $457,000, or thereabouts? —A. Yes, $457,980.

Q. On all programs placed with you through advertising agencies?—A. Yes, all of them.

Q. What about government programs?—A. They all go through agencies, and in some cases the practice is to pay two commissions, one to an American network, for instance, who may feed the program to Canada, and one to the agency handling the program. In many cases we have to pay 30 per cent commission.

By Mr. Martin:

Q. You would not object to an individual company going to you directly other than through an advertising agency?—A. No, but in all these big contracts anybody who can afford a national network or a network usually has an agency handling the business.

By Mr. Coldwell:

Q. Why should the government do that? The C.B.C. is a government-owned corporation, and the government departments are in close contact in that sense with the C.B.C. Why should the government, the nation, pay an advertising commission to a corporation to use its own government-owned facilities?—A. When it comes to that, you see, we are considered as broadcasting stations among many others. If we were to give preferred treatment we would be accused—and I think we have been accused in the past in certain circumstances—of giving favoured prices. In other words, if the government can

buy a C.B.C. station in a certain district cheaper than a commercial station, of course, the private broadcasters protest. They do not want us to compete with them and we do not, on that basis.

Q. It seems to me that the policy is essentially wrong.

By Mr. Diefenbaker:

Q. Has that policy always been followed?—A. Yes.

Q. Right from the commencement?—A. Yes.

By Hon. Mr. LaFlèche:

Q. Is that not in line with universal practice in regard to radio broadcasting? You do not seek your clients, do you?—A. We have our commercial managers who are in touch with them. We have—what shall I say—no high pressure salesmen trying to get as much as we can.

By Mr. Martin:

Q. I understood you to say last week you do not solicit advertising?—A. No, not in the sense which you would use that term in a commercial enterprise. We have no solicitors. We have managers who are there to inform sponsors and agencies of what we can do, show them the advantage of our stations, the coverage we can give them, and any statistics.

By Mr. Coldwell:

Q. I understood from what you said the other day you were getting more requests for sponsored programs than you could satisfy on one network, and you now have two networks and still you cannot satisfy the demand. That surely would indicate you have not the need of an advertising agency to acquire programs for you or to place programs with you? You could do that directly?—A. The only answer I can give is that when we deal with commercial programs we have to handle our own stations as if they were just commercial stations on that particular occasion. Another thing is that radio appropriation, or money spent on radio in big publicity campaigns, is only a small portion of the total appropriation, and we are not expected, I think, to compete with newspapers in supplying preferred rates to certain clients. If the victory loan committee goes out and spends a lot of money on publicity I do not think it would be proper for us to say, "Come to us and we will do the work for nothing," and compete with them.

By Mr. Martin:

Q. Is the commission above the cost of the program? In other words, if company A would come to you directly would they pay less to the C.B.C. than in the case where they use an agent?—A. No.

Q. So there is no difference?—A. No, no difference to us. It is only a case of the client having someone handle his business.

By Mr. Diefenbaker:

Q. What was the amount last year of government advertising, including the victory loan and the like, which came to the broadcasting corporation and upon that government amount for advertising how much was paid in commissions to these advertising agencies?—A. The amount of business on our stations and networks last year for various government publicity campaigns is approximately $250,000.

Q. Does that include the victory loan and everything in connection with it?—A. Yes.

Q. And on that amount how much was paid in commission to the advertising agencies?—A. The usual 15 per cent to the agencies handling the programs.

By Mr. Martin:

Q. They were paid just as they would pay newspapers?—A. As you know, the government, when they started early in the war, organized a group of agencies to handle all these programs. We deal with those agencies, and they charge 15 per cent for their handling of government programs, which includes services of a greatly varied nature.

By Mr. Tripp:

Q. I think the question arises why should the C.B.C. pay the commission and not the company that is doing the advertising?—A. We do not pay the commission.

By Mr. Boucher:

Q. It is the company which is doing the advertising that pays it.—A. The company, instead of having a staff of its own for doing publicity work, hires an agency to do that for them and they charge 15 per cent.

By Mr. Tripp:

Q. And the advertising company pays the commission and not the C.B.C.? —A. Yes.

Q. What is the objection?

Mr. MARTIN: Mr. Diefenbaker said that the government was doing advertising and it was paying a commission fee to the advertising agent.

Mr. DIEFENBAKER: I do not want an interpretation placed on my point My point was this, there is no solicitation necessary for this business. The customer and the client are in reality the government of Canada. Why should there be the necessity of an intermediary in the form of an advertising agency?

Mr. MARTIN: You could say why should the government pay newspaper advertising agents for newspaper advertising.

Mr. COLDWELL: Because the newspapers are owned by somebody else.

Hon. Mr. LAFLÈCHE: Mr. Chairman, is it not a case that advertising agencies exist because of the necessity for them, and that when the C.B.C. takes a contract for the radio broadcasting of a program is it not the case that instead of meeting the principal, that is the sponsor, the sponsor is represented by an advertising agency? Is that not the case? In other words, the C.B.C. does not set up an advertising agency to deal with the account of firm A; firm A hires an advertising agency which approaches the corporation. It also approaches newspapers if ads are to be placed in the newspapers.

Mr. DIEFENBAKER: Mr. Chairman, there will be no argument in the case of newspapers as to advertising agencies necessarily being in business, soliciting business, placing it and being entitled to a commission, but did I understand you to say it was 50 per cent?

The WITNESS: Fifteen per cent. To handle publicity you need a staff; whether it is your staff or whether you hire an agency to do the job for you at the rate of 15 per cent commission is for the sponsor to decide.

Mr. MACDONALD: In one instance it was stated that the advertising company paid the commission; in another instance it was stated that the radio corporation paid the commission.

The WITNESS: No.

Mr. COLDWELL: Dr. Frigon referred to the $457,000 paid by way of advertising commission. I take that to be out of the gross amount the corporation received?

The WITNESS: Yes.

Mr. MACDONALD: I think it should be made clear who pays the commission.

The WITNESS: The sponsor.

Mr. MACDONALD: So the C.B.C. do not pay a commission for obtaining the advertising?

The WITNESS: We bill the sponsors every year roughly $2,500,000; we charge them that. Out of the money that we charge to them, there is 15 per cent or in this case $457,000 going to commissions; and we pay the private station so much for the use of the station. The rest is ours.

The CHAIRMAN: It boils down to this, does it not, you are the collecting agency for those who are getting the commissions.

Mr. MACDONALD: What is that, Mr. Chairman; I think you put it correctly.

The CHAIRMAN: I think it boils down to this; that the C.B.C. acts as a collecting agency for the commission people.

Mr. COLDWELL: What commission do they get for what they collect?

The CHAIRMAN: Order, please. I was going to suggest that when we started out on broadcasting that it was agreed that we should receive Dr. Frigon's report in an orderly fashion. We have not come to commercial contracts. We will come to them shortly. I think we ought to proceed this morning with the rest of his submission and in due time we will come to discussion.

By Mr. Ross (St. Paul's):

Q. In connection with the matter you have been discussing there is one question I would like to ask: does the advertising agency—take for instance Borden's—do they go to their advertising agency and say we want this done, and the agency goes ahead and produces the show; that is really what it is, they produce the show, they arrange for it to go on the air, they look after everything in connection with it?—A. No, they pay the rates.

Q. And the advertising agency is paid by the sponsor to produce the show; that is really what it amounts to?—A. One of the charges is what I have mentioned here; they are entitled to, and authorized by the sponsor, to get the 15 per cent.

By Hon. Mr. LaFlèche:

Q. The newspapers tell us that Major Triquet, V.C., is coming to Canada; may we know whether we shall have an opportunity of hearing him over the C.B.C.?—A. We have heard him.

Q. When?—A. He was on the air this morning.

Q. Oh, I was not up!—A. Yes, we had him on the air this morning.

Mr. MARTIN: He is in Canada now?

The WITNESS: Yes, he arrived this morning.

The CHAIRMAN: If I remember correctly he was on the air two weeks ago.

The WITNESS: He will be on again when the air force men get around to it.

Hon. Mr. LAFLÈCHE: Did you hear him this morning?

The WITNESS: No, I did not.

The CHAIRMAN: He was on the air from England I think it was last Sunday. Let us proceed now.

The WITNESS: May I please add just one word there in connection with commercial revenues; that figure of course merely covers the cost of the wire service and the use of the station, it has nothing to do with the artists' fees; we have nothing to do with them; the sum to which I referred relates strictly to the facilities provided for putting the program on the air.

Now before I continue with my statement I should like to deal briefly with two matters.

First, I should like to make a correction to the record of the proceedings of last Wednesday. On page 84 the power increase on the 1240 kc. channel should read from 0·05 to 0·1 kw., and not to 1 kilowatt as it stands.

I was asked last week about the salaries we pay our employees. I am not quite sure whether the suggestion behind the enquiry is that our salaries and wages are too high or too low. I am tabling with the chairman a statement showing all our categories, the number of employees at present in each, and the salary range for every category.

If you analyse these figures, you will notice that we have 367 employees who occupy positions with salaries below $2,000. We have 261 employees classified in a salary range which will, in a number of years, assure them of a salary ranging between $2,000 and $3,000, and we have 181 who will ultimately receive more than $3,000. For instance, in the program division, not including clerical staff, 15 may not expect more than $2,000 unless they are promoted to some other positions; 111 may expect in their present position a salary between $2,000 and $3,000, and 81 are in the category of over $3,000. In the engineering division respective figures are 43, 121, 57, not including the clerical staff.

I would very much like to know what points are involved if any, because we are just as anxious to know what might be wrong with our salary classifications as we are to give you the information you require.

It will be noted that provision is made for yearly increases in salary, contingent of course on satisfactory service. I should, however, point out that for employees earning over $3,000, the increases have not been operative since the salaries freezing order was introduced in 1941. There are 89 employees whose salaries are frozen.

I do not know how much private stations generally pay their men, but I suspect that many have a much lower salary scale than we have. On the other hand, it is possible for certain types of radio specialists to make more money than they can with us, on free-lance work or by working for highly successful private stations.

Mr. MARTIN: Mr. Robert Lucas would be a case in point?

The WITNESS: Yes.

The American practice, which is followed by some Canadian stations, is to pay a retainer to announcers and let them negotiate direct with agencies for their services in connection with sponsored programs. In that manner the stations cannot lose money; the more commercial programs they have, the higher their revenue; and in spite of this the higher the remuneration enjoyed by announcers. On that basis, some announcers build for themselves quite interesting revenues. The same applies to a certain extent to producers and other types of employees whose services may have a direct influence on the station's revenues.

We offer limited possibilities in that direction, because our commercial revenues are limited as compared to those of private stations. Nevertheless, some years ago, we had a plan for participation in commercial fees. It was abandoned at the request of our announcers but it was reintroduced some weeks ago. As I said the other day, when our job analysis is completed, it may be possible for us to adopt some scheme which would stimulate creative talent and ingenuity, and reward outstanding services in departments where it may be most useful. Even this last method is being studied at the present moment for revision. We hope that when our job analysis has been completed we may be successful in designing a merit and demerit system which will take care of the creative talent of our employees in all fields.

In the matter of comparison between salaries paid by us and by private enterprise, I may remark that very few of our employees have ever left us to enter into the service of privately owned stations; on the contrary, a good number of our employees came to us from private stations. As a matter of fact, some private broadcasters were complaining, not so long ago, that they were a sort of training school for the CBC and that we were competing with them by offering higher salaries than they could afford. I do not believe it will ever be possible for us to compete with the kind of remuneration which prevails in the advertising world in North America. On the other hand, our employees enjoy security and a number of advantages, such as a pension plan; and we offer possibly better chances of being promoted, as we have departments such as our engineering division and National Programme Headquarters which do not exist in private enterprise. Our engineering division is more than an operating body. It does quite a good deal of designing and research, because we always thought that we should keep ahead of others in the technical field. There are not many outstanding sustaining programs produced by private stations in Canada, whereas a large proportion of our revenue is spent on such programs.

The tendency, at the present moment, is for some of our men to try their luck at free-lancing, but with war conditions as they are, it is not right to make comparison just now. Certain types of men are almost at a premium and many of our best employees are with the armed forces. When the situation is stabilized again the picture may be different to what it is now.

As you will readily understand, we have very difficult problems to solve. When it comes to clerical staff the matter is relatively easy, and I do not hesitate to say that in normal times our salary scale is adequate. During the war, standards have ceased to mean very much, and we have had our difficulties.

The trouble lies largely with those of our program personnel who perform similar functions to their counterparts in commercial broadcasting. You are aware that some people engaged in broadcasting in the United States and Canada make fabulous revenues. For obvious reasons, we are decidedly out of that category. Any announcer or producer who wants to try his luck in that field can do so in our own studios by working as a free-lance for different commercial organizations. We also admit in our studios the personnel of agencies who may be paid according to their standards. If you read the document which I have submitted this morning, you will notice that we pay announcers anywhere from $1,800 to $3,500 a year. We even have some categories of employees, among them contract artists and producers grade 4, whose salary has no ceiling. This means that any time we know of some exceptional person who can really do valuable creative work for us, we can make special arrangements without being bound by a rigid salary classification.

Outside of station managers who, in a few cases, make more money with private stations than ours do, I believe our fixed salary classification is decidedly higher than that of almost all private stations in Canada. At any rate, I have no figures to prove that this is not the case. In the broadcasting industry big revenues are often made on a commission basis on costly commercial programs.

Within our means and for the type of business in which we are engaged, I believe that our salaries are fair and that we are constantly endeavouring to keep them so.

By Mr. Veniot:

Q. At this point might I break in to ask Dr. Frigon as to what classification Claire Wallace comes into?—A. Claire Wallace never worked for us and never received any salary or fee from us.

Q. Can you tell who her employers are and the salary she is paid?—A. I do not know the salary she is paid. I believe she works for the National War Finance Committee.

Q. You do not pay her any salary?—A. She has never been our employee and has never received any fee from us.

Q. Or any portion of salary?—A. Or any portion of salary.

Mr. MARTIN: A question was recently in connection with the appointment of a chairman of the board of governors and a general manager as to what salaries they would receive, and I think the former was to receive a salary of $15,000 and the general manager was to receive a salary of $12,000. Have you any idea or can you give us any information, do you know whether or not it would be more or less, can you tell us what the largest private broadcasting stations of the United States pay their senior personnel?

The WITNESS: Well, the newspapers reported sometime ago that the president of the Columbia Broadcasting System in the United States received $250,000 in one year.

Hon. Mr. LAFLÈCHE: How much?

The WITNESS: $250,000 in one year. I have been told that some of the commercial broadcasters in Canada pay more income tax than our general manager receives as salary. If you compare the salaries paid to private enterprise with those paid by the C.B.C. I am afraid the general manager is in for a raise.

Mr. MATTHEW: There is an answer which you gave to a question there which I did not get, it had to do with the payment of Claire Wallace?

The WITNESS: She worked on a program which is sponsored by the National War Finance Committee. As to whether she is paid by that committee or through some other fund, I do not know. We have no means of knowing that; but I do know that she is not a C.B.C. employee and we do not pay her salary or any part of it or a fee to her.

Mr. MATTHEWS: Thank you.

Mr. HANSELL: And I suppose the National War Finance Committee pay for the time on the air?

The WITNESS: Yes, they do. It is one of the government broadcasting accounts.

Hon. Mr. LAFLÈCHE: The usual advertising agency looks after that I suppose?

The WITNESS: Yes, a group of agencies.

Hon. Mr. LAFLÈCHE: That would be Associated Agencies, I take it?

The WITNESS: Yes.

By Mr. Coldwell:

Q. Do you know whether Miss Claire Wallace is supplied by the Wartime Information Board, by the agency, or is she a direct employee of the National War Finance Committee?—A. I do not know.

By Mr. Isnor:

Q. On page 1, paragraph 3, on the question of salaries, you state provision was made for yearly increases and then you go on to say that since the salaries freezing order was put into effect in 1941 there have been no increases; but I suppose your employees all enjoy the cost of living bonus?—A. Not those over $3,000.

Q. No, but up to $3,000, all those who are entitled to it?—A. We have done what everyone else has done, we have added the cost of living bonus to salaries this year and they are now part of the salary.

Q. Would you care to enlarge on the plan to enable participation in the commercial field of certain of your employees and the study you are making in connection with that?—A. Up to 1941 our plan was that we gave to the announcer 50 per cent of the fee we collected, and we divided the 50 per cent balance among his colleagues in the studios, so that everybody enjoyed a share of the commercial fees; but the result of that was that there was no money left for us at all. Then, as there were only a few announcers or producers who were in the category to benefit to any great extent, a majority asked us to stop the practice and instead to increase salaries; so in 1941 we figured out how much we would collect in commercial fees for such services—commonly it would be around $25,000—and we changed our policy to one of increasing the salaries of all the employees concerned. That policy has been in effect since 1941. Now that there has been an agitation again that, in view of some anomalies which have developed, there should be an adjustment; so that we have now decided to give them a share of the commercial fee, and we agreed to give them 60 per cent of this fee above their present salaries.

Q. Just a minute now, I want to get that; you said 60 per cent of the commercial fee?—A. Collected by us for their services. In other words, an agency may ask that a certain person do the announcing on a commercial program and they pay us a fee for that; that man gets 60 per cent of that fee over his standard salary. Some of the employees feel that this is not entirely fair, so we are now considering a change in the whole arrangement in that we are asking our announcers and producers whether they choose to be commercial announcers and producers, sustaining announcers and producers, or whether they prefer to be free-lances. If they decide to remain sustaining announcers, we pay them a salary and we retain whatever commercial fee we collect with respect to their services. If they choose to be commercial announcers we would give them a retainer which is 80 per cent of the normal salary or average salary, and on top of that we would give them 85 per cent of the commercial fees collected. That is the plan we are studying now and we believe it is the most equitable way of handling it on account of the fact that some of our announcers and other people can make big money by working on commercials, while others do not handle many commercials. We want to deal with them fairly. But I may say that there are very few indeed on our stations who actually get any considerable amount of commercial work.

By Mr. Coldwell:

Q. What is the fee for a commercial program such as those we have been discussing?—A. It varies from $5 to $50 and more. Some of the American announcers are paid $1,000 a time.

Q. No, I mean the C.B.C.—A. The C.B.C.—it all depends on the program and what the agency is prepared to pay—it may run from $5, to $10 and $15. We have a scale which we submit to the agencies; but if they want to pay more, of course they can; and, of course, they may bring their own announcers in if they wish to.

Mr. MACDONALD: And these commercial announcers also do sustaining announcement work?

The WITNESS: Yes, all of those who are on our payroll; in other words they would get 80 per cent of the salary they would normally receive, which would be in effect a retainer for a certain minimum number of hours of work per week for the C.B.C. on straight programs.

Mr. MARTIN: What is the range involved; from what to what?

The WITNESS: Well, the scale depends pretty much on the way in which the agency handle their program. If they have a big program which costs them a lot

of money they are willing to pay a higher fee to the announcer, particularly to one who they think would do the best job for them. If it is an ordinary five a week show they will probably pay a fee of $5 a program.

By Mr. Macdonald:

Q. Is the rate set for the commercial announcer or does it vary?—A. If we want to use a staff announcer on the show we have the right to do that.

Q. Yes, but that is not my question; is the named announcer, that is the commercial announcer, paid a rate which is established; is there a rate set for radio announcers?—A. On our stations, no; not a set rate, but a scale, as I mentioned.

Q. How do you decide what rate will be paid to a commercial announcer which a commercial firm wants?—A. That depends on the type of program, the frequency, the length of spot, and so on.

By Mr. Boucher:

Q. Does it not really depend on bargaining between the announcer and the commercial concern?—A. Not at present, it may later on. We would like to have all these arrangements coming through our office for purposes of control.

Q. You stated a while ago that the fee paid the announcer depended actually on what the sponsor was willing to pay; if the announcer agreed to pay a certain fee for a certain announcer then the announcer named would get 85 per cent of that fee?—A. Yes.

Q. That being the case would it not boil down to a bargain between the announcer and the sponsor?—A. Yes.

The CHAIRMAN: Now, gentlemen, the next part of the statement has to do with commercial broadcasting and I think probably we had better proceed with it as the material may answer a lot of the questions which are now being raised.

Mr. ISNOR: But that matter is definitely on page 2, and I raised the question because of the wording there.

The CHAIRMAN: But the next part is supplementary.

Mr. BOUCHER: I do not think Dr. Frigon has answered my question.

The WITNESS: Not yet, I am sorry; but the answer is this: If it was just a spot announcement, say just a few words, we might charge $5 for the announcer. If it is a half-hour show and the announcer has more to say, if he has many lines to read, and if he takes a more active part in the show, our fee would be higher. If the announcer becomes a master of ceremonies we charge more. For a producer on a small show we may charge a certain rate; if he is producer on a big show which runs half an hour with big artists' fees paid we may charge $100. If the man has to go out of town and follow the show on a trip, or if he moves around from place to place, that calls for another rate, but we set the rate ourselves for the services of our own men sold to the agency. We may have a man, working for us, being paid $10 per show for the type of service he renders. That man may leave us, go as a free lance and work with an agency for whatever price he wants.

By Mr. Boucher:

Q. Take a man working for you at a stated salary and doing a certain piece of work for you; if a sponsor comes and wants the service of that particular man and he wants to pay him more than your scheduled rate of pay the commission going to the announcer will be that much higher. Is that not so?—A. There are very few of those special cases.

By Mr. Tripp:

Q. Is that fee which is charged for the announcer over and above the regular fee charged for the time?—A. That is charged for the service of the announcer. That is over and above the time and line charges, etc.

Q. That is paid by the sponsor?—A. That is right.

Q. Not by the company?—A. No.

By Mr. Isnor:

Q. But that is included in your contract price?—A. Yes.

Q. The whole program?—A. It is part of the service we render to the agency and we charge for it.

By Mr. Boucher:

Q. Even in the case of your own salaried official, he gets a percentage of that fee you charge the sponsor?—A. At the present moment, yes; he did not last fall.

By Mr. Martin:

Q. That is not necessarily a part of the contract, is it, Dr. Frigon?—A. In a broadcasting contract you have charges for the station time, for the lines and, in some cases, for the services of the announcer or of a producer. If the agent uses our own personnel to do the work he wants to be done, then we charge the agency or the sponsor for that type of service. The agency does not have to take our man. He can say that the show will be announced by so and so, who is a free lance, but if he says, "I want to have Mr. Odell as my announcer," and we have to guarantee that man will be there at every show at certain dates and times, it means, of course, in certain cases interference with our regular work; so for that given service we will charge the sponsor so much per occasion.

Mr. COLDWELL: And that appears in the total receipts of the corporation.

Mr. MARTIN: That is his own money.

The WITNESS: It is in gross billings, but it is a small amount. It is something like $30,000 a year compared to $1,500,000. It is nothing much.

Mr. COLDWELL: I say when you begin to whittle the figure down you find that the figure which is placed before the committee or before the public does not give you a true picture of what the corporation does receive. That is the point I am getting at. There is another $30,000 comes off.

By Mr. Boucher:

Q. On this very point again, if a sponsor wants to provide his own announcer and comes to you, does the C.B.C. have anything to do with what he pays the announcer, or what portion of the announcer's salary is paid, or does the C.B.C. take the 15 per cent commission on the announcer's salary even though he is a free lance?—A. If the announcer is hired by the sponsor outside of our staff, we have absolutely nothing to do with the deal in any way.

Q. And retain no part of the compensation given?—A. None whatever.

By Mr. Isnor:

Q. I want to ask three questions. This is something having to do directly with salaries and this plan you have outlined. It is very much along the line of retail stores, particularly in the United States, years ago paying a bonus to certain high class salesmen. That was discarded as you have already discarded this, and now you have come back to it, as I understand you. You found it wanting during the period in which it was in effect but now because of some

pressure by a few individuals who consider they have exceptional ability you are bringing that back into effect?—A. We are bringing it back because we finally found out it is so much the general practice on the North American continent, that we cannot be the only one not to follow the practice followed by everybody else. And besides, we would rather have a system which we can control, and by which we know what is going on, than to be exposed to our men making deals without our knowledge. We would just as soon follow the practice which is followed by every network and most stations everywhere; that is, for a commercial announcer or producer to get a retainer plus a share, up to almost 100 per cent in some cases, of the commercial fee charged for the services of that man.

Q. Is that being followed in so far as permanent employees are concerned? —A. Yes, that is what we propose to do.

Q. I get the 85 per cent part. What is the other part of the salary that is paid?—A. 80 per cent of his normal salary is a retainer, to take care of the work on sustaining programs we may wish to give him.

Q. I just wondered as to how fair that is. Take a man who is getting $70 a week as an announcer. He gets a special assignment and he gets 85 per cent of the fee to start with and then in addition you pay him 80 per cent of his salary?—A. Yes.

Q. That might run into another 25 per cent of his salary, would it not, on large assignments?—A. There is no limit to what he may make if he keeps on giving to us the minimum service we expect him to give for the salary we pay him.

Q. That is the part I cannot just follow. You engage a man and you pay him $70 a week. You pay him what you think he is worth to you at that time, but then because he makes a contact an outside firm or agency will come to you and say, "I want Mr. A to handle my program," and notwithstanding that you feel B, C or D could do equally well you must assign A to that particular program and you must give him preference over B, C and D to the extent of 85 per cent of the fee along with 80 per cent of his own salary?—A. Yes.

Q. It is my experience from a business standpoint—and it is not new—that that causes trouble all along the line. You are either wrong in one case or the other. You are not paying the man you have on your payroll at $70 a week enough according to his ability or the scale is out of line with regard to the others.

Mr. BOUCHER: Is it not a matter of the man choosing whether he takes $70 per week or $56 per week and 80 per cent of all his fees for announcing?

Mr. ISNOR: I asked whether this was applied to permanent employees.

The WITNESS: If I may go over the story again, a permanent employee, who would be what we would classify as a sustaining announcer and receive $70 per week, would receive that regularly every week and do whatever we told him to do.

By Mr. Boucher:

Q. And receive nothing else?—A. Nothing else. But if he is a commercial announcer he would receive $56 per week from us and give us less time than the other man would do, and in that case he will take his own chances of making up the difference or more. If he is very successful he will make quite a lot more than the 20 per cent difference, but if he is not successful he may make less. There is a chance he may have great success for a number of months or years and then he will fall down again.

By Mr. Coldwell:

Q. When he falls down again he can come back to you?—A. If he wants to come back to his position of sustaining announcer we will say, "From now on, you get only your salary." As to the pension scheme, that will be based on the basic salary actually received by the individuals; in other words, based on $70 in one case and $56 in the other case. The fluctuating part, or the commission part, does not come into the picture when we figure the pension.

By Mr. Macdonald:

Q. I suppose it might happen that a commercial announcer's time would be so taken up he would have no time left for the regular work of the commission?—A. Of course, if that is the case we would not pay him a salary.

Q. Would it be possible for a commercial announcer to have an agency drumming up business for him?—A. They do it, too.

Q. They do that?—A. Certainly.

Q. That is, a man who is employed by the C.B.C. can have his own agency outside drumming up business for him?—A. No, I did not quite get your question. Of course, these men have their friends, and I do not expect they would tell an agency, "Do not hire me". They say, "I am good; try to use my services". That is the way it goes. They have no organized agency or representatives that I know of.

By Mr. Coldwell:

Q. Do they pay any commission to agencies for getting them a broadcast? —A. Not that I know of.

By Mr. Macdonald:

Q. Is this arrangement working satisfactorily now with your announcers? —A. That is one of our most difficult points because an announcer who is not a commercial man thinks he should get as much as the best commercial announcer in the trade earns. The trade is inclined to think that if you cannot sell soap you are not worth as much.

The CHAIRMAN: Can we not proceed? The reason is that I should like to get this on the record. It will take about forty or forty-five minutes. It will be to the advantage of the members to have it on the record before we meet again next month.

Mr. ISNOR: Mr. Chairman, Dr. Frigon has completed the first instalment, that of salaries. All our questions were based on that portion of the report. There is just one further question I had in mind and then I am through with this section.

By Mr. Isnor:

Q. In what category do you place John W. Fisher?—A. Straight salary.

Q. I think he is doing exceptionally fine work. I do not know what his travelling expenses are but he is making a good job wherever he goes. He is on a straight salary.

Hon. Mr. LAFLÈCHE: He is a very good man.

The WITNESS:

COMMERCIAL

Prior to the setting up of the C.B.C. network, listeners had to tune for the majority of these programmes to such American stations as they could receive direct. To a large percentage of the Canadian audience, this was impossible. The C.B.C. network has made it easy for 95 per cent of the radio homes of this country to receive such programmes acceptably over Canadian stations. This includes commercial programmes and many of the finest sustaining programmes, such as the New York Philharmonic, N.B.C. Symphony Orchestra with Toscanini, the Breakfast Club, and many others.

Three C.B.C. stations are affiliated with the N.B.C. and the Blue Network in Toronto and Montreal, while four privately-owned stations in the same cities are affiliated with Columbia, Blue or Mutual. Though the direct monetary income to the C.B.C. from its station affiliation is quite limited (the returns to these stations being on the American basis) the C.B.C. has the great privilege of carrying sustaining programmes from all these networks to practically all stations whether publicly or privately-owned, from one end of Canada to the other. Normally such distribution would be confined to the cities where the affiliated stations are located, but we have the permission of the American networks to extend the distribution throughout this country.

When the C.B.C. network was organized, one of the problems was to persuade the larger commercial sponsors and their agencies to share with the C.B.C. in the problem of distributing programmes from coast-to-coast across Canada. Prior to that time, American network commercials were heard over Canadian stations only in the cities of Toronto and Montreal and to a limited extent in Windsor.

Inasmuch as a very large part of the population of the entire country and a still larger part of the purchasing power was within the radius of the stations carrying these programs, sponsors had not felt up to that time that it was profitable to extend their program distribution beyond those cities. Consequently, the best commercial features were denied to listeners in the more remote parts of Canada. After consultation with advertisers and advertising agencies, a system was set up by the C.B.C. whereby a sponsor who bought one region of the C.B.C. network was given a 5 per cent discount; if he bought two regions, he was given a 10 per cent discount; when he added a third, he was given 15 per cent discount; a fourth entitled him to 20 per cent and when all five regions were included, he was allowed a discount of 25 per cent on the costs of his station time. The result was that sponsors, instead of confining their programmes to the densely-populated centres, assumed their part of the burden and obligation of bringing entertainment to the people on the prairies, in the maritimes and British Columbia. So successful was this plan that the Blue Inetwork adopted it about a year or two later and, since the United States entered the war, the other American networks have adopted a practice very similar in principle.

The operation of the C.B.C. network on a sixteen hour basis daily necessitates the leasing of 11,000 miles of broadcast circuits for that period each day of the year from the Canadian National and Canadian Pacific Telegraphs. There are also extensions on numerous occasions. These companies undertake to meet any cost quoted by other companies for extension to our lines; otherwise we are at liberty to contract with such other firms for service. The line charges compare favourably with those in the United States. The Dominion network has required additional circuits, but these are leased only for certain specified hours as required during the evening. Out of the total commercial revenues in 1942-43, $447,937.49 was for the sale of lines.

Against these commercial revenues must be charged part of the sum of $108,000 for the expenses of the commercial department, plus a percentage of

our overhead. If we did not carry commercials, it is possible that our network hours and our operating cost would be reduced, though any such action would not be in the interest of listeners. It must not be forgotten that the total commercial revenue of broadcasting stations in Canada, including that from the C.B.C. network, is but a drop in the bucket compared to the $250,000,000 spent last year in the United States.

The C.B.C. not only sought to make the sponsor and his agency partners in the problem of program distribution, but it also endeavoured to pay as large a share of the income from sponsored programmes to privately-owned stations on the network as was possible. The principle was laid down that there should be no attempt to make profits at the expense of the privately-owned stations. Stations are paid 50 per cent of their card rate and out of the remaining 50 per cent, 15 per cent is paid to the advertising agency, 15 per cent to the American network and the C.B.C. takes care of all regional discounts. The percentage of the card rate allowed to privately-owned stations was considerably greater than would normally have been the case in network operations.

There is no evidence in the files of the C.B.C. to indicate any dissatisfaction with the percentage division given to privately-owned stations on CBC networks. There are stations which think they should have increases in their rates, and this is allowed whenever it can be done fairly and equitably when compared with the rates on other stations. There are, however, definite limitations to the rate any station can receive, because rates are not governed entirely by the power of a station, nor by the needs of its owner for money, but basically by the number of radio homes within its clear signal. Far from being dissatisfied, there is the keenest kind of competition among stations to become members of the C.B.C. network and it would be very difficult indeed to deprive any of them of this privilege.

The C.B.C. network has enormously increased the audience of the privately-owned stations which are members of it. Its sustaining program service has saved stations large sums of money. It has given them prestige which they could not otherwise have attained and besides bringing to them network programs, it has left to them almost exclusively the most profitable part of commercial business., i.e., national spot and spot announcement business. Virtually no national spot business is carried by the C.B.C. Normally, no spot announcement business is carried by the C.B.C., though it does, at the moment, carry, as a national obligation, the spot announcement business of government departments. For all recruiting programs, C.B.C. stations receive nothing. We have never heard of any privately-owned station going out of business because of C.B.C. competition, nor of any reduction of their profits resulting from C.B.C. affiliation. On the other hand, many of them could not survive without the program service commercial and sustaining carried to them. Last year $787,690.48 was paid to affiliated stations on account of commercials. Through that affiliation they have been able to improve their facilities and even increase their rates through improved program service. The paid advertisements of some of these stations feature almost exclusively the program features supplied to them by the C.B.C. Our relations with our affiliates are of the best and we have started the policy of consulting them in groups on matters of mutual interest.

TECHNICAL ACTIVITIES

In our effort to bring radio to as many people as possible, we have this year added three low power relay transmitter stations in the Cariboo valley to our network. They are at Williams Lake, Quesnel and Prince George. We have further taken under lease, for a fixed period, the station at Prince Rupert which we now operate fully ourselves. These four stations are another good

example of the value of the C.B.C. Prior to our reaching those territories, the people there had practically no radio service at all, but now they hear the same programs as residents of our large centres. This is an enterprise which could never carry its cost on a commercial basis. Nevertheless, we are using the money of listeners in other parts of Canada to bring to the relatively few Canadian citizens living in the interior and northern part of B.C. the same program service as that offered to other Canadians. With the same purpose in view, but fortunately at much less expense, we have supplied Sioux Lookout, Ontario, with one of those very efficient relay stations, and we have one under construction at Nakina, Ontario. The various repeater stations might be described as satellites for some of our bigger transmitters, such as CBR, Vancouver; the B.C. satellite stations are identified by call letters beginning with CBR, such as CBRF, Fernie; CBRK, Kimberley, etc.

You will remember that those are low power transmitters connected at repeater points on the wire line companies' circuit and meant to broadcast within a very small radius all that is carried on the network. There is no provision for broadcasting from the locality where such transmitters are installed. They serve small groups of population which otherwise would be isolated from the rest of the broadcasting world. They have been extremely popular.

It is believed that the C.B.C. has pioneered in the establishment of such satellite stations and that other countries plan to follow our example after the war. The whole idea in the establishment of these low power relay transmitters is to bring Canadian programs to isolated communities that could not be economically served in any other way.

With respect to manpower, our system of training which provides us with a pool of apprentice operators has been most effective. It is probably the one factor which has enabled us to carry on without appreciable impairment of our service in spite of a very difficult situation. In addition, through an arrangement with selective service and with the Veterans' Welfare Association, we have been able to employ returned military personnel upon their discharge.

We have always been pleased to serve the public in more than one capacity. For instance, our technical service has always been placed at the disposal of public men when they wished to make a recording of a speech which they wanted some local company to broadcast.

New studios were constructed at Chicoutimi remote from the existing 1 kw. transmitter to take care of the corporation's increasing program activities in that region.

A study has been made to provide improved studio facilities at Quebec studios to replace those now in use in the Chateau Frontenac hotel which have proved inadequate. The new studios will be located in the Palais Montcalm and the preliminary engineering work is now under way.

An emergency shortwave diversity receiving station was installed near Toronto for the reception of communiques direct from A.F.H.Q., Algiers; and another shortwave receiving station is under construction at Dartmouth, N.S., which will be employed to supplement the work carried on during the past ten years at the Britannia Heights station near Ottawa. It is expected that when this new maritime shortwave receiving station is placed in operation early in the summer, some considerable improvement will result in reception of B.B.C. programs intended for the C.B.C. network. Equipment has also been received to establish a shortwave receiving station near Vancouver for reception of programs from Australia.

We have completed in our own shop a number of small transmitters and receivers that are used as stand-by to establish a link between our studios and our transmitters. As we could not obtain the proper equipment from manufacturers, these were built from parts collected from many various sources. We

have to use the same process to build a 5 kilowatt station for Toronto. This is now being constructed, so that in a few months we shall have a 5 kilowatt station at CJBC instead of the 1 kilowatt we now have, thereby improving considerably both the signal strength in Toronto and the general coverage of that station.

The C.B.C. now operates four mobile units overseas with a staff of six engineers. One of these units accompanied the Canadian forces in the invasion of Sicily and Italy. The equipment consists of recording facilities in a military type vehicle suited for field use and, in addition, supplementary portable recording equipment which is used for front line work. In the field the portable equipment is usually employed for the actuality broadcasts and news commentaries; the military vehicle equipment is then used for editing the front line actuality recordings before they are released for broadcasting by shortwave from Algiers to Canada, where they are picked up at our Ottawa or Toronto shortwave receiving stations, for relay to the C.B.C. network.

A recent report sent from Italy by our engineer-in-charge of overseas operations indicates that the development work carried on from the very beginning of the war, both in Canada and overseas, to produce suitable field equipment and operating procedure, has resulted in the C.B.C. being in advance of other broadcasting organizations overseas, so far as front line recording of actuality broadcasts by radio is concerned.

The difference between the C.B.C. set-up and that used by others is that we virtually have a travelling recording laboratory on wheels near the front, with the complementary portable equipment used for front-line work. No other broadcaster has had this advantage to date according to our overseas engineer and to information supplied to us by the B.B.C.

The experience gained at the front in Italy will be invaluable to the C.B.C. when it becomes necessary to follow the Canadian troops into action on other fronts. All C.B.C. technical personnel overseas have had an opportunity of gaining field experience through a process of rotating the staff working out of headquarters in London.

Our main job this year has been the shortwave project at Sackville. Everyone at our engineering headquarters has been working hard on that project. With the shortage of expert help this has been quite a problem. The building was entirely designed by our architectural department, and the electrical part was taken care of by the engineering division.

The building itself will be completed in a few weeks and we will start receiving equipment very shortly now. According to the present schedule the delivery of one transmitter should be completed in July and the second one will be received in August, possibly even sooner. Contracts have been awarded for the main aerial which will be directed to Europe and, in its reverse direction, to Mexico and the West Indies. This should be completed, I hope, in September. The construction of the two other aerials will proceed without delay. This means that we should be testing in October, so that we may start any time from then on and not later than January 1, 1945.

It is interesting to note that when this project is completed, the Dominion of Canada will have one of the most up-to-date international broadcast transmitter plants on the North American continent because of the fact that the antenna system employed for the European service has been developed to obtain optimum signal in the area to be served. This so-called high gain array has been developed with the co-operation of the B.B.C. The mechanical design of the supporting structure for the antennae has received special study from our engineers because of the sleet and wind conditions which have to be met with in Canada as compared to the conditions in Britain where antennae of similar electrical design are used by the B.B.C. This special study of antenna mechanical design included the building of a scale model which is an exact duplicate, from

which the ultimate design has been determined. This European array is supported on four masts varying in height from 170 to 380 feet, and has an overall length of 1,240 feet.

The two other arrays will be of the same type but not quite as elaborate for the time being. As I said before, the first one will be directed to Europe, with a reverse direction towards Mexico and West Indies, and the two others will be directed to Africa with a reverse direction to Australia, and to South America with reverse to Asia.

Floor space has been reserved in Montreal for the construction of studios, mostly announce booths, and offices.

Building the station and broadcasting to foreign countries are two different problems. Once all equipment is installed and tested there follows a period of experimentation to find the most efficient frequencies for the various transmissions. This requires the organization of a monitoring service in foreign countries. There are also quite a number of other points to clarify, one of the most important being to make arrangements with other broadcasting organizations for the rebroadcast of our most essential programs.

A committee has been formed composed of Mr. Norman Robertston, Under-Secretary of State for External Affairs; Mr. Thomas Stone, of External Affairs; Mr. Davidson Dunton, General Manager of the Wartime Information Board; Mr. A. D. P. Heeney, Clerk of the Privy Council and Secretary to the War Committee; Dr. A. Frigon, Acting General Manager, Canadian Broadcasting Corporation; Mr. E. L. Bushnell, General Supervisor of Programs, Canadian Broadcasting Corporation; Mr. Donald Manson, Chief Executive Assistant, Canadian Broadcasting Corporation; and Mr. Peter Aylen, Canadian Broadcasting Corporation.

The function of this committee is to advise the Canadian Broadcasting Corporation on what is expected from that international service, and on important policy matters such as the selection of the best broadcast periods, the type of programs to be directed to the different nations and the subjects to be covered in talks and similar programs. Mr. Peter Aylen of our staff has been chosen as secretary of this committee and is acting as the co-ordinator of the work between our various divisions and government departments.

Preliminary studies have already been started on a tentative program schedule and on the establishment of the required personnel. Very efficient co-operation will be obtained, I am sure, through the Department of External Affairs, from our legations and embassies abroad. The Wartime Information Board is busy preparing data on the most effective way to use shortwave broadcasting in time of war to meet the most pressing needs. We have obtained valuable information from similar services in other countries, especially in England and the United States. Moneys required have been placed at our disposal and we are working under full financial control from the Treasury Board, as this project is paid for by the government. As you will see, we have now entered in the final phase of organization and we shall be quite ready when the plant is completed.

One of the main pre-occupations of all those who have some influence on post-war conditions in radio broadcasting is to decide on what is to be done and to prepare the industry to implement those decisions as soon as war orders can be replaced by civilian production.

Early in 1943 the Chairman of the Federal Communications Commission in the United States appealed for proper planning of the change-back of the radio industry from war to peace, and invited the Institute of Radio Engineers and the American radio manufacturing associations to set up a planning committee. The American radio industries responded to this invitation and have set up a Radio Technical Planning Board whose aims are: "To formulate plans for the technical future of the radio industry and services, including frequency

allocation and system standardization, in accordance with the public interest and technical facts, and to advise government, industry and the public of its recommendations; such planning shall be restricted to engineering considerations."

The sponsors of the Radio Technical Planning Board are non-profit associations, companies and societies having an important interest in radio. Early last summer when it became evident that a post-war radio technical committee would be set up in the United States, the C.B.C. made inquiries through the I.R.E., with whom many of its technical staff are affiliated, and eventually, when the planning board was set up in September, 1943, we were invited to nominate observers to several of the panels or advisory committees concerned with radio broadcasting problems, such as, radio spectrum analysis, radio allocations, television, high frequency broadcasting which includes F.M., etc. Members of the engineering division attend these regular meetings of the various panels as accredited C.B.C. representatives. The meetings are usually held in New York City.

The chairman, Mr. Morin, spoke to you about the meeting in Washington; he referred to the first meeting of this board which took place in Washington last fall. The meetings now are taking place in New York or wherever it happens to be convenient to hold them.

There should be a meeting of all interested nations to study the situation in respect to the Havana Agreement and to prepare a preliminary report of suggestions to be submitted at a full conference to be held in due time. Quite a number of possibilities will have to be explored. The introduction on a general scale of frequency modulation is one of the most important factors. It will have some effect on the use which is now made of the standard broadcasting band, that is, frequencies from 540 to 1600 kcs. It will introduce new practices in network operations.

As I have said before, the advantage of frequency modulation is that it is not subject to interference as we know it with amplitude modulation.

This means that the coverage of a broadcasting station can be effective over the whole area served by the station, while at present a powerful station may be interfered with at a not far distant point by another station. In terms of power efficiency, you may say that a one kilowatt F.M. transmitter, operating on the high frequency range or very shortwave band, may reach efficiently as many people as a five kilowatt amplitude modulated transmitter operating in the medium wave band as a Class 3 regional station. There would of course be consequent reductions in the initial cost and annual operating expenses. This is an extremely important factor and will unquestionably affect the standing of stations which are meant for local and regional coverage.

The high frequencies which are used for F.M. and television would come in for full exploration at that conference.

In other words, although we now know a lot about frequency modulation there are still some angles to iron out, and to take care of; there are some types of interference which have been noticed, not of great importance, coming in very short bursts, which interefere with transmission; at the present time all those engaged in that sort of work are experimenting and studying this problem so that when after the war we start again, we may do so on a basis which will ensure maximum results.

Improvements introduced by the armed services will be revealed and will be of immense value. It is too early to predict exactly what will happen. It is obvious, however, that nothing will happen overnight. Remember that the agreements resulting from the 1937 North American Regional Broadcasting Conference at Havana did not come into effect until 1941 and were not required to be fully implemented until 1946. Obviously a number of years will be required to bring about the technical improvements in broadcasting that we know are possible today.

It is not safe for one to get too enthusiastic about these things as a result of articles you read and what you hear people telling you about television and all that. That will all take time, it is not a matter of months; it is a matter of years before we shall be able to enjoy to the full the advantages of television and these other things. You will recall the moving picture industry, it took a long time before you could make general use of sound tracks, and even now technicolour is not universally used; but there is no doubt of the fact that after the war these new broadcasting features will be in for good and will become general.

By Mr. Martin:

Q. Do you know whether or not there is any truth in the question that persons controlling the processes of television in certain parts of the world are deliberating withholding the progress of television?—A. There is no evidence of that anywhere that I have seen, just the opposite.

Q. Just what?—A. The opposite; that does not appear anywhere.

Q. Is it not true that there has been more progress made in television in the United Kingdom than there has been in the United States, for instance?—A. Oh no, I would not say that. It is well known that the B.B.C. were the pioneers in that work and that they have spent a good deal of money on it and have been developing it for a number of years, trying to determine what was best. For a time they were possibly more advanced than the Americans. They were on the air before the Americans with a regular television service.

Hon. Mr. LAFLÈCHE: In 1937 they were operating television for the public in London.

The WITNESS: Yes, but when the Aird Commission visited London in 1929 they had already had a company organized to manufacture apparatus.

By Mr. Martin:

Q. Is not the significance of General LaFlèche's question an interesting one, that in England the public had some access to the opportunities of television—A. For a while, yes, and the only thing—

Q. It still persists?—A. —the only thing which, in a way, held up television in England was the fact that it was put into operation without having been completely standardized. The people were afraid that, if they bought a set, within a few months they would have to buy another one; and the B.B.C. had to promise the public that there would be no changes for a number of years before they really got underway. That is why now everybody is going ahead very carefully and trying to avoid starting anything which may have to be changed within say five years.

By Mr. Coldwell:

Q. They are broadcasting television programs from New York?—A. Oh yes.

Q. What strength?—A. As I said the other day, the program which they broadcast from the Empire State building is picked up again at Schenectady and rebroadcast and that is 150 miles away.

There is already some publicity on what will be offered to the public after the war, but that is mostly of a general nature. Some manufacturers are even taking orders now for television equipment to be delivered after the war, but on some sort of a blanket order without definite specifications being adopted. Everybody feels that now is the time to put the house in order and try to relieve the greatly over-crowded conditions in the medium wave broadcasting band. Therefore, do not sell your old receiver, because you may need it for some time to come; when the time comes to buy a new one, it may have certain features which

will be necessary to you for the full enjoyment of broadcasting, such as higher quality reproduction and more freedom from static and other forms of interference commonly experienced to-day. Things which were not possible a few years ago are now being done. There is in sight a complete distribution network of television and frequently modulation programs. From Mount Royal in Montreal, our engineers receive with good volume and clarity a F.M. broadcasting station located on Mount Washington, N.H., a distance of 170 miles airline. Due to the frequencies employed for F.M. broadcasting, transmission is limited not far beyond the horizon; so high mountain peaks serve the useful purpose of obtaining antenna height and thus greater coverage. There is now in Schenectady a relay television station operating in conjunction with the Empire State building transmitter in New York. This is a distance of 150 mles and the conditions are indeed very good. All this indicates a trend in the direction hoped for five years ago. Co-axial cable and special point-to-point high frequency transmission, with automatic equipment are now with us permanently. It is predicted that not very long after the war, there will be a first television network from Boston to Washington. All these are possibilities which require final adjustments before they are actually put in general practice.

Progress in radio sound broadcasting during the next 15 years will be even more evident than it has been in the last 15 years. Of this there seems to be no doubt at the present moment.

Similar considerations apply to television and everybody agrees that if it is found advisable to modify our present standards, now is the time to do it, because it will be too late when the industry has become saturated with obsolescent equipment. Technical experts of the B.B.C. are greatly interested in these developments and their understanding of the present position is the same as ours and high United States government officials.

By Mr. Martin:

Q. Why do you say that, they will not be ready before 1945—does that mean they will not be in operation until then?—A. I mean that by that time we hope the preliminary testing will be over. In other words, there is a lot of testing to be done which may run over a number of months, maybe years.

Q. Maybe years, did you say?—A. Oh yes. But we hope by the 1st of January to be in a position to start a regular schedule of programs which we will be able to have announced in other countries and available to other countries. As you know the broadcast band is now very seriously over-crowded, especially since the beginning of the war, with anybody using any frequency they can get their hands on. The problem now is to operate high-power transmitters on frequencies which belong to us and in such a manner as to keep clear of all interference. Our legations and embassies in foreign countries will be able to give us a lot of information as to what is happening to our short-wave reception in those countries. When the B.B.C. started up their short-wave service, for over a year they had weekly meetings at which they analyzed many hundreds of cables from all over the world, and with this information in their hands they could gradually setttle upon the frequencies which were most efficient.

Mr. COLDWELL: We had certain short-wave frequencies allocated to us just before the war, did we not?

The WITNESS: Yes. We are in the international group; we registered certain frequencies. In normal times nobody could use our frequencies; but in wartime anybody is using them who likes to.

Mr. Ross: They are using some of them now?

The WITNESS: Yes.

Mr. COLDWELL: I was going to say that this is a very good report and I think it indicates that we are going to get a shortwave broadcasting set-up really before we expected to. I take it from what you have said that you must have been able to geat earlier priorities than appeared to be available to you when you made the statement you did some months ago to the effect that it would be a considerable length of time before we would be able to embark on this project.

The WITNESS: We are still working on that, with some hope of getting earlier priorities, but the figure I have given you there is the best we can hope for on the basis of guarantees.

Mr. COLDWELL: I had that in mind and I was wondering if there had been any changes.

The WITNESS: We are in the same position as everybody else, but we are hoping it may be improved.

Mr. ROSS: I think the witness told us last year that he hoped to be able to get these transmitters which they had on order but I understood him to say at that time that they could not do anything about it then.

The WITNESS: When I appeared before the committee last year, we thought that we might get the first delivery of the first transmitters in March of this year. That was held up for two reasons; war requirements took precedence in delivery, and until the question of war service requirements was fully taken care of the question of delivery to us was out.

By Mr. Coldwell:

Q. Do you anticipate that your broadcasting facilities to Australia will be efficient?—A. Yes, although I may say at the present time we are concentrating our efforts on Europe.

Q. And South America?—A. Yes.

By Mr. Isnor:

Q. In connection with the construction of this shortwave service, is the government to pay the cost of that?—A. Yes, they will pay for that; there is a special vote of $1,100,000 for capital costs and $500,000 for operation.

Q. Yes, but is it charged against the C.B.C.?—A. We are the agents for the government.

Q. And you pay back that the same as other loans?—A. It is not a loan.

The CHAIRMAN: No, it is not a loan.

The WITNESS: You see, we have been requested by the government to build for them and operate for them a shortwave broadcasting centre at their cost.

Mr. COLDWELL: That was the recommendation of the former committee.

The CHAIRMAN: My understanding is that that will not be paid back to the government through fees collected from private individuals. There should be no wrong impression about that; it is not the intention to have the public license fee pay for it.

The WITNESS: You may recall that we had that matter up in committee here on a former occasion and the view taken was that we had no right to use license fee money to give a service outside of Canada.

Mr. COLDWELL: Oh yes, I remember that; that is right.

Hon. Mr. LAFLÈCHE: The main purpose of the shortwave station is to really transmit programs to other countries?

The WITNESS: Absolutely, to transmit to other countries; and we will try to get other countries to rebroadcast our programs locally, as we do with B.B.C. transmissions throughout Canada; and we will probably concentrate our efforts

on outstanding programs which should have an appeal to foreign listeners, programs such as a Canadian hour on the B.B.C. We will have a Canadian hour on the B.B.C. network and we will have a Canadian hour on the Brazilian network, and so on wherever we can arrange for it—in Brazil, or England, or France, or other countries so that the people there will be looking forward to a certain period when they will have a program from Canada; and one that should be good.

Mr. ISNOR: And there is to be no revenue from this?

The WITNESS: No.

Mr. ISNOR: No revenue at all?

The WITNESS: No.

By Hon. Mr. LaFlèche:

Q. When the new shortwave station is in operation at Sackville, New Brunswick, would it be as good as any other shortwave transmitting station?—A. There will be no better anywhere in the world.

Q. None better?—A. No.

By Mr. Isnor:

Q. And you say there will be no revenue at all, not even the Department of Trade and Commerce, would not they be charged for their efforts in trying to develop business for Canada in other countries?—A. It is not planned to carry any revenue producing programs on the station.

Q. I understood that one of the main purposes of the new station was to create new opportunities for trade and commerce for Canada.—A. It has not been planned on that basis.

Mr. MARTIN: Its object is to create goodwill.

Mr. PICARD: It is hoped that it will operate to develop goodwill for Canada; and as I understand it that is the object of the station, it is not for the purpose of carrying commercial broadcasts.

Hon. Mr. LAFLÈCHE: How far over the surface of the earth will you be able to reach with your transmitter?

The WITNESS: We are trying to reach every part of the world, although we know very well that we will not be able to cover China and India efficiently from Sackville because the path is across the North Pole and the signal does not carry. The only way we could ever hope to reach those parts of the world would be to have a rebroadcast from some other point; for instance, we may get some European country to pick up our signal and rebroadcast it. Transmission will not carry over the North Pole.

The CHAIRMAN: Would there be any advantage in having other short-wave broadcasting stations on the Pacific Coast?

The WITNESS: That is another feature of it which we have not explored as yet.

By Mr. Coldwell:

Q. Is that right, that the direct line from Sackville to China is over the North Pole?—A. Yes; and the direct line from London to Jamaica is over Sackville, New Brunswick.

Q. That is very interesting; apparently we will have to get new maps.—A. If it would be of interest to you, I will bring a map which we have prepared especially for the purpose of indicating transmission routes.

Mr. COLDWELL: It would be nice to have that.

By Mr. Isnor:

Q. The witness in his report outlined for us the programs which are on the air from Monday to Saturday; I wonder if he would also supply us with a sample of the Sunday program along the same line to that which is outlined on page 61 of this report.—A. Would it be satisfactory if I leave that to be dealt with by Mr. Bushnell? He will be covering that phase of it.

Q. Yes.—A. That is really why I do not extend this part of the discussion on the national network, because I thought you might wish to hear Mr. Bushnell.

Mr. ISNOR: Then perhaps he would have that ready for us when he comes.

By Hon. Mr. LaFlèche:

Q. Would Dr. Frigon be good enough to compare for us the coverage of the trans-Canada and dominion networks respectively; is it the same coverage? —A. Practically, except that we have not yet dealt with the matter of the Maritime coverage; we are working on that but it is very difficult to arrange for the extension of both networks to the Maritimes. The board met last Monday and it is meeting again on the 8th of May. Maybe by that time we will have found a solution.

Q. Otherwise the networks cover about the same region?—A. Yes.

Q. Last year you will recall, Mr. Chairman, that we had quite an extended explanation of the coverage given by the C.B.C.; Dr. Frigon did not come back here with the details on that point; has that situation changed?—A. No.

Q. Have you improved the coverage at all?—A. We have added some stations in the Caribou, but with such a few people it has added very little to the coverage—

Q. It has added many acres but not many people?—A. Very few people; it is a very expensive per capita project.

Q. That is a hard province to cover, is it not?—A. Yes.

Mr. COLDWELL: What about northern Ontario; we discussed that last year?

The WITNESS: Sioux Lookout is working now and soon we will have Nakina. It would be extremely expensive to try to bring programs to every settler in that part of the country.

By Hon. Mr. LaFlèche:

Q. In that regard to the composition of the dominion network, were there any stations which asked to be included in the dominion network?—A. Decidedly, sir.

Q. Were there any that did not want to become part of the dominion network?—A. No. There were some stations who were on the national network who had to be transferred to the dominion network for good coverage and efficiency, and there was some discussion why that should be; but that has all been cleared up now and nobody has refused or made any objection to being on the network; rather the contrary is the case; there has been some little discussion as to who should be there.

Q. In the course of your statement this morning you made a reference to the "Breakfast Club"; what reports do you receive as to the quality of that particular program?—A. Mr. Weir tells me that it is one of the most popular programs on the air.

Mr. COLDWELL: I would think that from my observation of it. I know of a number of people, including my wife, who is an invalid—she enjoys the breakfast club and thinks more of it than almost any other program on the air in the morning.

Mr. MATTHEWS: Before we adjourn, Mr. Chairman, I would like to mention this matter: I have a letter here from Winnipeg—I do not know these people personally—which makes some complaint; they say, we urge that at the earliest possible moment the C.B.C. erect in Winnipeg its own transmitter including modern equipment and have a staff of producers, engineers, announcers and so on—

The CHAIRMAN: Is that the musical club?

Mr. MATTHEWS: Yes.

The CHAIRMAN: I have a letter of the same kind here written on March 17th. We have replied to these people to the effect that this is being transmitted to the Canadian Broadcasting Corporation, that it is more a matter for them to deal with than it is for this Radio Committee. They are being advised to that effect.

By Mr. Ross:

Q. There is one point which I would like to bring to the attention of the committee; you say here that you have a number of problems which arise all over the country at most unexpected moments and which require solution in the matter of minutes; are these problems in connection with broadcasting or in connection with the C.B.C.?—A. With the C.B.C.—possibly they are not broadcasting problems in that they are not primarily objections or complaints of broadcasters; but there is always a good deal of adjustment in connection with broadcasting.

Q. They do not have to be decided at any moment, or anything like that? —A. Oh yes, they come up very quickly.

Q. You mentioned here that you had a meeting with the representatives of the C.P.A. back in—I think it was September you said, September 20, 1943— you stated that you saw these two men, Mr. Gamble and Mr. Sedgewick, and that they were told certain things and that they went away smiling; and then there was another meeting held on the 24th of January when they came into your board with their requests. I wonder if we could have that correspondence and the brief that they presented then to the C.B.C.? It does not matter now. We have not got time to go into details on it.

The WITNESS: All right.

Mr. ROSS: But I noticed that Mr. Bannerman in his address in Quebec did not seem as if he was smiling in connection with the matter. I think there are a lot of things that should be gone into in connection with that but I am afraid we will have to leave it.

The WITNESS: We hope you will.

Mr. ISNOR: I move we adjourn.

By Mr. Ross:

Q. They were before the corporation in January of 1941?—A. Did you say 1941 or 1943?

Q. That is the wrong date. It was a later date. I do not seem to have it.

The CHAIRMAN: We have a motion for adjournment.

Mr. HANSELL: When do we meet again?

The CHAIRMAN: We adjourn to meet on April 19th. That is the first Wednesday after the house convenes on the 17th. Is it the wish of the committee that we shall continue with the questioning of Dr. Frigon with reference to his presentation?

Mr. HANSELL: I think so.

The CHAIRMAN: The next presentation which will be made will probably be Mr. Bushnell. Then, after that it is proposed to have the C.A.B. if they want to make representations.

Mr. HANSELL: But we will have Dr. Frigon next time?

The CHAIRMAN: On April 19th, and we propose having two meetings that day.

The committee adjourned at 1.05 o'clock p.m. to meet again on Wednesday, April 19th.

APPENDIX C

CANADIAN BROADCASTING CORPORATION

COMMERCIAL BROADCASTING OPERATIONS

TWELVE MONTHS ENDED 31ST MARCH, 1943

Revenue:		
Gross Billings		$2,489,224 01
Deduct Agency Commissions	$457,980 45	
Payments to Private Stations	787,690 48	
		1,245,670 93
Commercial Revenue to C.B.C.		$1,243,553 08

APPENDIX D

CANADIAN BROADCASTING CORPORATION

ESTABLISHMENT OF PERSONNEL

Classification	No. of employees	*Salary Range Dollars
Executive Office—		
Assistant General Manager	1	
Chief Executive Assistant	1	4,500-
Secretariat—		
Secretary	1	4,500-
Assistant to Secretary	1	3,240-3,960
Law Clerk	1	2,800-3,280
Treasurer's Division—		
Treasurer	1	4,500-
Assistant to Treasurer	1	3,450-4,170
Supervisor of Expenditures	1	3,450-4,170
Accountant	1	2,840-3,320
Cashier, Grade 2	3	1,940-2,660
Cashier, Grade 1	2	1,420-1,740
Clerical Grades—		
Chief Clerk	1	3,240-3,720
Head Clerk	10	2,760-3,240
Principal Clerk	12	2,160-2,640
Clerk, Grade 4	11	1,860-2,160
Clerk, Grade 3	17	1,620-1,860
Clerk, Grade 2	22	1,280-1,620
Clerk, Grade 1	51	860-1,260
Secretary to Executive	3	1,980-2,340
Stenographer, Grade 3	9	1,620-1,920
Stenographer, Grade 2	46	1,280-1,620
Stenographer, Grade 1	88	860-1,260
Typist, Grade 2	4	1,280-1,620
Typist, Grade 1	3	860-1,260
Switchboard Operator, Grade 2	3	1,280-1,620
Switchboard Operator, Grade 1	16	860-1,260
Office Boy	10	500- 710

Classification	No. of employees	*Salary Range Dollars
Engineering Division—		
Chief Engineer	1	5,000-
Assistant Chief Engineer	1	4,680-
Senior Broadcast Engineer	2	3,960-4,680
Regional Broadcast Engineer	4	3,240-3,960
Supervising Broadcast Engineer	4	3,240-3,960
Broadcast Engineer	4	3,120-3,240
Assistant Broadcast Engineer	3	2,640-3,120
Junior Broadcast Engineer	2	2,040-2,640
Mechanical Engineer	1	3,120-3,240
Chief Broadcast Operator	6	3,120-3,240
Supervising Broadcast Operator	25	2,640-3,120
Broadcast Operator	114	1,740-2,640
Broadcast Operator Apprentice	9	1,420-1,740
Senior Electrician	1	2,220-2,640
Junior Electrician	2	1,740-2,220
Chief Architect	1	3,960-4,680
Supervising Architect	1	3,240-3,960
Assistant Architect	2	2,640-3,120
Junior Architect	1	2,040-2,640
Draftsman Apprentice	1	1,420-1,740
Janitor	16	940-1,500
Caretaker	6	940-1,500
Purchasing and Stores—		
Superv. of Purchasing and Stores	1	3,240-3,960
Assistant Superv. of Purchasing and Stores	1	2,520-3,120
Chief Storekeeper	1	2,040-2,430
Storekeeper	5	1,500-1,980
Stores Clerk	6	1,060-1,440
Program Division—		
General Supervisor of Programs	1	5,000-
Assistant Supervisor of Programs	1	4,500-
Program Supervisors	10	
Group 1	2	5,200-5,500
Group 2	4	4,080-4,980
Group 3	3	3,300-4,200
Group 4	1	2,640-3,240
Program Director	2	3,600-4,320
Supervisor of Educational Broadcasts (Regional)	1	3,300-4,380
Sous Directeur des Programmes	1	3,120-3,600
Program Liaison Officer (Head Office)	1	3,240-4,080
Program Administrative Officer	1	2,340-3,060
Program Assistant, Grade 3	1	2,280-2,640
Program Assistant, Grade 2	7	1,800-2,280
Program Assistant, Grade 1	4	1,420-1,800
Producer, Grade 3	10	3,240-4,000
Producer, Grade 2	27	2,640-3,240
Producer, Grade 1	14	2,040-2,640
Script Editor	1	2,100-2,580
Continuity Writer, Grade 3	3	1,860-2,100
Continuity Writer, Grade 2	2	1,680-1,800
Announcer, Grade 2	8	2,640-3,500
Announcer, Grade 1	40	2,040-2,640
Music-Record Librarian	1	2,640-3,240
Music Librarian	2	2,060-2,420
Assistant to Music Librarian	1	1,280-1,560
Recordings Librarian	1	2,140-2,860
Assistant to Recordings Librarian	1	1,420-1,800
Music Arranger, Grade 2	1	2,520-3,000
Music Copyist	2	1,420-1,740
Sound Effects Operator, Grade 2	8	2,040-2,640
Sound Effects Operator, Grade 1	5	1,420-2,040
Sound Effects Operator, Apprentice	1	1,080-
Studio Assistant, Grade 2	10	1,680-2,040
Studio Assistant, Grade 1	4	1,280-1,620
Traffic Manager	1	3,600-4,500
Chief News Editor	1	4,000-

Classification	No. of employees	*Salary Range Dollars
Program Division—*Con.*		
News Editor, Grade 4	4	3,240-3,450
News Editor, Grade 3	11	2,740-3,190
News Editor, Grade 2	8	2,280-2,700
News Editor, Grade 1	8	1,760-2,240
News Reporter	2	1,760-2,240
Commercial Division—		
Commercial Manager	1	4,500-
Commercial Manager (Quebec)	1	4,500-
Assistant Commercial Manager	1	3,780-5,040
Commercial Representative, Grade 3	1	3,240-3,920
Commercial Representative, Grade 2	1	2,800-3,240
Press and Information Division—		
Supervisor of Press and Information (French)	1	4,000-
Regional Press and Information Representative, Grade 2	3	2,800-3,240
Press and Information Assistant, Grade 2	3	2,040-2,640
Press and Information Assistant, Grade 1	3	1,740-1,980
Station Relations Division—		
Supervisor of Station Relations	1	4,000-5,080
Supervisor of Station Relations (French)	1	3,640-4,540
Regional Representatives—		
Regional Representative, Grade 3	3	4,500-
Regional Representative, Grade 2	1	3,240-3,660
Station Managers—		
Station Manager, Grade 3	2	3,720-4,440
Station Manager, Grade 2	4	3,240-3,600
Station Manager, Grade 1	1	2,600-3,080
Addenda—		
Chauffeur	2	1,080-1,440
Supervisor of Farm Broadcasts (French)	1	3,060-3,720
Copy Clerk	7	860-1,260
Stenographer, Grade 1A	18	1,080-1,440
Student Operator	5	1,080-1,440
Total	809	

*Cost of Living Bonus has been included in basic rate of employees holding the rank of foreman or below, and amounts to

(1) $19.93 a month for adult males and all other employees earning over $108 a month;
(2) 18·4 per cent of salary for male employees under 21 and female employees, who earn less than $108 a month.

SESSION 1944

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

WEDNESDAY, APRIL 19, 1944

WITNESS:

Dr. Augustin Frigon, Acting General Manager of the Canadian Broadcasting Corporation.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1944

MINUTES OF PROCEEDINGS

WEDNESDAY, April 19, 1944.

(7)

The Special Committee on Radio Broadcasting met at 11.00 o'clock. Mr. J. J. McCann, the Chairman, presided.

Members present: Messrs. Bertrand (*Prescott*), Boucher, Coldwell, Douglas (*Queens*), Hansell, Isnor, LaFleche, Laflamme, Martin, Matthews, McCann, Mullins, Picard, Ross (*St. Paul's*), Tripp, Veniot—16.

In attendance: G. Graydon, M.P., House Leader of the Opposition.

The Chairman referred to the following communications:—

1. Letters from the Canadian Association of Broadcasters, dated April 12, Toronto;
2. Telegram from James Main, Blue Banner Committee, dated April 18, Saskatoon;
3. Telegram from I. D. Carson of the Periodical Press Association, dated April 18, Toronto;
4. Letter from M. J. Coldwell, M.P., Leader of the C.C.F., dated March 28, relative to CHAB, Moose Jaw, with enclosure;
5. Letters from the Radio Manufacturers Association of Canada, dated April 17, Toronto;
6. Letter from O. Hanson, M.P., dated March 28, re Ocean Falls, B.C., with enclosure of Pacific Mills Limited.

Referring to the Radio Manufacturers Association of Canada, Mr. Boucher moved that their offer to prepare a factual engineering survey to the information of the committee be accepted and presented at the earliest possible date at their own expense. Mr. Boucher's motion was resolved in the affirmative.

Dr. Augustin Frigon, Acting General Manager, was recalled. He made an additional statement on commercial revenues and was examined thereon. He was assisted by Messrs. Bramah and Weir.

Examination of the witness was begun on School Broadcasts. He was assisted by Mr. W. H. Brodie.

Witness retired.

At 1.00 o'clock the Committee adjourned until 3.00 p.m. this day.

AFTERNOON SESSION

(8)

The Special Committee on Radio Broadcasting resumed at 3.00 o'clock. The Chairman, Mr. J. J. McCann, presided.

Members present: Messrs. Bertrand (*Prescott*), Boucher, Coldwell, Diefenbaker, Hansell, Isnor, LaFlèche, Laflamme, Matthews, McCann, Picard, Ross (*St. Paul's*), Tripp, Veniot—14.

Dr. Augustin Frigon was recalled. He tabled a list showing the membership of the National Advisory Council on School Broadcasting.

Ordered,—That the above list be printed as an appendix to this day's minutes of evidence. (*See Appendix E*).

Dr. Frigon read statistics concerning sustaining and commercial broadcasts.

Witness was then questioned on labour forum, farm broadcasts, and controversial broadcasts.

Mr. Bushnell was called and supplied some answers.

Having regard to political and controversial broadcasting, Mr. Hansell voiced his objections to the C.B.C.'s ruling relative to free time allotted to parties excluding the Social Credit Party. At the conclusion of his remarks Mr. Hansell tabled the following motion which, at his request was allowed to stand:

Whereas the recent announcement made by the acting General Manager of the Canadian Broadcasting Corporation respecting the policy of political broadcasting is not in accordance with the best practice of democracy in that it does not include in its allotment of free time other political groups deserving of consideration, and

Whereas according to evidence submitted it would appear that the various political groups in the House of Commons have not been consulted since 1939.

Be it therefore resolved that in the opinion of this Committee, the subject of political radio broadcasting should be reconsidered by the Board of Governors.

Mr. Hansell asked the witness to table minutes and correspondence of a CBC committee which sat in that connection in 1939.

A discussion followed and the witness retired.

The Committee agreed to hear at its next meeting the Canadian Association of Broadcasters.

At 5.20 p.m. the Committee adjourned until Wednesday, April 26 at 11.00 o'clock.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, April 19, 1944.

The Special Committee on Radio Broadcasting met this day at 11 o'clock a.m. The Chairman, Dr. J. J. McCann, presided.

The CHAIRMAN: Before continuing with the proceedings for this morning's meeting, I wish to make a brief statement with reference to some communications which we have received. During the recess I have had several communications from the Canadian Association of Broadcasters with a view to making an appointment for them to appear before the committee. I took it upon myself to definitely set the date as a week from today, April 26. With that in view, seeing that we have two meetings today, I think probably we ought to see if we can get the major portion of Dr. Frigon's presentation discussed, as it would leave the road clear then next Wednesday for having a new type of evidence and presentation.

Mr. BOUCHER: It is not the intention that we will finish with Dr. Frigon, but that we will take the major portion. He will probably be recalled?

The CHAIRMAN: Exactly. We will keep that in mind. We will have two sessions, one this morning and one this afternoon; and if we can get the major portion of the discussion over today, it will be all to the good. However, that does not preclude the possibility of having Dr. Frigon return at any time the committee wants him to.

I have several other communications here. I do not think it is necessary to put them on the record. They are communications from private individuals. One of them is of old standing, with reference to Rev. C. P. Bradley of Saskatoon. I do not think it is either necessary or advisable to put this long letter on the record. When we come to clean up at the end, we will deal with all these communications. Another one is from James Main, chairman of the Blue Banner Committee. That has to do with Bradley. It says: "When Reverend C. P. Bradley was banned from air country people appealed for copies of his addresses. The Blue Banner now carries his messages which are read by many thousands of country friends. At their urgent request we appeal to you to effect some settlement of this broadcasting dispute." I do not know that it is a matter for the committee to deal with at all any further than we did a year or two ago, and perhaps the communication can be passed on to the broadcasting corporation who will deal with it.

Then we have one from Mr. Carson, of the Periodical Press Association, who wants an appointment some time later on in the month to appear. We will make this appointment. Then here is one I want to bring before the committee from the Radio Manufacturers Association of Canada addressed to myself. It is a letter dated April 17; the original letter is to this effect:—

> It has come to the attention of the Radio Manufacturers Association of Canada that the Special Committee on Radio Broadcasting is currently investigating the status of broadcasting in Canada.
>
> The radio manufacturers of Canada are vitally interested in having the best radio reception conditions possible in Canada. They are very much concerned that the public—to whom they sold receivers in the past

and to whom they hope to sell receivers in the future—should enjoy the maximum of these receivers from the standpoints of: (*a*) the number of stations to choose from; and (*b*) interference-free reception.

The gist of the letter is that these people are in the commercial business and they want to know if the committee would be interested in having a survey made by that association at its own expense, and "how much time could be allowed for its preparation and still be of use to your committee in their deliberations. After consultation with our engineers, we believe it can be available by June 1, 1944, at the latest."

Mr. ISNOR: What type of survey is it?

The CHAIRMAN: I will read the rest of the letter:—

In view of this natural interest in the broadcasting situation, through the Radio Manufacturers Association of Canada, they are prepared to offer for the consideration of your committee an engineering study of the coverage of Canadian broadcasting stations with respect to the Havana Agreement as it affects the listening public in Canada, present and future.

The membership of the association includes all Canadian manufacturers of radio receiving sets as well as Canadian manufacturers of broadcasting equipment and it is felt that, within the membership, there is available engineering facilities and data which, combined with information obtainable from other sources, would make a complete factual engineering survey.

Would you please advise (*a*) if your committee would be interested in having such a survey made by this association at its own expense——

Does that mean the association or what?

Mr. BOUCHER: The association.

The CHAIRMAN: Continuing:—

—and (*b*) how much time could be allowed for its preparation and still be of use to your committee in their deliberations. After consultation with our engineers, we believe it can be available by June 1, 1944, at the latest.

Mr. COLDWELL: Is that not the kind of communication that should go to the Board of Governors, who are concerned with the listening service?

Mr. BOUCHER: I do not know, Mr. Chairman. I think this is a very proper communication for this committee, because it gives us another angle from which to look over the whole picture of coverage. I think that if the Canadian Broadcasters Association—truly for private reasons as well as public reasons—have volunteered that service, they must have something in mind which would be worth the while of this committee to deliberate on. I would therefore recommend that we make every possible use of the offer they give us. It would appear that we may possibly be sitting after June 1 in time to discuss it. If not, it can always be discussed another year. If they make available the report in time for the present committee to discuss it and to look over their findings, I think it is all to the good. I would recommend therefore that we do take action now and authorize them to proceed and tell them that we will make ourselves available to them for a hearing if at all possible.

The CHAIRMAN: Dr. Frigon would like to make a comment on it.

Dr. FRIGON: The president of the R.M.A., saw me a couple of months ago and proposed this survey. I said we were perfectly willing to work with them in analysing the situation. They had in mind not simply the Havana Agreement, of course, but the whole picture. They are interested in the sale of trans-

mitters and receivers and they want to see that radio in Canada is used to the full extent. We have no objection to working with them. As a matter of fact, I saw their chairman two weeks ago in Ottawa here, and we had planned to meet and talk about it. So from our point of view, I have no objection at all, except that this will be an analysis of conditions from the point of view of manufacturers. It could offer some very good suggestions.

Mr. BOUCHER: Do you not think there is quite a lot of feeling that Canada could make better use of her radio facilities, or her air facilities, by virtue of the Havana Agreement; and that such being the case, if an engineer of a private enterprise can give us any insight, it is certainly this committee's bounden duty to explore all possibilities.

Dr. FRIGON: I would agree with you, except that what he says applies to the future, not to the present. We have told broadcasters repeatedly that this decision should be made in time so Canada will not lose any advantage. Even if we had changed the present situation two years ago, the equipment would not have been available. We cannot buy equipment ourselves. We felt, as I said in the rather long brief I presented here, that we should study all angles before a final decision is made, and that there is no urgency, in fact, at the present moment. That is why the decision has been held up.

Mr. BOUCHER: Would you say that, in view of the fact that radio is going through such a vast period of evolution, there is not an urgency, even though there is a shortage of equipment, to dig into this very thing?

Dr. FRIGON: Well, would you advise making a decision while it is going through a very intensive change, or would you rather wait until it settles down a bit?

Mr. BOUCHER: That would depend entirely upon their presentation.

Dr. FRIGON: No.

Mr. BOUCHER: You certainly cannot accept a decision until you know the facts, and it is only a means of acquiring the circumstances and facts.

Mr. COLDWELL: Did I understand Dr. Frigon to say that you have talked it over with the chairman of this organization?

Dr. FRIGON: Yes.

Mr. COLDWELL: And did offer co-operation?

Dr. FRIGON: Yes.

Mr. COLDWELL: Why can it not be left to the corporation to work it out with this organization?

Dr. FRIGON: Mind you, we are not objecting. I am just telling you we are willing to work with them.

Mr. BOUCHER: My point of view is this. I have no objection to the suggestion. I should like the radio corporation to co-operate in every way you possibly can, but that does not preclude us from doing likewise.

Dr. FRIGON: No.

Mr. BOUCHER: And I say, as a committee set up on this very important phase of public activity, the more information we get, the better; in my opinion we should not say that it be referred to the general manager or the Board of Governors if we can get some information as well.

Mr. ISNOR: In view of the fact that the letter was addressed to you, Mr. Chairman, as chairman of this committee, I think we should acknowledge it and accept their offer for a free survey. There is certainly nothing to be lost and possibly something to be gained by having the facts that would arise out of such a survey.

Hon. Mr. LAFLÈCHE: I take it that these people offered to make a survey in the interest of the owners of private receiving sets?

The CHAIRMAN: Yes, exactly. They are manufacturers.

Hon. Mr. LAFLÈCHE: That is a very excellent service, if they can do it, I think.

The CHAIRMAN: The letter says:—

> The membership of the association includes all Canadian manufacturers of radio receiving sets as well as Canadian manufacturers of broadcasting equipment and it is felt that, within the membership, there is available engineering facilities and data which, combined with information obtainable from other sources, would make a complete factual engineering survey.

Hon. Mr. LAFLÈCHE: Who would be the members of this radio manufacturers association?

The CHAIRMAN: Dr. Frigon, can you answer that?

Dr. FRIGON: R.C.A., Marconi, General Electric, Westinghouse, all the big manufacturers.

Mr. BOUCHER: To bring the matter to a head, I would move that their offer be accepted and they be informed that we would be very glad to have them present their survey to us at the earliest possible date.

Mr. COLDWELL: Mr. Chairman, I have no objection to the resolution, but I think this should be done in co-operation with our own organization, which is appearing before us. I mean our order of reference is to inquire into the operation of the C.B.C. and to examine the accounts, officials and so on. It seems to me that the proper procedure would be to have this organization work with the general manager of the corporation.

Mr. BOUCHER: Why any more so even than the Canadian association of private broadcasters? It is the same thing.

Mr. COLDWELL: Well, I have no objection. I am just pointing that out.

Mr. ROSS: Right at the present time, as a matter of fact, we are inquiring into the operation of the C.B.C. We are inquiring into the operation of it and broadcasting in Canada.

The CHAIRMAN: These people are not broadcasters.

Mr. BOUCHER: No. But they are dealing with a very important phase of it.

The CHAIRMAN: They are manufacturers of equipment and radio receiving sets.

Mr. BOUCHER: Yes. But they are dealing with the receiving of the broadcasts of the C.B.C. and other private broadcasters, which is just as important a thing, in fact a more important thing than transmitting.

Mr. COLDWELL: If we are going to deal with private manufacturers, I think we might properly go into the cost of radio receiving sets to the public.

Mr. MARTIN: In principle is the situation any different than that of individual performers who feel they have something to offer? They come before this committee and they say, "We cannot get a fair deal from the management of the C.B.C. We want to lay our individual performance ability before the committee." It seems to me that the point raised by Mr. Coldwell is pretty well taken.

Mr. HANSELL: Is it understood that if they make a submission they will do so in person and appear before us for questioning?

The CHAIRMAN: They wish to appear.

Mr. HANSELL: If that is so, I am in favour of the motion, I think.

Hon. Mr. LAFLÈCHE: If they can help the public to get better reception or to lower the cost to the public or anything like that, I think it is a good move.

Mr. HANSELL: I think so.

The CHAIRMAN: The letter says, "they are prepared to offer for the consideration of your committee an engineering study of the coverage of Canadian broadcasting stations with respect to the Havana Agreement as it affects the listening public in Canada, present and future."

Mr. BOUCHER: What is more important to this committee than the coverage of radio? It is the most important part of it.

Mr. COLDWELL: The cost of radio receiving sets, which is abnormally high.

Mr. ISNOR: Something might come out of their report, but that is another question altogether. Let us get the survey first, get the report before us.

The CHAIRMAN: How would it do, to bring the matter to a head, instead of requesting them to make a survey, to say that if they wish to make a survey the committee will be glad to receive such representations as they would wish to make.

Mr. BOUCHER: No. I think that is a very lukewarm way of accepting their service, and I do not think an association—

Mr. COLDWELL: Mr. Chairman, I would not say it is a request; it is accepting an offer which they make.

The CHAIRMAN: If you want to accept the services of people who are interested in radio, I should like to give you the correspondence from those who sometimes are called, for want of a better name, crackpots—all kinds of complaints and the like of that.

Mr. BOUCHER: But there is no comparison.

Mr. CHAIRMAN: If we listened to all of them, we would be here all summer.

Mr. MARTIN: In principle, surely you are right. The reverend gentleman whose complaint you had a moment ago and who is apparently an annual complainer, nevertheless in principle has the same right as anyone else. And where will you stop?

The CHAIRMAN: Exactly.

Mr. BOUCHER: I feel that this committee was appointed to do a job; and when we get a good reliable association, as this one undoubtedly is, giving us an offer like that, we would be very remiss not to accept it with all the graciousness we can.

Hon. Mr. LAFLÈCHE: After all, they are simply making an offer. Do we or do we not accept it? We ought to say yes or no.

Mr. HANSELL: We are not requesting it. We are simply accepting their offer.

Hon. Mr. LAFLÈCHE: That is all.

The CHAIRMAN: I would suggest that it is a little bit outside the terms of reference, if you want to stick strictly to them.

Mr. ROSS: I think it is right in the terms of reference.

The CHAIRMAN: Well, I do not know. The reference is "that a select committee be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies and aims of the corporation and its regulations, revenues, expenditures and development, with power to examine and inquire," etc.

Mr. ROSS: Regulations and development—right in line.

Mr. COLDWELL: If they come before us, and one has the desire to ask about the cost of manufacturing receiving sets, I imagine that would come under the order of reference as readily as the matter now before us.

The CHAIRMAN: You had a motion, Mr. Boucher?

Mr. ROSS: I will second it.

Mr. BOUCHER: It was seconded.

The CHAIRMAN: Is there further discussion on the motion? Are you ready for the question?

Some Hon. MEMBERS: Question.

The CHAIRMAN: It is moved by Mr. Boucher, seconded by Mr. Ross, that the offer of the Radio Manufacturers Association of Canada to make a survey with reference to the study of coverage of Canadian broadcasting stations with respect to the Havana Agreement as it affects the listening public in Canada, present and future, be accepted.

Mr. ROSS: I would just say, at their own expense.

The CHAIRMAN: Yes. That survey to be at their own expense. That the offer be accepted and that an appointment be made with them for presentation of their report.

Mr. BOUCHER: You might also cover the point by requesting that the survey be made available as early as possible.

The CHAIRMAN: Yes. Those in favour of the motion? Against?

Motion agreed to.

Mr. HANSELL: Before you go any further, Mr. Chairman, as I understood it, you had some other requests from others to appear before the committee. What I have in mind is this. I do not know whether we have a steering sub-committee or not.

The CHAIRMAN: Yes, we have.

Mr. HANSELL: I do believe that any requests that come to the committee for anyone to appear before the committee, should be brought before the committee for decision.

The CHAIRMAN: They all have been. These are not requests. That is the reason I brought this one this morning. There are no further requests to appear before the committee. But there is considerable correspondence with reference to complaints. For instance, here is one this morning from one Mr. Coldwell. There is one from Mr. Burfield. There is one from a member of the committee, Mr. Hanson. Mr. Coldwell wrote me on March 28 as follows:—

> I enclose a sheet recently published by radio station CHAB, Moose Jaw, Saskatchewan.
>
> This little station, in my opinion, could not have existed without the assistance from the C.B.C. network.

What he states is:

> It seems to me that someone from this station should be called to substantiate the statements contained in this and similar sheets, and certainly we should insist that Mr. Bannerman, who has been making statements from time to time, be called.

Mr. Bannerman will be called here next week, so that matter has been attended to. The other had to do with the Canadian Association of Broadcasters, and we have a communication from Mr. Burfield in Edmonton who complains about a program. These are all passed on.

Mr. HANSELL: I am not concerned about those.

The CHAIRMAN: Any requests to appear before the committee have always been dealt with, giving those who made the requests an opportunity of appearing.

Mr. HANSELL: I mean, some of these crackpots may have more to offer the committee than the less intelligent people who appear before us.

The CHAIRMAN: Here is a communication I will bring before you at this time from Mr. Hanson, M.P., House of Commons, dated March 28, 1944. It reads:—

Dear Doctor McCann:

Re: Radio Reception, Ocean Falls and Vicinity, B.C.

I enclose herewith copy of a letter dated the 20th instant, which I have received from Mr. R. H. R. Young, Resident Manager, Pacific Mills Limited, at Ocean Falls, B.C.

I have sent a copy of this letter to Dr. Frigon. I think it should be put in the minutes for future reference.

Ocean Falls is a community of around 3,000 people and they are surely entitled to better consideration than they are getting at the present time.

The complaint is from the Pacific Mills Limited to Mr. Hanson personally, about the reception there and a copy of that letter has been handed to Dr. Frigon.

Now, gentlemen, I think we shall proceed with the more important business of the meeting. Dr. Frigon has a further presentation to make with reference to commercial broadcasting. I think perhaps that ought to be put on the record. Dr. Frigon, will you kindly proceed?

Dr. AUGUSTIN FRIGON, Acting General Manager of the Canadian Broadcasting Corporation, recalled.

The WITNESS: So much interest was shown in our commercial activities that with your permission I would like to read a short report I have prepared on our commercial revenues. First, I would like to submit the following break-down of the figures for 1942-43 submitted at the last meeting at the request of some members of the committee:—

Gross Billings—			
C.B.C. Stations		$ 675,249 14	
Private Stations		1,192,314 80	
Lines		561,832 27	
Miscellaneous		59,827 80	
			$2,489,224 01
Deduct Agency Commissions—			
C.B.C. Stations	$ 102,094 40		
Private Stations	241,991 27		
Lines	113,894 78		
		457,980 45	
Payments to Private Stations		787,690 48	
			1,245,670 93
			$1,243,553 08

By Mr. Isnor:

Q. Before you leave that table you say in 1942-43; does that mean to March 31, 1943?—A. Yes, all the figures I gave you are based on that fiscal year.

Q. That is over a year old.

By Mr. Coldwell:

Q. Have you a further break-down of this $457,980.45? The point that I am interested in is that since I have been on the committee— —A. I think I have covered that pretty well in my brief.

Q. How much is paid by government organizations?

The CHAIRMAN: As he goes on he covers it.

The WITNESS: I will read what I have here, if I may.

These figures are self-explanatory, but it might be helpful to bring out certain facts which will give you a complete picture.

If you analyse the above statement, you will discover that our revenues from the sale of time on C.B.C. owned stations, after deduction of commissions,

amounted to $573,154 in 1942-43. This is what we have charged for the use of CBR, Vancouver; CBK, Watrous; CBL, Toronto; CBY, Toronto; CBO, Ottawa; CBF, Montreal; CBM, Montreal; CBV, Quebec; CBJ, Chicoutimi, and CBA, Sackville. To get to our net profit deriving from those transactions we would have to charge against these revenues part of the cost of running the stations and the studios, of the commercial department, to a certain extent of the program and engineering divisions, and part of our overhead. As I explained before, commercial revenues help to carry our overhead and are very important to us financially, but they are far from being sufficient to cover the cost of operating our studios and stations.

If we write against the gross billings for the sale of affiliated private stations both commissions and payments to private stations, there remains a balance of $162,633 which represents our net returns for handling private stations' business on our network. This is not net profit because against it must be charged a good proportion of the cost of running our commercial department, of supervising, of publicity to advertise the network, etc.

I fully appreciate that it is part of our responsibilities to provide for Canadian listeners the best possible programs whether sponsored by commercial firms or paid for and produced by us. But, at the risk of repeating myself, I would like to indicate the service rendered by the C.B.C. to privately-owned stations.

(1) The selling and booking of commercial network programs. In some cases this is mainly booking; in others a considerable period of development, discussion and supervision has to be carried through. Scripts and commercial continuities are carefully supervised and definite standards established and maintained.

(2) Stations are cleared, agencies invoiced, line traffic fully looked after, adjustments made with respect to station or line interruptions, and payment guaranteed to the stations.

(3) C.B.C. provides circuits into the control rooms of stations without any charge to them. This means that it not only pays for lines to reach the cities in which these stations are located, but it pays the annual connection charge to tie each station to the network in order that the station may be enabled to receive C.B.C. commercial and sustaining programs. The amount thus expended by the C.B.C. in connection charges to the 44 stations regularly affiliated with the C.B.C. commercial networks is this year over $80,000.

To tie in an additional thirty-two stations, seventeen of which are supplementary to the C.B.C. commercial networks, there is a further expenditure of some $60,000.

By Mr. Boucher:

Q. That is contemplated, is it? There will be a further expenditure of that amount?—A. No, there is at the present moment. These are minimum charges to feed programs to the stations; they have nothing to do with the picking up or originating of programs from those stations. For that purpose an additional sum of about $35,000 is expended annually to provide transmission facilities from 38 of these stations.

(4) Almost $40,000 was paid by the C.B.C. to privately-owned stations in 1942-43 for the use of their facilities, including CKY, Winnipeg. This is for the use of their studios for producing programs locally, and the bulk of this amount goes to CKY, Winnipeg.

(5) The C.B.C. feeds to stations on its commercial network those programs booked to that network, which programs are regularly featured by many stations as their most outstanding programs, sometimes to the entire exclusion of local productions from their own studios.

These programs include Metropolitan Opera (not carried by some stations), Fibber McGee, Lux Radio Theatre, Victory Parade, Happy Gang, Album of Familiar Music, Fred Allen, Information Please, Edgar Bergen and Charlie McCarthy, Lipton Tea Musicale, Bob Hope, Alan Young, Aldrich Family, Kraft Music Hall, Fighting Navy, N.H.L. Hockey, Hall of Fame and many others. On the French network there is also an imposing array of programs.

(6) The C.B.C. feeds throughout each day many excellent sustaining programs, only a part of which privately-owned stations choose to broadcast. Whenever they are broadcast, however, they save the stations the cost of putting on their own productions. These programs include news, overseas broadcasts, round-ups and international exchanges covering an infinite variety of topics. C.B.C. brings the voices of the world's most outstanding figures, from every part of the globe, as well as broadcasts direct from the many theatres of war. It also feeds to these stations such features as Farm Forum, talks on all phases of women's interests from national authorities, Canadian symphony orchestras, "Just Mary", National School Broadcasts and numerous musical and dramatic features, all at no cost whatever to any station.

As you already know, our national network in 1942-43 was supplied with programs 16 hours per day. Eighty per cent of the time the C.B.C. has to supply sustaining programs, and although a number of B.B.C. and American network programs are used, we have to produce, with our own revenue, approximately 85 per cent of such programs. The fact that we carry commercial programs on the network offers some very costly complications. We spend a lot of money on so-called "fills"; that is, on programs which are required for a station which is not on the network while the other stations are. For instance, we may be carrying a program on a network, but CBL, Toronto, may not be on that network because the program, being a Columbia origination, is carried on CFRB, Toronto. While that program is on we have to supply another one to CBL exclusively, and if this happens during peak evening hours, that one program may cost us as much as if it were intended for the network across Canada. This item of cost is very high; it was very much higher in fact than the odd hundred and sixty-two thousand dollars which in 1942-43 was left over from network operation returns.

Besides the unquestionable advantage of free sustaining program service, stations affiliated to our network received amounts varying from approximately $1,000 in the case of a few stations upwards to $52,000 in the case of one station. Quite a number received amounts averaging from $15,000 to $25,000.

When it comes to line costs you will find that gross billings, less commissions, leave $447,937 as revenue to pay the wire line companies. The rates for line facilities charged to sponsors purchasing complete C.B.C. regional and national networks is lower than the rates charged sponsors who purchase hookups comprising two or three stations. The reason for this is obvious. A sponsor purchasing a complete national network is purchasing several thousand miles of wire line facilities, thereby serving the sparsely populated areas as well as the larger centres and main markets of the dominion, whereas a sponsor purchasing a subsidiary hookup is primarily concerned in reaching the main markets. This is proved by the fact that almost 100 per cent of all subsidiary hookups is confined to stations between Windsor and Quebec City. The average number of stations composing subsidiary hookups is three to four and includes in the English market mainly stations in Windsor, London, Toronto, Ottawa and Montreal, and in the French market, stations in Montreal and Quebec City. Since the corporation was formed in 1936, there has been a substantial reduction in the line rates charged to sponsors for those special groups of privately-owned stations. This reduction varies from 25 per cent up to 35 per cent. The corporation believes that the present rates charged for such hookups are reasonable. All privately-owner stations included in such hookups are paid their full card rates less one agency commission only of 15 per cent.

It is impossible to establish the cost to us of that service. As I have explained before, we pay a fixed sum per year for a wire line service across Canada which covers some odd 11,000 miles of circuit. The wire line companies either supply their own service or buy service from private companies and government owned telephone companies which they sell back to us. It frequently happens, however, that this basic service is not sufficient and that we have to buy extra service in the way of extensions of operating time or the use of parallel lines. For instance, it may become necssary to buy two lines or even three lines between two points to transport one of our own sustainers plus a commercial program which may require two lines for production purposes. Those extras are billed to us at a much higher rate than the average of the basic contract, and it would not be possible to determine exactly the cost of wire line service, because at times it is hard to determine to what account it should be charged.

The miscellaneous item of $59,827 covers the cost of records, record blanks, the services of some of our employees—announcers, producers, sound effects men, etc.—and leaves no profit to speak of for the C.B.C.

At the inception of commercial operations by the corporation in the fall of 1937, the tariffs established for the services of C.B.C. producers and announcers were based upon a reasonable application of the competitive tariffs charged by free-lance producers and announcers. Practically all commercial operations were centred in Toronto and Montreal.

The corporation has established tariffs for these services affecting its personnel; announce charges range from a minimum of five dollars for the most limited services required on a quarter-hour program to twenty-five dollars for the maximum services required for an hour program, while the charges for producers in the same range are from a minimum of ten dollars the quarter-hour to a maximum of fifty dollars the hour. Of course the charges within this range are basic minimums. Some announcers and producers by virtue of their particular skill and popularity obtain a relatively higher scale.

Commercial productions origination has now spread to some outside points notably Vancouver and occasionally Winnipeg. It is quite possible that other origination points in Canada may be added now that the corporation is operating two networks. It is doubtful whether one uniform tariff can be established for all production points in Canada as each will be affected by local conditions and the free-lance charges in effect. However, just as the charges in the United States are based upon concentration of talent in the three main production centres namely New York, Chicago and Hollywood, so it would seem that the pattern established for Toronto and Montreal will dictate the basis for a similar scale of charges in outside production points in Canada.

We have never set our rates either for the use of our stations or wire lines on a basis of cost plus profit. On the contrary, our practice has been to charge just somewhat less than usual rates. It wouldn't be right for us to compete with private enterprise by cutting prices and, on the other hand, it seems logical that those who use our facilities should pay a reasonable rate so as to contribute their share to the maintenance of a public radio broadcasting system in Canada. In that matter, we somewhat follow the example of the wire line companies whose charges to us we believe are reasonable. Neverthless, I sometimes wonder whether what we pay them has much relation to the actual out-of-pocket cost of supplying the service.

Our own station rates are normal and comparable to those of private enterprise. In the case of CBK at Watrous and CBA at Sackville, however, we have deliberately set an extremely low rate for the very purpose of not competing with private stations who, up to January 1, 1944, were covering part of our own territory. For instance, in the west, stations located at Saskatoon, Regina, Brandon, Moose Jaw were within the coverage of CBK, and we could have very well cancelled the affiliation of those station to our networks and charged

for CBK a normal basic rate of a couple of hundred dollars. In order not to disturb private enterprise, we have sold CBK up to January 1 and still sell it in daytime, at a basic rate of $30 an hour.

From all this it appears that if on certain parts of our commercial business our return is higher than our costs, in other parts it might be the other way around. We are not in the radio business to show a profit; we are interested only in keeping the networks going efficiently, interfering as little as possible with privately-owned stations.

In respect to government broadcasts, I would like to call your attention to the fact that we have never charged anything for recruiting programs or for war charity campaigns such as the Red Cross. On the contrary, we have spent quite a sum of money on government work. Some men on our staff have spent a great deal of time working on victory loan campaigns and we have never charged anything for their services or for that of any of our staff working on government programs. These include supervisors, producers, announcers, engineers, sound effects men, traffic officials, etc.

I have before me schedules of contributed and government sponsored programs for Canada's sixth victory loan. It covers some 440 occasions connected with 98 different programs over a period of four weeks. That is including the Quebec network. This chart was prepared by our commercial department on behalf of the National War Finance Committee and it forms a complete report of all the contacts made by us with the agencies and sponsors. It illustrates the wholehearted support extended by sponsors using network facilities and by the corporation through its own network programs. This very extensive extra mural work, so to speak, is another service rendered free of charge by the corporation to all concerned.

We do, however, make a charge in the case of government campaigns for which there is a publicity budget to pay for advertising through different media such as press, radio, street car advertising, etc. After all listeners do not pay $2.50 per year to be told to buy victory bonds. It is the business of those selling the bonds to pay for the necessary publicity. If we were so closely tied to the government that they could insist on our supplying our facilities free of charge, I submit that we should be exempt from having to pay $520,000 per year for collecting licence fees. I think too we might have the privilege of borrowing money from the government without interest and without being expected to reimburse the government for such loans in the rather short period of four or five years.

Coming back to commercial network operation, may I repeat again what has been said here frequently, that many stations on our network would have a very hard time to make both ends meet if it wasn't for their affiliation to a C.B.C. network. The publicity in trade papers reflects this situation very clearly. The main sales talk in many private station advertisements is their claim to be a C.B.C. affiliate, while the programs they publicize most highly are C.B.C. network programs. I believe private stations are very fortunate to be permitted to use, to their own advantage, radio frequencies which really belong to the people of Canada and to be able to do as network affiliates of the C.B.C. at almost no cost, but at some considerable financial benefit to them.

Sometimes there is an inclination for stations or individuals to confuse C.B.C. regulations with C.B.C. operating policies. In the operation of a network, the C.B.C., like all other network operators, has had to lay down certain policies and practices in the interest of efficiency and operation. These apply to the C.B.C. the same as to all other stations; they are set up to maintain a proper standard of network broadcasting and should apply on any well regulated network regardless of whether or not the C.B.C. were charged with the administration and enforcement of the Broadcasting Act and the regulations thereunder.

Nobody can claim that we have abused our authority. The regulations are naturally applied very strictly to our own stations, and we expect the owners of private stations to be equally careful in observing them.

Not only are we anxious to be fair and friendly towards private stations but we sincerely hope that they will continue to co-operate with us more and more in the interest of all.

We have already started to call network affiliate representatives into consultation with us and we propose to continue doing so. We want private station owners to feel that they are part of the national business of network broadcasting. Not so long ago I met with broadcasters from some twelve points in the western provinces from Vancouver to Winnipeg. We had a very frank talk about how to run our dominion network. We shall invite the same people very shortly and we hope that other meetings will follow. Needless to repeat here that in this matter of network operation we are just as much concerned to meet the requirements of the small town operator as we are to satisfy those in the larger centres.

We have also delegated two of our best qualified officials, Messrs. Jennings and Stone, to sit on a joint committee to study ways and means of improving commercial continuities. Private broadcasters and advertising interests are represented on this committee.

If you go back seven or eight years, you will not deny, I am sure, that broadcasting across the country has improved very considerably. We would like to claim credit for most of this expansion and betterment. What would we have done in Canada during the present war if the C.B.C. had not, as early as 1937, taken the responsibility of creating a fully organized and efficiently operated network broadcasting at least 16 hours per day from coast to coast?

When the war broke out the whole Canadian nation was already accustomed to listen to C.B.C. network stations and, because of that, it was the easiest thing in the world to communicate with every Canadian citizen at a few minutes notice. It has been established beyond doubt that the C.B.C. network constitutes an extremely powerful publicity medium to sell war bonds, and it is just possible that without the network it might have been very difficult to achieve the extraordinary success which has marked every victory loan campaign; and money, we are told, is the nerve of war.

To build up this powerful instrument of Canadian unity, we had to have the authority which was given to us in the Broadcasting Act, we had to have sufficient funds which are provided by listeners, and we needed the co-operation of private stations which was obtained without difficulty.

I hope these explanations clarify our position. You will readily see that there is no profit for us in network operation. Whatever surplus there might be is ploughed back into program production to the benefit of listeners and decidedly of private station owners.

By Mr. Boucher:

Q. By that last statement, Dr. Frigon, you do not mean that any apparent surplus is earmarked for the benefit of private stations; you only plough it back by virtue of increasing your own facilities and services?—A. Not only that, but it is ploughed back into the programs which are supplied to the stations free of charge.

Q. In other words, when you do not set off the cost of the programs it would appear you were making a profit, but that profit is not specially allocated for the benefit of private stations but is just put into the general pot of the C.B.C. to improve the C.B.C.—A. And it does benefit the private stations; when we spend a lot of money to bring a line down from Moncton to Yarmouth to feed

a local station we decidedly help the local station which was going bankrupt some years ago and is now making a profit because we pay $15,000 a year to bring a line down to them.

Q. I do not think you get my point. I am not quarrelling about it at all. I am saying you are not specially allocating this apparent surplus for the benefit of private stations?—A. No.

Q. But you are just using it in a general way?—A. Right.

By Mr. Coldwell:

Q. I was going to ask Dr. Frigon with regard to these agency commissions for advertising, $457,980.45. There must be something in there more than 15 per cent; that is more than 15 per cent of the gross billings.—A. Yes, because on many of these programs coming from the United States we pay two commissions of 15 per cent.

Q. What I was going to ask is how much of the $457,980.45 is paid by the corporation—I say "by the corporation", because we had this statement that we must deduct the agency commissions from the gross billings of the corporation. It is argued, of course, that the advertising is really paid for by the person who uses the facilities. But I am just taking this at its face value, and what I was going to ask is how much of this $457,980.45 comes from government departments or on account of government advertising such as victory loans and other facilities? In other words, how much do advertising agencies get from the government for using the Canadian owned facility, on government business?—A. $68,222.

Q. $68,232?—A. $68,222.

Q. Is that right?—A. That is commissions paid to agencies on government programs.

Q. Nearly $70,000. I have never been able to see the reason why that should be done.—A. Well, I think I have explained it here in this brief.

Q. I know you have, but I have never been able to see why, for government business placed with a government corporation, we should pay commission agents $68,000 a year—A. You must consider this fact. If we did not pay the 15 per cent, the gross billing would be so much lower.

Q. What is that?—A. The gross billing would be so much lower.

Q. You have a rate, do you?—A. As I said, we do not charge our cost plus a commission and profit. We charge what the trade says is a proper charge.

Q. As I see it, $68,000 is paid unnecessarily by the people of Canada for the use of government facilities.—A. Of course, the agencies handle a lot of work. They handle publicity of their own, writing scripts, making contacts with artists. There is quite an amount of work done by them for that commission. They also handle a lot of publicity in newspapers, street car ads. and so on.

By Mr. Boucher:

Q. Do you say for government work, or for government publicity purposes?—A. Such as the victory loan.

Q. Say for the victory loan. Now you are putting on a victory loan campaign and you pay a commission to an agent for placing that business with the C.B.C., and you say that agent therefore provides the script, publicity, etc. The $68,000 is not really a commission, then. It is part commission and part services rendered.—A. Well, it is what they charge to sponsors for their services.

By Mr. Coldwell:

Q. Do they write the scripts for these broadcasts?—A. Some of them do. As I said, that is part of the publicity campaign which takes in newspapers and all sorts of media.

By Mr. Boucher:

Q. What I think is—whether I am right or not—that instead of calling it paying a commission, why does not the government pay for services rendered only?—A. Well—

Hon. Mr. LAFLÈCHE: They are following a very old practice which is followed by all commercial firms, by corporations in business for their own pocket. The government is not. It has been found through experience that advertising agencies are necessary. I fully realize and grant, Mr. Chairman, that it is a subject which is very interesting and which sometimes at first glance is not quite clear. One has to delve into it to find out just what services the advertising agencies do render. But we have been speaking about the publicity for wartime finances, and we do find that they have made a success of it. It is logical to judge the cost in relation to the effect.

Mr. BOUCHER: Yes. But, Mr. Minister, while it may be logical to pay for services rendered, it does not appear logical to pay commissions for business which one department of the government is placing with the C.B.C., in effect another department of the government.

Hon. Mr. LAFLÈCHE: Oh, but the department placing the business, through the advertising agency, gets exactly the same service from the advertising agency as a commercial firm would if it were placing its advertising program with that particular agency.

Mr. BOUCHER: That may be so.

Hon. Mr. LAFLÈCHE: It gets the same service. It was called a commission. Perhaps it is a misnomer, but it is used by everybody.

Mr. BOUCHER: Let us pay for services rendered. Let us not pay commission. Then we will know whether we are overpaying or underpaying.

Mr. COLDWELL: That is right.

Mr. MARTIN: What is the difference?

Mr. ISNOR: I wonder if I could approach this thing in a little different manner? As I understand it with regard to advertising agencies, whether they are dealing with newspapers or radio, the government or an individual makes a contract with them to handle their campaign, such as the sixth victory loan campaign.

Mr. BOUCHER: Or a phase of it.

Mr. ISNOR: Let me do this. I am taking the sixth victory loan campaign as an example. They in turn arrange their programs, set-ups and so on over the newspapers and also make their layouts for the radio broadcasts, and they are charged exactly the same as an individual or firm would be. That is, the government is charged the same. They are then credited with 15 per cent for commission. That is their commission or remuneration for preparing and handling that campaign. Is that right, Dr. Frigon? Do you follow me?

The WITNESS: I am sorry. I do not get that.

Mr. ISNOR: I see. I was outlining it as I understood it from a business proposition point of view.

The WITNESS: I was busy here.

Mr. ISNOR: I do not want to go over it again. I was pointing out that the charge of 15 per cent was actually a commission in lieu of remuneration from the government for the arranging of a program in connection with a campaign.

The WITNESS: It is remuneration paid by the government to agencies to handle their publicity account.

Mr. ISNOR: Yes.

By Mr. Boucher:

Q. Let me ask you it in another way. Is it not an entirely different job for the person getting a commission to make arrangements for the government in such a campaign as the victory loan campaign, than it is to make arrangements for a private concern in what manner they may want?—A. Of course, that is not the point.

Q. I would think it would be a vastly different problem, and yet the commission is apparently the same.—A. Well, as I said the other day, if the government wants to ask us to set up an organization to handle this publicity, they would have to spend money on it. Rather than do that, they ask an agency to handle the work for them and then pay them on a commission basis. That is what it amounts to.

Q. Let us make it a little more definite. Let us take a theoretical case where two people are wanting advertising of two different industries, and one wants much more service for 15 per cent than the other. Now, naturally, they would want to pay a smaller remuneration for those services. I say it looks to me as if the services required by the government would be different services to the services required by private concerns, and therefore the yardstick for private concerns by way of a 15 per cent commission in not necessarily applicable to the government?

Mr. ISNOR: Why not? They are not paying the C.B.C.

Mr. BOUCHER: No.

Mr. ISNOR: They are arranging for an agency whose business it is to do that, and radio is only a part of it.

Mr. BERTRAND: There is a material difference between the two propositions. One man in the business, of course, is in the business the whole year around and the other is only in occasionally when he desires to have a special need met. I think under those circumstances that an equal percentage would seem to be a lower rate in favour of the one who only takes service for the moment he needs it.

The WITNESS: If it would help you, I might make this remark, the 15 per cent charge is common all across the North American continent. That is what is charged to handle publicity accounts of this sort.

By Mr. Coldwell:

Q. This is the only publicly-owned broadcasting system, though.—A. But this 15 per cent has nothing to do with us at all, any more than when the government pays for space in the newspapers. The government has decided on its policy, of course, and handles its publicity that way. That is not our business. We are not considered at all in this thing. We work with the agencies to organize this victory loan campaign instead of working with a department of the government. That is all there is to it, because the agencies receive a contract or authority to handle their campaign. That is no concern of ours whatever.

Q. The thing that strikes me is that for the use of these tremendous stations, having a huge coverage in this country, you have not charged up everything in connection with services that you might have done. As you point out, the revenue is $573,154; and we pay the private stations $787,000 and agency commissions, $457,000. It seems to me that those figures are out of proportion to the advertising. That is the thing that strikes me.—A. Unfortunately we have no control over that whatever. It is the broadcasting trade which sets those policies, not us. If we want to give you Charlie McCarthy, for instance, over the Canadian network, 15 per cent must be paid to the agent. That is set by the trade. Or rather put it this way. We must charge the sponsor 15 per cent commission for the service of the agency and 15 per cent commission for the fee from the American network. We do not control that. We do not see that. It is imposed by the

trade. Suppose we do not charge anything for any government program. Then we would be in straight competition with private stations, with newspapers and with everybody else; and the newspapers would have the right to say, "Now, here is a government company which gives a free service, and thereby they take away from us business that we might get and be paid for."

Q. What objection is there to that? I cannot see any objection to that.—A. Well, we are told—

Q. If this organization is controlled by private policies of private radio broadcasters and by newspapers, I think it is a thing we have to go into, because so many of these stations are now being controlled by newspapers. It does not seem to me to be a logical argument at all.—A. I am simply answering the accusation that we are in competition with newspapers, and private stations.

By Mr. Tripp:

Q. What is bothering me is this. The victory loan is an example. If the Department of Finance requires work done and places its order with the advertising firm, I would imagine it would be the Department that would pay the fee and not the C.B.C.—A. We do not pay any fee. We charge the government for a fee which is owed to the agencies.

Q. I beg your pardon?—A. We charge the government for a fee which is owed to an agency.

By Mr. Boucher:

Q. In effect you pay it, because you charge it to the government and you pay it.—A. If you call it "pay," getting $1,000 from the treasury and paying it to an agency, of course we pay it but it is not ours. We would not keep it if we did not pay it.

The CHAIRMAN: They act as a go-between. Excuse me a moment, gentlemen, but I just want to find out what the wish of the committee is. This ends the presentation of Dr. Frigon, except for what he will have to say later with reference to the financial setup of the corporation. Is it the wish of the committee to discuss this matter now or to go back and start with the minutes of proceedings and evidence No. 2 and follow in some orderly manner the report which Dr. Frigon has made?

Mr. COLDWELL: That would be the logical thing to do.

The CHAIRMAN: Yes, I think so. If we are going to take the minutes of evidence, No. 2, and start with the first presentation having to do with school broadcasts, labour forum, farm broadcasts, overseas units and the rest of it and follow it in some sort of sequence, it will probably be a better method than starting at the tail end and going back.

Mr. ROSS: I quite agree with you, Mr. Chairman, but there is one question I should like to ask Dr. Frigon arising out of what we have been discussing now, in order that we shall not have to go over it again.

The CHAIRMAN: Very well.

By Mr. Ross:

Q. In connection with these victory loan broadcasts and that sort of thing, does the broadcasting corporation have anything to do with the writing of the scripts or are they just concerned with the mechanics of putting it over the air? Do they just handle the mechanics of putting it over the air?—A. We do handle some of the scripts.

Q. Do you write the scripts?—A. Some of them, but not all of them. It is divided.

Q. Do you have a department that writes the scripts?—A. I was going to say that we have two of our officials on the committee handling these things; they are Mr. Bushnell and Mr. Weir. They know all the details of the machinery and they are at the disposal of the committee. I understand Mr. Bushnell will be on the stand here and he will give you all the details you want, because he is right on the job himself.

Q. Very well.

The CHAIRMAN: Now let us turn back to the minutes of proceedings and evidence No. 2, and we can proceed then with any questioning of Dr. Frigon with reference to his presentation. I take it for granted that all the members of the committee have read and studied this over the Easter recess, and Dr. Frigon is quite prepared to answer any questions.

Mr. COLDWELL: Mr. Chairman, if we are going to go to the various sections of the report dealing with special activities, the first one is school broadcasts, is it not?

The CHAIRMAN: Yes.

Mr. COLDWELL: I was going to ask Dr. Frigon who is in charge of the school broadcasts.

The CHAIRMAN: I think it would be best if you would follow along that line.

Mr. BOUCHER: What page is that?

Mr. COLDWELL: It is page 64.

The WITNESS: Mr R. S. Lambert.

By Mr. Coldwell:

Q. Mr. Lambert, you say. Is he on the regular staff now?—A. He is on the staff now.

Q. He is not paid a retainer?—A. No. He is on a straight salary.

Q. And then you have an advisory committee?—A. We have an advisory committee composed of representatives of all provincial boards of education. It has as chairman Dr. Wallace of Queens University.

Q. He is a good chairman. Are the teachers represented through their organization?—A. There is a teachers organization. There is the Canadian Trustees Association, the Quebec School Trustees, and representatives of education authorities, education boards.

Q. I am not suggesting that it should be done to-day, but it might be of interest if we could have the full names and the associations they represent, just for the purpose of the record.—A. We will do that.

By Mr. Ross:

Q. At the last meeting of the committee I asked for something. That was the brief that was filed with the Board of Governors, presented to them on the 23rd and 24th of March, 1941, by the Canadian Association of Broadcasters. I think that is a very important document.—A. The 23rd of March, did you say?

Q. At their meeting on March 23 and 24 of 1941.—A. 1941?

Q. 1941. I think that brief was presented again in March of 1944, but I am not sure. There was a meeting at that time. If we could have that some time—A. The proceedings here reported you as asking about a meeting held on the 24th of January, so that is why we did not file the report you mentioned.

Q. There was a meeting on the 24th of January.—A. But there was no brief submitted by the C.A.B. at that meeting.

Q. No. They had a meeting on the 24th of January, was it, this year, with the broadcasting corporation? I notice in your evidence you said the last time you saw them was in September or something like that.

Mr. MARTIN: Oh, no.

By Mr. Ross:

Q. That brief is very important, I think; the one that was presented on the 27th of March, 1944, it was filed again.—A. What is that?

Q. It was filed again on March 27, 1944.—A. No. We did not receive a brief from the C.A.B. on that date.

Q. There was no brief given on that date?—A. Well, possibly the representatives of the C.A.B. could give you that next week. I do not quite understand.

By Mr. Coldwell:

Q. If we could go back to the school broadcasts again, may I ask if you have any idea how many schools hear these broadcasts? How many are equipped with radio receiving equipment? Has any survey been made?—A. The programs were carried on 46 stations and were heard in about 4,300 schools across the dominion.

Q. That is not a very large proportion.

By Mr. Boucher:

Q. I understand too that you have had certain representations, and I am speaking particularly of one which I believe is from the Kiwanis Club of Montreal, as to certain programs. I saw a petition they forwarded to you, to the C.B.C. last month or somewhere thereabouts as to certain programs being run—such as Dick Tracey, The Shadow, The Green Hornet, which dealt with highjacking, murder and so on—which it was deemed to be against the public interest for children to hear at certain hours. I see you have signified to the sponsors of this resolution your agreement with that very thing, and stated that a conference was being held on it. Could you give us any report on that?—A. Would that be private station broadcasts?

Q. Mostly private station broadcasts, yes. I am referring really to the petition that was signed by the Kiwanis Club of Montreal and forwarded to you under date of March 9, to which you replied in effect that you agreed with the complaint and that a conference was being held to remedy the situation. I was just wondering what progress you had made in that regard.—A. Well, we had a meeting of our administrative officers some six weeks ago, and that was a subject of discussion. We have another meeting next week and that is again on the agenda. There has been formed a committee composed of advertisers, private broadcasters and ourselves to study all these problems. I could not report any progress on this as one particular case, but it forms part of our general survey of present conditions.

Q. The point raised by the Kiwanis Club in Montreal—which, as you know, is a very responsible club doing very good work—was that some of the private stations through the co-operation of the C.B.C. were broadcasting certain types of programs that lured the children at an hour that did not suit them and that objection was being taken to the type of program such as The Shadow, Dick Tracey and such things as that.

Mr. COLDWELL: Are they being put on by the C.B.C.?

Mr. BOUCHER: Put on by the C.B.C. as well, I believe. Is that not so?

The WITNESS: No. That is why I am at a loss to know what you are referring to.

By Mr. Coldwell:

Q. Those go out from the private stations under their own initiative.—A. I think so. We do not carry any of the programs just mentioned. However, I may say this. Very frequently we are accused of things for which we are not responsible. We have very frequent telephone calls or letters, from people protesting against such things, or against news bulletins, with which we are not

directly connected. I presume what you refer to there is one of those cases. We are interested and we do talk with agencies and sponsors to try to get them to remedy that; we have succeeded in many cases, and we are still on the job. But these are not our programs booked by us on our network.

By Mr. Boucher:

Q. Taking that for granted then, could you give the committee some information as to what extent the C.B.C. do use their good offices with private broadcasters to eliminate anything of this nature that may be considered objectionable?—A. Would you be satisfied if Mr. Bushnell would cover that in his submission to you?

Q. Yes.

By Mr. Hansell:

Q. To come back to the school broadcasts, Mr. Chairman, could Dr. Frigon tell us whether or not the provincial departments of education are co-operating with the C.B.C. in respect to finding time in their daily curriculum for the students to hear these broadcasts?—A. Decidedly so, yes; in most provinces. The drawback there, of course, as everywhere else in school broadcasting, is the lack of equipment.

Q. I cover my constituency pretty well every year. It is a rural constituency for the most part, and I have to go into the school houses. I was surprised to find the number that did have radios.—A. That did have?

Q. Yes; and in many cases the program was pinned right up there on the wall. I was delighted to see that. I just wondered about it. You cannot expect teachers to keep their schools in to hear it after school hours. I was just wondering whether there was any time given in the curriculum for the students to hear it.—A. Oh, yes. That is part of the process of establishing school broadcasts. We have not finished yet. Only very lately did some provinces join in; this council of school broadcasts has had only one meeting and it lasted two days; all these problems were discussed, how to train the teachers to use the radio, how to provide equipment to the schools, how to introduce the school broadcast as part of the curriculum. Those are problems being studied now.

Mr. MARTIN: What is the nature of some of these school broadcasts? What subjects do they cover?

Mr. HANSELL: We have a book published. It is most interesting. It is called "Young Canada Listens."

Mr. MARTIN: Do they cover history?

Mr. COLDWELL: It was given to us at one of our meetings.

The CHAIRMAN: It is all in the report.

Mr. COLDWELL: It was distributed at one of our meetings. There are only 4,300 schools which have radios. That is the fact?

The WITNESS: We only know of 4,300 schools which actually are listed as schools listening regularly to the broadcasts.

Mr. COLDWELL: Perhaps Mr. Hansell's constituency may be a little more fortunate. Perhaps they are a little better off than some. I have not noticed the condition he mentions to the same extent. But I think a radio receiving set should be a part of every school's equipment.

By Mr. Martin:

Q. What about adult education? What encouragement do you give to that or what encouragement is given to it over the C.B.C.?—A. Well, you might say that almost all we do is adult education, if it is done properly. But the direct adult education is done by—

Q. I would not think Mr. Coldwell's broadcasts would be in that category?

Mr. COLDWELL: That is a matter of opinion.

The WITNESS: We have "Of Things To Come"; we have "Farm Forum"; we have "Labour Forum"; all of those both in French and English.

By Mr. Martin:

Q. You misunderstood my question. Those are educational?—A. Yes.

Q. But the adult education movement in Canada is a definite movement, just as you have these broadcasts by teachers and so on. Does the adult education movement as such have time during which it can extend its work?—A. No.

Mr. BOUCHER: Are you speaking of academic education?

Mr. MARTIN: No, adult education for workers and farmers under the Adult Educational Association.

The WITNESS: The nearest thing we have to that is "Of Things To Come" which is used by the Association of Adult Education throughout Canada in listening groups.

By Mr. Coldwell:

Q. You have the Farm Forum?—A. Yes, the Farm Forum and Labour Forum.

Mr. MARTIN: That is the Workers' Educational Association.

Mr. COLDWELL: It is a part of adult education.

The WITNESS: We have no programs handled by any association of that sort. They are all our programs.

By Mr. Hansell:

Q. Mr. Chairman, I notice on page 64 in connection with school broadcasts there is a council consisting of eighteen members together with a chairman. The members consist of one representative from each department of education. Who is it that selects that member?—A. The department of education; they have been invited to nominate delegates.

By Mr. Coldwell:

Q. You have provided programs for six provinces. What are the provinces that are not yet covered?—A. Ontario and Quebec are not yet fully organized although we have in Quebec the program Radio College, but it does not come exactly in that category.

Q. There is still one other province; what is it? Your statement says six provinces have been covered.—A. I think the proper answer is that they are all in it now, since the last conference. They have not all started to do actual school broadcasting but they have all joined.

Q. That is since your first report was written?—A. The first province to come in was British Columbia, of course, where it is very firmly established now.

Q. You are still using the American school programs?—A. We are using the Columbia School of the Air and are sending programs to them. That is another field. It is in co-operation with the Columbia Broadcasting System, and we do not consider that as our own school broadcast program.

Q. That is additional?—A. It is additional.

Q. Have you arrived at the amount of time allotted for these programs now? Have any changes been made?—A. That is still in a very fluid state. These men met in Toronto and they went back home with a lot of data. They discussed policies and adopted suggestions for programs, but I do not think they will be fully organized until next year when we have the experience of this year, when they have had teachers' meetings at the summer schools. It takes some time to organize, but at the present time all the provinces are lined up and are working with us.

Q. Is there any possibility of getting priorities for receiving sets for the schools? Why I ask that question is that in my own province we find it very difficult to get teachers. Many of them are not fully trained. Some of them are sent up from normal schools. It seems to me that this is a time when a good radio program on history, we will say, or literature, or something of that sort would be of tremendous value when you have these teachers who are perhaps not quite as experienced or as well trained as the average teacher is in peace time.—A. My own personal views on that—and I think they are shared by the members of the council—are that the proper training of the teacher is more important than the broadcast itself.

Q. I agree.—A. That is the whole thing. I think the British system is probably the best you can think of, where the teacher, after the broadcast has been given, takes over and teaches.

By Mr. Martin:

Q. Under these programs have you ever broadcast any of the proceedings of the University of Western Ontario school at Trois Pistoles where English students from Ontario and the rest of Canada come to Quebec under French auspices and try to learn to speak French, and all that sort of thing. It is one of the finest things in the country. Have you ever broadcast that?—A. We have broadcast some programs originating in Rimouski, and we propose to do so this year, but those programs are not school broadcasts. They are simply to show the benefit of that organization.

By Mr. Coldwell:

Q. Do they broadcast on the network?—A. They do not broadcast school work. They simply tell us what they do. It is more, should I say, propaganda for the organization to show how good it is and all the benefits that those who are there obtain by being there.

By Mr. Isnor:

Q. Dr. Frigon, in connection with the programs in the different provinces under the heading of My Canada, who prepared the material used in those broadcasts in October, 1943? For instance, on October 15, 1943, a broadcast was made in Nova Scotia depicting the province of Nova Scotia's background, and so on. I was wondering who provided that material? Did the province provide it or the C.B.C.? Was the educational department of the province of Nova Scotia consulted or shown that material?—A. I could not tell you.

Q. Could you let us know?—A. We can find out.

Q. It would be interesting to know that.

Mr. BOUCHER: I think it would be interesting if Dr. Frigon could let us have a statement as to the extent to which the provincial departments of education and the C.B.C. have co-operated and worked together in these school broadcasts generally.

The WITNESS: We will have a brief prepared on that phase.

By Mr. Isnor:

Q. May I follow my thought just a little further? I am interested because of the picture it presented which might not meet with the conditions existing in Nova Scotia as visualized by the Department of Education of that particular province. I think there should be the closest possible co-operation between the Department of Education and the C.B.C. if you are going to make a broadcast and term it a broadcast for the purpose of education in that particular province.—A. The man in charge is supposed to consult all authorities who are in a position to advise him. Whether he should make it a point to contact the Director of Education or somebody else I am not prepared to say.

Q. I would be pleased if you would be good enough to let us know at some future meeting as to the contact made in Nova Scotia covering the broadcast of October 15, 1943.—A. We will do that.

By Mr. Coldwell:

Q. I see it is being done in co-operation with the Canada Newfoundland Educational Association. Is there anything being done in Newfoundland along these lines?—A. Not by us; whether they do it themselves I do not know.

Q. Our stations are heard in Newfoundland?—A. We do not claim to serve Newfoundland with our stations. Of course, they are heard.

By Mr. Ross:

Q. You say on page 13 of your original script—you will remember what it is—

> We ourselves produce in our own studios, with our own staff and with the listeners' money, more programs, possibly better rehearsed and in most instances more carefully organized, than the majority of private stations whose capabilities are limited and whose responsibiilties may not be as great as ours.

I want to ask you first of all how many programs are you producing in your own studios at the present time, and what are they? Is it a very long list?—A. I will give you the figure.

Q. How many are there?—A. Oh, it runs into many many thousands.

Mr. BUSHNELL: Three or four thousand a month.

Mr. Ross: Programs being produced in your own studios.

By Mr. Ross:

Q. You say that private stations have not got the facilities for doing it. Are they doing it at the present time? Are private stations producing many programs of their own?—A. They produced programs, of course, but nothing like what we do ourselves. They cannot afford it.

Q. Are there any private stations which produced programs which you are now producing?—A. All they produce we do not produce, of course.

Q. But there are some that they have originated, that they produced first of all and then you took them over?—A. Not that I know of, if I get your question properly. What do you mean exactly?

Q. They had some of them, and then because of your chain did you take these broadcasts over yourself and put them on your own chain?—A. You mean programs originating in private stations for network broadcast?

Q. Originating in private stations and then you take them; they come to you because you have a chain?—A. We have not taken any program from private stations to come to our network exclusively. When it is done the program is still carried by the station. In other words, suppose CFRB produces a program which is of network quality and we need it. We may arrange with them to carry their program on our network but it is still their program. I do not think we have many of those. I do not think we have any at the present time but it can be done and we propose to do it.

Q. I am not thinking specially of one station. For instance, there is the Vancouver station. Take the Allan Young program; did you originally produce that? Did the C.B.C. originally produce that show?—A. Yes, it is one of our shows.

Mr. HANSELL: I think it largely depends on what is meant by producing.

The WITNESS: The problem is this; a program of network quality usually costs money. We have more money to spend on sustaining programs than they have. If we did find anywhere a program produced by a private station which

we thought was of network value we would not hesitate to make arrangements to carry it, but there are very few of those, because outside of big centres there is not much network talent, in other words, talent which would be tolerated by other centres.

By Mr. Boucher:

Q. I think what Mr. Ross wants to know is to what extent the C.B.C. has judged programs sponsored by private stations as valuable enough to take over to sponsor on the network?—A. Up to this time practically none, but we are trying to develop that.

By Mr. Coldwell:

Q. Is not the question this? As I understand Mr. Ross' question—I should like to get that cleared up in my own mind—if a private station puts a program on which becomes popular does the C.B.C. take over that program and say it is a C.B.C. program?—A. No.

By Mr. Ross:

Q. What I am trying to get at is this; you say here, for instance, that private stations have not got the facilities for doing these things. What I am getting at is if they did have a private station network throughout Canada would they have the facilities? Would it be of advantage to the people of Canada for them to have these faciilties to provide a chain? Would it give them the opportunity to develop talent?—A. It would not change the present picture at all. If you produce a program in Moncton or anywhere else in Canada for a station or network it is the same thing, the same cost, the same trouble; except that when it actually takes places it is either sent across the country on wire lines or it is not. That does not prevent them from developing talent wherever they are. Therefore, the answer is if they do develop or produce or discover talent somewhere, they can use it; and if it is good it goes on the network, whether it is ours or somebody else's. That does not affect the situation at all.

Q. You say in your brief, too, that Dr. Angell did not pursue his remarks further when he was talking about the two systems, "but it must have been evident to all those who heard him that had he continued the normal trend of his reasoning he would have been led to state that Canada enjoys the advantages of both systems", that is, of both the private and public systems?—A. Yes, sir.

Q. That is not true altogether, is it? We have one public system?—A. We have the advantages of both, because on our own system, our own networks coupling private stations and C.B.C. stations, we may carry programs originating in private stations, but they would normally be commercial and not sustainers.

Q. That is the public system using private stations? Is that not right? It is the public system using private stations?—A. No, not in the sense, I take it, you imply there. If a program originates in our studios or in any other studio and is paid for by sponsors, and is therefore a commercial program, it is used by all stations across Canada. It has nothing to do with the type of system we may have. If we have Charlie McCarthy which originates in Hollywood, it is a commercial program originating in the N.B.C. studios in Hollywood. It is piped to Canada through wire lines, and is carried through to the stations. That is a commercial program which we use and which gives us the advantage of the policy of commercial stations. In the next half hour you may have a string orchestra from Toronto which we supply over the same stations, so you cannot say we take over programs from private stations to feed the network. It does not happen that way.

Q. You may originate one program yourself—is that what you call it—and then you feed that out to the private stations by your second chain but, as a matter of fact, it is publicly controlled? It is not a private system?—A. It has twenty-four private stations on it.

Mr. COLDWELL: It seems to me that the private stations are getting the advantages of the publicly owned system.

The WITNESS: As I have said frequently the private stations get the benefit of these sustaining programs.

By Mr. Ross:

Q. If the private stations had a Trans-Canada line, for instance, on a mutual basis amongst themselves would they then have the facilities for doing just the same as you are?—A. I do not know. Maybe if they found $5,000,000 a year to do it.

Q. I am not talking about money at all.—A. That is the whole point.

Q. That is up to them. It is not up to you. The question of how much money they are going to spend on the matter is up to them. They will not have the licence fees; that is perfectly true. As a matter of fact, I think you should get all the licence fees and not have that $500,000 taken by the Department of Transport. Just in passing I will say that. What I am trying to say, and am asking you, is, do you not think they would have the facilities for doing just as good production work as you if they wanted to spend the money, or would they have the same facilities for using the talent of Canada?

Mr. BOUCHER: Developing talent.

By Mr. Ross:

Q. Developing talent, if they had that.—A. It is a matter of money. I do not know how much money they have. I cannot answer that.

Q. I am asking you if they are willing to spend the money?—A. Certainly anybody who wants to spend $10,000,000 in Canada could do it.

Q. It would give them the facilities and it would be to the advantage of Canada in the development of further talent; is that so?

Mr. MARTIN: Is not all this a very important matter as to whether or not we should have a publicly owned chain or radio under private auspices? It is hardly fair to put to the acting general manager of the C.B.C. a question as to whether or not his system is more preferable to another.

Mr. ROSS: I am not asking him that.

Mr. MARTIN: That is the implication.

Mr. ROSS: I am asking him a certain question, and the honourable member can just keep out of this for a minute or two. I am asking a definite question.

The WITNESS: Would you mind repeating the question?

By Mr. Ross:

Q. If the private stations had the same facilities by way of their own private chain as the C.B.C. has with its private chain, would it be to the advantage of Canada as far as the listeners are concerned, and among other things if they wanted to spend the money would it give them the facilities for the development of talent?

Mr. PICARD: You are asking six questions at a time. It is getting so involved that even the members cannot understand it. Ask one question at a time and six questions if you like, but the witness cannot answer all that at the one time by yes or no. We would rather have it followed by six questions one after the other and then it would be easier for the witness to answer.

Mr. ROSS: I think it is quite a simple question. I do not think there is anything wrong with it at all.

Mr. HANSELL: It is a simple question, but I think we are confused in respect to facilities. Private stations have all the facilities. It seems to me it comes down to whether they can get the talent, whether they have got money enough to get the talent to put on a program that is acceptable to commercial institutions. The C.B.C. has that money because they get the radio licence fees and are in that business.

The CHAIRMAN: Excuse me.

Mr. Ross: I want to go on.

The CHAIRMAN: Just a moment, please.

Mr. HANSELL: I was trying to help Mr. Ross out.

The CHAIRMAN: I think it goes farther than that. Under the Broadcasting Act, and under the system that is sponsored in this country and has been endorsed by political parties, they have not the right to do it. That is the gist of the thing.

Mr. Ross: I am not asking whether they have got the right to do it. I know they have not got the right at the present time.

Mr. COLDWELL: The place to discuss the right is in the House of Commons.

Mr. Ross: I am not asking about the right. Mr. Hansell made a statement with which I do not agree as to his question of facilities. What are facilities? I say if the private stations had the facilities could they originate these programs, and so on?

The WITNESS: Mr. Angell says no. He says they would be inclined to produce highly commercial programs, which does not mean they would develop talent.

By Mr. Tripp:

Q. How many artists employed in your studios are graduates from the privately-owned stations?—A. How many of the talent?

Q. Yes.—A. Oh, a good many of them, I suppose, but most of them have been produced and discovered and trained by us, so to speak. We try to find talent and use it whether it comes from a private station or not.

Q. If a private station produces a good artist then you endeavour to employ him?—A. Decidedly, and the same goes the other way around. It has happened. I think the Happy Gang is a typical example. We produced that ourselves as a sustaining program and it was taken over by a sponsor and commercialized.

Q. I think what Mr. Ross is trying to get at is if privately-owned stations had the privilege of employing a network they could develop talent just as well as the C.B.C.—A. It is not because one has a network that one develops talent. It is because one has the money and the will.

By Mr. Ross:

Q. I am saying if they have the money?—A. If they have the money, of course, they can do it if they want to do it and if it is their choice, but I do not know.

By Mr. Boucher:

Q. If they had a network they would more likely have the money?—A. I would not say that.

Mr. COLDWELL: Would they not have to pay for the lines, and so on, for which they do not pay now? They would have less money.

programs broadcast on the network was 44,532 occupying 13,378 hours. For commercial broadcasts the figures were as follows: 7,140 programs, occupying 2,321 hours. During the month of December, 1943, we produced programs as follows:—

Sustaining 3,760 occupying 1,136 hours.

Commercial 733 occupying 254½ hours.

By Mr. Isnor:

Q. You say that page 44 gives the complete answer?—A. To the participation of provincial boards in our school broadcasts.

Q. That is not a reply, is it, to the question I asked you?—A. No, sir. We have not obtained that answer yet.

The CHAIRMAN: Is there any further discusson with reference to school broadcasts? If not, we shall take up the next item.

Hon. Mr. LAFLÈCHE: Mr. Chairman, may we take it that the relations with the representatives of the provinces work out smoothly?

The CHAIRMAN: Would you mind asking that question again, Mr. LaFlèche?

Hon. Mr. LAFLÈCHE: Your relations with the representatives of the provinces in this matter of school broadcasts is what I was referring to. Do they carry on smoothly?

The WITNESS: Oh, yes.

Hon. Mr. LAFLÈCHE: You get along all right?

The WITNESS: They are very, very co-operative.

By Mr. Boucher:

Q. Is there any endeavour to get more expensive school broadcasts by the departments?—A. Yes. They are all interested and they are all trying to improve conditions. They have difficulty in finding receivers and training proper personnel. It is a rather long process to get this started, but they are all very anxious to do all they can.

Q. What about programs? Do they supply the programs, or are they satisfied with the programs being supplied?—A. We supply the programs.

Q. Yes?—A. At this meeting that we had in Toronto a little while ago, as I said, a subcommittee studied the problem, and they reported that they would like to have programs on Canadian art, Canadian literature, and natural resources with special reference to forests. As I said this morning, our program department and Mr. Lambert, our school broadcast supervisor, are studying the possibility of producing a series on each of these particular topics, and now it is in our hands.

Q. The provinces have not attempted to give you the series they want and ask your acceptance of it to broadcast them?—A. No. It would not be very easy to do, because this is a national scheme; and although we may expect them at some later date to do that; at present the production, and the cost of producing are entirely in our hands. Some day possibly some department of education in some province may offer to pay the cost of a series of broadcasts, and probably we would co-operate with them.

Q. But up to date none of the provincial boards of education have attempted to prepare any presentation?—A. Well, in British Columbia we have some sort of co-operative scheme where one of their men is working half the time for us. He is working both for the C.B.C. and the local educational board. Of course, they have their local programs. Nova Scotia has been doing that for a number of years and so has Alberta, at CKUA. That is not a C.B.C. scheme. It is a local scheme over local stations. The national scheme of school broadcasts is handled by us and the programs have been produced by us up to the present moment.

By Mr. Coldwell:

Q. With regard to that figure of 4,300, does that take in the listeners to the program, Radio College, or is that separate?—A. Radio College is not an organized school broadcast. We know it is heard in many schools but, as I said, in that case it is the school's responsibility whether they hear it or not. It is not done by provincial educational authority.

By Mr. Picard:

Q. As to these school programs, the finalcy rests with you, not with your advisers? They are just consulted; you are the ones who decide whether a program should be on? You are not tied up to what your advisers would say as to one part of the country or the other? It is up to you to decide on a national policy and follow it?—A. Exactly; at the last meeting they had a subcommittee, who said to us, "We believe that these subjects which we list here are acceptable and should be done this year. Any three of the four will suit us." We will go out and see how we can best produce three of these four and we know in advance that whatever we do in that field they will like and probably use.

By Mr. Coldwell:

Q. What are the four and what are the three?—A. History, art, music.

Mr. BOUCHER: Geography.

Hon. Mr. LAFLÈCHE: No arithmetic.

The WITNESS: It is history, science, art and there is something about citizenship.

The CHAIRMAN: Civics.

The WITNESS: I will give you an exact list.

Mr. HANSELL: It is not health?

The CHAIRMAN: Would you like to meet at 2.30 or 3 o'clock?

Hon. Mr. LAFLÈCHE: Three o'clock.

The CHAIRMAN: The meeting stands adjourned to meet at 3 o'clock this afternoon.

The Committee adjourned at 1 o'clock p.m. to meet again at 3 o'clock this afternoon.

AFTERNOON SESSION

AA-1

The committee resumed at 3.00 o'clock p.m.

The CHAIRMAN: Gentlemen, we have a return here of the national advisory council on school broadcasts. If it is your wish, it will be included in the record.

Mr. COLDWELL: That is good.

The CHAIRMAN: All right. We will have that included in the record (See Appendix E). We shall continue with Dr. Frigon.

The WITNESS: May I cover two points that came up this morning about this participation of the provinces in the school broadcasts. May I refer you to page 44 of this book, "Young Canada Listens" which has been distributed. I cannot tell you more than is there. It is all there. As to the number of programs, during the financial year ended March 31, 1943, the number of sustaining

programs broadcast on the network was 44,532 occupying 13,378 hours. For commercial broadcasts the figures were as follows: 7,140 programs, occupying 2,321 hours. During the month of December, 1943, we produced programs as follows:—

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Q. What I was aiming at was this. I was trying to find out to what extent the provincial departments of education were seeking the services of the C.B.C. within their respective provinces in matters of school broadcasting. If you could give us a very general picture in that regard, I should like you to do so.—A. Well, I think I would rather let Mr. Bushnell take care of that. It has been going on for a number of years and I really came in the picture only last October; frankly I am not familiar with the details except in Quebec. I think Mr. Bushnell will have all the answers.

By Mr. Coldwell:

Q. I notice that you have established an education department. Does that mean you have a staff with Mr. Lambert?—A. Mr. Lambert and a secretary, and I do not know who else. I think he has an assistant. There are about three of them in the department at the present moment.

By Mr. Tripp:

Q. Is the same program given for all provinces? You do not make a separate program for each province, do you, or do you have one program for all provinces?—A. There is the school broadcast on a national basis which covers all provinces. That is one side. Now we have regional schemes. We co-operate with local organizations, particularly in British Columbia and the maritimes.

Q. For instance, you might have a national program which dealt, for instance, with British Columbia. Would that be of particular interest to enough of the prairie section to put that over a national program?—A. It all depends on the way it is produced. If it is produced purely from the provincial angle, it may be useful only for British Columbia. But it could be made very useful for the rest of Canada.

Q. In that case, your first case, is it given in the province of British Columbia alone?—A. There are programs given in British Columbia alone.

Q. There are?—A. Yes.

Q. And in the same way with all the other provinces?—A. Right.

Q. But over all that, you have one program which is given across the country?—A. It goes across Canada.

By Mr. Coldwell:

Q. You do not do it by regions?—A. We do it by regions and also on a national basis, both. It is a matter of how to time the schedule of these programs. In the middle section of this booklet you have the whole schedule.

By Mr. Tripp:

Q. I notice that on a certain date at a certain time a certain program is given in Saskatchewan, for instance.—A. Yes.

Q. Is that same program given previously in Ontario or do you have a separate one?—A. Not necessarily, but it might be. You may have the same program produced or broadcast at different times in different regions.

Q. Is it the same broadcast, the same material?—A. In that case it would be the same program.

Q. The same material, only at different times?—A. That is right.

By Mr. Coldwell:

Q. I was going to ask in your Department of Education if you have any Canadian educationist to help with the work of that department?—A. No, not at present. The Canadian educators we have are those co-operating in the provinces.

Q. And on the advisory council?—A. That is right. Besides this national school broadcasting council, we also have many contacts locally. We deal regionally with the maritime group, with the B.C. group and the prairie group. In those regions, co-operating with them, we have regional school broadcasts to satisfy the local need.

By Mr. Tripp:

Q. Everything that is on that time table is of a national character?—A. No. Some of this is also regional. They are both there in the booklet.

Q. I have misplaced my booklet. I thought I had it with me?—A. There is an extra copy here.

By Mr. Boucher:

Q. Could something more not be done in the school broadcasts by way of creating a greater national consciousness or national spirit among Canadians than has been done?—A. That is what I mentioned before; the programs on Canadian art, Canadian literature and natural resources with special reference to forests are truly Canadian. That is an attempt to have these national broadcasts from coast to coast as a means of promoting Canadian unity.

Mr. COLDWELL: You get history, of course.

By Mr. Boucher:

Q. Do you not think there is a larger field that could be embarked upon, and that much more of the same type could be carried on in the C.B.C. with better results than we have heretofore obtained?—A. Of course, there is no limit to what we could do except the financial limitations and the time which schools can give to these broadcasts. They are not used to them yet. They have to try them.

Q. It seems to me that perhaps with the co-operation of the provincial departments of education, a program could be arranged along those lines and real benefit derived from it. What do you say as to that?—A. I think you are right. We are certainly working in that direction, but we have not reached that point yet. It is a matter, as I said, of finances; of getting these provincial educational boards to come in fully; and mostly to train local teachers to handle these programs properly. Just sending a program over the air to a school is nothing. It has to be taken over in the schoolroom and used there; and that is the difficult part, where you need to train the teacher thoroughly.

Q. Would you say it is difficult to get the provincial departments of education to take what are the necessary steps to evolve a system of broadcasting that would do that? Is there any difficulty in that way or has there been attempt to have that done?—A. Oh, there is a constant attempt to improve school broadcasts. That is a general formula. You have to get in the classroom. The provinces have to study their own particular case, see whether they have the time, whether they have anybody they can put on the job. They may give time in their summer school to the consideration of radio broadcasting. It cannot be done overnight. But I can assure you that all of them, in all the provinces, and the representatives who came to Toronto a few weeks ago, are very anxious to improve the present situation.

Q. It does seem to me that more could be done along that line by way of the C.B.C. enlisting more active interest among provincial departments of education in that regard.—A. Well, we have been rather active. Mr. Lambert went across the country, meeting with the departments of education. It is a slow process. Ontario only joined in not so very long ago. They were interested but they did not see their way clear at first.

By Mr. Tripp:

Q. I notice here, as far as Saskatchewan is concerned, that there is one program called "Highways to Health". It is on in no other province. I suppose that is done at the request of the Department of Education in Saskatchewan. Likewise in British Columbia there is another program called "Working Together". It is not on in any other province.—A. That is a broadcast most probably, although I do not know this one in particular, which is produced through our full co-operation with the local authorities.

Q. That is at the request of the local department of education, I presume?—A. Yes. We help them produce the show. They probably have had the idea. They may have had somebody writing the script and we may have helped in putting the program on the air.

Q. I think when Mr. Bushnell comes on, I should like to ask him to give us some idea of the material in "Working Together."—A. He will know more about it than I do.

By Hon. Mr. LaFlèche:

Q. In all these matters, I presume that the C.B.C. must respect the rule that the provinces are responsible for education?—A. Quite so.

Q. Within those limitations, you proceed as best you can.—A. We started on a limited scale in British Columbia. Then from there we extended to other provinces. Then last winter there was this meeting in Quebec of the Canada-Newfoundland Educational Association. Then they expressed the wish that these school broadcasts should be extended and developed, and recommended that a council should be created. The board agreed to that. We communicated with each province, asking them to nominate their representatives on the council. They did so. After a number of weeks we found out from them when the proper time to meet would be, and they did meet. They had a two-day session and we are progressing.

The CHAIRMAN: Shall we proceed now to the statement on the Labour Forum?

Mr. HANSELL: Before we go on with that, I notice that there is only a small paragraph on Labour Forum, a small paragraph on Farm Broadcasting, a couple of pages on Overseas Unit, and then we come to Controversial Broadcasts. I am anxious that we should reach controversial and political broadcasts this afternoon, if possible. I do not want to disregard the importance of the other matters, but I am wondering if we could skip those and come back, or if we take them, to hurry along with it. We are not making such very good time on this matter, and I am quite anxious to come to the matter of political broadcasts. If I understand it rightly, Mr. Bannerman is to be here next week and perhaps Mr. Bushnell to follow in a week or two. It will be a long time before we get to this unless we take it up this afternoon.

The CHAIRMAN: I do not see any reason, Mr. Hansell, why twenty minutes or half an hour would not cover Labour Forum, Farm Broadcasting and Overseas Unit, and then we will be where you want to be.

Mr. HANSELL: All right.

Mr. COLDWELL: I should think so.

The CHAIRMAN: So we shall proceed. Are there any questions on Labour Forum?

Mr. ISNOR: Yes, Mr. Chairman. I do not know whether it is proposed that Mr. Bushnell or Mr. Callaghan is to appear in connection with Labour Forum or Things to Come, but I was anxious to get certain information. There is a list of speakers provided on page 72. I was anxious to have a copy of the original list of speakers on file, with the date assigned to those speakers as was

available, we will say, around the middle of November, before the changes were made, as I understand they were made. In other words, could we have the original list as was provided Dr. Thomson, for his approval? Is that available.

The CHAIRMAN: You mean to say that there is a list of proposed speakers other than that given on page 72?

Mr. ISNOR: Well, I was wondering as to whether there was. There was a list, I understood from the present witness before us, I think it was, on a previous occasion, when he stated that this was placed before Dr. Thomson but he was not able to make a statement at the time.

The CHAIRMAN: Would it not serve your purpose if we left that until we come to that particular discussion?

Mr. ISNOR: Perhaps we could have what I have just suggested in the form of a question for a return. It could be tabled before Mr. Bushnell's appearance in order that he might be asked questions on it.

The WITNESS: If it is the wish of the committee to discuss "Of Things to Come", I have a brief here that I might read.

By Mr. Isnor:

Q. I want that information, if it is available. Then we will hear your brief. Is that information available?—A. At the time you referred to, few people had been written to and answered that they would accept to broadcast. These people were notified not to consider that as final. There were names suggested. There was no final list besides that. So the only names which I understand are of any importance are the names of those people to whom I wrote asking them not to consider the commitment as final. These people, all but one, have been on the broadcasts. The other one may be called yet. I do not know. I have not seen our program people about it. But at no time was there any veto of any name, except at the beginning we wanted to review the situation and direct the broadcast in a new way, a new fashion, as to production, not as to topics, as to the basic idea behind it or even the speakers. But there were some remarks made, and we tried to revamp the producing of the program. That is all that happened.

Q. That revamping took place on or about when? If you can tell us roughly, it will do?—A. About the middle of November.

Q. You say about the middle of November. That means that prior to the middle of November you must have had something from which to revamp?—A. Yes. I will give you one point. Last year Mr. Morley Callaghan occupied the position of broadcast counsel to the public. This year he is chairman of the discussion, which in itself was a big difference in presenting the broadcasts.

Q. Coming back to the original list that had not been revamped, you have that on file, have you?—A. If you want to go into the details—

Q. No, I just want to have an answer.—A. I have a brief that covers that.

Q. Does it include the original list?—A. There was no original list as such because our people had names before them which they were contemplating asking or not asking. There was nothing final about it.

Q. Would it be in order to submit and place on the record that list of speakers that you had before you?—A. I do not know where I will find it, because when you are organizing a new broadcast of this sort, you have a number of suggestions, a number of names that you think of yourself and put down on paper. There may be some names that are not acceptable, but are just written down as a guide to plan the whole series. So there have been a number of names that are even suggested now for each broadcast; where there are three speakers there may be nine or ten names suggested.

Q. Who would suggest the original list?—A. There was no original list as such. Mr. Morley Callaghan may have had some names. Everybody had suggestions, why do you not have so and so on such and such a program, and we were in the process of boiling them down. I would not call that a list prepared because it was in the fluid state and the only names which I think you may refer to are those names I speak of to whom we have written, and they have answered that they would be pleased to co-operate and contribute their broadcasts. Those names I have in this brief, if you want to hear it, and they were simply told, "Please do not consider this as a final commitment." And they were all written to again at some later date, "All right, we will proceed."

Q. All the names are on that list in your brief? Is that it?—A. I will read it.

The CHAIRMAN: All right, go ahead and put it on the record.

By Mr. Isnor:

Q. Just one more question, or perhaps one more question. If—and I say "if"—there had been a list, who would that list have been submitted to for approval before writing?—A. After that date, after this stand that the board took in respect to broadcasts, it was up to me for a while; and now, very frankly, people are asked to contribute whom I do not know about.

Q. Did I not understand you to say at the very first meeting this was placed before the ex-chairman, Rev. Dr. Thompson?—A. In the general discussion about coming broadcasts. One might suggest your name, somebody else's name, and finally when you have fifteen names of possible persons it all boils down to the people that accept, those who refuse and those we do not ask. That is the thing we have in every program even when artists are concerned.

Q. I will not pursue it further, Mr. Chairman.

The CHAIRMAN: We will return to it again.

Mr. BOUCHER: It seems to me if we are going to prosecute that matter further it might be better to have Mr. Callaghan before us.

The CHAIRMAN: Is there any further discussion on the labour forum?

Mr. COLDWELL: Then, you are going to have this brief later?

The CHAIRMAN: Exactly, when we come to the proper time.

By Mr. Tripp:

Q. Under that labour heading I should like to know what groups of people were represented on that forum broadcast?—A. You mean those who participated in the program?

Q. Whom did they represent?—A. Do you want me to read the names?

Q. I just want the names of the groups whom these participants represented. —A. On January 9 there were Mr. D. M. Young, Miss Jean Leslie, and Mr. A. F. MacArthur. Mr. Young is personnel manager of Lever Brothers Limited. Miss Jean Leslie is field organizer of the United Electrical, Radio and Machine Workers, C.C.F. Mr. A. F. MacArthur is business representative, Local 647, International Brotherhood of Teamsters, Trades and Labour Congress of Canada. On June 16, 1943, we had the program, "Women's Place in the World." On it there were Miss Agnes MacPhail, Miss Margaret Hyndman, K.C., and Mr. Ernest Woollen, secretary of the Book Binders' Union. On June 23 we had the program, "Labour Transfer under Selective Service," with Bart Sullivan of Selective Service, Mr. Dewar Ferguson, secretary-treasurer of the Canadian Seamen's Union, Mr. Eamon Park of the U.S.W.A., and Sid Simpson as chairman. From June 30 to November 30 we had "Production Front," a series of sixteen broadcasts by Allen May on industrial plants across Canada such as the Small Arms plant at Long Branch, and Consolidated Smelters at Trail, British Columbia. On November 17 we had a discussion on the above series with Mr. Allen May as chairman, H. J. Carmichael of the Department of Munitions and Supply,

and Mr. H. H. McLean of the Department of Labour. From November 24 to December 15 we had "The Rights of Man," four dramatized programs about labour conditions in the west.

By Mr. Isnor:

Q. How many took part in that?—A. I have not got it here.

By Mr. Tripp:

Q. What I am getting at is these people were all representatives of labour? —A. No. We have one here who is the manager of Lever Brothers. We have Mr. Carmichael of M. & S. We have Mr. McLean of the Department of Labour, and so on.

Q. Did that program consist of a kind of round-table conference?—A. A discussion.

Q. In any of these discussions was there anybody representing the consumers of Canada?—A. I do not know whether you could have a man or person who represented the consumers except an individual who is a consumer.

Q. I heard one broadcast. I do not know whether it was typical of all the rest of them, but the broadcast went on and the discussion all took place from separate angles. The criticism I would have of that particular forum was that there was nobody representing the consumers of Canada and therefore it was kind of lopsided. The person who should have been represented was not represented at all. For instance, there was a representative of labour. I forget their names. There was a college professor from Montreal; there was some person who acted as chairman, who I think was from the C.B.C., but they all gave their particular slant. Their statements were all from their own angle, but the consumer, who I think would have been vitally interested in a thing like that, was not represented. I think when you come to discuss these problems the consumers must necessarily be represented on all these programs.

Mr. COLDWELL: Was not that the original idea? I would imagine that was the idea originally the year before when you had a counsel for the people, or something of that sort. If I remember the series of broadcasts you had somebody who was called a counsel for the people. Would not he be representing the general point of view?

Mr. TRIPP: I did not hear them all; I just heard one. To me the whole thing sounded very much lopsided. The whole program was really concerned with the consumers of Canada, and their attitude and their interests were not represented at all.

The WITNESS: These discussions are not meant to solve anything. They are meant to submit to the Canadian listeners certain opinions of certain people. In that case would you not think the consumer was the listener who was receiving these ideas from all these different people? He was the consumer in his own home to decide whether it was right or wrong.

By Mr. Tripp:

Q. I heard the discussion, and there was no talk at all about what the reaction of the consumer was to these questions.—A. Maybe we missed that point on that program. Frankly I could not tell you.

Q. Would it be all right if a list of all those who took part in these different discussions was given? I do not mean right now but you can give it later on.— A. I know one thing; at any of these discussion broadcasts it is always extremely difficult to find the proper people.

Mr. BOUCHER: Mr. Tripp probably means that they reflected the government's failure to think of the consumer.

Mr. TRIPP: I am not thinking of the government at all. This is not a government institution although sometimes you try to insist and make it such.

Hon. Mr. LAFLÈCHE: Taking it from that point of view the Canadian consumer is the best treated of any in the world.

Mr. TRIPP: What I want to express is that I think in any of these discussions the consumer should be represented. I think it is vital because the man who is really interested in all these things is the consumer and his opinion should be registered in these discussions.

Mr. COLDWELL: Of course, there are some broadcasts where you could not do that.

Hon. Mr. LAFLÈCHE: Of course, every person is a consumer but their point of view should be put as a group.

Mr. TRIPP: The largest group in Canada was not represented in these discussions at all.

Mr. COLDWELL: There have been a number of co-operative representatives on; they represent the consumer.

Mr. TRIPP: A certain portion of them.

The WITNESS: I know that those in charge of the programs try to get the varied opinions of all those interested in the question, but it is extremely difficult to find the proper type of people who are willing to go on the air. You may have matters that are supposed to be very easy to discuss, very simple. Everyone has these things in their minds, but when it comes to get a person to go on the broadcast and submit a point of view intelligently and spend time to present his case you would be surprised if you knew how difficult it is to find those people. I have seen broadcasts such as the one on the B.N.A., when we surveyed some eight or nine people before we could find three. They were busy or would not come or they did not want to go before the microphone and tell the world what they thought. They all have their excuses.

By Mr. Tripp:

Q. Is there a body some place in Canada called the Consumers' League?—A. Do not forget you also have to have a man who knows the subject and who can broadcast. That is a problem. The difficulty in many of these discussion broadcasts is that it is often the best speaker who steals the show. A man may have very good ideas, very sound ideas, and yet he loses his audience because the other chap is a better speaker. We have seen that on many broadcasts. It is the combination of knowledge, willingness, and broadcasting ability which is difficult to find in one man.

Q. Take this particular broadcast. The labour representative put forth the views of labour. I think this college professor was from an agricultural college and he advanced the ideas of the farmer. I forget what the third one was, but they were giving their own ideas from their own particular angle, and the one body of people in the Dominion of Canada who are vitally interested were not represented at that forum. In all these discussions the consumer, the person who really pays the shot in all these things, should be represented on these programs.—A. It is quite possible on that particular broadcast we may have missed our aim and made a mistake. It is quite possible. I would be surprised if we did not make mistakes, but I am giving you the difficulties which our people have to meet in selecting panels.

Q. I hope in the future you do not overlook such a body of men as the consumers of Canada.—A. We shall not.

By Mr. Isnor:

Q. About a week ago Mr. Walter Woods took part in a broadcast. Was it under this heading, "Of Things To Come"?

Hon. Mr. LAFLÈCHE: That was on a Canadian Legion broadcast. At least they were in it.

By Mr. Isnor:

Q. Was it under this heading, "Of Things To Come"?—A. He came under the program, "The Soldier Comes Home," April 11, Mr. Walter Woods, deputy minister in charge of rehabilitation, Mr. Jack Stewart and Mr. Alexander Walker, president of the Canadian Legion. That was in the series, "Of Things To Come."

Q. It struck me that was one of the best broadcasts I had heard from this angle. I want to support Mr. Tripp in his contention that the consumer should be considered, but it was the returned men and the parents of the men serving in the armed forces to whom I think that program made a special appeal because it gave them information they required and needed. It was helpful to them, and I think if you have more like that instead of having them so lopsided, as a great many have been in the past, they will receive better attention and carry out the purpose of these broadcasts to a greater degree than is the case at the present time.

By Mr. Ross:

Q. Is there not a great danger in connection with some controversial subjects that on account of the shortness of the time and also the calibre of those who are taking part in them one point of view will be emphasized much more than another? There is a certain danger of that?—A. There is a danger there.

Q. How much rehearsing is done in connection with these broadcasts?—A. Some of these broadcasts have very strenuous rehearsing. I know that some of them have rehearsed all told for about a day and a half.

Mr. COLDWELL: I can assure you two days.

Mr. Ross: Some of these broadcasts are very good, but I think some of them are too one-sided altogether, and, as you say, the arguments advanced depend to a great extent on the ability of the people to broadcast.

The WITNESS: When you attempt to treat controversial subjects on the air you meet with difficulties. It is extremely difficult to do a good job and you are bound to be criticized.

By Mr. Ross:

Q. Do you think it is wise to have them?—A. That is another question.

Mr. COLDWELL: Do you not think it is wise to have them? I think instead of political broadcasting, as a matter of fact, such as we have outlined, the best form of political broadcasting is the forum idea where you sit around a table and no one can say anything which cannot be checked. I think the forum idea is the best way to do that. It is certainly the most interesting from the listeners' point of view. I do not want to divert attention from his particular point, but as to your farm broadcasts I have heard complimentary references from all sorts and kinds of people. I think it is probably the most successful broadcast of all, but I think the forum idea is a good idea provided that you have not the program pretty well balanced with speakers of comparable knowledge and ability and representing different points of view. Then you have something that is worth listening to.

Hon. Mr. LA FLÈCHE: It is there that Dr. Frigon has told us they have much trouble trying to balance these programs.

The WITNESS: So many people will not accept. I know of one broadcast where a number of invitations were issued to speakers of various points of view.

Mr. ROSS: Probably people who had more knowledge of the subject than those who took part. There is a great danger there.

Mr. COLDWELL: The people who took part in the one that I participated in were the former president of the Liberal association, Mr. Lewis Duncan, and the personal assistant to Colonel Drew, Mr. Porter, both of them very well informed men.

Mr. ROSS: I listened with great interest to that broadcast and I thought it was well done, but that, to my mind, is the exception in connection with these forums. I think sometimes men who have a very great knowledge of the subject are perhaps handicapped in expressing their views on a program such as this, but I see a tremendous danger in these forums.

The WITNESS: If you want an attractive forum, with some slight theatrical effect to make it attractive, you fall into the difficulty I have just mentioned of possibly giving to the man with the best personality and the best radio technique the opportunity to steal the show. If you follow the method we have used in the Farm Forum which is perhaps dry in its presentation you do away with this dramatic effect and you have maybe a little duller program but perhaps it is more effective. I do not know. Farm Forum and Of Things to Come are two examples. Farm Forum is statements and Of Things to Come is a debate. Here you have two distinctly different ways of treating this controversial question. Farm Forum is extremely popular and of Things to Come is also popular but for different reasons possibly.

By the Chairman:

Q. Are these broadcasters paid for their services?—A. Yes, they are.

Mr. DIEFENBAKER: There is one thing I should like to suggest. That is in connection with the post-war rehabilitation scheme for the men who come back from overseas. There is a very distinct lack of knowledge of what is going to be done in the matter of rehabilitation for these men. Would it be possible to have a series of broadcasts along the lines indicated a moment ago so that the people of this country will know what is going to be done for these men? There is no suggestion of controversy about it, but there is a lack of knowledge.

Hon. Mr. LAFLÈCHE: Just to report what is being done.

Mr. DIEFENBAKER: Yes, a general report, and something of the picture of what will occur when the war is over, and what plans are being made for rehabilitation. I know there has been a lot in the press about it, but if there is one thing more than any other that people are asking for information on it is that. If it could be arranged on the basis of the plan followed to-day in the farm broadcast so as to give that information I think it would be very acceptable and would be worthy of consideration.

Hon. Mr. LAFLÈCHE: Mr. Chairman, this morning I completed the reading of the script of the broadcast given on the 10th or the 11th of the month by Mr. Alec Walker, Dominion president of the Canadian Legion, with Lieut. Jack Stewart and Mr. Walter Woods, the names mentioned by Mr. Isnor. I read the script of that day. I did not hear it but I read the script, and it is precisely what Mr. Diefenbaker is seeking. Undoubtedly there is a great deal of information for those concerned. There is a great deal to say on those points. A great deal has been done and much more has been prepared. I agree it should be done, but one step has been taken and I think it was a very good success. The tone of the whole thing from reading the script is very reasonable and very educational and gives the boys real information. I fully agree that they should be continued.

Mr. Ross: Talking about rehabilitation for these boys, and so on, I listened a little while ago to a drama called "The Living and the Dead". I asked Mr. Brodie to let me see the script which I read, and I think it was a terrible thing, perfectly frightful. If you want to put cheer into the boys who are coming back for heaven's sake do not give them that sort of stuff on the radio. It was a dreadful thing. I think there have been a couple I have listened to.

Hon. Mr. LaFLÈCHE: I think, Mr. Ross, there is much to be said about the varying qualities of these supposedly educational discussions.

Mr. HANSELL: The only thing about Mr. Diefenbaker's observation is that it is based on an assumption that the government which is planning rehabilitation will be the government that is in power when it comes time to put it into practice. That may not be so.

Mr. DIEFENBAKER: I do not think there is any suggestion. There certainly was not in my mind.

Mr. HANSELL: You do not want to suggest it but it is there. I mean to say you are going to broadcast and tell the returned man what you are going to do for him. Who is going to do it for him?

Mr. DIEFENBAKER: The people of Canada.

Mr. HANSELL: You cannot do that. It sounds nice but it is not practical. It does not work out that way. The thing that would be told to the soldier to-day is what the present government plans to do for him. That is exactly what would be told. That certainly would be construed as being a bit of Liberal propaganda. I have no objection to the government doing that or the C.B.C. doing it, but to offset that you should have all the other parties tell the soldiers what they would do for them. I am not suggesting that be done.

Mr. COLDWELL: That is where your forum idea comes in.

Mr. HANSELL: Perhaps that is where the forum idea comes in.

Hon. Mr. LaFLÈCHE: From what I read of this program given on the 10th or 11th and also alluded to by Mr. Isnor what was said was merely repeating what actually had been done. It is certainly no different to say over the radio what has been done than it is to publish it in the *Canada Gazette* or in the press of the country.

Mr. HANSELL: That is right; that is quite so.

Hon. Mr. LaFLÈCHE: Man lives by faith, and I do not think there is any doubt as to these things being carried out. The King administration will see to that.

The WITNESS: That gives me the opportunity to say that the C.B.C. does not decide anything. It only broadcasts. We cannot settle a national question in any field. We cannot decide anything. We simply provide the means for information to reach the public. That is our function. Therefore, our educational broadcasts are simply that. We are not educators; we are broadcasters.

Hon. Mr. LaFLÈCHE: The men who are going to return must know what is being prepared for them. I really believe that no one on this committee has any objection to telling them that. I hope no one has any objection.

Mr. COLDWELL: I think they should be told.

Mr. HANSELL: I am not objecting to that, of course.

The WITNESS: Mr. Bushnell says he is already negotiating with the Canadian Legion towards that end.

Mr. BUSHNELL: I have already had discussions with the Canadian Legion about this post-war rehabilitation, and I think it is safe to say that next summer or in the early autumn we will work out some plan in conjunction with the Legion which I think everyone in this room will agree will remove it from the political field. I think you can look forward to something of that nature certainly in the next three or four months.

Mr. COLDWELL: I think these forum ideas are interesting. I think if they were reduced at all or cut out, there would be a tremendous outcry across the country, because people have now organized listening groups and look forward to them.

The WITNESS: There are different methods of carryig out this thought; there are new and different methods that could be followed, but all take a lot of time, and a good deal of work.

The CHAIRMAN: Is there any discussion or comment on Farm Broadcasting?

By Mr. Coldwell:

Q. Who has been running this Farm Broadcasting? Mr. Shugg?—A. Mr. Shugg. Unfortunately he had to resign to go back to his farm. Mr. Boyle, his assistant, is taking care of it now, Mr. H. J. Boyle.

Mr. BOUCHER: It seems to me that in these farm broadcasts very good work is being done, but I believe it could be improved by putting more practical farmers or representatives of farm organizations on.

Mr. COLDWELL: Do they not do that now?

The WITNESS: Yes. We have had farmers.

By Mr. Hansell:

Q. I understood Mr. Shugg was a farmer.—A. He is a farmer himself. He is going back to his farm. That is why he had to resign.

By Mr. Coldwell:

Q. Were you paying him sufficiently well for him to remain with you?—A. Yes. He left us because he had to go back to his farm. He had to go back, I think, to his father's farm.

Q. They are both good?—A. Yes.

Q. He had made a success of the work, I should say.—A. Yes.

The CHAIRMAN: In connection with the report here for Overseas Unit, it is the intention of an officer of the C.B.C. to produce a record in that connection. Therefore I think that we might well skip that part of the report and proceed with the report on Controversial Broadcasts. That will give a chance to Mr. Hansell.

Mr. COLDWELL: That is all right.

The CHAIRMAN: We have an hour now when that can be discussed, Mr. Hansell.

Mr. HANSELL: Mr. Chairman, I suppose it is quite expected that I would have something to say on this matter. I think we are all aware of the announcement that was made some time ago in respect to the allocaton of free time to the various political parties; but to get it on the record, might I quote from a press despatch of March 16, as follows: "Dr. Augustin Frigon, acting general manager of the Canadian Broadcasting Corporation, said last night that the Liberal, Progressive Conservative and C.C.F. parties qualified for free time on the corporation's network under the C.B.C. revised policy of political and controversial broadcasting." Then there is quite an announcement.

Hon. Mr. LAFLÈCHE: In what paper was that?

Mr. HANSELL: I think it was in all the papers. This, I think, was from the Ottawa Citizen, but I think the announcement was pretty well covered in all the papers.

Mr. ISNOR: Was it C.P.?

Mr. HANSELL: This particular one I have quoted from does not say Canadian Press, but I quite suppose the Canadian Press carried it.

Of course, as you can see, this excludes the Social Credit group in the house, and excludes the Social Credit organization throughout the country. I should like to make one or two observations in this connection. In 1935, when the Social Credit philosophy began to take hold, we elected a provincial government in Alberta. At that time we elected seventeen Social Credit members in the House of Commons. Those seventeen came from two provinces. In 1940 the Alberta government was reelected, and ten Social Credit members were returned to the federal house. In the province of Manitoba we elected five M.L.A.'s. I have forgotten what year that was, but it was previous to the last election. Then in the last election we elected four who had co-operated with Mr. Bracken in the coalition government. In Saskatchewan we elected two M.L.A.'s. In the federal field Social Creditors have nominated candidates in the province of Quebec, in the provinces of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. I am going to refer to the C.C.F. not because I want to unnecessarily bring them into the picture but because they are not one of what are commonly known as the old line parties, the two established parties in Canada. It is quite expected, of course, that those parties have to have free time on the air, and I have no objection either to our C.C.F. friends having free time on the air. I do not want to be misunderstood in that. But outside of the two line parties, the C.C.F. is the only party included in the new arrangement for free time. I figured out the other day that since 1935 the C.C.F. have had an average of nine plus a small fraction sitting in the House of Commons, while the Social Creditors have had an average of thirteen and a fraction. That means that we had about half as many again as the C.C.F.

In the White Paper that was issued and given to us a few weeks ago, I want to quote from page 17, Part II, Controversial Broadcasting. I am reading this quotation, Mr. Chairman, because the principle of free speech is involved. On page 17, under the caption of "Freedom of Speech" I find:—

> In accordance with its policy of resisting any attempts to regiment opinion or to throttle freedom of speech, the corporation lays down no specific rulings covering controversial broadcasting. The corporation itself supports the policy of the fullest use of the air—

I am going to emphasize the word "fullest". I want to point that out. Repeating:

> The corporation itself supports the policy of the fullest use of the air for:—
> (*a*) Forthright discussion of all controversial questions;

The word "all" is there.

> (*b*) Equal and fair presentation of all main points of view;

I want to point out the words "equal" and "fair."

> (*c*) The discussion of current affairs and problems by informed, authoritative and competent speakers.

Then the last paragraph on that page, in the same section:—

> These policies have been adopted in an effort to ensure that the medium of broadcasting may remain at the disposal of the nation, regardless of party, section, class or creed.

In the light of the decision of the corporation they should have added there "except Social Credit."

Now I turn to page 5 of the White Paper and under the caption "Controversial Broadcasting" appears this quotation:

> The corporation does not exercise censorship. It does not restrict the nature of material to be broadcast, except to see that such material conforms with its printed regulations.

The policy of the C.B.C., with regard to controversial broadcasting is based on the following principles:—

1. The air belongs to the people, who are entitled to hear the principal points of view on all questions of importance.

I point out the word "all".

2. The air must not fall under the control of any individuals or groups influential by reason of their wealth or special position.

3. The right to answer is inherent in the democratic doctrine of free speech.

You might add "except Social Credit" or you might add "if you have enough money to pay for it" or "if you get permission from the C.B.C." On page 6 the concluding paragraph reads as follows:—

In the view of the corporation, these principles are not promoted by the sale of network time to individuals or commercial concerns for broadcasts of opinion or propaganda. The principles can be furthered by the provision of free time to competent speakers to present, without let or hindrance, varying points of view on questions of the day.

They should have added "except Social Credit." Continuing:—

The best safeguard of freedom of discussion is a policy which permits opportunity for the expression of varying points of view.

They should have added again "except Social Credit."

On page 3 under "Statement of Policy", "Political Broadcasting" the third paragraph, I am just going to read part:—

The corporation assumes this responsibility as a function of public service broadcasting. In accordance with its general policy of encouraging fair and adequate presentation of controversial questions of public interest and concern,—

I want to point out the word "fair".

Turning to another document—I do not know whether this is a preface to the booklet but it is a mimeographed statement that was attached to the booklet entitled "Canadian Broadcasting Corporation, revised edition of C.B.C.'s policy with respect to political and controversial broadcasting", and part of the subject matter of this mimeographed statement is in the evidence. I read from page 2 of this document. This is the definition of a political party, Mr. Chairman. I think we are all aware of it but perhaps I had better read it. A political party must:—

(i) Have policies on a wide range of national issues.
(ii) Have a recognized national leader.
(iii) Have a nation-wide organization established as the result of a national conference or convention.
(iv) Seek the election of candidates in at least three of the provinces and put into the field a minimum number of 61 officially nominated candidates (approximately one for every four constituencies.)

The definition was considered by a committee on which all parties were represented and which sat in 1939 for that purpose.

Now, Mr. Chairman, I am going to question that. Could Dr. Frigon tell us what is mean by "all parties" there? How many parties were on that committee?

The WITNESS: I cannot recall. I could give you an answer a little later on, if you do not mind. I have not got it right here.

By Mr. Hansell:

Q. Were you on any of the committees yourself?—A. No. Mr. Pickering was acting for us on the committee at the time.

Q. What is that?—A. Mr. Pickering, who was one of our employees, was working on that particular committee.

Q. Were there any minutes kept of those meetings?—A. Yes.

Q. Are they available?—A. Yes. We will get that for you.

Q. Do you know if there was any correspondence? Well, there was correspondence, I know. Could you get the correspondence for us on this?—A. Very well, I will do that.

Mr. COLDWELL: Off the record, was not Mr. Johnston on the committee?

Mr. HANSELL: Oh, yes. I think I can answer the questions all right. I think all the parties then were on that committee.

Mr. ISNOR: That is in 1939?

Mr. HANSELL: Yes. There were Liberals, Conservatives, C.C.F. and Social Creditors. They were all on it.

By Mr. Hansell:

Q. Has there been any similar meeting or a meeting of this committee called since 1939?—A. No, sir.

Q. Has the board consulted with anyone outside the board, that you know of?—A. Not that I know of, no.

Q. You do not know if Dr. Thomson or Mr. Murray consulted with anyone?—A. No. I could not tell you that.

Mr. HANSELL: The point I want to make here, Mr. Chairman, is that five years is a long time when it comes to decide a question of this kind without consulting with the leaders of these groups in the house. It does seem to me that since 1939 there should have been some further consultation with the leaders of the various groups in the house. An election has taken place since that time. The picture has been changed a little bit, and yet the corporation made this decision five years after that meeting with those parties.

I turn back to page 1 of this little document which I am calling the preface to this White Paper or announcement. The second paragraph reads in this way:—

> Federal Election Campaigns: The corporation's previous policy which provided for a limited amount of free time on a national network for political broadcasts remains unchanged, with the exception that national political parties have been more clearly defined and will now have to meet the following requirements to participate in the corporation's plan.

I mention the word "now" there because in 1940 the Social Credit group in the house had free time. There has been no change in policy except to determine what constitutes a political party, and thereby nose out the Social Credit people of Canada. This has been done after five years. It might be said that there was no hurry as these regulations might apply to election campaigns and no election was due; but nobody could say that.

In respect of the basis of political broadcasting that is outlined here, according to the information I have from the members of our group that consulted in these meetings and consulted with Mr. Murray, they have no recollection whatsoever of the decision that 61 candidates had to be nominated. If the minutes show that, I think our members on that committee will be very much surprised.

Let me pursue a little study of that particular part of the basis of political broadcasting. In order to qualify, a party must have 61 candidates. Suppose the party had over 61 candidates but elected only three or four. They would

evidently be considered a political party. But suppose there were another party that had less than 61 candidates but elected 45 or 50. They would not, evidently, qualify as a political party under these regulations. Now we can see, I think, by this comparison that the 61 nominations required to determine the basis of a political party is not equitable. I might give an illustration here. You may say that these are extremes, that it is not likely that you would have a party with more than 61 candidates and only elect three or four and another party have less than 61 and elect 45 or 50. You might say I am going to the extreme. I am sure I am not, because in 1940, or rather in 1935, Mr. Stevens' Reconstruction Party had 171 candidates in the field and they elected one. It is obvious, Mr. Chairman, that a decision of this kind penalizes a party which does not choose to run candidates in ridings where there is no reasonable chance of winning—which I think is the best policy. I do not believe in simply running candidates in order to put another one in the field, when there is no chance and it is known that there is no chance of electing them. But it penalizes a party which follows the common sense rule of placing candidates in constituencies where they do have a chance, and on the other hand it encourages the putting up of candidates where perhaps there is not a good chance of winning. I wish to say this. To my way of thinking, the strength of a party is not judged by how many candidates are nominated, but by the number the party can elect.

Mr. BOUCHER: Would you not say the number of votes that party can get?

Mr. HANSELL: Well, that might be so; I do not know. There is a principle involved there too, of whether it is wise for a party to run candidates simply for the purpose of running them and no other purpose, when they know they cannot get in.

I wish to say, Mr. Chairman, that on the basis of what I have read on the matter of free speech as contained in the White Paper, and the matter of democracy, I think the decisions have been most undemocratic, because one finds no place for minority groups. I am going to make an observation which might sound strange, but with a little consideration I think perhaps I can gain some support for it, and it is this. As a matter of fact, I maintain that it would be more fair to give minority groups more time than the larger groups or the older established parties; and I am not suggesting that they should not have all the time they want. My reason for saying that is that the old established groups which have been here for years, have already had the opportunity of propaganing their philosophies while the newer groups have not had the opportunity and are perhaps struggling for some recognition.

The decision of the coporation is not satisfactory to all groups in the House of Commons. I read a clipping in which Mr. Bracken makes the statement—and I am not now wanting to take anything from our Progressive Conservative friends; I am only using this in line with the development of my subject. Mr. Bracken, on the announcement made by Dr. Frigon, stated that the decision was "a most arbitrary action of a government-appointed board which ought not to be allowed to go unchallenged." I am not going to take the time and space to quote all that is there. Mr. Bracken is not satisfied. Mr. Blackmore also made a statement in which he said that he was not satisfied. I will not read it all. Part of it reads in this way:—

> Whoever drafted the recently-announced Canadian Broadcasting Corporation rules on political broadcasts apparently did so with the definite object of excluding the Social Credit party.

Of course that will be denied, but that is Mr. Blackmore's statement.

Mr. Coldwell made an announcement. I do not know whether Mr. Coldwell is satisfied, but his statement as recorded in the press, the *Evening Telegram* of March 16, among other papers, was that "the regulations were in conformity with democratic principles. The fact that this time is free does not place a money barrier before groups that have not access to large campaign funds. That also is in line with democratic ideals."

Mr. COLDWELL: May I interject something there, Mr. Hansell?

Mr. HANSELL: Yes.

Mr. COLDWELL: What I was dealing with there was the question of free time for political broadcasts. At the time I was asked for a comment I did not know what the apportionment was. I may say I am in accord with your point of view that the Social Credit group should have some consideration.

Mr. HANSELL: I was going to suggest that, Mr. Coldwell, because I think the records of parliament will show that you and your party, and especially the venerable Mr. Woodsworth whom we all knew well, were champions of minority groups. It does seem strange, however, and I do not think it will be out of place to make this observation, although perhaps it carries an inference with it, that on February 8 and February 25 of this year I spoke in the House of Commons and suggested that our friends in the C.C.F. were perhaps getting a little too much attention. I may not be right in that. I am not going to press the point. I was only expressing what I found expressed to me when I toured my constituency. However, I spoke on those dates, and made that observation. The White Paper containing the new regulations was authorized on February 21. The regulations have carefully nosed out the Social Credit organization but they certainly give the party I mentioned some consideration. I want them to have it. They should have it. It looks to me this is their answer to my criticism.

In 1939 we protested that the Social Credit organization did not get enough time, and which, of course, on the face of it is proof we had time. I want to read a letter which has to do with this. I am sorry I have not got Mr. Murray's letter to one of our representatives who consulted with him, but I have our representative's reply. Mr. Kennedy, M.P. for Edmonton, had at that time consulted with Mr. Murray in respect to additional time for our group. He sends a copy of his letter to Mr. Murray to each one of our group. I will read his letter.

August 22nd, 1939.

Dear Member:

I have a six-page letter from Gladstone Murray showing in detail the negotiations with the C.B.C. in connection with free broadcasting time for election purposes.

Their understanding apparently was that whatever assent was given was the final decision of the Party and that we had accepted the allocation of time given. This leaves two alternatives, either abandonment of the scheme, which would delay this progressive step or second, the acceptance of their proposals.

With the advice of the Executive Council I am recommending that the enclosed letter be forwarded Mr. Murray in reply to his letter.

If you do not consider this letter satisfactory will you please wire me before Monday, August 28th, no reply will indicate approval of this action.

Copy of this letter is mailed to each member of the caucus, and, if approved, the original will be mailed Monday evening.

Yours sincerely,

(Sgd) Orvis A. Kennedy.

Then I will read the letter which was mailed to Mr. Murray.

August 22nd, 1939.

Dear Sir:

Your letter of the 19th at hand. I wish to thank you very much for the very complete explanation given of the negotiations between the C.B.C. and Mr. Blackmore. It is regrettable that the Federal Members were not fully cognizant of all the facts of the case before an apparent agreement was accepted.

We agreed with the principle of free broadcasting for election purposes and appreciate the efforts of the corporation in this respect. We consider, however, that the allocation of time in the program submitted is not equitable.

Our people feel that a party having a provincial government as well as being the third party in the House of Commons should receive more time in your program than parties who have not received sufficient support to form a provincial government.

It is presumed, however, from the contents of your letter that the decision of the Board of Governors is final and provided an election is called this fall we will agree to your proposals in order that this progressive step will not in any way be delayed.

If the election is not called this fall, however, we will certainly expect a reconsideration of the whole matter.

I interject here that evidently since that time the matter has been reconsidered and instead of giving us more time they are not giving us any at all. I continue with the letter.

Referring to the committee to be formed for discussion of political broadcasts, our understanding was that the whole duty of this committee was the arranging of the order in which these broadcasts should take place, thus our statement "that the allotment is a purely mechanical process", our thought being that the whole time would be divided into four periods with each party taking its turn of 1st, 2nd, 3rd, and 4th positions respectively in each period.

As pointed out in your letter the duties of the committee are to be that of a clearing house only without binding powers. With this understanding we are quite willing to assist in the formation of this committee.

Once again allow me to express my appreciation of the time and effort to inform us fully in this matter.

We sincerely hope there may still be time for your Board to arrive at a more equitable solution of this problem.

Yours truly,

That was signed by Orvis A. Kennedy, M.P. I only read that letter to show we had time at that time and were agitating for more time than was allowed us.

I said we had time in the last election. Might I make this further observation, that at least the government recognizes the Social Credit group in the house as being a political party in that sense for the reason—

Hon. Mr. LAFLÈCHE: I do not want to intervene, but does it?

Mr. HANSELL: I am going to state why I say that—for the reason that when there is a victory loan campaign held they come to us and ask us to broadcast over the national network in the interests of the victory loan. We have always done so and, I might add, too, that although we have in the philosophy of our monetary technique disagreed with the present financial policy of the government, we have always gone on the air with no criticism whatsoever of the methods of finance used by the government, and have always boosted the victory loans. I do not know on how many occasions we have done that but Mr. Blackmore has broadcast in the interests of the victory loan on behalf of the Social Creditors. I do not want to be misunderstood in this following statement, but I say that it would appear when our help is wanted we fill the qualifications of a political party. I submit, Mr. Chairman, that the regulations are not fair to other groups in the House of Commons, and particularly to the Social Credit group that had seventeen members in 1935 and ten members in 1940.

With these observations I should like to make a motion and ask that the motion stand.

> Whereas the recent announcement made by the acting general manager of the Canadian Broadcasting Corporation respecting the policy of political broadcasting is not in accordance with the best practice of democracy in that it does not include in it the allotment of free time for political groups deserving of consideration, and whereas according to the evidence submitted—and I anticipated this this afternoon—whereas according to the evidence submitted it would appear that the various political groups in the House of Commons have not been consulted since 1939, therefore be it resolved that in the opinion of this committee the subject of political radio broadcasting should be reconsidered by the Board of Governors.

Mr. COLDWELL: I will be very glad to second that motion. I believe that the arguments put up by Mr. Hansell with regard to the Social Credit party is perfectly sound.

Mr. HANSELL: Thank you.

Mr. COLDWELL: I think the board overlooked the claims of this party in the country with a following and, as Mr. Hansell has pointed out, with some organization in several provinces and a government in Alberta. I think personally that should be reconsidered. I agree with him, too, that the matter of a change in policy, since the policy was laid down through consultation with the various political groups in the house, ought to have been done after consultation, if it was going to be changed, with the various political groups in the house. I think we should present this to the Board of Governors for their consideration.

Mr. DIEFENBAKER: I should like to add a word in that connection. I feel, too, that the action of the Board of Governors in revising the regulations without consultation was something that should not have taken place. I want to add, too, that the allocation of time to the various political parties, in my opinion, totally inadequate. On the basis of the present allocation there is twelve minutes to the government each month and nine minutes to the Progressive Conservative party and to the C.C.F. party. An allocation of time on that basis, twelve minutes or nine minutes a month, allows no discussion of political affairs whatsoever. The government from time to time has the opportunity of placing the attitude of the government before the country, and for opposition parties to have the opportunity of speaking for nine minutes per month is, in my opinion, a farcical conformation with the expressed desire of the C.B.C. to assure freedom of speech.

So far as the Social Credit party is concerned I think the regulations are very discriminatory. On the basis of the points made at page 25 of the submission, the points on which a political party is determined, my submission is that the Social Credit party comes within the ambit of all of the points. I cannot see how it can be excluded. To do so is arbitrary, in my opinion. The first point is that it has policies on a wide range of national interests, and then that it has a recognized national leader. It certainly had a national conference or convention recently although it did not have prior to this declaration. I do not understand why a minimum number of sixty-one officially nominated candidates was ever decided upon. That looks like a rather arbitrary fixation of a number. Then the next point is that it has demonstrated by the nature of its campaign that it has obtained national proportions and significance.

I say first that there should be a revision in the matter of time allocation, that it is inadequate. I say secondly, that fairness to a group of the size of the Social Credit party demands that this party have the opportunity, in the very short time that we will have in any event, under these regulations of placing its views before the country. As a matter of fact, the only difference it is going to make if the Social Credit party secures the right to broadcast is that the government will have twelve minutes a month and the poor other three parties, instead of having nine minutes a month, have six minutes. That is not going to make very much difference.

Mr. Ross: I should like to support that resolution myself. I think that the action of the Board of Governors in setting out these new regulations was very arbitrary in character without having a consultation with the leaders of the parties. Not only that, when one considers that the government leaders of one kind and another, ministers, and so on, from time to time have the opportunity—and quite rightly so—to speak to the people of the country, then the other parties who represent various sections of the country certainly should have far more time to set forth their point of view than they have at the present time.

Hon. Mr. LAFLÈCHE: Mr. Chairman, I had the impression when Mr. Hansell was speaking that unintentionally he might have left an implication which surely is not the case. He mentioned on the one hand the war finance department would ask the Social Credit people to speak over the radio in support of victory loans, and then he made a comparison of that with the action taken by the governors of the Canadian Broadcasting Corporation when they brought down these revised regulations. To make that perfectly clear I should like to put a question to Dr. Frigon, if I may. My question is a very simple one: who made the decision or decisions, if you like, contained in this political and controversial broadcasting policies and rulings?

The WITNESS: Our Board of Governors.

By Hon. Mr. Laflèche:

Q. Anyone else?—A. No.

Hon. Mr. LAFLÈCHE: That removes any possible vestige of any implication which you did not intend.

Mr. HANSELL: I did not for a moment intend anything like that.

Hon. Mr. LAFLÈCHE: I respect your position very much, if I may speak to you directly through the chair.

By Hon. Mr. Laflèche:

Q. I assume it is rather difficult for you to answer these questions, Dr. Frigon? You are not a governor of the C.B.C. and, as I understand your position, had nothing to do with these policies or rulings? I take it they come solely from the Board of Governors?—A. They took the decision.

Q. Do you know whether they have finished with the consideration of these points, or do you know whether it would be possible for them to reconsider if it were necessary? What is your answer to that?—A. I should like to answer in two parts. First of all, following Mr. Hansell's remarks, the general manager of the board does not make the regulations. He applies them, and when he has any trouble in interpreting the regulations he refers to the board. I propose to go to the board at their meeting on the 8th of May and submit the case of the Social Credit party. In doing so I can invoke a sentence which Mr. Hansell has missed. It is on page 7 and reads this way:—

> While it is impossible to lay down an exact definition, it is suggested that such a party would meet all of the following requirements.

I am going to submit to the board certain aspects of the question in respect to Social Credit and they will tell me what to do. Mr. Hansell read a clipping from a paper. He probably has not seen the press release of the next day where I said we would try to find some ways and means of giving satisfaction to the Social Credit party.

Mr. HANSELL: I did not see that.

The WITNESS: It was published, I can assure you. That takes care of that part of it. The other part is this; all the basic principles which Mr. Hansell read are ours and we fully believe in them. Any suggestion that regulations

are passed to interfere with or to help any party is absolutely a wrong accusation, but once you have set down your policy you must have rules so as to interpret the policy. The men in charge of giving time to parties must have before them a very clear definition of what is to be done. There is another thing which you should not forget. These regulations as discusssed here apply exclusively to the acceptance of political broadcasts on the networks when free time is arranged by the C.B.C. In other words, it is wrong to interpret the regulations, as they have been interpreted frequently, and to say that we refuse the air to any party.

By Mr. Diefenbaker:

Q. Could you purchase any air time for a political party over the C.B.C.?—A. Not on our stations.

Q. There is one statement here, Dr. Frigon, at page 25. It says: "The C.B.C. does not sell time on its own stations for political broadcasting at any time except in a limited number of quite justified cases." What does that mean? —A. That means we may have a by-election, where the ony way to reach the constituency is by the use of one C.B.C. station, in Prince Rupert for instance where there is no other station or in Chicoutimi. We do sell time on the station in Chicoutimi for local political broadcasts. The matter of giving or not giving time to political parties only applies to this free time. The rest of broadcasting is absolutely open. You only have to listen to some broadcasts in Quebec just now to be sure that there is no limitation to what they can say on the air. Time is bought on private stations. There are three or four groups broadcasting and accusing each other.

Q. Is there no censorship there?—A. No censorship outside of our regulations and the Defence of Canada Regulations. We would not allow a man to accuse the other man of being a highway robber. We will not let him do that, but he may say that he does not like him and that is all right with us. People have said to me, "Why do you stop people from talking against the government?" We do not do that. I answered, "You go and buy time on a station and see whether you cannot talk against the government". He said, "You would not let me do it". I said, "You try." These ideas go around the country, and they are absolutely false. We never stop broadcasting in Canada on topics of that sort, but when it comes to regulating the network, when it comes to asking private stations to give free time to political parties, then we regulate and we have this White Paper. It is a matter of what is to be accepted across the country or regionally free of charge so that politicians may talk to their constituents, or the people of Canada. Therefore, any idea going around that we stop political broadcasts is absolutely false. There is no sense to it. We never do that kind of thing.

As I said before when you come to regulations you must have definitions. Our board soon found out that they must have in this White Paper a definition of what a party is. Anyone who can give us a close and exact definition of what a party is, would be a very wise man. In 1939 we asked the parties what they thought should be the qualifications of a party to be given free time, and there are the conditions on page 7. When the matter of revising this book came up the board said, "Let us not touch that because that has been adopted; it has worked perfectly well in past elections and we have not had any trouble whatsoever; let us leave it as it is". At the last general election the Social Credit party had time on the air because this definition of a party only applied to new parties. It did not apply to parties in the house. If you want to discuss this from a practical point of view, there are in the house at the present time on the opposition side seven groups, I believe, varying from one member in a group to some 39 in another group. I do not think that you would wish to give free time from coast to coast to one person just because that person constituted itself one party in

the House of Commons. There are extreme cases which take care of themselves. You must have a definition to know where you stop, and the present one is the best that could be found.

I am sure that if this committee wants to suggest to the Board of Governors another definition of what a party is, the board would be very pleased to consider it. All that we want is to be able on a few days notice when an election comes to say that this party qualifies for free time and this party does not qualify. One must have that. Otherwise I am sure you would be the first ones here to accuse us of not regulating the networks properly. We must have that. I am sure that any help from you will be quite welcomed by our Board of Governors, and if you cannot yourselves find a definition of what a party is then we cannot be expected to be any wiser than you are.

I am not speaking for the board but I can tell you that the board will certainly welcome any suggestion from this committee.

By Hon. Mr. LaFlèche:

Q. May we take it that you will bring this matter to the attention of the board?—A. I think they know already.

Q. I think it would be a very proper thing if you did.

By Mr. Ross:

Q. Is this not a matter that is really not in your province? This is a matter of policy and a matter for the chairman of the Board of Governors and the Board of Governors. You are only there to carry out policies?—A. That is what I have said. I am telling you of the troubles they met in trying to set down policies. The whole thing centred on what is a political party. Please tell us. This is what we think a political party is so far as we are concerned, but if you can give us a better definition then let us have it. We have inquired; we have asked people who are very well versed in political affairs, and they say, "We do not know." We must know. We believed that this was the best definition we could have because it was set by the political parties and accepted by them, as far as I know. If you want to suggest anything else please do.

Mr. BOUCHER: In this regard I have several suggestions to make. First of all it seems to me that political broadcasts should be defined a little more clearly than they are, because if we talk about political broadcasts as being controversial party broadcasts almost everything that is party politics is controversial. Almost everything pertaining to the economy of our country is controversial. There should be a distinction between that which is controversial and that which is inflammatory or provocative. I can appreciate that. But when we realize the Canadian public to-day is, as I think it is, much more concerned with political things, much more concerned with, I should say, parliamentary doings and much more concerned with the responsibility of parliamentary assistance and enactments, I think we must come to the conclusion that the time alloted for all political broadcasts is too small. A. You mean outside of election time?

Q. Yes, outside of election time. In other words, eight, nine or twelve minutes per month, a total of half an hour per month. A. May I make a remark on that? The interpretation quoted is not quite right. What we have in mind is to give half an hour to one party each month. To get the two, three, breakdown you need ten months. So these broadcasts, half an hour per month at a couple of months' intervals, must be simply a statement of policy and an account of stewardship. They cannot be, shall I say, controversial broadcasts in the usual sense of a political campaign. Every so often the political party, through its leader, will come before the public and state its views and policy. Last year there was not a single minute per year. Now there will be twelve half hours per year. That is progress, is it not?

By Mr. Ross:

Q. That is for all parties? A. All told. But on the basis of half an hour per month; for instance if the Progressive Conservatives run this month one half hour, next month it might be the C.C.F. and the month after that it might be the Liberals. Then the Liberal Conservative would come three months later.

By Mr. Hansell:

Q. No. It would be the Social Credit next. A. Well, that is another point. If the definition given by the board applies to Social Credit, they will have their share, their time. But please do not think that these regulations have anything to do with Social Credit, Liberal or anything else. They are trying to set forever or for as long as possible, the definition of political parties. It happens that at present you are affected.

Mr. BOUCHER: I have one point I want to raise. I have a number of points—

Mr. COLDWELL: Could you not raise them at another time?

Mr. BOUCHER: I would rather now, because I have three or four.

Mr. COLDWELL: Raise them another time.

Mr. BOUCHER: Half an hour per month for all parties means that one particular party can only speak about once every three or four months.

The WITNESS: That is right.

Mr. BOUCHER: I do not think that is satisfying to the welfare of the public or to the public demand. I do think that we would not be going too far if we let each of the recognized parties have at least twenty minutes or half an hour per month, and apportion the time accordingly. Then when it comes to the apportionment of the time as between the existing parties, first of all you have the government. The government has, by way of announcing government policy, government laws, government regulations, ministerial announcements on various matters coming before them, and the war finance campaigns, many opportunities to speak what might be considered at least to some degree politically. Therefore I suggest that that should be taken into consideration in allotting the time as between the government and the official opposition, say. Then we take the position where—and probably history will repeat itself on other occasions—one party in power has thirty-nine or forty members in the house and another has ten or eleven, where one party in the opposition, not being the government, has probably 45 per cent of the vote cast at the last general election and another party may have only 10 or 15 per cent and yet may have the same radio time. I do not think that it is fair—I am not particularly condemning the C.C.F. at all—to put the C.C.F., with ten or eleven members, with the same time as the Progressive Conservatives with thirty-nine or forty members. Nor do I think it is exactly correct to have the membership in the house as the deciding feature, because the vote of the people of Canada should be considered more than it was by the Board of Governors in this White Paper. In other words, you can see where—and the present parliament illustrates it to a degree, and all parliaments do—30, 40 or 50 per cent, or 47 per cent of the people of Canada voted according to a certain political faith and yet with small representation in the house. The actual vote cast shows those who have political interests in our country and who have a partnership in the Canadian Broadcasting Corporation, so that I think the vote cast at an election rather than the membership returned to the House of Commons should be the deciding factor both as to deciding what are political parties and what time should be allotted to them. You were asking for a definition of a political party. I come to that next. It seems to me that some yardstick is most essential in

deciding what a political party is. I do not think that we should call a national party one that has two or three or even sixty members in any one province and no members in any other province. It is a provincial party, not a national party. There should be some requirement or representation in more than one province. The result is that it has occurred to me after considerable thought that one of the provisions in deciding what a political party is should be that it should have polled in the last election a certain percentage, probably 20 or 25 per cent of the votes cast, in each of three or four provinces. My suggestion would be that before it could get recognition as a political party it would have to have 20 or 25 per cent of the votes cast in each of any three provinces or each of any four provinces, as you might decide.

Then, having done that the proportion of votes cast for that party in the last general election should decide the allotment of time to each party over the radio rather than the membership elected. I think that we would get a much more democratic and equitable basis for the distribution of time.

There are points raised by Mr. Hansell, Mr. Diefenbaker, Mr. Ross and corroborated by Mr. Coldwell with which I agree almost entirely because, as I see it, this radio broadcasting committee can do a lot of harm, the Board of Governors can do a lot of harm to the confidence of the people of Canada in them and in the C.B.C., and perhaps the party which gets the best deal, if it is the government, will get the most condemnation by virtue of their regulations. Therefore I say that very argument convinces me that the Board of Governors should certainly not issue any yardstick in the nature of this White Paper without consultation with the dominant parties in the House of Commons at the very least. I do not want to extend it further but I do feel very keenly on the fact that while the proportion of four to three may be very close to fair as between the government and the largest group in the opposition, the official opposition, the proportion of three to three as between the official opposition and the other party that qualifies, or may qualify for national status, or two or three or four other parties, is not a fair one. I can well imagine a situation whereby using that yardstick to rule by you would have the government having four units of time, the official opposition with three units of time, and each of three or four other groups, much smaller in number, with a much smaller percentage of actual votes cast by the electorate at the last general election, having as much time as that official opposition with almost as many members as the government itself.

We must also keep the balance so as to be fair as between the government and the combined time of our opposition parties. I appreciate that, but nevertheless I cannot see the equity of distributing time as between the government and those who are not members of the government party without also being fair as to the relative numerical strength of the members as well as the numerical strength of the actual vote cast for those groups who are in the opposition along with the official opposition.

The result is, I say, that we should go further, and I think the Board of Governors should give much more consideration to the allocation of time between the parties who are not members of the government; and generally speaking, I feel that the day has passed when we as a government should allow the people to feel that politics is something that is untouchable, in the nature of scurvy, but that we feel that politics as presented to the people of Canada by leaders of officially recognized parties should be in the scope of education and in the scope of instructive and in the scope of national interests to a much greater extent than the White Paper would indicate the Board of Governors considered it. I feel that much more time should be given for constructive political broadcasts than they permit.

Mr. TRIPP: Are we going to discuss this any further today?

The CHAIRMAN: No. Dr. Frigon wants to make a statement.

Mr. COLDWELL: I was going to make some remarks. I should like to comment on what Mr. Boucher has said.

Mr. TRIPP: So should I.

Mr. COLDWELL: I was going to point out, very briefly, that the basis he has now laid down would still cut the Social Credit group out. It would not cut us out. But let me remind him that this is going to be applied to the provinces, and if that were done there are some provinces in which, for example, the Progressive Conservatives would get very little consideration. With the fluctuating political fortunes in this country. I think that minorities which are rising to-day may have a large following at another time, and the majorities may have minorities. My opinion is that we should try to give adequate representation to all points of view.

Mr. HANSELL: I do not see why, Mr. Chairman, after each general election the parties could not get together with the C.B.C.

Mr. COLDWELL: That was what was done last time.

Mr. HANSELL: Yes, and some decision arrived at that would be agreeable to all.

The CHAIRMAN: All right, Dr. Frigon.

The WITNESS: I was going to remark that what I said before applied to federal parties. The same thing applies, as Mr. Coldwell remarked, to provincial parties. Another thing is that all the remarks about taking into account the standing of the parties in the House of Commons and the vote secured, etc., are taken into account during election campaigns. The division of time during a campaign is based on that. The third remark I should like to make is this. The resolution that I understand is suggested reads as follows: "That in the opinion of this committee the subject of political radio broadcasting should be considered by the Board of Governors." May I suggest that if you can agree on suggestions it would help a lot. It would be a real help, because the board has done, I understand, the best it could. With your suggestions or help, they could probably do better.

Mr. BOUCHER: I do feel that a different yardstick is necessary in the federal field than in the provincial field.

Mr. COLDWELL: Why?

Mr. BOUCHER: I think definitely that what rules in the federal field is not necessarily a good policy for the provincial field.

The WITNESS: What I was trying to say is that it is not very helpful just to send it back to the corporation. It should come back with suggestions.

Mr. COLDWELL: Dr. Frigon, could not the same plan be adopted as was followed in 1939, of asking the political parties to send a representative, a small committee to discuss this and try to reach some agreement among themselves? Would that not be the better way?

The CHAIRMAN: Well, it is evident that we shall not dispose of this matter to-day; the motion of Mr. Hansell stands and will be discussed at a subsequent meeting.

Mr. HANSELL: Before we close, Mr. Chairman, may I make this one observation. Dr. Frigon seems to insist that the basis of the decision on political parties was agreed upon by the committee of 1939. The position is that the evidence does not bear out that fact because we were given free time during the last election. How could we be given time in the last election if we did not meet the requirements which are laid down by the Board of Governors? There is just one other matter the minister brought up. I do not want it to be inferred at all that I think the government itself has anything to do with this arrangement. I know that they did not. I only mentioned the fact that we seem to be recognized by the government as a party when it comes to victory loans.

There is just this further point, that whenever there is a very serious matter facing the country, or a serious matter as to the procedure in the House of Commons, the Prime Minister calls in the leaders of the parties, and Mr. Blackmore is included in that number. I recall when relations were strained between Great Britain and Japan before Pearl Harbour, when it might have been that there was a bit of an appeasement policy on behalf of Great Britain, and it was given some considerable attention. Mr. Blackmore was called in together with the others. On the McNaughton case he was called in together with the others which I think is recognition on the Prime Minister's part that the Social Credit group in the House of Commons represent a considerable force in Canada.

The CHAIRMAN: The meeting stands adjourned until next Wednesday when we will hear the presentation of the Canadian Association of Broadcasters.

The committee adjourned at 5.20 p.m. to meet again on Wednesday, April 26, 1944, at 11 o'clock a.m.

APPENDIX E

NATIONAL ADVISORY COUNCIL ON SCHOOL BROADCASTING

The membership of the Council to date is as follows:—

CHAIRMAN—Dr. Robert C. Wallace, C.M.G., Principal and Vice Chancellor, Queen's University, Kingston, Ontario.

REPRESENTATIVES OF DEPARTMENT OF EDUCATION:

B.C.—Mr. Kenneth Caple, Director of School Broadcasts, B.C. Department of Education, Station CBR (Vancouver).

Alta.—Dr. H. C. Newland, Supervisor of Schools, Alberta Department of Education (Edmonton).

Sask.—Mr. Morley Toombs, Supervisor, Audio-Visual Instruction, Sask. Department of Education (Regina).

Man.—Miss Gertrude McCance, Manitoba Department of Education (Winnipeg).

Ontario—Mr. C. F. Cannon, Superintendent, Elementary Education, Ontario Department of Education (Toronto).

Quebec—Mr. B. O. Filteau, French Secretary and Deputy Minister of Education, Quebec Department of Education (Quebec).
Dr. W. P. Percival, Director of Protestant Education, Quebec Dept. of Education (Quebec).

N.B.—Mr. Rolf K. Nevers, Supervisor, Visual Education and Radio, N.B. Department of Education (Fredericton).

N.S.—Mr. Gerald Redmond, Director of School Broadcasting, N.S. Department of Education (Halifax).

P.E.I.—Mr. Lloyd Shaw, Carleton College (Ottawa).

CONFERENCE OF CANADIAN UNIVERSITIES:

Dr. W. J. Dunlop, Director of Extension and Publicity, University of Toronto (Toronto).
Rev. Abbe Maheux, Laval University (Quebec).

CANADIAN TEACHERS' FEDERATION:

Professor E. L. Daniher, U.T.S. (Toronto).
Mr. J. Harvey Mitchell (Toronto).

NATIONAL FEDERATION OF HOME AND SCHOOL:

Mr. L. A. de Wolfe, President (Truro, N.S.).
Mrs. W. G. Noble (Toronto).

CANADIAN TRUSTEES' ASSOCIATION:

Mr. M. A. Campbell, Secretary-Treasurer, Canadian Trustees' Association (Toronto).

DISTINGUISHED VISITOR:

Dr. Joseph Maddy, Professor of Radio Music Instruction, University of Michigan, (Ann Arbor, Michigan).

SESSION 1944

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

WEDNESDAY, APRIL 26, 1944

WITNESS:

The Canadian Association of Broadcasters, Toronto, represented by Mr. Joseph Sedgwick, K.C., General Counsel.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1944

REPORT TO HOUSE

THURSDAY, April 27, 1944.

The Special Committee on Radio Broadcasting begs leave to present the following as its

SECOND REPORT

Your Committee asks that it be empowered to sit in the City of Montreal for one day, viz., Wednesday, May 3.

All of which is respectfully submitted.

J. J. McCANN,
Chairman.

(Concurred in this day.)

MINUTES OF PROCEEDINGS

WEDNESDAY, April 26, 1944.

(9)

The Special Committee on Radio Broadcasting met at 11 o'clock. Mr. J. J. McCann, the Chairman, presided.

Members present: Messrs. Bertrand *(Prescott)*, Boucher, Coldwell, Diefenbaker, Douglas *(Queens)*, Hansell, Isnor, LaFlèche, Laflamme, Macdonald *(Brantford City)*, Matthews, McCann, Mullins, Picard, Rennie, Ross *(St. Paul's)*, Tripp.—17

In attendance:

Mr. Glen Bannerman, President and General Manager of the Canadian Association of Broadcasters, and representatives thereof;

Dr. Augustin Frigon, Acting General Manager of the Canadian Broadcasting Corporation, and other officials of the C.B.C.

Mr. Joseph Sedgwick, K.C., Toronto, General Counsel for the Canadian Association of Broadcasters, was called. He proceeded to read a brief.

Witness filed a statement showing members and non-members of the Canadian Association of Broadcasters.

On motion of Mr. Bertrand *(Prescott)*,—

Resolved,—That the above mentioned be printed. (See appendix F. to this day's minutes of proceedings and evidence.)

Witness was retired.

At 1.10 p.m., the Committee adjourned until 3 p.m.

AFTERNOON SITTING

(10)

The Special Committee on Radio Broadcasting resumed at 3 o'clock, Mr. J. J. McCann, the Chairman, presiding.

Members present: Messrs. Bertrand *(Prescott)*, Boucher, Coldwell, Hansell, Isnor, LaFlèche, Laflamme, Macdonald *(Brantford City)*, Matthews, McCann, Picard, Rennie, Ross *(St. Paul's)*, Tripp and Veniot.—15

In attendance: Same as for the morning session.

Mr. Joseph Sedgwick, K.C., was recalled and concluded his presentation for the C.B.C. The witness referred to an address given by Glen Bannerman, president and general manager of the C. A. B. at Quebec on February 14, 1944. Copies were tabled and distributed.

Witness was examined and retired.

Dr. Frigon was recalled and he reiterated his suggestions pertaining to the question of referring to the Board of Governors the matter of political broadcasts along with recommendations from the Committee of the House.

At the request of General LaFlèche, Minister of National War Services, the Clerk was instructed to request the early printing of the minutes of proceedings and evidence.

Mr. Coldwell requested information relative to stations' time logs, etc., for one day.

The Committee discussed the advisability of accepting the C.B.C.'s invitation to visit the Montreal studios on Wednesday, May 3 next.

On motion of Mr. Bertrand *(Prescott,)* seconded by Mr. Rennie,—

Resolved,—That the Committee ask leave to sit for a period not exceeding one day in the City of Montreal and that the Clerk of the Committee do accompany the Committee.

At 5.30 p.m. the Committee adjourned until Wednesday, May 3 when a meeting will be held in the City of Montreal.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

April 26, 1944.

The Special Committee on Radio Broadcasting met this day at 11 o'clock a.m. The Chairman, Mr. J. J. McCann, presided.

The CHAIRMAN: Mr. Minister and gentlemen, as arranged, at this morning's meeting the representations of the Canadian Association of Broadcasters are to be presented, and I understand that Mr. Joseph Sedgwick, K.C., general counsel of the C.A.B. will make their presentation. I shall now call on Mr. Joseph Sedgwick.

Mr. JOSEPH SEDGWICK, Legal Representative of the Canadian Association of Broadcasters, called.

Hon. Mr. LAFLÈCHE: Have you any copies of your presentation, Mr. Sedgwick?

The WITNESS: No, sir; I am sorry that I have not. While I have a brief, I am afraid I will not adhere to it firmly. I have only the copy which I have before me. May I commence, Mr. Chairman?

The CHAIRMAN: Please do.

The WITNESS: Mr. Chairman, Mr. Minister and gentlemen, I think I should, before dealing with my brief, make a statement as to the membership of the Canadian Association of Broadcasters which I represent here. I have a list showing the members of the association at this time and also showing the non-members, arranged geographically. I do not propose to read the list, but summarizing it I can say that of the total of 89 stations operating in Canada, there are 11 owned or operated by the Canadian Broadcasting Corporation, including CFPR, Prince Rupert, two operated by universities, 64 stations that are members of the Canadian Association of Broadcasters and are independently operated, and 12 stations that are non-members. Probably another way of putting it would be that of the independent stations, the total power of those associated with the C.A.B. is 70,100 watts and the total power of the stations that are not associated with the C.A.B. is 5,250 watts. I put that before the committee because I think last year some questions were asked as to what the C.A.B. was and what stations constituted its membership. The stations are listed in this sheet which, if I may, I will file, or leave it so that anyone may have it available.

By the Chairman:

Q. Speaking of the 12 non-members, are they individual members, or by that do you mean 12 stations?—A. Twelve stations. I can give you the names. They are listed here.

Q. Is there more than one station owned by one individual or company?—A. I have not examined it in that way. But looking over it, I think the only two that are joined together are Val d'Or and Amos. I may be wrong about that. I am just glancing at the list, but I think those are the only two. As to the non-members, as the chairman has asked the question, they are: CJFX, Antigonish; CJLS, Yarmouth; CHGS, Summerside; CKNB, Campbellton; CHGB, Ste. Anne de la Pocatiere; CKVD, Val d'Or; CHAD, Amos; CKCO, Ottawa; CHEX, Peterborough; CHPS, Parry Sound; CJCJ, Calgary and CKLN, Nelson.

Q. Can you not line them all up?—A. Well, there are reasons why some of them are not members. Take the Parry Sound station, for example. The operator was called up for military service, and I believe the station was not fully operated for some time. I think he is back now. He was a member when the operator of the station was there. We may have them all some day.

The CHAIRMAN: Is it the wish of this committee to have this printed in toto or just the summary which Mr. Sedgwick has given?

By Mr. Coldwell:

Q. I was going to ask Mr. Sedgwick how many of the other stations are individually members or individually operated.—A. How many of the member stations?

Q. Of the other stations?—A. Well, there again I should have to go over the list, station by station. I think while there is some arrangement by some of them—they are all independent stations—there may be some two or three that have some measure of joint operation. I should not like to answer that question without going over it station by station.

Q. We can ask that in another connection.—A. Yes; I should be glad to answer, but I should have to go over the list station by station.

Mr. BERTRAND: For future information, might it not be as well to have that published?

The CHAIRMAN: The full record?

Mr. BERTRAND: I so move.

The CHAIRMAN: All right, we shall have that done. Will you proceed Mr. Sedgwick.

(See Appendix F)

The WITNESS: In opening my presentation to this committee, may I say that the only object of the private stations in appearing here is to put before you their views based on long and varied experience in radio broadcasting, in the sincere hope that the suggestions we make will, if acceptable, result in giving to Canada a better broadcasting service with increased satisfaction to the listening public.

All those interested in broadcasting will, I think, agree with the very sensible statement that the Honourable the Minister made in the course of his opening remarks to this committee when he said, if I may quote him briefly:

It may be taken for granted that publicly owned radio in Canada is here to stay, not I believe, as a monopoly but to fill a very important part of Canada's radio requirements. Given a readiness on all sides to play fair and work in the general interest of Canada, I can also see a satisfying future for all radio stations.

This statement seems to contemplate equality of treatment for all radio stations; and as the minister has expressed his belief that the publicly-owned radio should not be a monopoly, I think it follows logically that it should not only welcome competition, but should see that such competition has full, free and equal opportunity with itself. The basic complaint which the private radio stations feel compelled to make against the C.B.C. is that its power to regulate them cannot fairly be exercised in conjunction with its own operation of stations and networks, and that the method of regulating private stations, namely arbitrarily from above, is and must continue to be a source of friction. As part of this general submission I shall also urge on this committee that if the C.B.C. is not to be a monopoly then the facilities for competition must be opened, and that will at the very least involve some relief from the present control which the corporation exercises over all network affiliations between

stations, as there cannot be other than a monopoly in radio broadcasting if all networks, and all line facilities which make networks possible, are controlled by the one authority. Nobody connected with private broadcasting desires to see the C.B.C. shorn of any of its present power so far as its own operation is concerned; but we do believe with the minister that Canada will be best served by a dual system which, under present controls, does not exist and could not effectively operate.

To that I should add that so far as relations between the private station operators and the officials and members of the Staff of the C.B.C. are concerned, they are of the very friendliest. I know that I count almost every member of the C.B.C. organization a personal friend of mine, and I think the same can be said for practically every one engaged in private station operation. It is not—and I must make this clear at the outset—the personnel of the C.B.C. to whom we take the slightest objection. It is the method of regulating the private stations and certain of the practices that have grown up throughout the years since the C.B.C. was established.

As to the balance of my presentation, Mr. Chairman, I have divided it into subjects, much as Dr. Frigon did, and I am a little afraid that they may not follow with any particular logic. However, they are really departments in themselves. The first matter that I wanted to deal with, and very briefly, was the question of programs.

No one familiar with broadcasting is ignorant of the fact that there is a certain amount of criticism not only of programs but of the advertising content of programs; and I want this committee to know that the private station operators are aware of these criticisms and are doing what they can to meet them. A year ago the C.A.B. adopted a code of ethics. I believe copies of this code were sent to all members of parliament at that time and some of you may be familiar with it. Clause 8 of that code, under the heading of "Advertising Appeals", reads:—

> Recognizing the service that commercial sponsors render to listeners in making known to them the goods and services available in their communities and realizing that the story of such goods and services goes into the intimacy of the listener's home, it shall be the responsibility of member stations and their sales representatives to work with advertisers and agencies in improving the technique of telling the advertising story so that such stories shall be in good taste, shall be simple, truthful, and believable, and shall not offend what is generally accepted as the standard of morality.

I may say that the foregoing was not merely an empty resolution passed by the association and forgotten, for recently, within the last six months, the Canadian Association of Broadcasters was responsible for the setting up of a joint committee consisting of representatives of the C.A.B., the Canadian Broadcasting Corporation, the Association of Canadian Advertisers and the Canadian Association of Advertising Agencies. That committee, as I have said, was sponsored and supported by the C.A.B. It was established to deal with the whole problem of ways and means of improving the effectiveness of commercial continuity. The committee is empowered to secure and study the reactions of the listening public to the many types of commercial continuities. It is a fact-finding committee which will pass on its findings to the organizations it represents for their use in making commercial continuities more effective and more acceptable to the listeners. That committee will be supported by the C.A.B., and already I think one may say that if there is no improvement in advertising continuity, there is at least an indication that the study will result in improvement.

The Canadian Association of Broadcasters has also established a program committee to study ways and means of improving the program structure of the broadcast day, another committee which is doing useful and forward-looking work. That also is in line with clause 1 of the code of ethics which reads:—

> THE LISTENING PUBLIC:
>
> Recognizing the varied tastes in entertainment of the listening public and realizing, under the present structure of the broadcasting industry, the impossibility of various broadcasting stations devoting their programming exclusively to satisfying the likes and desires of any one group of listeners, it shall be the responsibility of member stations to so program the broadcast day that, as far as possible, all groups of listeners shall have some part of the programming devoted to their special likes and desires in proportion to the relation of the numbers of each group to all other groups. It shall be the responsibility of the member stations to meet such requirements through the best programs that available talent and ingenuity can devise.

Under that heading of programs, I think I should say a word about political broadcasting. Recently, and indeed since this committee commenced its sittings, the corporation has put out a new White Paper on political and controversial broadcasting; and as the subject is one of tremendous importance to the people of this country and to the members of this committee, a word should be said about it, I think. I presume that the members of the committee have read the document. Some of you may feel, as I do, that some provisions of it will not work when put to the actual test in election time. For instance—and this is only an instance—I can see obvious difficulties in enforcing the rigid rule on page 10 which reads:—

> No individual station may carry a local political broadcast at the same time as there may be a national political broadcast. If a station carries the CBC network political broadcasts, it must keep the half-hour immediately preceding and following the broadcasts free from other political broadcasts.

I think, gentlemen, that in election time, bearing in mind that you cannot extend the twenty-four hour day as you can extend the pages of a newspaper, there may be difficulty in that half-hour separation of stations between network broadcasts and local political broadcasts. There may be, and there no doubt are, other clauses of the White Paper which will present practical difficulties and difficulties which, I trust, will be adjusted as occasion arises. I do say, however, that I think it a little unfortunate that so important a document should have been put out without consultation with the political parties concerned and with the private stations whose time, of course, is given away to make the network broadcasts possible. I think one may compare the procedure that was followed in making this White Paper public to the procedure that was followed in 1939. At that time, at the time of the federal election, a committee was set up consisting of representatives of the corporation and the private broadcasting stations, and of all the political parties. I represented the C.A.B. on that committee, together with one or two other gentlemen. We met here in Ottawa. The Liberals, the Conservatives as they then were, the C.C.F. and the Social Credit were represented. Before any fixed statement of policy was made, we tried to get agreement between all the parties concerned, and agreement between the broadcasting interests; and we did get agreement. Throughout the whole of the last dominion election that committee met, and we tried to fairly apportion between all parties and all candidates not only the network time but the time on the individual stations. Mr. David Lewis, I remember, represented the C.C.F., Mr. Lawson

the Conservatives and Mr. Herbert, the Liberals. I think at the conclusion of it all parties said in writing that they were completely satisfied with the way that it operated. I do humbly suggest that it might have been better if there had been some similar conference before this statement of policy has been promulgated.

By Mr. Macdonald (Brantford):

Q. Would it be in order for you to tell us what that system was?—A. Mr. Macdonald, I do not think you can describe it as a system. We sat down at the initial meeting and the corporation allocated a certain amount of network time —I forget the exact time. As a matter of fact, I think in the course of the campaign it was increased. Then they divided it between the various political parties, including the Social Credit, according to a formula which I do not now recall in detail. It was based on their popular vote and their membership—their popular vote not merely in the election preceding but I think two or three elections preceding. An attempt was made to give each party about the same amount, about as much network broadcasting as they seemed to have following in the country. Of course it could not be accurate and it was not. I do not suggest that it was.

Q. How about the private stations?—A. That is, the individual stations?

Q. Yes.—A. We had a big chart, and we left them to their own devices with the proviso, as I now recall it, that they could not sell time for political broadcasting firmly. That is, they could not make definite commitments. They could make tentative commitments. All commitments for political broadcasting were reported by wire to this committee and then we discussed it; and if the representatives of any party said, "Well, that is not fair to us on that particular station; we wanted half an hour here and we have been denied it" then we made an attempt, and a consistently successful attempt, to adjust those differences. It was not a question of ordering the station to do differently. We did not have to. We managed to adjust the differences so that, as I now recall it, we had no complaints. So it may be said that we reasonably succeeded. Does that answer your question?

Q. Yes. Thank you.

By Mr. Boucher:

Q. When you got a report on the wire from the private stations allotting part-time to one party, how did you communicate with the other party to see whether it was satisfactory?—A. We had representatives of every party on the committee—every party, and they had some plenary powers, I take it. They did commit their party, in any event, and they assisted in making such adjustment as was necessary, in a sincere attempt to see that every candidate got a fair break on station time without overloading the stations with political broadcasting.

Mr. COLDWELL: Mr. Chairman, are we going to question Mr. Sedgwick as we go along, or keep our questions until later?

The CHAIRMAN: No. I would suggest that we allow Mr. Sedgwick to make his presentation.

Mr. COLDWELL: I have several questions I want to ask.

The CHAIRMAN: I am not questioning Mr. Sedwick now, but I am going to ask him if he is familiar with the proceedings of the last meeting of the radio committee a week ago to-day, when this whole subject was under discussion and it was practically decided then that the committee would make recommendations to the Board of Governors, asking that this matter of political broadcasting be reconsidered.

Hon. Mr. LAFLÈCHE: Was it not, Mr. Chairman, rather that Dr. Frigon said that he would report that to the Board of Governors?

The CHAIRMAN: I just wanted to point out the situation to Mr. Sedgwick.

Mr. BOUCHER: He also said that he would like recommendations from the committee.

The CHAIRMAN: I wanted to point out to Mr. Sedgwick that this White Paper is not the final thing.

Mr. MACDONALD: I think, Mr. Chairman, that it would be in order for Mr. Sedgwick to give any suggestions as to changes.

The CHAIRMAN: Oh, yes. There is no objection to that. But I thought that by pointing that out it might save a lot of time.

The WITNESS: I may say, in answer to the chairman, that the minutes of the last meeting of this committee reached me this morning after breakfast and I did not have much time to read them. I glanced through them in a most perfunctory way but was not able to make any comments on them in my presentation. I may be able to do that later.

Mr. MACDONALD: Mr. Sedgwick may be able to give some valuable suggestions in respect to proposed changes.

The CHAIRMAN: There is no objection to anything which Mr. Sedgwick wishes to present to the committee. The only thing is that I took it for granted, in view of the fact that the record only reached us this morning, that he probably was not familiar with what had taken place at the last meeting of the committee, which had to do with the very subject which he is discussing at the present time. However, I would wish Mr. Sedgwick to proceed and we shall, as much as possible, not interrupt him and reserve the right to ask questions after he has made his presentation.

The WITNESS: I am completely in your hands. I really do not care when the questions are asked; I want to try to answer them.

Then, if I may continue I may say to the committee that the great majority of the private stations have always been aware of the importance of controversial broadcasting and, indeed, I do not want to make a comparison, but I think it may fairly be said as a part of their local duty private stations have probably done more in the way of political broadcasting than has the corporation. It may well be said that is a part of our obligation, and with that statement we do not disagree.

A suggestion was made—I believe in the house but I am not sure; I could not find the reference—to the effect that proceedings of the house itself should be broadcast.

Hon. Mr. LAFLÈCHE: Yesterday's, for instance.

The WITNESS: I do not know, sir.

Mr. COLDWELL: Certain selected days.

The WITNESS: I was going to say that one can see practical difficulties. I can say to the committee that the system was tried out in New Zealand and such information as I can get from the Antipodes, principally through the medium of a quite comprehensive investigation that was carried on in Australia, would indicate that it was not very satisfactory. It is a fact, however, that the members—you gentlemen—have a duty to make reports to your constituents and facilities for your doing so should be extended.

The independent stations of Canada have given consideration to that matter for some considerable time, and while there was no concerted plan many stations over the last few years had encouraged their local member to use their facilities to speak, they hoped rather non-controversially, to their audience on the work of parliament, not from a too political standpoint. Lately a concerted scheme

has been thought out and facilities have been set up here under the auspices of the private stations which will permit every member of parliament who is so minded to make a report from time to time to his constituents. That is, recordings will be made in Ottawa during the session. These recordings will be sent out to the station that serves the member's constituency and will be put on the air as a part of a series and a part of a plan to bring the proceedings of the house to the people. I have reason to believe that will be extended so that throughout the year members will have similar facilities when they are back in their home constituencies. These recordings will be made at the expense of the stations while the members are in Ottawa, and of course, time will be given. When the members return to their constituents they may broadcast live if they prefer it, and I understand that the stations propose doing what they can to improve the level of political broadcasting by giving to the members such advice as they can humbly offer as to how best to make a broadcast that will command the maximum audience. My understanding is—and I have not been able to check the figures—that some sixty privately-owned stations have already joined in this effort, and we think it to be something definitely in the public interest.

By Mr. Picard:

Q. You mean you have such political experts in the stations as to improve the tone of the member's speech?—A. Far from it, but after all broadcasting like acting is an art, and we may be able to assist members in the practice of that art which is becoming increasingly your business.

If I may quote from the white paper towards the end is says:—

> Broadcasting is a changing and expanding art, and no fixed and permanent criterion can be set down for the best method of presenting controversial material.

I say that is in answer to the member of the committee who just addressed a question to me, and with that statement everyone will agree. We can only say that the independent broadcasters are anxious that controversial issues should be fully and fairly presented to the people over their facilities, and as better means of presenting them are found we will adopt them. We would go further than that; we will try to find them. We are interested in seeing that we do a good job, not for the members but for their constituents. That is the thing. It is the audience that matters, and we are anxious to see that controversial broadcasting can be made so interesting that it will command as big an audience as the Lux Radio Theatre does, and that is not beyond hope, at least.

That is all I want to say at the moment about program content. You cannot cut up a submission of this kind into compartments and I may have to refer to the matter later. I want to now deal, if I may, with the so highly controversial question of station power. Last year in the evidence which I was privileged to give to this committee, supported to some extent by evidence that was given by Professor Bayly, we put before you the view that it was in the national interest that full advantage should be taken by Canada of the provisions of the North American Broadcasting Agreement, what is always referred to as the Havana Treaty. The committee was obviously seized of the importance of the matter because in your recommendations last year you did recommend that the corporation should safeguard these channels, and, if necessary, consider increasing the power of all stations to the limit of the Havana Agreement.

Following that recommendation representatives of the private stations again brought the matter to the attention of the Board of Governors, and have made representations on at least two occasions since. I know because I have been there on both occasions. We have been told consistently the matter was being considered, but up to the present time no action has been taken by the corporation, and for all practical purposes the power freezing order of 1936 is still being rigidly applied.

I observe that Mr. Ross of St. Paul's, who is a member of this committee, put a question on the order paper of the house in this connection, and in the answer which was given to him while a great many stations were shown to have increased their power up to one kilowatt, which was the ceiling of the 1936 freezing order, it would seem that all applications for increases above that figure have been either deferred or refused. I observe by reference to that return that since 1939 some twenty-eight stations throughout Canada have applied for increases up to the limit provided for by the treaty, in excess of one kilowatt, but none of such applications have been granted. I have reason to believe there were other applications prior to 1939 which had been refused, and it may well be that other stations would apply for increased power if it were known that their applications would be favourably considered.

By Hon. Mr. LaFlèche:

Q. Have these applications not been postponed rather than refused?—A. I was careful to say either refused or deferred. They have not been granted; let us put it that way. It is at least a temporary refusal. I do not suggest it is a permanent refusal. I just say that power has been applied for and, as the return shows, they have been postponed. The return says, "Action deferred".

In speaking of the question of power before this committee Dr. Frigon gave evidence which I think left the impression that when last Mr. Bannerman and I saw the board about power increases we were perfectly satisfied with their action or inaction. He added, as I recall, that we left smiling. At the last meeting of the board, which was in January, Mr. Bannerman and I merely asked what decision they had reached, and we were told none had been reached as yet. It is quite true that at earlier meetings, if my memory serves me about last September, we placed this matter before the board in the light of what this committee said last year, and we were told both in the board room and by Dr. Frigon personally that the whole question was being studied from the technical side and that a decision, and it was indicated that it would be a favourable one, would be made as soon as the report of the C.B.C. engineers and advisers was completed. It has always seemed to us that is hardly the way to approach the question of power increases. We do, of course, know that technical surveys will be necessary before a station can actually increase their power. We must decide what directional aerials they need, and so forth, but it seemed to us, at least in essence, the matter is not complicated at all. The Havana Agreement permits stations certain power limits, or in some cases certain power minima. In the case of class 1A stations to take advantage of the treaty the station must go to a minimum of 50,000 watts and, of course, in the case of channels which are shared the treaty does provide for mutual protection. It does seem to us that the simple method of handling the matter would be to remove any arbitrary ceiling on power and authorize stations to apply for the maximum power that they may use according to the terms of the treaty, providing that they furnish the protection to other stations which the treaty calls for. That they would have to do in any case, and why the policy, because it is the policy we complain of, not its isolated application of permiting all radio stations to use the treaty to its fullest extent should wait on a technical survey I must say I for my part have never completely understood. In giving his evidence Dr. Frigon went on to say that the F.C.C. had issued a freezing order in 1942 stating that no further grants for construction or changes in stations would be granted thereafter. There was at least the suggestion that in imposing a power ceiling Canada was either following the F.C.C. or the F.C.C. was following Canada. I do not think it is particularly relevant. The increases of power that the United States stations could make had mostly been made before 1942, and so far as the

stations that had not increased their power are concerned the F.C.C. freezing order has never been strictly applied. There have been a great many examples of stations being given permission to increase their power or change their facilities since 1942. I can give you a few examples. The F.C.C. authorized a new 10 kilowatt station in Philadelphia; since 1942 they have permitted a change in frequency for WGAR, Cleveland, and have permitted a change in frequency for a station in Canton, Ohio, to take the place occupied by WGAR. They have allotted to WJW, Cleveland, 850 kilocycles and they have authorized the construction of a new station in Corpus Christi, Texas. These are all since 1942.

As to power increases, without going over them in detail, in 1938 and 1939 there were thirty-three 50 kilowatt stations in the United States; there were thirty-seven in 1940, thirty-nine in 1941, forty-seven in 1942, forty-nine in 1943, and at the present time there are fifty-one 50 kilowatt stations in the United States as opposed to thirty-nine in 1941, so that there has been an increase since 1941 of some twelve stations in the 50 kilowatt band alone.

There were in 1942 two 25 kilowatt stations; there are none now. They have both gone up to 50 kilowatts. There is still one 20 kilowatt station. In 1942 there were nine 10 kilowatt stations in the United States; there are fourteen to-day, so that there have been five increases to those stations. As to the 5 kilowatt stations they would be mostly class 3A, and it is in that group that one can best talk about taking advantage of the treaty. In 1942 there were 179 5-kilowatt stations and in 1944 there are 205 so that it is quite obvious whatever freezing order the F.C.C. may have promulgated it has not been very closely followed. They have granted power increases, as I understand it, pretty well as applied for if you could get the equipment.

Indeed, Dr. Frigon, in giving his evidence, did concede the order had not been adhered to in the case of stations which already had the equipment required. The important thing to bear in mind, however, is that prior to the issue of the order—and as I point out it has not been observed—prior to its issue in 1942 the United States was making almost full use of the channels which it had the right to use under the agreement. Then, Dr. Frigon, in speaking of the position of Canadian radio, went on to say that "any loss in possible Canadian radio coverage occurred between December, 1937 and March, 1941." That is a quotation from page 81 of the transcript of Dr. Frigon's evidence. As Dr. Frigon pointed out the North American Agreement was signed in 1937. It is true it did not become effective until 1941 because of the long delay on the part of Mexico in ratifying it, but the admission that there was a considerable loss between 1937 and 1941—and that is an admission not previously made—may be an indication that the freezing order of 1936 was ill advised, and I think in fairness to the interests I both now and then represented I should point out to the committee that while there had been no deterioration—that is back in September of 1931—the private stations did protest very vigorously against the freezing order and asked that it should be repealed so that there would not be deterioration and so that stations could take advantage of it at that time.

Indeed, looking over my voluminous files on this subject I find that in March of 1939 the private station interests appeared before the then Board of Governors in the Windsor Hotel in Montreal. Mr. L. W. Brockington was the then chairman of the board. In the brief which I then presented—and that is over five years ago, and I am reading from it—I said:—

> In giving his evidence before the radio committee now sitting, Mr. Brockington said, quoting a speech made by the hon. Mr. Howe in October, 1937—
>
> > The Broacasting Corporation has adopted, as a policy, government ownership and operating of the larger stations. In future private stations will not be allowed to expand beyond 1,000 watts, while

existing larger stations will not be permitted to increase their present power. The corporation will, however, proceed as rapidly as funds will permit to build a series of high-powered stations, which will in themselves give full coverage.

Commenting on that I then said, and this is in March, 1939:—

The private stations protest against this, because radio power cannot, in the present state of the art, remain stationary, as to do so is effectively to have the stations go back. What the private stations want, and must have, is the right to step up their power to the limits allowed by Canada's international obligations. If and when the Havana Treaty comes into effect, all stations in Canada should be permitted to step up their power to the limits allowed by that treaty, as if they fail to do so they will be frozen at their present power. This is a very serious matter, not to the stations only but to the listening public.

I gave this example then:—

At the present time a station in Calgary shares a channel with a station in Oakland, California. Each has a power of 1,000 watts, and each has an effective coverage of some 15,000 square miles. The Havana Treaty permits these stations to go up to 5,000 watts, and without doubt the Oakland station will be permitted to take advantage of this. If it does, then unless the Calgary station is permitted to follow suit, its effective coverage will be reduced from 15,000 square miles to approximately 5,000 square miles, and this situation will be repeated all over Canada. What we suggest is that the C.B.C. set up a technical committee, and that on such committee the C.B.C., the Department of Transport and the private stations be represented. That all matters of power and channels be referred to such committee, and that the private stations have equal rights thereon, and that the C.B.C. agree to act on the recommendations of that committee, in a spirit of co-operation with the private stations to let them survive and expand.

I read that to this committee because that is the statement I made to the board in 1939, a little over five years ago, and I attach particular importance to the last paragraph where we urge that there be a joint committee, not a C.B.C. committee alone or a departmental committee alone, but a joint committee on which the private stations could have been represented to see what needed to be done, to anticipate the provisions of the Havana Treaty, and I do urge on this committee that if that action had been taken at that time the loss which Dr. Frigon now admits would most probably not have occurred. Of course, as to the Havana Treaty while it did not come into force until 1941 the Treaty was signed and its terms were known from 1936 on. Stations in the United States generally anticipated its coming into effect and they applied for and were granted power up to the limits of the contemplated treaty, and all that at a time when Canadian radio facilities, apart from those of the C.B.C. itself, were frozen by an order, which in our submission then and now, should not have been made. My information is—and I think it is to a great extent supported by what Dr. Frigon has said here—that if a sound allocation policy had been adopted, even as late as 1940, the situation of Canadian broadcasting could have been substantially better.

While speaking of the treaty may I point out another aspect in which Canada seems to have been treated less favourably than other contracting nations. A reference to table 4 of appendix 1 of the treaty—and I do not think we need turn it up; I can extract all that is pertinent—shows that seventeen channels were allocated for class 2 stations, and of these seventeen channels Canada was given four, the frequency of 800 kilocycles for Ontario with a power

limitation of 5 kilowatts in the treaty; 900 for Quebec with a power limitation of 5 kilowatts; 1,060 for Alberta with a power limitation of 10 kilowatts and 1,080 for Manitoba with a power limitation of 15 kilowatts. I point out to the committee that in each case these class 2 channels were allocated to Canada with a power limitation.

In the same table—that is in the table contained in appendix 1, table 4—the United States was given four class 2 channels, namely 690, 740, 990 and 1,130, but in their case there was no power limitation fixed by the treaty and they may thus go up to the 50-kilowatt maximum allowed to a class 2 station. I do not know, and no one connected with private broadcasting knows, why the United States occupancy of these class 2 channels was given 50,000 maximum power whereas in the allocation of these four similar channels to Canada we were restricted to 15 kilowatts for the 1,080 and to 10 kilowatts for one of the others and to 5 kilowatts for two. Of course, no private stations were represented at the negotiations or at the technical conferences that led up to the Havana Treaty.

As to the further statement by Dr. Frigon that the C.B.C. is fully justified in not recommending increases on the ground that there is no equipment available, and that what there is, if any, should be used for war purposes I think one may, without impertinence, point out the freezing order was passed in 1936 at a time when there was no equipment shortage and it has been enforced consistently for some eight years and this is the first time that the equipment shortage is given as a justification for the ruling. At best one must say it is an *ex post facto* reason. Dr. Frigon also said that a radio technical planning board had been set up in the United States to study the whole question of what changes may occur in broadcasting after the war is over. When Mr. Bannerman and I appeared before the board in September the existence of that body was given as a reason why power increases for Canadian stations should not be allowed at this time. I may say to the committee that there seems to be considerable confusion as to the function of this Radio Technical Planning Board—R.T.P.B. as it is always called in this alphabetical age. But this I can state with assurance. The Board is not the least concerned with the power of existing A.M. stations; that is, ordinary amplitude modulation stations. It is not studying that question at all in so far as the rights of sovereign states are concerned under existing treaties. It is studying the question of future developments of radio, such as frequency modulation, television, facsimile and so forth; but it is an unofficial body and certainly its findings, whatever they may be, will have not the slightest effect on the question of whether or not Canada or the United States should take full advantage of the rights granted them under present treaty arrangements. It will be observed that power increases in the United States were never held up because of the deliberations of that body. As I have said, it is quite unofficial; but it is dignified, in Dr. Morin's evidence—I think it was at page 49—into the status of a "convention". Dr. Morin at page 49, giving the reasons for refusing power increases, said:—

> There are two reasons for that. The first is that the material to increase the power of a station is not available on account of the priorities; and the second is that there is at the present time a convention sitting in Washington to discuss the distribution or the allotment of wave lengths in North America, and this convention may change the present set-up.

I have never heard of any such convention. If it is an official convention that is sitting in Washington, and if it is considering the revision of treaty arrangements between North American countries in so far as radio channels are concerned—and that seems to be the suggestion that the chairman, Dr. Morin, made—then I can only say that no one connected with private broadcasting has heard of such a convention, and I should like to know who represents Canada thereon. If Dr. Morin in that statement was referring to the R.T.P.B., it, of course, is not a convention at all but just merely a trade study group organized

within the industry to consider, for the general protection and advantage, what the future of broadcasting may be. It is quite accurately described by Dr. Frigon in his evidence at page 128 of the evidence when he said, and rightly:—

> Early in 1943 the chairman of the Federal Communications Commission in the United States appealed for proper planning of the change-back of the radio industry from war to peace, and invited the Institute of Radio Engineers and the American radio manufacturing associations to set up a planning committee. The American radio industries responded to this invitation and have set up a Radio Technical Planning Board whose aims are: "To formulate plans for the technical future of the radio industry and services, including frequency allocation and system standardization, in accordance with the public interest and technical facts, and to advise government, industry and the public of its recommendations; such planning shall be restricted to engineering considerations."

That, of course, is the fact. It has nothing at all to do with the allocation of channels, and it is in no sense a convention. It is a trade study group. It can make no decisions which can in any way bind Canada; and while its work is extremely valuable, it can do no more than furnish a guide and suggestions.

An even more alarming statement was made by the chairman of the board in giving his evidence to this committee when on page 52 of the transcript he said:—

> We keep in close touch with the situation in Washington and we have as much interest as they have in preserving for Canada the wave lengths allotted to us under the Havana Conference. We do not intend to allow them to be lost, unless we come to the conclusion that it would be in the interests of Canada to abandon them. We fought hard to get them. It is certainly not our idea to drop them.

I do not know what Mr. Morin meant in the last two sentences of that statement, but they are at least open to the construction that some of the channels presenly assigned to Canada may be abandoned, because he states there, "unless we come to the conclusion that it would be in the interests of Canada to abandon them." Certainly I can think of no national interest that would justify Canada in abandoning any present channels that it has; certainly not if, as Mr. Morin says, "We fought hard to get them." Surely it is much more in the interest of Canada to fully use all the facilities that we have under that treaty or that we may acquire under any other treaty, and that we should do so as soon as possible, rather than to toy with the idea of abandoning any of them. For once you abandon any radio frequency, it must be apparent that you can never get it back.

By Mr. Macdonald:

Q. Could you exchange it?—A. Well, you can exchange. It is like a big pie; there is so much there. If your segment is a little less, that of the others is a little more. You may exchange one channel for another one. But in view of the occupancy that the United States has now made of the channels allocated to it, I should think exchange would be extremely difficult.

Q. But it is possible?—A. Yes, it is possible; but it would involve all the stations presently using that channel in the United States making changes. They would have to adopt a new frequency. It would completely change or would most probably change their equipment and directional antenna. But an exchange is possible. It was not of exchange that Dr. Morin spoke. It was at least a hint of abandonment.

By Hon. Mr. LaFlèche:

Q. Are you not building up your argument on a pretty thin supposition?—A. Which one, General?

Q. You take a small phrase used by Dr. Morin and upon that you argue that there may be quite a definite intention to abandon something.—A. No; I do not say that. As a matter of fact, whether Dr. Morin had made that statement or not, my argument would have been the same, because my argument is essentially this. As in 1941 Canada was given certain channels and was given the right to use those up to certain power limits, we should do so as soon as we can; and if equipment is now scarce, let us see if we cannot get it. As I shall point out later, it is not quite as scarce as you may think. Some can be obtained. But the real point, Mr. Chairman and gentlemen, is simply this. If we do not use them, certainly the broadcasting interests in the country to the south are going to apply for the use of those channels which we are not fully using. I have before me "Broadcasting" which is—I must not praise it too highly—one might say the Bible of the broadcasting business. I have the issue of April 10, 1944—a very recent one—where reference is made to an application by Mr. Arthur B. Church on behalf of KMBC for a 50,000-watt station with a frequency of 540 kilocycles, which is the frequency presently used by station CBK on the prairies. Quoting from "Broadcasting" Mr. Church is reported as saying:—

> Pointing out that the present North American broadcasting agreement expires in March, 1946, Mr. Church said that post-war changes can be expected. He added his belief that it would be helpful to the government and the FCC if broadcasters interested in using possible new frequencies and other clear channels make known their desires as soon as possible through filing of applications.

That may be at least an indication that broadcasters in the United States have their eyes on these channels that we are not fully using. The channel he is talking about there is a channel presently used in western Canada by the C.B.C.

In preparing my presentation to this committee on the question of power, I consulted at some considerable length with Mr. Chandler of Vancouver, who was for many years chairman of the technical committee of the C.A.B. In one of his last letters to me he summarized the position, and I think I might usefully read this. It is, briefly, a short summary of our technical position. At the time when he wrote this letter he had examined the evidence given by Dr. Morin and Dr. Frigon before this committee. He said:—

> Summarizing my comments. In substance Dr. Frigon's testimony is fairly correct. It is not complete. He is correct in saying that most of the damage was done between 1937 and 1941. With this I agree, as since that date there has not been much to save. He doesn't explain, however, that this damage could largely have been prevented if the C.B.C. had not had its power freeze, but had rather encouraged Canadian stations to raise power in order to prevent this deterioration. I agree that four 50-kilowatt stations and one station of at least 1-kilowatt power must be erected within the next two years. That is part of the treaty. I believe that failure to raise Canada's IIIA stations to 5 kilowatts prior to March 29, 1946, will place Canada in a very poor trading position at renegotiation. Such trading position might permanently freeze our class IIIA stations to 1 kilowatt maximum rather than the 5 kilowatt maximum established in the treaty. To support this I would point out the fact that in the treaty the priority class II channels of 800 kilocycles, 900 kilocycles, 1,060 kilocycles and 1,080 kilocycles are frozen to a maximum power lower than the maximum for class II stations in the treaty. I have

mentioned that already. May not a new treaty similarly freeze our class IIIA stations to a maximum lower than a maximum set out for that class in the treaty? I think that our whole case can be summed up in this way. The C.B.C., through its power freeze order in 1936, has lost Canada a great deal of potential coverage from its class IIIA stations. It has lost Canada considerable coverage through power limitations which were written into the treaty for class II stations. It will lose priority rights in class IA channels and 1 class IB channel unless these stations are raised to the minimum power required by the treaty. Therefore it should be recommended that every encouragement be given to class I stations to raise their power to the minimum required by the treaty. Class II channels with power limitations can be used. Class III stations should be encouraged to use the maximum of 5 kilowatts power so as to restore partially the coverage they have previously lost. This declaration of policy should be made at the earliest possible moment; and when the declaration of policy has been made, negotiations should be entered into with other powers towards recognizing these claimed powers until such time as equipment is readily available. This would fit in with the last sentence of Dr. Frigon's testimony on page 82. This should be done speedily, so that we have the intention of full use of our channels for trading power at the time of renegotiation.

It may be of some interest to this committee to point out that the C.B.C. does recognize the connection between power and coverage, and appreciates the fact that power increases permit a station to give better service within its listening area. During the last year one of the C.B.C.'s stations in Toronto—I was going to say the junior C.B.C. station, but I must not say that as Mr. Coldwell is here—CJBC, formerly CBY, has been permitted to increase its power from 1 kilowatt to 5 kilowatts and apparently the necessary equipment is being found, as Dr. Frigon rightly said, with some difficulty. We do not complain of that at all; and I am quite sure that the result will be, as Dr. Frigon said, to give a greater number of people more program choice and a better service. We do suggest that all broadcasting stations should receive similar treatment. If it is a good thing that CJBC should increase its power in order to give better program choice and service, it may be just as good a thing that other stations should do so.

There is one other suggestion of Dr. Frigon's that I should mention. He said there had been a 20 per cent power cut in order to save equipment, and that had decreased station power and thereby station coverage without any complaint. That, of course, is true, I suppose; but it has nothing at all to do with the question of the use by stations of maximum power permitted by the treaty. Of course, if all stations reduce their power 20 per cent, they mutually recede with regard to interference with one another, and it does not make any difference to the overall picture. But in any event, it is a mere temporary measure designed to make tubes last a little longer. The overall situation remained precisely as it was. To sum up the power situation from a non-technical standpoint, and that is the way I feel it should be approached, I have not heard in all the evidence that has been given before this committee either this year or last, a single cogent reason for continuing the ruling that power must be frozen. Some temporary reasons, some reasons of wartime expediency have been given, but no reason for the ruling itself. Neither Dr. Frigon nor Dr. Morin gave any good reason, either present or past; and there are very strong reasons, on the other hand, why full advantage should be taken of the treaty, and as soon as possible.

I must remind the committee that the treaty comes up for revision in 1946, and that is only two years from now. It seems to me that one of the very first questions to be considered at the time of renegotiation will be as to what extent the signatory nations have availed themselves of the channels and power which

the 1941 agreement conferred upon them. Those nations that have made the fullest possible use of their treaty rights—such as, for instance, Mexico, which has used its rights tremendously—will, I think, be entitled to say to the nations which have not used the rights given to them by the treaty, "Why shouldn't you give up some of the rights, some of the channels and power granted you in 1941, and be content with what you now have, which is apparently all that you need?" Will it not be urged at the time of renegotiation that, having made no use of these channels and these powers for some five years, we do not need them at all and we are merely adopting the dog in the manger attitude in asking for them? Of coure, it may be that Dr. Morin foresaw that argument and had in mind maybe some abandonment. All I can say, as I have already said, is that no abandonment can be justified. There is no present reason for the ruling that power should not be increased where it can be increased; and I do urge that we should follow the lead of the United States authorities by permitting and encouraging power increases and by enunciating this very simple rule. We do not need to go into the technicalities of the matter at all. I believe we should enunciate this simple rule, that all stations will be permitted to take the fullest advantage of existing treaty allowances. That is, if that was enunciated as a rule by the C.B.C., then they could start dealing with present applications, one by one; and as it was possible to get the equipment, the stations could take advantage of the treaty. Then when we come to renegotiate the North American treaty, the trading power of Canada will, in my humble submissionon to this committee, be immeasurably better than it would be if we come along at that time and say, "We had those powers in 1941 but just have not got around to using them."

Mr. Chairman, that concludes what I have to say about power. I do not know whether it is the intention that I should be questioned at the end of each department or not.

The CHAIRMAN: No. We will give you the rest of the morning to make your presentation and will put you over the hurdles this afternoon.

The WITNESS: That will be better. I shall be fortified by a good lunch.

Hon. Mr. LAFLÈCHE: If that is the understanding, would it not be better to allow the members of the committee to read the presentation and then, if necessary, ask Mr. Sedgwick to come back? That is the question.

The WITNESS: Well, I am in your hands. I will answer questions as I go along or later, whichever you wish; or perhaps I should say I will try to do so.

Mr. COLDWELL: I think we had better have the presentation first.

Mr. ISNOR: How many more subjects have you to deal with?

The WITNESS: About five. Some are very short, however. I am not sure that I can conclude by 1 o'clock, though.

Mr. DIEFENBAKER: I think you had better go on.

The WITNESS: All right. May I now deal with the question of C.B.C. regulations. As the committee are no doubt aware, the Canadian Broadcasting Act gives to the corporation very wide regulatory power, and pursuant to that Act the corporation has enacted regulations governing the operations of private broadcasting stations. As to these regulations, private broadcasters do from time to time make representations objecting to certain of them, but I may say that we were not consulted in a deliberative way when they were enacted; and while our representations are listened to when we make them, there is not anything in the nature of a round-table conference to decide whether or not the existing regulations are fair and useful or whether, and to what extent, they should be changed. Indeed, many of them have been in effect for years, and in the opinion of the great majority of the station operators they are not fairly applicable to existing conditions. I did observe

that, in giving his evidence here, Dr. Morin made the statement, in objecting to the suggestion that there should be established an independent tribunal to deal with all broacasting in Canada, that "the National Broadcasting System would fall upon the same regulations as the private stations, and the result of this would be that the national system would enter into competition with the private stations in respect of the means to obtain the audience which it needs."

I said last year to this committee, and I want to repeat it, that the fact is that in all principal centres of population in Canada, the C.B.C. and the private stations are in competition for the one important thing, namely, audience. Whether they compete specifically for what is called the "advertiser's dollar" is something we might argue about, but that they compete for audience is right, proper and inevitable. It does seem to me that the regulations that apply to the one should apply equally to the other. Elsewhere throughout my brief I shall mention some questions of regulation which have been something of a thorn in the sides of the private broadcasters, but there is one which I have been asked to refer to; that is the question of auxiliary networks between private stations and the line charges imposed by the C.B.C. therefor. I will deal with that a little later, if I may.

There is also the question of the use of what are called mechanical transcriptions or recordings. As to the use of mechanical transcriptions, we have been arguing with the corporation for many years. There is a regulation—and there has been one in force for some years; six or seven years to my knowledge—which restricts the use of mechanical transcriptions. It is section 18 which reads:—

> 18. (1) No station shall use a mechanical reproduction (except when its use is merely incidental as for an identification or background) between the hours of 7.30 p.m. and 11.00 p.m., provided, however, that broadcasting stations may be permitted to use transcriptions between the hours of 7.30 p.m. and 11.00 p.m. local time on the following basis:

Then there is a shifting scale of allowances designed to give the little stations in the small place, with no network affiliation, the maximum right, working down to the larger stations where they have a very restricted right. For instance, in a large city like Montreal, Toronto or Vancouver, the stations in those cities, under the regulations are permitted to play one hour of recorded programs between 7.30 p.m. and 11.00 p.m., although not more than one half-hour may be sustaining programs and not more than one half-hour commercial. If they transgress by using one and a half hours of recorded programs some evening, they are checked up. I know of an instance where they had been threatened with suspension or the withholding of their licence for the infraction of that regulation specifically. I may say that it is fairly rigidly enforced. For instance, quite recently a station desired to put on a half-hour recorded program for the National Selective Service Department and it was told that if they did so it would be considered as part of their allowance for that evening. So far as this whole mechanical transcription regulation is concerned, the independent broadcasters can see no present need for it. It was originally said that it was designed to compel the stations to make reasonable use of live talent; but I may say to this committee that where talent is available the stations are not only willing but anxious to use it if it is either of the quality or has promise of being of the quality required. Apart from that, in all the principal centres of population, the Musicians Union see to it that broadcasting stations and all other entertainment facilities deal fairly with professional talent. We cannot use anything but professional talent in the big centres because the union will not allow us to do so.

The best proof that I can give this committee that this regulation as to mechanical transcription is not in the audience's interest—and that is the consideration—is the fact that the C.B.C. stations themselves do not observe it. I have—or at least I had before me, the program schedule of CJBC, Toronto, for the week of February 20. This is a 1,000-watt station. It is on both the Blue Network and the Dominion Network. It is affiliated with them. During that week of February 20, I observe that on Sunday they used one and a half hours of recorded music, which is half an hour more than they would have been permitted to use commercial, and one hour more than they would have been permitted to use sustaining. On Monday, February 21, they had one hour and a half of recorded music. On Thursday, February 24, they had one hour and on Friday, February 25, they had an hour of sustaining. I do not cite those examples by way of criticism of the manager of CJBC. Indeed, I think he is to be praised. They are good recordings. They are really the good programs. One of them is "Concerto Time", another "Singing Strings" and so on. They are excellent programs. I mention it to show that in operating that station—and he is an extremely competent station operator—he found it difficult, and I take it impossible, to live within the regulations of the corporation. He felt that he needed more leeway than those regulations permit. All that I say about that regulation is that what is sauce for the goose should be sauce for the gander, and that private stations should have similar leeway. If the C.B.C. stations feel that they need to use more transcriptions than the regulation allows, one can understand that the private stations may frequently feel the same thing. So far as quality is concerned, I can say this with absolute assurance: as between a recorded program and a live program, if there is any difference in quality it may be in favour of the recorded program.

By Mr. Macdonald:

Q. I suppose you would live up to the spirit of the regulation rather than the letter?—A. Of course we would. After all, Mr. Macdonald, as one says in the broadcasting business until one is tired of saying it, we have to get the audience, and we would have to give the kind of programs that the audience wants.

Q. But if you have regulations, do you not think they should be lived up to?—A. We try to. We are compelled to live up to them. I merely point out that the C.B.C's own stations do not always live up to them.

Q. You are suggesting that it should not be necessary to live up to them?—A. I suggest, sir, that they should be fluid. I do suggest that there is no particular need for the regulation, that stations use live talent where they can get it. They want to. They want the variety that live talent provides. But it is difficult to plan the programming of a station, as the manager of CJBC discovered for himself, if you have to plan it within rigid rules. The regulation says that you cannot use more than a half hour on a particular evening. You may have one evening when you can fill your whole time from 6.00 to 11.00 with live talent. You may have another evening when you cannot fill it with live talent, because the supply is by no means inexhaustible; but you are not allowed to average it. That is, if you use no recordings on Tuesday, you cannot, for that reason, use twice as many on Wednesday. You have just lost that right and lost it completely. I say it is extremely difficult to program a station sixteen hours a day, seven days a week, working under a rigid rule of that kind. I do not think they need that regulation. I suggested some years ago to the then general manager of the C.B.C. that we might have a white and black list; that we might put out a white list of stations that deal fairly with live talent and allow them to play transcriptions whenever they liked and put out another

list of stations that do not seem to be dealing fairly with live talent and say, "Until you do, we will limit your use of transcriptions." But I do not think there should be rigid overall regulations.

By Mr. Diefenbaker:

Q. Who would make the allocation as between the black and white group?—A. Well, in practice, probably the Musicians Union. In fact, the suggestion that I made was to Mr. Murray and to Mr. Murdoch, who was then and now is head of the Musicians Union in Toronto and he quite agreed with it.

Q. Who would make the list?—A. I say probably the Musicians Union would make it. They probably will bring us to heel.

By Mr. Macdonald:

Q. Do you not think it is dangerous to have regulations fluid? I suppose your suggestion as to a fluid regulation does not apply only to the regulation which you are mentioning now but to other regulations?—A. Yes, I think that is so. As a matter of fact I do not think this type of regulation is necessary at all. They get along in the United States without it, and the stations manage to do a pretty good job of serving their public.

Q. My point is if you are having regulations do you not think they should be lived up to or else the regulations put in such words that they could be lived up to?—A. Yes, or alternatively, and possibly preferably, repealed, because in the suggestion I make I would say that this regulation is not presently useful, and it is difficult to formulate it in words so that you can always live up to the letter of it. I think you said a moment ago we might observe the spirit without observing the letter. At the present time stations are in the main compelled to observe the letter of the regulation as well as the spirit.

By Hon. Mr. LaFlèche:

Q. What you want is a good working arrangement?—A. That is right. Then, if I may bring up another cause of complaint as to regulation 18, for many years now that regulation has provided that whenever you use recordings you must say, "This is a recorded program", or "This is a program of electrical transcriptions". We have repeatedly protested against that regulation also, and on this ground, that it serves only to minimize the pleasure which the listening audience derives from the performance. As I have already said, technically a recorded program is as good as a live program, and providing there is no deliberate deception why should the listening public be told that it is not a live program but merely something that they think of as a record. There seems to be no sensible reason for the regulation, and certainly none has ever been given to us although we have protested about it for years. To bring the point home to the committee if any of you gentlemen make a recording here in Ottawa and you want to send that back to the station in your home town so that it may be broadcast to your constituents as your report of your labours here, if the station strictly observes the regulation it must open up by saying, "This is a recorded transcription."

By Mr. Macdonald:

Q. Do you not think it would be rather embarrassing if immediately the program was over someone called your home and said what a splendid address you gave and then they were told that you were in Ottawa?—A. That is all right. Land lines exist, and whether it came over a line or a disc it makes no difference to the person who hears it. There is not a great deal of embarrassment in that. The serious matter is that it does destroy some part of the pleasure which the listener derives from the program. They like to think they have listened to Mr.

Macdonald, and, of course, they are not deceived at all. If you recorded the program here on Wednesday and it was broadcast on Friday there is a time lag of 48 hours instead of a fraction of a second time lag that there is on a wire line but there is no difference, but I do think it makes a difference to the listener if it is opened up by saying, "This is a recorded program", and is closed by saying, "You have just listened to an electrical transcription".

By Mr. Hansell:

Q. Has not that regulation been repealed?—A. No. I must say it is not always strictly followed but it has not been repealed. It is still there.

Q. I understood it had?—A. Oh, never.

Mr. PICARD: They have got the same ruling in the United States?

The CHAIRMAN: Order, please; the committee decided that the discussion would not take place now, and we are getting away from that.

The WITNESS: I think I am probably at fault.

Mr. COLDWELL: Sometimes it is hard to observe that very rigidly.

The WITNESS: I may say that I know of no change in the regulation. Mr. Hansell suggested that there had been one but I do not know of any. I know that the stations do not always slavishly follow it because they do not think it is in the listeners' interest, but if it is not in the listeners' interest it should not be there. Regulation 18 also provides, and has for years provided, that you cannot even make reference to the origin of the recorded program. That is, you are not permitted to say, "This is a program of Victor recordings", or "This is a program of Columbia recordings", as the case may be. As to that particular clause of regulation 18 not only do I not know why it is there, but I have asked the board on a couple of occasions why it is there and no member of the board I have ever spoken to knows why it is there, but it is there and it stays there.

By Mr. Picard:

Q. I do not want to infringe the ruling, but is it the same thing in the United States?—A. Not with respect to that; as a matter of fact, in some jurisdictions, in England, for instance, as to a certain recorded program they say, "This is a Victor album". We are not permitted to do that. I am not sure that we want to.

Q. In the United States they are not forced to say they are recorded programs?—A. I think there is a similar regulation there imposed on them by the musicians union, but nobody is pleased with it, and merely because it exists there may not be a good reason for having it.

If I may continue with my brief, the whole mechanical transcription regulation seems to us at the present time to be unnecessary and should, in the submission which we make, be rescinded in its entirety. I feel confident—and this may be in reply to Mr. Macdonald—that if the station operators, the people who actually have to run the broadcasting stations, both C.B.C. and private, got together they would all agree the regulation at present is not useful. We have never been able to persuade the Board of Governors to that effect although we have raised it at meeting after meeting. We have talked about it for seven years. There have been some modifications about the amount of transcription we may use but there has never been any repeal of the regulation and it is now essentially as it has been for the past six or seven years. I do not bring it up because I expect this committee to revise the regulations of the C.B.C. I bring it up as an example of one of the things that causes friction between the regulatory body and the regulated, and one of the things that need not be if the problems between the C.B.C. and the stations were approached more in a consultative and deliberative way rather than in a regulatory way. That is all I intend to say about mechanical transcription.

If I may, I shall now pass on to another controversial matter. That is the question of line charges. Considerable evidence was given to this committee on that subject. As the committee by this time knows the Canadian Broadcasting Act gives the corporation control of the establishment and operation of chains or networks of stations in Canada. That is under section 22, and in the exercise of that power the C.B.C. will permit one station to link itself with another one or more stations by wire only under its control, and with the further condition that any such arrangements must be made through the corporation and the necessary line facilities must be purchased from it. That is, you cannot make an independent deal. The provisions of the Act are reenforced by regulation 19 of the board which says that unless permission in writing is first obtained from the corporation no station shall continue to be a part or shall form a part of a chain or network originating outside of Canada; no chain or network or two or more stations shall continue to be operated within Canada or shall be set up or operated within Canada, and so on. I do not think I need read the rest. Acting under that power which, as I have said, gives them complete control of line facilities, the corporation does when it so suits it, permit stations to join themselves by land lines but at line prices which make such networks, in the submissions which are made to me and which I pass on to the committee, prohibitive or nearly so. Dr. Frigon gave lengthy evidence before the committee as to line costs and in the course of that evidence on page 111 of the record he said:—

> We buy lines over the year, 365 days a year, 16 hours per day; but the difficulty of breaking down the price is that we have rates which are based on the basic service, plus charges when we extend the line over 16 hours, plus other charges when we have parallel lines, so we have no unit cost. We buy wholesale and we retail on a basis which we think is quite justifiable as compared to other charges by other companies.

Just what is meant by saying they sell on a basis which is justifiable as compared to other charges by other companies I do not know, as the C.B.C. does not permit private stations to make a deal of their own with the companies that have line facilities for sale. That is the Bell, C.N.R., C.P.R., and some of the government and privately operated telephone lines throughout the country. Nor am I in a position to say precisely what it costs the C.B.C. for the lines which they do sell to private companies, but we have made some inquiries as to what it would cost private stations to establish network facilities if they were permitted to do so. We find on a yearly basis a 16 hour line for network purposes would cost us $62.16 per annum per mile, or over the year an average of 1·06 cents per mile per hour. Considering the cost of supplementary hookups, administration, and so forth, I think it fair that the C.B.C. in selling lines to the private stations should charge something more than it pays but what they do actually charge is so much in excess that it is, as I am informed, almost prohibitive. The charge presently made by the corporation for wire lines between two or more privately owned stations is a standard for all parts of Canada, and it is 12 cents per mile for one hour; 10 cents per mile for half an hour, and 8 cents per mile for a quarter of an hour. That is a charge that has been in effect for some six years. It is quite true, as Dr. Frigon said at the last meeting, that the charge prior to 1938 was higher, or prior to 1937. I am not sure when they brought it down. We have continually protested about it. As to our protesting I find in going over our files that the last letter of which the association has record was a long letter of protest which the secretary of the association sent to the general manager of the C.B.C. in January, 1939, over five years ago, asking for some relief from the situation, with a view to placing the matter before the convention, the annual meeting of the C.A.B. which was to take place in January shortly thereafter. To that letter of protest we received this reply:—

> With reference to your letter of January 3rd concerning line charges, the examination of this question has not been completed as yet. How-

ever, we shall see that you receive some definite information on the matter in time for the annual meeting of your association, which takes place on January 23rd.

That, I may say, is the last we ever heard of the matter officially, although on two subsequent occasions we raised the question with the board or with the senior officials of the corporation.

In analysing the line charges that I have quoted one would think on their face they are bad enough as 8 cents for a line for a quarter of an hour is a fairly stiff fee. However, as the rate is applied it is worse than on its face it appears. Thus, should an advertiser want to buy four contiguous quarter-hours, and should he want to link two or more stations together in order to carry his programs, supposing they are four separate fifteen minute programs my information is he must buy each quarter hour as an entity, and thus he would pay four times eight which is 32 cents per mile per hour for line charges plus an additional charge of $2.50 for a loop per program. That is, every time there is a loop into the station you are charged another fee of $2.50 so that it is possible to pay as high as 32 cents per mile per hour plus $10 for loop charges.

The same fees apply to sustaining programs; that is, if two stations want to put a program on between them and want to buy lines for that purpose they have to buy those lines at the figures I have quoted. There is no distinction made between a subsidiary network for commercial purposes and a subsidiary network for sustaining programs. The only result is, I am informed, to diminish the service which radio stations could give to the Canadian people.

I can give you one very recent example that was brought to my attention. When Major Triquet, V.C., landed in Quebec the independent station there, CHRC, was anxious to have him broadcast over their facilities, and they wanted to carry the message to a Montreal station if they could do so. In order to have him do that and have the Montreal station carry it they would have had to pay line charges at the figures I have quoted which, quite frankly, they cannot afford on sustaining programs.

By Hon. Mr. LaFlèche:

Q. What would that be, $16 for fifteen minutes? It is about 180 miles or 200 miles.—A. I do not know what it is. It would cost them on a quarter-hour basis of 8 cents a mile. As a matter of fact, while the problem of line charges is raised throughout Canada it is a particularly acute problem in the province of Quebec because the stations there cannot use the big American network programs to the same extent as the English-speaking stations can, nor, of course, can they use the big English programs of the C.B.C. network itself, and they are therefore compelled to rely largely on their own originations. I could give a number of instances of excellent sustaining programs that would have been fed from major Quebec stations to smaller stations in the province if the line charges had been reasonable. One indication that these charges are not warranted may be found in the fact that when a station not on the national network is added to it the charges made by the C.B.C. are 7 cents a mile for an hour; 6 cents for half an hour and 5 cents for a quarter of an hour. You will observe they are some 40 per cent less than the charges made to private stations for a subsidiary hookup. The suggestion that I should like to place before this committee is that either the stations should be permitted to make their own deals with the line companies in which event the C.B.C. would be put to no trouble or expense, and we would have to buy the lines from the companies at whatever price was agreed upon, or alternatively if the C.B.C. thinks it necessary to retain control over these facilities, and to buy them wholesale and retail them as required, then they should do as we have been suggesting for some six years past, that is, they should sit down with us and explain to us exactly what that cost is. We do not know, and you

gentlemen do not know what the line cost is either. In acquiring supplementary lines they should sell such lines to us at that cost or at something reasonably close to it. After all, while there are many figures given to the committee as to what the income and the outgo of the C.B.C. is, and what they pay the stations, and what profit they make here and there, I do not think the C.B.C., with the backlog of the licence fees, should want to make a profit on the sale of these lines to private stations. I think they should encourage supplementary hookups. It makes for better programming and I think they should not only sell them to us at a fair price but they should go to some pains to satisfy us it is a fair price.

As has been said to this committee by me and by others network broadcasting is in the present stage of the radio art practically an essential. The desirable program that one station cannot afford for itself, two, three or four stations may be able to afford between them, but they can only do that if they are permitted to share the cost of the program and to share the program amongst their various audiences by the use of lines. It is most clearly in the public interest that network broadcasting of that kind should be encouraged, and it is therefore clearly in the public interest that the line charges should be as low as the C.B.C. can make them without loss to the corporation.

In fact, as I must repeat throughout this brief, the key complaint of the private stations is that the regulations of the C.B.C. are too often made arbitrarily and do not seem to be justified on any basis of public interest. Indeed, one perceives throughout the evidence that has been given you with respect to their operation the feeling that the corporation considers itself superior to the independent stations, not only in its operation but in the standards by which it must be judged. I observe with interest, and this is merely an example, that Dr. Frigon said in his evidence at page 87:—

> Furthermore, we do not carry a number of broadcasts such at patent medicines or other programs of that sort. That is left entirely to private stations.

That is hardly correct. The C.B.C. carries the American Album of Familiar Music which advertises Bayer aspirin; it carries Waltz Time advertising Phillips Milk of Magnesia; it carries the Ironized Yeast program, and if they are not patent medicine programs what are they? In saying that I am not criticizing them for carrying these programs, and I am certainly not criticizing the products they advertise. The products are, no doubt, excellent and the programs are absolutely first rate entertainment, but I do think it is a little unfair for the C.B.C. to adopt a holier than thou attitude and to say to this committee, "We do not touch that kind of advertising", patent medicine advertising. One may think Ironized Yeast and Phillips Milk of Magnesia are just as much patent medicines as anything else and, of course, it must be remembered whenever statements are made to this committee to the effect that the C.B.C. is choosy in its programs that they, of course, have a backlog of some $3,000,000 licence fees and can be a little choosier than a purely commercial operation because there are stations in Canada which take no feed from the C.B.C. at all, and are dependent completely as to every dollar they get on their commercial operations. They have no other source of revenue and do not feed to a C.B.C. wire.

Dr. Frigon, the acting general manager, also said that all stations are fighting to get on the C.B.C. network. I want to deal with the question of the Dominion or second network at a little greater length later in my brief, but in a sense that statement is true with this qualification. The real truth is that practically all stations want network affiliations if they can get them. They need it, and for the reasons I have already set out. A station cannot command a full audience without the advantages of some network affiliation. At the present time, when the only network affiliation available outside of the larger cities is that of the C.B.C., which in itself carries the programs of the four major United

States networks, of course, the stations are anxious to have that network fed to them, but I can say to this committee with assurance that if the private stations are given permission to set up cooperative networks amongst themselves, there will be no difficulty in getting stations, including those which Dr. Frigon says are anxious to be affiliated with the C.B.C., to affiliate with such a network. To sum it up, what every station wants is a network affiliation; and so long as the C.B.C. is the only one available that network is desirable; the situation might be otherwise if the stations had any choice. That concludes what I have to say about line charges.

I now want to mention very briefly another matter which has been controversial and I think was mentioned in the course of this committee. That is the question of price mention on the air. There is and there has been since the inception of the C.B.C. a regulation which provides that no one shall advertise the price of goods or services. There are a couple of minor exceptions to the regulation, but they do not alter the basic prohibition. To some stations that is not a matter of great importance. On the other hand, some stations feel it is very important and that it is in the interests of their public that they should be permitted price mention, probably subject to certain limitations. Nobody desires to see commercial announcements merely a list of prices. On the other hand, the right to mention the price of goods would have something to do with shortening commercial announcements and would, I believe, make them less objectionable. The actual price of the article offered for sale is something which you cannot falsify and about which nothing can be said other than the bare announcement. It must frequently happen, particularly in rural districts, that a local advertiser using the radio will have something for sale which is important to his listeners by reason of the price at which it is offered, and I know of complaints that have been made by listeners to the effect they would have been very anxious to purchase certain articles had they only known of the price. An inflexible prohibition—and it is pretty inflexible—against price mention would not seem to serve any useful purpose, and one can think of cases where it is definitely in the interest of the consumer to state the price of certain articles, and particularly is this true of local merchants in small communities as to the price of articles sold by them. It may not be so important to national advertisers who, as a rule, are not concerned. Their product has been sold for years; its price is well known, and they are not much concerned with it, but it is important to the small merchant in the small community It may be pertinent to mention that no similar prohibition exists in the United States except a self-imposed regulation of the networks. The big nets in the United States do not carry price mention. They have their choice; they could if they liked but they have chosen not to. They do not feel it is in their interests or in the interest of the audience to carry it on a big national program, but they are quite free to do so and local stations do carry it where they think it is in the local interest. If price mention were permitted in Canada I have not the slightest doubt that the stations themselves would regulate its use, and some of them, following the lead of the United States, may impose on themselves a prohibition of their own. What I do suggest is that the inflexible regulation should be repealed, and that it should be left to each individual station to decide whether or not and when they will permit the price of goods or services to be mentioned in the interests of their audience and of those using the station facilities. Here again we have put this matter before the Board of Governors on numerous occasions but have never had any satisfactory reason given for the regulation. We have been told—I do not think officially, although I have heard it said in the Board of Governors' meetings—it was passed originally at the request of newspapers who were afraid radio stations might compete more effectively with them for advertising if the stations were permitted to mention prices. Whether that is the origin of the regulation or not I cannot say, but I have doubts as to whether even the newspapers to-day

would care to support it. Certainly I do not think they would publicly support it on that narrow ground.

There is another matter of regulation, and this is the last that I want to speak of. It is the question of reserved time. I do not want to weary the committee with may seem to be inconsequential matters but the things I have been discussing, matters of the C.B.C. regulations, are important to the stations concerned, and never before have I, nor has anyone representing the private broadcasters, gone into these matters before you. This time questions have been asked as to the attitude of the corporation to the stations, the regulatory attitude, and as to the causes of complaints by the stations against the corporation, and the only way I can put these matters before you is by dealing with some of the regulations, and the more controversial ones.

By Mr. Coldwell:

Q. How long will this section take?—A. I would think about ten or twelve minutes.

Hon. Mr. LAFLÈCHE: Can we call it half a day?

The CHAIRMAN: We did not get started until a quarter after eleven.

Mr. COLDWELL: Some of us were here at 11 o'clock.

The WITNESS: It is probably not that long. I observe it is about five minutes to one. I think I will be through by 1 o'clock. In fact, almost every western station has communicated with me and complained about the fact that in the mountain time zone particularly the time reserved by the C.B.C. for the broadcasting of its own programs takes up almost all of their most usable time, and the time when they have the largest audience, with the result that they have none of their peak time available for local programs, either commercial or sustaining. Stations affiliated with C.B.C. in the mountain time zone have their time reserved on week days from 2 to 2.30 p.m. and in the evening straight through from 7.30 to 9 p.m. and then again from 11 to 11.30 p.m. I know that a matter of that kind is not one which this committee can deal with in detail, and I do not ask that you should do so, but I mention it because it is a sore point with the stations in the mountain time zone, at least, and with stations in other time zones to a lesser extent. In preparing my material for presentation to this committee I communicated with all the members of this association. I did not send them a long questionnaire, but merely a brief letter asking them to give a resume of their general activities during the year and also any criticism that they had to make of the C.B.C. regulations or directions. I merely asked two simple questions. I found almost complete unanimity in the complaints made by the stations and I have dealt or shall deal with the more serious of them. One of the best letters that I received was from a station that I observe was mentioned at the last meeting of this committee, although I do not know exactly in what connection because I did not see the letter to which Mr. Coldwell refers. Some mention was made of station CHAB of Moosejaw. I have a letter from Mr. Carson Buchanan of that station which sets out, I think, without any bitterness, fairly the attitude of a small local station to this whole question of regulation and control and its inflexibility, and that is all I want to do. To complete this section I should like to read this letter of Mr. Buchanan's. It reads:—

> With respect to question two as indicated above, we find the various C.B.C. regulations and requirements are thwarting us in carrying out the local and regional programming and service duties for which we were licensed. We hold, and we believe soundly, that unless a local and regional station is able to give the class of programs and service acceptable and helpful to its particular area, as distinguished from the "National" type of programming and service which is by contrast the duty of C.B.C.,

there is no purpose in its existence, and we must fight and keep fighting any tendency to unduly restrict our duties to the area we have the honour to serve. I would refer you to the submission made to the C.B.C. Board of Governors last January by the western stations of the dominion network as having particular merit for argument. A few comments in this connection follow:—

(1) By requiring us to take so many network commercial programs and adhere so strictly to reserved time, C.B.C. rendered it impossible last year for us to give adequate service to our rural audience especially in the evenings. For a considerable period last fall for instance, we only had one hour in the whole week between 7 and 9 p.m. in which we could give local service. Habitually the Saskatchewan farmer does not get his "boots off" until after 7 after chores are done and normally goes to bed shortly before or after 9, as he must arise early in the morning. So we had to pass up service to the people who would benefit mostly thereby.

(2) When complaint was made to the C.B.C. authorities about this demonstrable lack of time to give local and area service, they simply dismissed the problem by giving us the choice of getting off the network which would mean extinction.

We feel the C.B.C. should have in mind primarily the best interests of the listening public in which case they surely could not dismiss so cavalierly the plea of a station which is only seeking to do its duty to its listeners. While we appreciate the inherent difficulties and problems of network broadcasting, if the C.B.C. could receive the stations with open mind and the conscientious desire of a partner to work out what is best rather than the apparently arbitrary desire to suit their own convenience and choke their ideas and programs down the throats of our listeners whether acceptable or not, we might get somewhere together in the public interest.

(3) We believe in small centres at least there should be no restrictions on the use of recordings or transcriptions, inasmuch as robbed of our possibility of successfully developing talent that can to any extent compete with network programs, we should not be further hampered—or on the other hand forced to take unwanted or unsuitable network programs. If the network programs are suitable, by the way no station manager could pass them up.

(4) The new regulations with respect to political broadcasting will, I am afraid, make it impossible for any private network station to find sufficient time to serve its local and area legitimate needs in this respect because of the enforced superimposition of network obligations and the one-half hour before and after requirement on station and schedules with only a very limited time available under the best of circumstances for political discourse. We have at least four federal ridings in our dominant service area in south-western Saskatchewan.

(5) While on the subject of new regulations or requirements I believe the C.B.C. would get more cooperation from the private stations if they were to discuss some of their problems with us rather than make decisions which effect us "ex parte" and put them into effect before we know anything about them or have any opportunity of urging argument against them if they are undesirable. Also if they would on their line change broadcasts have informal and informative talks for traffic managers on what might be expected in the next couple of weeks, so that we do not have to read the newspapers to get our first information that I think would be helpful.

(6) I am unalterably opposed, as a local and regional station, to being forced to take any C.B.C. national news broadcast. CBK can be

heard in all parts of our area by those who wish a C.B.C. newscast. We should be permitted to serve from the local angle without coercion or embarrassment in this respect.

(7) We believe we could better serve the public if there was a reasonable amount of price mention. There is nothing out of good taste in this and especially in a large and sparsely settled area such as we serve it would be most helpful to broadcast prices. The general point I would like to see brought home forcibly to the committee is that a local station, and every private station is in that class, has a duty to perform to its listeners which varies with each station having in mind the particular needs and preferences of each area, and each station should be given reasonable latitude to develop its own personality necessary to carry out that duty without being hamstrung by rules and regulations and reserved time regulations applied without discretion.

Gentlemen, to conclude I do not think I can better sum up the matter than is done by Mr. Buchanan in the letter I have just read. You will observe that while he protests against the individual regulations, what really bothers him is the fact that regulations of general application are made without an adequate study of individual station requirements and are imposed from above instead of being the result of consultation and agreement.

By Hon. Mr. LaFlèche:

Q. What is the date of that letter?—A. That letter is dated during this present month, during April.

Q. Has that been brought to the attention of the C.B.C.?—A. I had no opportunity and I thought the only way to bring it to their attention now was here. They now know about it.

The CHAIRMAN: The meeting stands adjourned until 3 o'clock this afternoon.

The committee adjourned at 1.10 p.m. to resume at 3 o'clock p.m.

AFTERNOON SESSION

The committee resumed at 3 p.m.

The CHAIRMAN: We shall ask Mr. Sedgwick to proceed with his presentation.

The WITNESS: Mr. Chairman and gentlemen, may I now deal very briefly with the question of the use of the new developments of the radio art, particularly frequency modulation, television and facsimile—I just touched that subject last year—to give the committee a little history of this matter. In 1939, when all these developments were probably about as well known as they are now—because there has been no great public advance since the war started—Mr. Brockington, the then chairman, announced as the settled policy of the corporation that they would not permit private station operators to share in any of the developments of the radio art. We protested at that time against what seemed to us then, as it seems to us now, a narrow policy. In March of 1939, in appearing before the Board—and I am quoting from the brief that I used at that time, I said to them:—

> It may be that within a very short time rado that appeals to the ears only will be definitely old-fashioned, and that television and facsimile, either or both, will be absolutely necessary if the stations are to continue. Some of our larger operators, better equipped to do so, would like a licence at this time to do experimental work in both these media. This work would cost them money, and there would be no possibility of any

present return, but they want to do this as part of the service they feel they should render to radio, and consistent with the policy they have always followed of development and improvement.

I went on to point out that some of our stations had quite competent and very large engineering staffs and facilities and might be able to do useful work if given licences. It does seem to us that it is even more important now than it was in 1939 that all broadcasting interests should participate in the development of the art; yet up to this present time the corporation has not departed from its restrictive policy as announced in 1939.

I have already had occasion to refer to the return to certain questions asked by Mr. Ross in the house; and I observe that as question 13 Mr. Ross asked particulars as to the stations that had applied for permits to experiment in these three new developments. The return indicates that 34 stations have made applications for a licence to experiment or otherwise in one or more of these developments; and, as the return also states, no licences have been granted to broadcasting stations. Of course, it may well be that, owing to wartime scarcities of equipment, not much could be done now even if licences were granted. But what I do say is wrong is that licences are refused as a matter of policy and not because of any present equipment scarcity. In the submission that I should like to make to this committee, it is in the interests of Canada that all those who want to spend their time and money in experimenting with these developments in the radio art should be permitted and encouraged to do so. If the suggestion that we made in 1939 had been followed, many stations might have been able to do useful work and gain valuable experience. The progress of radio, like almost all developments, is empiric; like the law it is not logic but experience; and while valuable discoveries will be made in the laboratories, those discoveries cannot be fully used until their practical application is tested, and that is the function of the broadcasting stations, public and private. Specifically, in my submission the statements of policy made in 1939 by the then chairman of the Board should be retracted, and it should now be stated as a policy that all stations desirous of doing so will be encouraged to assist in the development of these new phases of broadcasting and that licences will be granted with sole regard to the public interest. The fact that so many private stations have applied for licences of this kind and have indicated a desire to expend their money on the development of these phases is to their credit, and they should be encouraged, not rebuffed.

To that I might add that the policy that has been followed by the FCC in the United States is the policy that I have advocated since 1939 and advocate now, and that is a policy of granting these licences so that the broadcasters may find out their limits and their possibilities. There are at the present time 42 commercial FM licences being used in the United States, 42 commercial operating stations. There are 10 experimental and educational stations. Some 50,000,000 people in the United States reside in areas that are now served by FM stations, and there are approximately 78 applications for construction permits or re-instatement now on file with the FCC. A recent survey indicated that 144 companies plan to open FM stations as soon as possible after the war. I will not go on quoting statistics as to the practical development of frequency modulation in the United States, but there is a great deal being done. A great deal is being done in television also. Of course, nothing can be done unless licences are issued so that people may make such experiments and set up such equipment as is necessary.

I now come to the last regular department of my presentation and that deals with the establishment by the corporation of the second or dominion work. During the course of his evidence before this committee, Dr. Morin dealt with the establishment by the C.B.C. of the new dominion network and he said that

it was designed to bring the benefit of network affiliation to stations formerly not affiliated with any network, and also to provide for Canadian listeners, alternate programs. In commencing with the part of his presentation which dealt with this subject, Dr. Morin referred to a memorandum which in March, 1939, the Canadian Association of Broadcasters presented to the Board of Governors suggesting the set-up of a second national network. On reading his evidence, it seemed to me that Dr. Morin left the impression with this committee that the C.A.B. proposal was that the corporation itself should establish and operate such a network. The fact, I think, is otherwise. The March, 1939, meeting between the Board of Governors and representatives of the C.A.B. was held with Mr. L. W. Brockington, the chairman of the Board, presiding. Far from suggesting that the C.B.C. should operate the two networks, the suggestion of the private broadcasting interests was, as the suggestion is now, that they should be given permission to form and operate a second network which would bring to the people the benefit of alternative programs and would improve broadcasting in Canada by providing the C.B.C. network with healthy and fair competition. On that occasion—that is, in 1939—I appeared for the C.A.B. and in my then brief, I said:—

> It is now pretty well conceded that in Canada complete nationalization is neither desirable nor practicable, and that some measure of commercialism must continue. Even the corporation has been compelled to adopt this view, and latterly its best programs have been commercial ones taken from the United States' networks.

I should probably not have said the "best". I probably should have said the ones with the most audience acceptance.

Continuing:—

> Accepting this, the C.A.B. suggests that the situation as it is be fairly faced, and that the governors adopt a policy of national operation of the nationally-owned stations, and liberty to the commercial interests to compete with that chain, so that Canadian listeners may have a choice of two Canadian but completely competitive systems.
>
> Mr. Brockington has already said that the board is considering the establishment of a second network. The C.A.B. approves of that, but wants the second network to be commercial and is willing and anxious, through its members, to undertake the establishment of such a network without any expense to or obligation on the part of the corporation.

Following my presentation at that time, Mr. Brockington asked that we should give the board a summary of our views so that they may later study the matter and we filed with them a written summary on this question—it is only one paragraph—as follows:—

> The private stations ask that the corporation co-operate with them in the establishment of a secondary network. The network would be financed and operated by the private stations, lines to be leased by the corporation at a price that would permit the new network to compete commercially. The details of this network could be easily worked out by the officials of the C.B.C. in conference with the private operators.

Now, gentlemen, it is quite clear from that that at no time have we suggested that the C.B.C. should operate two networks, and if Dr. Morin left that impression with you, I am afraid he was misinformed as to what did happen in 1939 when we made our presentation.

Of course, at the present time, private broadcasting interests cannot set up and operate an independent network because the C.B.C. controls all line facilities and it will not permit independent interests to have access to lines for

that purpose. I see that the chairman, Dr. Morin, in answer to a question asked by Mr. Hansell, expressed the view that it was not desirable that there should be competition between the national system and the private stations for audience. The chairman seemed to think, as he said at page 51: "As I have stated, if there was an independent tribunal or commission dealing with broadcasting in Canada over and above the head of the C.B.C., it would mean that the national broadcasting system would fall upon the same regulations as the private stations; and the result of this would be that the national system would enter into competition with the private stations in respect of the means to obtain the audience which it needs." Then he went on to say, "I believe that the result of this competition would lead it to appeal to the masses of the people with programs of a more popular character than it wishes to do." I take it he means the corporation.

Now, Dr. Morin seems to be afraid that a private network would have more appeal to the masses in that it might carry programs more of a popular character than those carried by the C.B.C. with the result that the private stations would gain and the C.B.C. would lose audience. May I submit to this committee that that is a narrow view to take and that broadcasting in Canada can never fully serve the people if that view is held by those in authority. A completely nationalized system which does not permit free competition will, in the opinion of many competent observers who have studied the matter, almost inevitably end by being stilted, unentertaining and out of touch with its people. Indeed, the criticism that has been levelled at the B.B.C. has all been based on its being a monopoly. The committee will recall that last year I quoted briefly from Mr. Priestley's criticism of the B.B.C.; and I propose to read another paragraph from that same pamphlet, of what Priestley said. He has had great experience with both the B.B.C. and American broadcasting. He said:—

> What is really wrong with the B.B.C. is that it represents a monopoly. No other broadcasting system is allowed. Competition is barred. There is only one runner in the race. So that the listener here in England is told to like it or lump it.
>
> I earn my living chiefly by writing books and plays. Supposing there was only one firm of publishers, one good bookshop, and all the theatres were controlled by one man?
>
> The very idea chills me. I should loathe such a situation. One bad quarrel, and I might find myself thrown clean out of work.
>
> But the man who lives by broadcasting in England must please the B.B.C. or starve. He cannot say, "I'll walk across to your competitors."
>
> There are no real competitors. The B.B.C. stands alone.

As he says farther on in the quotation:—

> Nobody wants entertainment on a "take it or leave it" basis.
>
> There is a world of difference between a variety show and a penny stamp. You do not want to pick and choose a penny stamp. One new one is as good as another. But you do want to pick and choose your entertainment.

These views—and they have been frequently quoted—are not the views of Mr. Priestley alone. Indeed it may be that many of the C.B.C. officials share them; as in February of this year the C.B.C. Press and Information Service sent out a circular quoting from an article by Professor C. E. M. Joad, whom I need not say is a very leading British left-wing philosopher. The article by Professor Joad appeared in the "New Statesman & Nation", and in sending it out over the clipping service the editor of the C.B.C. Press and Information Service said:—

> The time-lag which has confused a lot of Canadian political and economic thinking is not exclusively confined to thinkers of the right. It afflicts the left wing too. Witness the resolution passed unanimously at Montreal by the Canadian Congress of Labour this month to celebrate its new affiliation as the economic action arm of the Co-operative Commonwealth Federation.

You gentlemen will understand that this is a quotation. I am reading from the C.B.C. press service. Continuing:—

> The resolution demanded the complete nationalization of radio and broadcasting in Canada and its development as a state monopoly.
>
> About the same time in England, thinkers of the British Labour Party started public discussion of the best means of releasing the British radio from slavery to bureaucrats and politicians in power, and of restoring interest, independence, political courage and artistic integrity to a broadcasting system which has been a state monopoly for nearly twenty years.
>
> The "New Statesman & Nation," most famous of the left wing journals that, in the twenties, led the fight to make radio in England a public service free from the corrupting influences of commercial competition, is now leading the critics who want the B.B.C. freed from the corrupting influence of political pressure and bureaucratic control. Arguments for the restoration of life and freedom to British broadcasting are summarized, in the "New Statesman," by the leading left-wing philosopher and Labour Party member, Professor C. E. M. Joad.

That is the end of the quotation from the C.B.C. Press and Information Service. Then the service goes on to quote from Professor Joad's article. I shall not read all of it, although I have the document here before me. The last three paragraphs—this is by Professor Joad—as quoted by the service are as follows:

> It is a curious fact that most of us, while realizing and extolling the virtues of a free press, are horrified at the prospect of releasing the air to free competitive enterprise. Private commercial broadcasting would be captured, we fear, by the financial big battalions (so is the press); it would be dependent upon the advertisers (so is the press);—

By Mr. Isnor:

Q. Did you say "so is the press"?—A. No, I did not. Professor Joad did. I am reading this. I am not saying that I agree with it all.

Mr. COLDWELL: I think there is no doubt about that.

Mr. ISNOR: That is a matter of opinion.

The WITNESS: Continuing:—

> —it would be irresponsible and undignified and vulgar (so are large parts of the press).

By Mr. Macdonald:

Q. Those are not necessarily your views?—A. Oh, no, Mr. Macdonald. I am quoting from the C.B.C. publication.

Q. I wondered why you are presenting them to the committee if they are not your own views or the views of the people you represent?—A. Mr. Macdonald, I am presenting them because while I do not agree in toto with them, I agree with them to this extent, that they are a well written argument for freeing radio from monopoly control, and I cannot very well stultify Professor Joad by reading the few words that I like and omitting the rest of it. So I am reading what Professor Joad said as quoted in this release of the C.B.C. Information Bureau. I am afraid I would be accused of unfairness if I did not read

the context, which I am doing. I do not say that I agree with all of it. I do agree with the summary. I agree that there is room in radio for free competition, and that a complete monopoly of radio networks is not a good thing for the people of the country. That is what Professor Joad says too. I am not agreeing with the way he says it.

Q. With all the arguments that are presented, you are not in complete accord?—A. Oh, no. I do not say that the press is irresponsible, undignified and vulgar. Professor Joad said that. But I could not very well omit that line while choosing words that I approved of.

Q. It makes it very difficult for us to put the proper weight on your arguments when some of the arguments that you are presenting are not in accordance with what your views are. I do not see how you expect the committee to come to the proper conclusion as to what you are in favour of and what you are not in favour of, if some of your arguments are contrary to your belief.—A. You see, I was going to do as has been my practice for many years in making arguments of this kind. I propose to finish the quotation and then point out to the committee what part of it I adopted.

Q. That is fair enough.—A. Thank you, sir.

By the Chairman:

Q. Professor Joad is speaking of conditions in another country?—A. Yes, sir.

Mr. COLDWELL: Under an entirely different system.

The CHAIRMAN: Exactly.

The WITNESS: Quite; under a system that we may be drifting towards and indeed which we have started to establish. He is speaking of that system.

The CHAIRMAN: With the interjections it will not amount to very much, so let us put it on the record.

Mr. BOUCHER: You probably prefer that we listen to your arguments rather than your views.

Mr. MACDONALD: No, that is not correct because Mr. Sedgwick is not presenting his views. He has told the committee he is not presenting his views.

The WITNESS: That is right. I am reading a quotation. I will continue with my reading, if I may go on with the quotation, because now I have started I think I should finish it. It is still Professor Joad:—

> These are no doubt grave disadvantages but, in practice, they can be mitigated. Just as one's eye learns to skip the advertisements, one's ear would warn one in advance of the coming reference to the razor, the whisky or the paste, the inevitable peg on which the whole program would be so disinterestedly hung. In the first case one turns the page; in the second, one would turn the knob.
>
> Let all be said that can be said against the competitive commercial system; yet I have been assured again and again, by people who are accustomed to broadcasting in the U.S.A. that they hear more virile and original talks and enjoy better music, over some one or other of the networks of the competing American broadcasting systems, than the B.B.C., which must cater for all tastes, provides in this country.

My only reason for quoting Professor Joad is that it is sometimes thought that the only people who object to the operation of the B.B.C. in England are the reactionaries; and I quote Professor Joad to illustrate that such is by no means true, and that political opinion, left, right and centre is very considerably critical of B.B.C. operation in England to-day and critical for one main reason, namely that it is a monopoly. It will be seen that even in England where they have had a long experience of non-competitive broadcasting, there is a body of well-

informed opinion representing all shades of political thought which would like to see the B.B.C. given full and free commercial competition. In the United States the best opinion is along the same lines.

By Mr. Coldwell:

Q. Do you know Dr. Angell?—A. Yes. I know Dr. Angell well. I spent a day or two with him in February of this year, and I am sure that Dr. Angell's considered opinion is that the competitive system of broadcasting is best. He is critical of it, as I am critical of it too, in some of its phases. Members of this committee will recall that the F.C.C. under the chairmanship of James Lawrence Fly passed certain regulations designed to restrict what Mr. Fly considered to be the monopolistic practices and tendencies of the major networks, and designed as he himself said to make for more, and more complete, competition between the various networks and broadcasting outlets. In concluding the long, able and extremely interesting report on chain broadcasting which the F.C.C. published in May, 1941, at the time when the new regulations as to network operations were promulgated, there appeared this statement. This is Mr. Fly's statement or the statement of him and the majority. He said:

> We have exercised our jurisdiction upon the premise, generally accepted by the public and the industry, that the network method of program distribution is in the public interest. We subscribe to the view that network broadcasting is an integral and necessary part of radio. The regulations which we are promulgating are designed to preserve without loss the contributions of network broadcasting to the public and to the affiliated stations, while ensuring that licences will exercise their responsibilities under the law. We believe that these regulations will foster and strengthen network broadcasting by opening up the field to competition; an open door to new networks will stmulate the old and encourage the new.
>
> We have been at pains to limit our regulations to the proven requirements of the situation and especially to ensuring the maintenance of a competitive market. Radio broadcasting is a competitive industry. The congress has so declared it in the Communications Act of 1934, and has required the fullest measure of competition possible within physical limitations. If the industry cannot go forward on a competitive basis, if the substantial restraints upon competition which we seek to eliminate are indispensable to the industry, then we must frankly concede that broadcasting is not properly a competitive industry. If this be the case, we recommend that the congress should amend the Communications Act to authorize and direct regulations appropriate to a non-competitive industry with adequate safeguards to protect listeners, advertisers and consumers. We believe, however, that competition, given a fair test, will best protect the public interest. That is the American system.

Thinking along these lines is general in England and the United States and also in Canada, and I could, if I cared to, quote from many editorials that have appeared recently in Canadian papers to like effect. I should like to quote one other article which came to my notice recently. This is from an editorial by George Stagg, in the Scottish Daily Express in January of this year. He opened his article thus:—

> One question has never been answered: why should the B.B.C. be a monopoly, anyway The question has never been answered for the simple reason that nobody has ever really bothered to ask it.
>
> What is the alternative? A rival radio organization.
>
> What form would a rival radio organization take? Until somebody thinks up a better one—'commercial' or sponsored radio.

I put before this committee as strongly as I can the suggestion that there should be a second network in Canada, but that network should be operated on a station co-operative basis by private stations in competition with the existing national network. I think it is common ground that competition is the life of the entertainment business, and even those who opposed the F.C.C. network regulations may now be disposed to admit that because those regulations did make for fuller and fairer competition between the networks, the whole quality of all network broadcasting in the United States has been improved. There is no question about that. The N.B.C. formerly operated two networks, the Red and the Blue. As a result of the Fly regulations the N.B.C. disposed of the Blue network. There can be no question at all that the Red network is better because it has the competition of the Blue and the Blue network is infinitely better now than it was when it was a mere ancillary network for the N.B.C. Red. It is now independent, healthy and strong, and competing. I do not mean competing for money but competing for audience.

By Mr. Macdonald:

Q. Do you know how many networks there are in the United States?—A. Four of what I call true and full networks. There are many smaller regionals like Don Lee, and so forth, but there is the N.B.C. Red, the Blue, which is now independent—it was formerly the N.B.C. Blue—the Columbia and Mutual.

By Mr. Ross:

Q. Mutual was forced to break away from N.B.C. by the F.C.C.?—A. No, that was the Blue. The N.B.C. used to operate the N.B.C. Red and Blue. Under the regulations which I quoted from the N.B.C. was compelled to dispose of its Blue network and it did so dispose to a gentleman whose name I think is Ed. Oliver.

By Mr. Macdonald:

Q. Did I understand you to say there are a number of smaller networks?—A. Yes, I think there is the Don Lee on the Pacific coast, the Yankee network that John Shepherd, the third, ran, and there may be a lot more.

By Hon. Mr. LaFlèche:

Q. Why was the Blue network divorced from the parent body?—A. Because the Federal Communications Commission thought it to be in the interests of the people of the United States and of the broadcasting industry to have true competition between the networks.

Q. In other words, end the monopoly?—A. They thought that no one interest should operate more than one network. They did not think if one interest operated two networks either network would be well operated.

It may also be said on such information that we can find that the people of Canada are not anxious to have a broadcasting monopoly. Last year, in June of 1943, shortly before our appearance before this committee, the Elliott-Haynes people, who are quite independent of private broadcasting interests—they are people who make surveys, and they will make them for anybody—conducted a survey of public opinion in Canada, and they asked this question. They asked:—

> Under what system of management would you prefer to have the following public services after the war—air lines, banks, insurance companies, newspapers, radio stations, and telephone companies?

I am only concerned with radio stations. The public were given a choice of reply as follows:—

(*a*) Complete government management; (*b*) management by private enterprise (unrestricted); (*c*) private enterprise under government supervision; (*d*) no opinion.

It was a big survey. They surveyed a total of some 5,500 people which they tell me is a reasonable representation. Elliott-Haynes conducted the survey asking those questions in June of 1943, and to see what, if any, change there has been in public opinion they asked exactly the same questions in March of 1944. Of course, it was a different sample. They would not ask the same people. The results obtained I think have some significance. I am only dealing with radio stations. I am not going to bother with banks, insurance companies, and so on. In 1943, 27 per cent of the people who were asked the question said they would prefer complete government management. When they were asked the question in March, 1944, that percentage had dropped to 23 per cent. In 1943 under the question "Would you prefer management by private enterprise (unrestricted)," in June of 1943 32 per cent thought they would prefer that. In March, 1944, that percentage had gone up to 43 per cent, a very significant change in public opinion in favour of private competitive operation. They asked whether they would prefer private enterprise under government supervision, and in 1943 35 per cent expressed that preference, and in 1944 only 29 per cent. As to the people who had no opinion, and therefore we may take it no interest, they were 6 per cent in 1943 and only 5 per cent in 1944, which is a change which is not significant. It is too small to say it is important, but one may say with some reason from these figures—and I have seen no different figures—that the great majority of our people do not favour a government monopoly of radio broadcasting. In my submission to this committee there should be no monopoly, either government or private. What we suggested in 1929, and the suggestion I am instructed to repeat now, is that a second network should be a station mutual network owned by the stations forming it. They should be responsible for the cost of its upkeep and would share that on an agreed basis. That is, the big stations would have to pay more than the little stations, and if they made any profit, which would not be likely for some considerable time, they would share on the same basis. Affiliation with such a network would be free and not forced. No one suggests that the private interests should have any power to force anybody to join with them, and it would be a matter of agreement and not of regulation. All this, as I have already pointed out, I said to the Board of Governors in March of 1939 in the submission to which Mr. Morin referred, and I set forth fully what was then necessary to permit the establishment of a competing commercial network. Looking over my 1939 argument I do not think it can be added to much now. Over five years ago I urged on the Board of Governors there should be a second network, and that the private station interests should be permitted to finance it and operate it at their own risk. No one has ever suggested that we should share in the licence fee or be subsidized. We said this:—

1. The establishment of a competing commercial network would involve unfettered right to the private stations to set up local or regional networks to suit advertisers and station requirements.

2. Arrangements with the C.B.C. under which they would sell line facilities at the same rates as they are now offered to advertisers, or at some reasonable rate which would permit the network to operate without loss.

3. The giving-up by the C.B.C. of some of their present United States network affiliations. At present there are in the United States four networks, N.B.C. Blue, N.B.C. Red, C.B.S., and Mutual. To make a second

Canadian network possible the C.B.C. would have to give up two of these to the new network and it is suggested that C.B.C. should retain the two N.B.C. networks, and let the private stations have C.B.S. and Mutual.

That is practically what they did in setting up the Dominion network.

4. A reasonable division between C.B.C. and the new network of the stations across the country. That is, C.B.C. has affiliations with 27 private stations from coast to coast which form its network, with its own stations. In most places there would be no problem as there is now a private station without network affiliation which would welcome the chance to join the new network. There are a few places, however, where, in order to get adequate coverage, the C.B.C. would have to give up some of the stations with which it now has affiliation. This could be worked out without much difficulty so that both chains would cover the country. As to the stations involved, there would be no compulsion, each station being free to choose between C.B.C. and the commercial network.

5. In certain markets, and Toronto is a case in point, the new chain would want the right to use alternate stations. This also is a technical detail which can easily be worked out by the C.B.C. management with private operators.

There are two or three incidental matters that may arise in the course of the discussion. The arrangements as to lines may need such study. It may not be feasible to buy an entirely separate line for the new network, and a system of loops from the present C.B.C. line to the stations may have to be considered. All these technical and operating details can be worked out without question, however, if the C.B.C. will merely approve of the network and agree to sell its lines on a fair competitive basis.

It was somewhat prophetic that was the brief delivered in 1939 urging that there should be a competitive network which the private stations should be permitted to operate at their own cost and risk, and the suggestion made to this committee that the private stations urged the set-up of a second C.B.C. network is certainly not in accordance with the facts. The only correction, as a matter of fact, that I should like to make in my 1939 presentation is to say as to lines that we think if we were permitted to set up a second network we should be permitted to make our own deal with the line companies. There have been many statements made from time to time in this committee about second networks. I have seen estimates as to the cost of a second network all the way from about $200,000 to $5,000,000 or $10,000,000, I think somebody said. I just forget the figure. Also some have suggested that a second network would increase the station profits and others have suggested it would cost money to operate and would probably diminish them. It is impossible to say what a second network would do on the financial side except to say it would almost certainly lose money at the outset but we have made careful inquiries—

By Mr. Macdonald:

Q. Both networks would lose money at the outset?—A. No, why should they?

Q. I just wanted to know what your opinion was.—A. I do not know, Mr. Macdonald, whether the C.B.C. loses or makes money because it is not a purely commercial operation and its funds are so intermingled it is a little difficult for me to say whether it makes or loses. I think the manager of the C.B.C. has said it makes money, so I presume it does.

Q. You say a second network would not affect those profits?—A. It should not. I think there is room for new networks. It may initially if there is to be any fair sort of operation of two networks. They should compete with each

other and try and get business away from each other, a very good thing, I may say, in business to have someone try to get business from you. It makes you infinitely keener even in the legal business.

Hon. Mr. LAFLÈCHE: So we see.

The CHAIRMAN: And the public be damned.

The WITNESS: The chairman said "and the public be damned." That is not a fair comment, I suggest. As a matter of fact, the public would inevitably benefit because no one can ram a radio program down the mouth of the public. They have not got to like it.

The CHAIRMAN: They have not any way of stopping it.

The WITNESS: No, you cannot stop it, that is true, but there are alternatives.

The CHAIRMAN: All right.

The WITNESS: However, as I say as to profits I do not know what would happen. I can only say the strong probability is that such a network would lose money at the outset, but it must be borne in mind it would have to carry on with the commercial revenue only as it has never been suggested, and it is certainly not suggested now, that a secondary network operated by the private stations should participate in the licence fee, or should in any way be subsidized. It would have to stand on its own feet.

By Mr. Macdonald:

Q. Do you suggest there should continue to be licence fees if there was more than one network?—A. That would be for you gentlemen. I can only say the interests I represent do not want to share in it.

Q. You do not wish to give an opinion there?—A. No, I am doing my best when I sit here to keep away from matters that may be political.

Q. I do not think that is political. I certainly did not ask it as having any political significance.—A. It would amount to this, that if there were a second network operated by the private stations and operated with no revenue but commercial revenue, it would give the people a choice of programs. They may not be able to do quite as much, shall we say, educational and other work as the C.B.C., certainly not at the outset, and I think the C.B.C. could very usefully use the licence fee, and, in fact, if they lose money by feeding the private stations, as has been suggested, they would have that much more to use in giving what I call a public service broadcast.

By Mr. Coldwell:

Q. Would you still expect the C.B.C. to feed the second network?—A. No, never have suggested it—feed ourselves. The stations on the second network would have to feed themselves and would receive a certain amount of feed from the United Stations affiliations exactly as the C.B.C. does to-day. You know these programs are audience getters, including your political broadcasts, of course, too. As to the question of programs, whether they would be as good as those carried by the C.B.C. or not, I cannot say, and I cannot even say what is good or bad about tastes, but the complete answer to that is they would have to be at least as popular or we would not get an audience, and if we do not get an audience we could not sell the network, and if we do not sell the network we would go out of business.

By Mr. Macdonald:

Q. You think there is ample talent in Canada to keep high standard programs on the two networks?—A. No, and there is not ample to keep it on one either. No network could live in Canada on its own talent.

Q. So there would have to be more talent from other sources?—A. No, sir.

Q. If you had two networks?—A. No, we would divide—more talent might be used; yes, I think more talent would be used.

By Mr. Coldwell:

Q. More American programs?—A. No, sir. We would have access to no more networks than the C.B.C. has access to now. It has access to all four American chains and uses them.

Q. You would bring in more programs?—A. No, I doubt whether we would bring in as many.

Q. You just said there was not enough Canadian talent?—A. There is not enough to completely feed one network.

Q. Then, you would have to go elsewhere for it.—A. No matter whether it is Canadian or not at the outset it is not ours when it gets to be good. Walter Pidgeon, Jean Dickinson, Percy Faith and many other stars were Canadian talent, but they are not here, and if we want them we will get them from an American network. We will always have to take a certain amount of that.

Q. I think that is the point Mr. Macdonald had in mind, that you would have to go to the United States to get programs to feed the second network?—A. Just as the C.B.C. has to go there to get programs to feed their network, and has done since its inception.

By Mr. Ross:

Q. It would give you an opportunity to develop more talent yourselves in the private stations?—A. Talent moves up. It has been said in this committee that as the little station develops talent that talent moves up to the big station, then moves to the C.B.C., and then if it is like Percy Faith or some others, they move across the border. It is going to go where it is best paid.

By Mr. Macdonald:

Q. It seems to me the conclusion upon the argument is that if there were two networks there would of necessity be more American talent coming into Canada than at the present time?—A. If I left that impression that is quite wrong. If a new network was set up it would, I think, give wider scope to existing Canadian talent because talent that is now appearing on one station only would then have a greater opportunity for network appearances.

Q. You said there was not sufficient talen in Canada at the present time for one network?—A. There is not to completely feed one network. There is not enough talent to completely feed one network with the kind of shows that will always command big audiences.

Q. Then the percentage for two networks would be even less than it is at the present time?—A. We might increase the supply of talent with two networks. I think we would.

By Mr. Boucher:

Q. We might possibly use more of the American talent, too?—A. We would not use any greater percentage. That is the way I prefer to put it.

By Hon. Mr. LaFlèche:

Q. You would if you increased the number of programs?—A. Suppose there are two networks; let us say for the sake of argument that 39 per cent of what is on the C.B.C. now is fed from the United States. I have not the figure. It may be less or more. A competing commercial network would not use any greater percentage of American programs than the C.B.C. does now, and would probably operate on very similar lines.

By Mr. Macdonald:

Q. No greater percentage, but there would be as much coming over each network and therefore there would be twice as much American talent coming into the country.—A. You cannot put it in figures, but having two networks you would have twice as much broadcasting for the people to listen to, so in total there may be some American programs heard that are not heard now, some excellent programs that cannot be heard because if there are two good programs on the American networks from 7 to 8 and the C.B.C. is busy carrying one it cannot carry the other. That is all there is to it. It would give them the choice of both Canadian and American programs.

Q. I was not necessarily complaining. I was trying to get at the facts.—A. Well, yes, that would be true.

By Mr. Hansell:

Q. There are two networks now?—A. There is the Trans-Canada and Dominion, yes.

Q. You are not talking in terms of a third network?—A. No.

Q. If one of those networks was given to the private stations then there would not necessarily be any further programs there?—A. No.

Q. So there would not be any absorption of any more American talent than there is now?—A. No. In fact, one of the reasons they set up the Dominion network, one of the reasons that has been given to me, is that the existing network could not carry all the programs that were offered to it, so they set up another one to carry the additional commercial programs.

Gentlemen, that concludes what I want to say about a second network except that I should like to say in closing that, as Mr. Hansell says, we do not suggest a third network. We say there is probably a place in Canada for two networks, but that one should compete with the other and should be separately operated. We say that such a network unfettered, competing, and self-supporting—and I want to make it clear that it should be completely self-supporting—is in our submission definitely in the public interest, and we also say that a second and merely ancillary network making for a complete state monopoly of network broadcasting is not, on such experience as we have or could learn of, in the public interest at all. I should recapitulate my argument to this extent, that we say, firstly, that the present development of radio network broadcasting is necessary, that every little station cannot produce big programs and yet it must have a certain percentage of big programs to get an audience; and that if network broadcasting is necessary then I say that it is highly desirable that the networks compete for talent—that is important—and for audience and for everything else, and if you have a monopoly of network broadcasting, if all networks and all lines are controlled by the C.B.C. then clearly, regardless of what you can say about the value of competition and the value of private stations, you still have a monopoly because there cannot be anything in the nature of competition unless the competing interests have access to lines and networks.

By Hon. Mr. LaFlèche:

Q. May I ask a question?—A. Yes.

Q. In the views you have just expressed, Mr. Sedgwick, in regard to the opinions of the privately-owned radio stations in relation to the second network, do your opinions express the unanimous views of all members of the C.A.B.?—A. Well, you can never tell what the man who keeps his hand down thinks of.

Q. The reason I ask that is this. By the very nature of the operation, the privately-owned radio broadcasting station is a very personal, a very local or regional organization. I just wondered whether they all believed that way.—A. I can only say, in answer to that, that a great part of what I have read

on the advisability of competition in network operations, was said with the full approval of the member stations in 1939. That is five years ago. It was a submission, and a deliberate submission, that we then made to the Board of Governors. It was discussed by the members at the Quebec meeting of the C.A.B. in February of this year. I must not say there was unanimity, but I cannot recall any dissent. I would not presume to come before this committee and place before you my own views. I prepared my material and it was gone over carefully by the directors of my association, many of whom are here to-day. It has their complete approval; at least, they did not say otherwise. So when you ask whether everyone approves, I can only say that I never know what the hand that is not raised means. I can only say that I have not heard of any disapproval. That is all I can say.

Q. Thank you very much.—A. And what I have said about approval goes for everything that I have said. I, of course, have canvassed the whole matter with my directors; and what I am saying to this committee I am instructed to say.

By Mr. Boucher:

Q. You would have no hesitation in expressing as your own opinion that the private stations would rather have a private-station network feed them than continue under the present system of being fed by the C.B.C.?—A. I must not go that far. I think the relations between these stations that are on the C.B.C. network and the network officials are, in the main, quite harmonious. I think many of the stations on the C.B.C. network are quite satisfied. What I do say is that I think there can be no healthy life for private broadcasting if the network business is to expand so that the C.B.C. runs both networks. I think it would be in their interests, in the C.B.C. interests, if the stations not now affiliated or not affiliated until recently with any regular network, should be permitted to do as we suggested they be permitted to do in 1939, namely form between themselves a network of their own and see how well they could do in opposition to the C.B.C.—in competition I should say, not in opposition, because we do not oppose each other. I said at the outset that our personal relations are most friendly. We can swap equipment between each other and get along very well indeed, and would get along in competition. I do not say that the C.B.C. should not run a network. It has stations of its own. It has affiliates. It has done a very good job. I have never minimized the job which the C.B.C. has done in running its network. I do think it might do an even better job if it had a network competitor.

Q. You said a moment ago if a private-station network were formed, you would no longer expect the C.B.C. to feed them programs?—A. No. The stations on that network would not be fed programs. The stations on the C.B.C. network would still be fed C.B.C. commercial and sustaining programs. As to the stations that were on the private network, they would have to originate their own programs through their larger stations, and at the outset those originations would be the sustaining programs of the network.

Q. My thought was that, even though you had a private station network, on occasion and to suit the convenience of both, some of the C.B.C. programs might well be fed to the private stations?—A. That there might be a program exchange?

Q. Yes.—A. Oh, certainly. There would be no reason why that could not be done. There are occasions in the United States—though they are rare—when one network carries the programs of another. Here it could be done.

By Mr. Coldwell:

Q. If you were going to establish a second network of that description, purely privately owned, would it not be equally advisable for the C.B.C. to

complete its own chain of publicly-owned stations across the country?—A. It might be.

Q. And to have a completely publicly-owned system competing with the privately-owned system?—A. Yes. That might be an excellent idea. Mind you, I do not think the C.B.C. is much short on coverage through its own stations.

Q. Even in the maritimes?—A. It has affiliates. I really do not know. It was said that the original idea, I think was that there should be seven 50,000-watters. I think that is in the Aird Report somewhere, I forget just where. I think it was suggested there should be seven 50,000-watters across Canada and that they would cover the country. I do not know to what extent C.B.A. covers the maritimes and I do not know to what extent the C.B.C. wholly-owned stations cover Quebec. They get fair coverage, I think.

Q. Your submission to-day is very largely that the C.B.C. is a monopoly in the radio field in this country?—A. In the network field, yes. I do not say that it is a monopoly in the local field.

Q. I was going to ask you this. Do the views of your organization follow that out to the logical conclusion, that there should be no monopoly of coverage or of news service in any particular areas of Canada? What I have in mind is this. Some of your affiliates have a complete monopoly of private radio in the news coverage in various areas of Canada; for example, in my own city of Regina. We have one newspaper which covers southern Saskatchewan, owned by the people who own the two radio stations, CKCK and CKRM. If we are going to be consistent, I think we have to divorce the ownership of stations from newspapers and divorce the ownership of two stations by one body.—A. That may be so. As I said earlier, I am not hesitant about expressing views, but I really like to canvass my views with those instructing me. But, expressing my own view, I am opposed to monopolies, I must say. I think that monopolies are bad. I think that the life blood of our present system or of any reasonably good system will be competition. I think that competitive facilities make for the good of all.

Q. Yes. I can see no reason why our two publicly-owned chains should not compete in services to the people, to the listeners.—A. Well, it has been found, Mr. Coldwell—with great deference to your views—that in practice, to try to get true competition in one organization is almost impossible. The N.B.C. certainly did not get it when they tried to operate two chains. It is very difficult to prevent your first love from being the major business and your second love from being a mere ancillary or slough-off, as they used to call it. The Blue has been a much healthier network since it became independent. I think there can be no question of that. I wonder, Mr. Chairman, if I might finish this. I have about ten minutes which is merely conclusion to what I have said, and I should like to read it. That is all I need to do. Then I shall be glad to answer such questions as I can think of answers to.

Mr. MACDONALD: You do very well in thinking of the answers.

The WITNESS: Thank you, Mr. Macdonald.

The Canadian Association of Broadcasters therefore submit:—

1. That there is a useful place in the Canadian economy for the C.B.C. but that the corporation should be confined to the operation of its own stations, to program development and production and to network broadcasting over stations other than its own by fair affiliation agreements entered into freely as a matter of contract, not as a matter of regulation or compulsion.

2. That stations should be assured of the continuance of their licences and the frequency occupied so long as they operate with due regard to the public interest. The power to cancel or suspend licences, or to alter frequencies should be taken from the C.B.C. and committed to an impartial body.

In connection with that may I make this note. I have said that stations should be encouraged to improve their facilities and increase their capital investment, and they can only do so if they have some reasonable assurance that they will be permitted to continue in business. As important as the broadcasting licence itself is the frequency allotted to the stations, and except for very urgent and compelling reasons or for the improvement of the signal of the station, the frequency allotted to stations should not be changed as to do so does in many cases greatly diminish the signal which the station can broadcast and therefore its usefulness. To give a simple example, a station operating on a frequency of say 700 kilocycles and with a power of 5,000 watts might have a coverage roughly four times as great as a station operating on the same power on a frequency of say 1,510. In the submission that I make, a station should have reasonable assurance not merely that its licence will be continued, but that it will be permitted to enjoy the use of a frequency which will permit it to serve its accustomed audience.

3. That as a corollary to paragraphs 1 and 2 the power to pass regulations applicable to private stations should be taken from the corporation and committed to an impartial and judicial body.

4. That private stations should be not merely permitted but encouraged to establish permanent, semi-permanent or occasional networks amongst themselves so that the better programs, sustaining and commercial, may be given to the greatest available audience—and for that purpose they should be permitted to buy lines from the line companies direct.

5. That if as now appears, a second national network is desirable and practical, such network should be established on a station cooperative basis, with a fair division as between it and the C.B.C. network of station outlets and U.S. network affiliations, and a fair arrangement as to line facilities, so that such network may be truly independent and freely competitive with the C.B.C. national network.

As to that, my note is that it is submitted that it is in the interest of the public of Canada that a second network should compete with the first network for programs, artists and audience, and that two truly competitive networks will make for better broadcasting than two networks both controlled by the same authority. It is suggested that this network should be truly mutual in that it would be owned, operated and controlled by the stations forming it, and thus any possibility of any network monopoly developing would be obviated.

6. That the technical advances in the radio art, particularly television, f.m. and facsimile should be developed by all broadcasting stations, public and private, and that experimental licences should be granted as applied for, as frequencies permit, and that commercial licences should be granted as soon as their operation is practical and the necessary equipment is available.

7. That the fullest possible use be made of the channels allocated to Canada under the Havana Agreement or that may be allocated under future international agreements, and that permission be given immediately to all stations to increase their power up to the practical limits allowed, and that they be encouraged to make such power increases as soon as equipment is procurable.

In presenting these seven paragraphs we have attempted to provide the broad basis on which we believe the system can be changed and improved so that all broadcasting interests, public as well as private, can better serve the citizens of Canada in respect to radio broadcasting.

So far as the composition of an impartial and judicial body to regulate all broadcasting is concerned, there have been several worthy suggestions made

both without and within the parliament of Canada. We believe that these are matters which can be developed once agreement is reached on the fundamental change necessary to improvement of the system.

Mr. Chairman, that concludes my prepared material. I am now completely at your service. Before any other questions are asked, I forget which member of the committee it was who asked me this morning about the regulation as to mechanical transcriptions and their being announced as such, and asked whether there was a similar regulation in the United States and I said that there was. During the noon-hour recess "Broadcasting" of April 24—that is Monday—was brought to my attention, and I observe that at the meeting of the North Carolina Association of Broadcasters, with Chairman Fly, they passed a resolution requesting that the rule requiring identification of recordings and transcriptions should be modified and Chairman Fly said that he might be disposed to consider favourably a modification of that long-established rule. Whether that indicates that there will be a change or not I do not know. At least, sir, that is the last word.

By Mr. Hansell:

Q. In connection with the organizational set-up of the Board of Governors to put into operation the Radio Broadcasting Act, in your summary you only made mere mention of a separate body. Now I should like to have you amplify that a little bit. I notice in the brief given by your president, Mr. Bannerman, to the convention of the Canadian Association of Broadcasters a few months ago, he told us this. He gives two alternative suggestions to that of the Board of Governors. As to the second one he says:—

> A second plan suggests the severance of the regulatory and control functions from the present ownership and operating functions of the Canadian Broadcasting Corporation. This would be accomplished by the government setting up a Board of Radio Broadcasting Commissioners consisting of a full-time chairman and two members who would be as independent as our judiciary.

I do not suppose that Mr. Bannerman is going to press for a certain number, three or whatever it might be. I think the idea he has there is of a separate body, regardless of the number. He goes on to say, after making further remarks:—

> The advantages of this plan are that as the three men on the Board are appointed for a period lasting until retirement age they would not be suspected of favouring any government in office. As both the publicly-owned corporation and network and the privately-owned stations and network would all be regulated by the Board, the danger of either state or private monopolies developing would be eliminated. The development of two competing networks would keep the personnel of both on their toes since neither could afford to fall far behind the other in serving the citizens of Canada. This would make for a steady improvement in the programming and information services rendered to the public.
>
> This second plan would also retain the valuable contribution which C.B.C. programming has made to broadcasting. It would, however, remove the present parodox of the corporation regulating its competition. While plan two will not leave broadcasting as free as plan one it does eliminate government control of all broadcasting.

There is only one short paragraph further, which is as follows:—

> What are the disadvantages of plan two? There is no question about the fact that this plan places the entire industry under the supervision (but not control) of the three-man Board. Upon their judgment and fairness would depend much of the future success of broadcasting in Canada. It would be essential that before they issued any regulation all parties

concerned would have to have opportunity of making their representations —otherwise the plan would not work successfully. In fact, this Board would be the umpire between the people, the networks and the private stations.

Now I should like a little more comment on that, because I asked Dr. Morin when he appeared some weeks ago as to how such an arrangement might affect the C.B.C. and he was not favourable to it; of course I did not expect him to be. But he says here on page 48 of the evidence, in the middle of the first paragraph, "Our function would be made much more difficult; because we have in mind uplifting the character of our programs. We have in mind having broadcasts of an educational character which do not appeal to the masses of the population." Personally I could not see why that same type of broadcasting could not be carried on even though we had a separate commission or neutral body. He says also, "All those programs would have to be abandoned."—A. Sir, if you are inviting my comment, when I read it I could not understand what Dr. Morin had in mind. It has never been our suggestion that the C.B.C. revenue should be interfered with nor has it ever been our suggestion that they should not continue to operate stations that they do now own and operate; nor have we ever suggested that licence fees be reduced. Why he says that there would have to be abandonment of any of their present programming, I have not the faintest idea.

By Mr. Boucher:

Q. What do you say in that regard, as to the control over the material broadcast if this policy enunciated were adopted so that a program that was not considered in the public welfare could be eliminated and a program, though perhaps not the most popular yet the most beneficial to the public, could be espoused?—A. You see, Mr. Boucher, when you start to talk about popularity and benefit, then you are substituting your taste—and I say this with great respect—for what might be called the ascertained taste of the people. Whenever you say this program is good and that program is bad, you are saying that I, Joe Sedgwick or George Boucher, think so. But radio has to try to find out what the majority think and what the majority want; and any system of broadcasting would be compelled to cover largely the majority taste. I do not say that it should ignore the taste of, shall I say, the better-informed or the better formed taste. But it is not possible to say that a new network would substitute baser or more popular programs for the ones the C.B.C. now carries.

Q. I can see where radio broadcasting or political propagandizing may be on the same basis in one respect, that there may be publicity given to certain things for a pecuniary, local or sectional advantage that would not be for the national welfare, say; and I am wondering what powers you would have in your board to control the type of broadcasting that is being done.—A. Well, in the main, sir, we do not complain of the present regulations of the C.B.C. which set up a certain standard of taste. Indeed, we have tried to set up, from time to time, a somewhat higher standard. The regulations of the C.B.C.—and I presume any new body would pass somewhat similar regulations—say that you shall not broadcast anything in the nature of abusive comment of any race, religion or creed; any obscene, indecent or profane comment, malicious, scandalous or defamatory matter, advertising matter containing false and deceptive statements, false or misleading information and so on. There is a long list of them. We would expect to be subject to something similar at all times.

By Mr. Coldwell:

Q. It seems to me that if you are competing for program listeners, you have the C.B.C. carrying on to-day not only programs to get program listeners, but you have school programs; you have various high-class musical programs and

forums and so on and so forth. Some of the forums have a very large listener audience. I am aware of that. But if the two organizations were competing, it would be necessary for some one to say that the second chain should take a share of the, we will say, school broadcasting which I think will be more of a feature in the days to come and so on. That is regulatory. It seems to me that it is more simply done under our present form of broadcasting and under our present Act. What you are asking us to do to-day is really change the whole basis of the Broadcasting Act.—A. Yes; I am saying we should get away from the Aird Report. I said so before.

Q. Yes.—A. Why do you say it would be necessary that someone should say that they must do this any more than you would say that it is necessary that the press should carry good editorials or should carry educational features as well as the comic strips? I do not think compulsion from above is necessary to improve broadcasting.

Q. Yes; but, Mr. Sedgwick, we have to give more services to our educational institutions, I think, as the days go by.—A. We would hope to do that. As a matter of fact, without the slightest compulsion, all four networks in the United States have made outstanding contributions to education. I see that Dr. Frigon praised, and quite rightly, what had been done in education. I see in reading the B.B.C. year book for 1943 that they availed themselves of some of the educational features of the big chains in the States. Private interests are not entirely devoid of a sense of public service. I think that a sense of obligation to the licence and a feeling that they should do a considerable amount of public service has always been present in the minds of private broadcasters. Some of them do a great deal of it now. All of them do some, though some more than others.

Q. It strikes me that the comparison between Canada and the United States and between Canada and Great Britain is a comparison which is fallacious because of this fact. You have a very large population, very well distributed in the United States. You have a very small population concentrated in Great Britain. We have a very scattered population in Canada. If you are going to compete for listeners, both educational and otherwise, the privately-owned chain naturally will compete for the larger listening audiences and the national radio would be left with the services to the more scattered communities of the country and to the schools, universities and so on. I do not think you can compare the two countries, the United States and Canada in this regard.—A. Well, you can compare probably fairly Canada and Australia. In Australia they have the A.B.C., the Australian Broadcasting Corporation. It carries no commercial programs at all. It operates its own stations. Its revenue is entirely its licence revenue. It devotes all its time to what one might say are uplifting programs; it is hoped that they are entertaining, but a great many of them are uplifting programs. It has no commercial revenue at all. They have in competition with them a purely commercial system which has no part of the licence fees and which has to get along as best it can on commercial revenue. It too does a considerable amount of public service broadcasting, but it is not compelled to, the feeling being that the people who get the licence fee will do it; but it does some because it is good business to do it. It does considerable.

By Mr. Boucher:

Q. I take it that it is your submission that, with a private national chain, the private interests would cater to the cultural, the educational and the beneficial, quite satisfactorily without compulsion?—A. They have always done so, sir. Some of the private stations have done outstanding public service jobs in their communities; and I can see no reason why we should think that, if linked together in networks, they would do less. I think their inclination would be to do

more. They are responsive to political pressure and to the opinions of you gentlemen. We would want to come here and boast rather than come here and apologize.

Q. Do you think they would give equally beneficial coverage to the more sparsely scattered areas, without compulsion?—A. Of course we would. There would be the same coverage that there is now, except that we would have more program choice. That is all. Nobody is suggesting closing any stations. I have been arguing for some years that we should not only keep open all the ones we have, but give them more power so that they would have more coverage.

By Mr. Coldwell:

Q. Where you have an organization responsible to the elected representatives of the people, I think the organization, as a rule, takes care to see to it that there is no discrimination. In the private radio field to-day, some of your private stations refuse to allow the broadcasting of ideas that perhaps some of the people around the station do not like. I am thinking at the moment of the case of a member of the legislature who wanted to report to his constituency in one area of Canada and was not allowed to do so; or a union organizer who wanted to speak to his union members but was not allowed to do so. The station I refer to is at Flin Flon.—A. I do not know much about Flin Flon. It is a little off my beat.

Q. I am showing you the danger.—A. That is true, of course. It is also true that you cannot broadcast these things at all over the C.B.C. stations.

Q. Oh, yes, you can.—A. You can walk in and get time or opportunities for time? I do not think you can; not at all.

Q. No. But there is an attempt made to give fair distribution to the various ideas.—A. Nothing was ever made perfect in a day or in an eternity and, of course, there are faults, defects. That is why you people are sitting here and that is why I am down here, but generally speaking I think our stations try to give all opinion a chance to be heard reasonably, and we try to present fairly all controversial issues. Of course, there are limits. There are people who will not stand for hour after hour of talk, and you often find, particularly in some of the municipal elections, that the people complain they cannot get on the air whereas in a city like the one I am compelled to live in if you let every candidate for municipal office on the air they would be 24 hours a day on all stations and still you would have to have six week campaigns.

Q. I am not objecting to that. I am just pointing this out. May I just preface it by saying that as a rule private radio stations do give very good service.—A. Thank you, sir.

Q. But I am pointing out that you have cases where there is no responsibility to anyone but the owners of the station, and where they refuse to allow it. I am giving you this particular instance of a member of a legislature who returned to his constituency and wanted to speak to his own people in that constituency. That is all wrong.—A. Yes, it is wrong.

Q. If that is carried on it is going to destroy their position.—A. I can only assure you I was not consulted about it.

By Mr. Boucher:

Q. On the broader picture in that regard I take it it is your opinion that a fair allocation of time would be made by private enterprise in a properly operated chain to political, religious, racial and social groups without compulsion, and you do not recommend that this radio board which you speak of be given authority to regulate or legislate in that regard?—A. Well, it probably would have to have fairly wide authority, but what you say is true. The network would do as the stations do. It would try to divide its time fairly. I must tell

you it probably would not divide its time satisfactorily because you can never satisfy everybody. You always find that some groups feel they did not get the break they are entitled to, and, as a matter of fact, the system would be moribund if we did not have kicks. Kicks are as valuable as boosts.

Q. Yes, but you appreciate, Mr. Sedgwick, there is fear in some parts of our country that the financial interests can monopolize time on private stations, if they are not controlled, to the detriment of the country.—A. That is true, yes.

Q. There must be some control in that regard and such control, I think you will agree, should be given to this board?—A. I think there should be a board using fairly wide powers although in Mr. Browning's phrase there is always the fear liberty will lead to licence, but if you are going to restrict liberty in the fear it will lead to licence you are never going to have liberty.

By Hon. Mr. LaFlèche:

Q. Did Mr. Browning say anything about what privilege will lead to?—A. He did not in the poem from which I was quoting from memory. He may have done.

By Mr. Ross:

Q. Is that not one of the reasons for your committee of the Association of Broadcasters, and so on, and the C.B.C.? Is that not one of the reasons that committee has been set up to regulate the industry so as to see there is fair play to all parts of the community?—A. Yes, and we have never suggested that regulatory board should have practically no powers. It would have to have considerable power. We think it should exercise that power judicially.

Q. That is the point. The board I am talking about is the one you mentioned in the first part of your presentation, which you have voluntarily set up to improve broadcasting throughout Canada. I imagine it will deal with subjects such as that also?—A. Oh yes, but it will deal principally with program content in an attempt to find out what the criticisms are which are reasonably made about programs, and to see if we cannot make programs better, and that is a constant study. I see that some of the nets are spending a great deal of money on new schemes for programs. They always will. Radio is a part of the entertainment business. It cannot stand still for an hour, and that is why it should not be rigidly regulated. The regulations should be very flexible, indeed, to apply to any branch of the entertainment business.

By Mr. Bertrand:

Q. This morning, Mr. Chairman, Mr. Sedgwick was kind enough to give us a list of the members of the Canadian Association of Broadcasters. I wonder if it would be possible for us to have a list of the location of all the stations affiliated with the C.A.B. and the voltage of each.—A. It is in the list I filed.

Q. I mean as to where the stations are, and their capacity.—A. The list reads this way, CHNS, location Halifax, licensed power, 1,000. It should be watts in each case. That is on the list I filed with the chairman. There is a copy.

By Mr. Coldwell:

Q. Could we get by whom they are owned and operated?—A. I do not think there has been any substantial change from the list that was furnished to the committee last year. It was contained in that list. The department will give you that.

By Hon. Mr. LaFlèche:

Q. Is there any improvement in any possible discrepancy as between the name of licence and the name of the actual owner? I have heard that question put on a number of occasions?—A. The licencees in some cases are limited

companies, and the gentlemen who compose these limited companies would not appear on the licences, and I do not know them. I know some of them; I do not know all of them. I do not know of any in Canada in the nature of a dummy ownership. I do not know of any case where a man holds a licence ostensibly for himself but really for somebody else. I do not know of one.

By Mr. Coldwell:

Q. But there are a number of stations operated by one group?—A. There is a certain interlocking of operation, and there are one or two companies that control more than one licence. I think that is true. I could not say accurately the extent of their control.

Q. But there has been no change since last year when we had a list?—A. I do not think there has been any change that I know of.

Q. I was wondering if Mr. Sedgwick, or perhaps the C.B.C. could supply us with that information so that we might just see what the conditions are under which the private stations really operate. I had in mind submitting to us the log of half a dozen stations in various parts of the country for a particular day.—A. I did all that the year before and last year. Last year I came down with a stack that high of programs and station logs, and when we tried to read them all you gentlemen said, "Do not waste our time", so this year I did not bring any.

Q. I was thinking perhaps the C.B.C. will have that?—A. The C.B.C. has the station logs.

Q. Perhaps we could get an analysis of the station time.

Mr. ISNOR: Each station publishes their own.

Mr. COLDWELL: What reserved time is asked for by the C.B.C., what C.B.C. network commercials they broadcast for which they are paid, what C.B.C. sustaining broadcasts they carry, what C.B.C. sustaining broadcasts they do not carry and what spot announcements they carry and the nature of them, for one day.

Hon. Mr. LAFLÈCHE: The C.B.C. could give us that information.

Mr. COLDWELL: I will make the suggestion that we do that for a particular day. We will say March 31.

The WITNESS: I think I did that last year. I think last year if I am not mistaken I went to the trouble of logging two or three stations for a week or something like that, if I remember it. I am sure I did; then I summed up how much was commercial, how much sustaining, how much was network, and so forth. I did not do it this year because I did not want to repeat, but I know I did it last year.

Q. Perhaps we could arrange to get that done by the corporation for half a dozen stations.—A. The stations would give you their logs.

By Mr. Tripp:

Q. From your presentation here to-day can we assume that the majority of the independent stations wish to form into a chain and establish a competing network to the C.B.C.?—A. I think, Mr. Tripp, the fair way to put it is, so far as the stations presently on the network are concerned, on the C.B.C.—that is on the Trans-Canada network—they are reasonably satisfied, but the industry as a whole feels now that there seems to be a need for a second network, that the private stations should be permitted to form that second network as we suggested five years ago.

Q. Would that be because of the fact that the private stations carry more commercial advertising, that they would be assured of a greater income individually?—A. No; at the outset they would have to go to national advertisers and see if we could get anybody to use our network. We do not know for certain but we would presume that we would get some.

Q. Would there be stations withdraw from the C.B.C. and join your own network?—A. You could not say that generally. There would be, as I have said in my brief, a certain amount of redistribution to take in an area where there are two stations serving that area, and most areas now have two stations. One would be on one network and one on the other. It is true probably the ultimately desirable thing is that all network broadcasting in Canada should be on a mutually co-operative basis. That may be a good thing.

Q. Then, there is another question. Suppose you form this other network; you read a letter from Mr. Buchanan in which he complained about the time allotted to him for commercial work in his own station. Could an independent network, or a second network, correct that situation, and, if so, how could that be done?—A. As I was careful to say, I am not a station operator unfortunately —probably fortunately. I was careful to say that. I do not know that we could correct that particular situation and, of course, any operation would have a certain amount of kicks, but you remember when I finished Mr. Buchanan's letter I read the comment to say that he really complained not so much about what was done as the fact it was done without consultation and there was no chance for him to put his case forward. I think the C.B.C. might do better in that regard even as things are and it has been suggested they will try. I am quite sure that a mutual network, a co-operative network, operated by the stations belonging to it, and having no power of mandatory regulation, would be compelled to consult, so while I cannot say we could get along without reserved time—we could not and operate the network—still we would try to get away from the appearance of enforcing our decision from above. It would be done more in consultation. We would have to agree as to reserved time, but there would have to be some.

Q. Mr. Buchanan also mentioned another point in that letter. That was the question of announcing prices. Personally I think he was giving the opinion of his own subscribers, that is, subscribers situated in the town of Moose Jaw who bought time from him. I wonder if he considered the opinion of persons in business other than his own subscribers who are in the listening area as to whether price should be mentioned?—A. As to that I can only say that about a year and a half ago we surveyed public opinion in some parts of the country to see what the people thought about price mention, and while I have not the figures in front of me the vast majority of our people either did not care, did not know you could not mention price or were in favour of doing so. Very few said, "No, we do not want them mentioned."

Q. In your opinion would it not be a fact that the mention of price would have a tendency to concentrate business in the larger centres?—A. Oh, I do not think so. I think the reverse. As a matter of fact the larger advertisers have never cared much about price mention. The demand for price mention from advertisers has come principally from the smaller local people, who would like it. Bigger advertisers have never bothered much, and as I said in the course of my presentation, there is the fact that none of the networks in the United States permit price mention on their networks. The big national advertisers do not mention prices; they do not need to. They are selling a product. They believe, and I trust justifiably, that their product is so good that price does not matter.

Q. Then you mentioned this morning about the rates for line charges. I think you gave 12 cents for one mile per hour, 10 cents for half a mile per hour and 8 cents for a quarter of a mile per hour.—A. That is right—no, 8 cents per quarter of an hour per mile.

Q. You objected to those prices. Is that because of the fact that it places the larger advertisers in a more advantageous position?—A. No; I think the root of our objection—and as I said, it comes very largely from the province of Quebec—is that it makes it difficult, almost prohibitive, for stations to put

on a sustaining program between themselves and still pay those line charges. Then it makes it very difficult for the independent stations to persuade an advertiser to use their facilities, because to use an independent station an advertiser has to pay approximately twice as much for line charges as he would pay if he used a C.B.C. station, just about twice as much.

Q. In other words, you can put it this way, that it places the smaller broadcasting operator in a poorer position, a less advantageous position, as compared with the larger operator?—A. No, it places the operator of an independent station at a disadvantage as compared with the C.B.C. because he has to buy his lines from the C.B.C. He cannot make his own deal with the people who have the lines. He cannot now, as he could some years ago, go to the Bell or the railways, and say, "We want to set up a line from Quebec to Montreal," or "from Quebec and Montreal to Rimouski." He must go to the C.B.C. and buy from them at their price, and I am told that while it is true the C.B.C. buys wholesale and sells retail, it sells retail for too much, considering what it pays wholesale.

Q. Then, we will put it this way. You complain about the comparison between these two prices. I would judge from your presentation this morning that you consider the 12-cent rate too low or the 8-cent rate too high?—A. That is not quite the way to put it. It is 8 cents per mile per quarer hour, 10 cents per half hour and 12 cents per hour. I do not suppose the 12-cent rate is so very important. I do not think that an advertiser or a station would often want to buy a whole hour. They would probably want half an hour.

Q. Those who have the ability to buy a whole hour get a much lower rate? —A. No, they do not because if an advertiser wants to buy an hour—if he wanted to buy an hour for a straight one-hour program that is true, but there is not an hour program in Canada that I know of to-day unless it is the Victory Loan show to-night, and that is probably the only one. There is not an hour program.

Q. How about Lever Brothers?—A. If they buy two contiguous quarter-hours for two separate programs I understand they would pay 16 cents for that half-hour, 8 cents a quarter-hour.

Q. That was not the information we had.—A. I believe that is so. That is my information. If Lever buy two quarter-hours for two of their programs they pay 8 cents per mile per quarter hour plus loops.

Q. That is not the information we got at the last sittings of our committee.

Mr. ISNOR: It all depends on the contract. If they take four programs under the one contract they treat it as a single contract.

The WITNESS: That may be so. I know the rate is as I have quoted. I understood if one advertiser bought contiguous time he still paid at the fifteen-minute rate if they were separate programs.

By Hon. Mr. LaFlèche:

Q. You mean the line charge?—A. Yes.

Q. I think these gentlemen have in mind the time.—A. You are talking about station time. I am talking, Mr. Tripp, about line charges.

By Mr. Tripp:

Q. The same principle applies here, anyway.—A. No, the same principle does not apply at all. It is true that as to station time the big buyer does get an advantage. He gets a discount because he buys more.

Q. Probably I have not got this right. This morning you said for an hour you got it for 12 cents, and for fifteen minutes you got 8 cents and four times 8 is 32. I think you mentioned that.—A. The reason for that is this, that if a line company sets up a line from, shall we say, Ottawa to Montreal, whether you use it for two minutes or twenty minutes it is the setting up of it that is really

expensive, so the first quarter-hour is the expensive part. You pay 8 cents whether you use it for two minutes or fifteen minutes. If you use it for half an hour they only charge 10 cents because it did not cost much more to keep the circuit in operation for another fifteen minutes and the circuit being in operation if you want to go on for a whole hour it only costs 2 cents more for the next half hour. That is, it costs 8 cents to set up the circuit for fifteen minutes, 8 cents per mile.

Q. I understood this morning you were complaining about the ratio between the rates. Am I to understand now you are not complaining, that you think the rates are fair?—A. No, I think they are excessive. The complaint I make is this, that those charges of 8 cents for fifteen minutes, 10 cents for thirty minutes and 12 cents for one hour, are charges which are made by the C.B.C. to private advertisers or private stations because the private advertiser or private station can only buy line facilities from the C.B.C. What I say is that the C.B.C. does not pay to the line companies anything like these figures, and I think the charges by the C.B.C. to the private stations should be considerably less than the figures I mentioned, and which you have now quoted.

Q. You are not complaining about the ratio?—A. No, not at all; the ratio of 8, 10 and 12 is quite fair.

By Mr. Bertrand:

Q. Have you any idea of the cost of these lines?—A. I could never find out. I suppose I could find out what we could buy them at if we were permitted to buy them. It is a matter of negotiation. As I said this morning on a sixteen-hour network the figure I had for line costs worked out at 1·06 cents per mile per hour.

Q. That is not for fifteen minutes?—A. Oh, no, I know it is more than that. I do not know, but one of the reasons for complaint was we have never been told. We think it is excessive, and we say it does cost us more than we used to be able to buy facilities for from interests like the Bell Telephone Company.

By Mr. Tripp:

Q. I have just one more question and I am through. Regarding recordings which you mentioned this morning, can you give us any instance where the regulations regarding these recordings have acted to the disadvantage of the advertiser, to Canada's war effort in the United States?—A. I am only talking about broadcasting in Canada. The recordings which I spoke of are broadcast in this country and I do not suppose they would have any effect on our war effort in the United States. At least, I do not know of any instance.

Q. These restrictions which are put on here regarding recordings are not really restrictions of the C.B.C.? They are restrictions of the labour union?—A. No, they are restrictions of the C.B.C. imposed by regulation 18, I think it is, which says that you can only use a certain limited amount of recorded material, that you must announce it as such, and as I read to you this morning. I think I did say it is possible the original regulation was passed because of some union pressure. I do not know. I have heard that said; I cannot say so authoritatively.

Q. I thought you mentioned that this morning in your submission.

By Mr. Hansell:

Q. You mentioned the musicians' union?—A. I said if the regulation was rescinded, if it were not there at all, so far as being fair to live talent is concerned, we would have to do so because the musicians' union makes all important stations use live talent fairly.

By Mr. Tripp:

Q. Therefore we can probably say the restrictions in that regulation issued by the C.B.C. are merely submissions made to the C.B.C. from the labour union?—A. It has been said that particular one is based on a submission made many years ago by the musicians' union, but I do not think it is a necessary regulation at the present time, and it is not a regulation in force in the United States. I think the musicians' union is stronger there than anywhere and yet they do not insist on any similar regulation. I think what it does is that it stigmatizes a particular program as being a mere recording, and it diminishes the pleasure that the listener would otherwise derive from it. That is what it does and I do not think it serves any useful purpose.

Q. I read an article in a magazine to the effect that station CHAB wanted to send over the Mutual Broadcasting System of the United States a program which had been broadcast earlier in Canada, but it could not receive a favourable time in the United States because it had to be reproduced on recording for broadcast in the United States, and there were certain restrictions placed on it?—A. Those were union restrictions; that is right. The union, I take it, in those circumstances, would not permit the program to be reproduced and rebroadcast.

Q. That is true?—A. Yes, that is so.

By Mr. Ross:

Q. In connection with your lines you say if you are allowed to lease these lines they would cost you so much. Could you get lines if you were allowed to, and would it interfere with the lines of the C.B.C.?—A. Oh no, not the slightest.

Q. Lines are available at any time?—A. Certainly; the telephone companies and the railways are not only delighted but anxious to sell them to us. That is their business; they sell lines just as they sell railroad tickets.

Q. You would not have to take a line for a sixteen-hour day; you could get it on a quarter-hour basis?—A. I have quotations here. We could get them on a three-hour or four-hour, whatever basis we thought we could fill. Probably a new network at the outset would want to buy about three hours' line service.

Q. Is there any reason why the C.B.C. should buy the lines first and get a commission from the sale of the lines to the private stations?—A. I know of none but it is a fact they do.

By Mr. Isnor:

Q. They get a commission, you say?—A. Oh, I think it is undeniable they make a profit. They buy lines from the two railways and the Bell, and then we have to buy from them at a price which is certainly not less than they pay.

Q. They make a contract for a certain number of hours and then they sublet out a portion of that time to individual stations?—A. Yes.

Q. And for the cost of that time they charge more than would cover the price paid for the full period?—A. Yes.

Q. Is that not common sense, good business? Is that not what you would do?—A. I would if I was in commercial business, certainly.

Q. Well, are you not?—A. I suppose I am, yes. Law is a business like anything else but, Mr. Isnor, this is the unfair thing; if we had free access to markets and could buy lines wherever we liked then it would be quite fair for the C.B.C. to make a profit, fair and reasonable and right, but is it fair for them to make a profit when they first pass a regulation saying you cannot buy from anybody but us and then they say, "Now, you will buy from us at the price we fix". That is what we object to.

By Mr. Coldwell:

Q. That is not the purpose of the regulation?—A. That is the result.

By Mr. Boucher:

Q. The regulation might work in the opposite direction and you might get them cheaper?—A. It is hardly conceivable; I think I can demonstrate that that is not so. We can buy them cheaper from the line companies. Mr. Isnor is quite right that people in commercial business should be entitled to make a profit but they should not be allowed to fix the rules of the game, say that there will be no competition at all, and then make a profit.

By Mr. Isnor:

Q. I just want to clear up one question. Is Mr. Bannerman going to appear before the committee or is this the brief on behalf of the C.A.B.?

The CHAIRMAN: That was part of the presidential address in Quebec city in February.

Mr. ISNOR: The printed pamphlet is not just as it was presented, and there was one point.

The CHAIRMAN: It states it is part of the address.

Mr. ISNOR: I want to clear up one point raised by Mr. Tripp, if I may, as to the thought back of the opposition to creating a second network, namely the dominion network. What was the objection you had, Mr. Sedgwick? Was it a matter of revenue?

The WITNESS: The reason?

By Mr. Isnor:

Q. Was it the loss of revenue?—A. Oh, no sir. It had no connection at all with revenue.

Q. I thought that was the answer you gave to Mr. Tripp. You and Mr. Bannerman apparently differ in respect to that, because Mr. Bannerman was quite concerned as to the effect that the introduction of another network might have on the revenue of the private stations.—A. Where was that?

Q. Page 4 of the brief as presented to your association in Quebec on February 14.

The CHAIRMAN: Which paragraph? Is it not the second last paragraph? Go ahead and read it.

Mr. ISNOR: Perhaps if I gave it to the witness, it would serve the purpose.

The CHAIRMAN: Tell us which paragraph it is.

Mr. ISNOR: It is this one here.

The WITNESS: Well, it is a very vague statement. He says, "Another new and unknown factor is the introduction by the Canadian Broadcasting Corporation of the dominion network. This may or may not affect revenues upward or downward for some of our member stations. It is too early to evaluate the effect of this new venture."

Mr. ISNOR: Yes.

The WITNESS: I suppose that is really to say nothing. It is to say we do not know.

By Mr. Isnor:

Q. The thought of revenue seemed to be the main reason advanced against the C.B.C. inaugurating a new system and in favour of your being allowed to have a commercial network?—A. Well, if he left that impression, sir, I am sure he did not mean to; because in any suggestion that we have ever made as to the establishment of a new network, one of the things that has been said in reply is that we could not afford it, that we would be bound to lose a great deal of money in trying to operate one.

By Mr. Boucher:

Q. I do not think that statement left that impression.—A. which statement?

Q. I do not think that statement by Mr. Bannerman leaves the impression that revenue is the big reason.—A. I do not think so at all. But Mr. Isnor suggested that was his impression.

By Mr. Isnor:

Q. Mr. Sedgwick says that revenue does not enter into it at all.—A. Mr. Isnor, revenue enters into every commercial business.

Q. Certainly it does.—A. Because a business that tries to operate commercially and ignores revenue will very soon not be in business at all.

By Hon. Mr. LaFlèche:

Q. What would be the other factor?—A. The other factor is that we honestly believe that we could improve the service of radio broadcasting to the people of Canada.

By Mr. Boucher:

Q. In other words, there would be better service through competition?—A. We think a competitive network would make for better broadcasting on the whole.

Mr. Isnor: It was from Mr. Sedgwick I was trying to get that information.

By Mr. Picard:

Q. In line with that, the witness stated that an independent network would give as good a standard of programs and as good service or better—he stated it would give a better service—to the public. You admitted also that your function in any private system is to operate mainly for profits and not as benefactors of the public. I mean, you are in business not to make gifts to the public of Canada of nice programs. You do not get money for that. You do not get licence fees for that. So you are in business to make money. I want to clear that in my own mind before I reach a conclusion. Then there might be a tendency that, instead of trying to uplift the taste of the population in matters of art, good music and so on, you are bound to give what the majority likes; and it is admitted that the largest number of people, unfortunately up to the present, have not a high degree of culture, and the lowest degree of culture is responsible for the lowest taste in things that are spread over the radio. So would there not be a tendency to give to the public much of what they want to get? I mean their lower mentality and lower instincts may lead them not to want the good programs. I do not say programs which are uplifting morally only, but uplifting in good taste, good music, and all sorts of programs of that kind. I was told once that a survey was made in New York city as to the tastes of the people as to programs and it was discovered to reach the highest radio audience you have got to build a program for a child of twelve as far as intelligence is concerned. That is when you are operating for profits, if you want to have the highest radio audience, to get more people and thus to get more business. Do you not think that might contradict your statement that you want to give a higher standard of program and a higher standard of service to the public? Do you not think that the public under a system which is not operating for profit but operating for service might not get better service? I should like to have your view on the matter. You are the one to convince me.—A. That is a fairly long question for me to answer, but if you took me to say my main concern would be profit I think you misunderstood that, but I did say this, and I must repeat it, we would at least have to avoid loss.

Q. That is logical.—A. Because a business that continues to make losses ceases to be a business. Then, Mr. Picard, when you say that a survey in New York city established the mental level of the people as about twelve that

criticism applies to our educational system for which we in the radio business are not responsible. As to whether our programs would reach the mass or whether our programs would reach the cultured and intelligent and thoughtful we would hope to have some programs for all kinds. I suppose we must after all bow to the force of example, and certainly in our business we are compelled to because example also happens to be one of our competitions, and I can only say to you that in the United States where there has never been any government operated radio, where it has all been purely commercial, they have put on a great many stimulating educational programs. It was not government radio that brought Mr. Toscanini to the air; it was private sordidly commercial radio that brought him to the air. It is not government radio that brings to the air most of the big names with which you are familiar; it is sordid commercial radio that brings them to the air.

Q. Would you not admit that before the radio corporation came into the field in Canada the standard in Canada was far lower than it was in the United States, and that the standard as you mention of the United States' networks has always been much higher than it ever was in Canada up to the time when the radio corporation came into being? I do not say we have made a perfect success but they have uplifted the status of broadcasting in Canada to a high degree. I thought that was generally admitted. I may be wrong.—A. The basic standard of radio broadcasting has advanced tremendously since 1936 both here and in the United States. I think that is generally admitted. It is also true, of course, that the C.B.C. has done a very good job. I have never deprecated the work they have done.

Q. They can afford to do it better than a profit-making institution in many ways?—A. I was going to complete my remarks by saying it is still true their programs that command the biggest audiences are programs that they import from the United States. Take any survey—and I should qualify this by saying I am speaking of English-speaking Canada because it is different in your province—

Q. I live in Ottawa so I include that in my remarks.—A. I was thinking of French Canada, but in English-speaking Canada in any survey all the more popular programs—I should not say all, but the majority of the more popular programs—the programs that people listen to are still the programs the C.B.C. gets from the United States. That is not a criticism of them. We cannot afford the salaries and the talent. They are not all cheap programs either. Some of them are very good programs, not meretricious.

Q. I am not talking about popular programs. I am talking about the higher grade of program. You said it was a matter of the educational system. As to the mentality being that of a child of twelve it may be so, but if we give them only that on the radio or only what they are used to getting or what they would crave we will never help improve the status.

By Mr. Coldwell:

Q. I should like to point this out. When you refer to the educational system, are you not overlooking the fact that radio is one of the great educational instruments to-day and must be regarded as such? So it is the fault of radio, to some extent, if the tastes are not good. Is that not so?—A. Well, it is said that it is one of the great educational instruments. It may be becoming so. But it is not fair to say that we are responsible for taste. Radio—and I must say this again—can only very hesitatingly and slowly lead taste; and that, sir, is because our ancestors years ago discovered they could use their thumb and finger in the opposite direction. If they had not found that out, we might possibly be able to lead taste to better advantage. But they tune us out too easily if we get too far ahead of them.

Q. This afternoon you said you knew Dr. Angell very well.—A. Yes.

Q. Do you remember the brief of Dr. Angell before the National Association of Broadcasters in the United States that was put on record last year?—A. Yes. I was there.

Q. In that he made it very clear that the voice of the school, of the church and of the cultural activities of the nation was very small when compared with the voice of the commercial advertisers who were looking for sales.—A. He did say that.

Q. He said it very much in those words.—A. Yes. He is quite critical. He is paid to be critical. The commercial broadcasting interests engage Dr. Angell to improve commercial broadcasting; and in doing what he can to do that, he will not improve it by always praising it. He is a little strident in his criticism. If you would talk to him, as I have done on a number of occasions, you would find that he sees considerable to praise. He has never suggested that a state monopoly would do a better job.

Q. We have not a state monopoly in Canada.—A. We would drift towards it if we have a monopoly of all the networks.

Q. We have sixty privately-owned stations in the country. I do not think we have a monopoly.—A. No. It is a monopoly, Mr. Coldwell, to this extent, that radio broadcasting is so much dependent on the right to link one station with another. As Mr. Buchanan pointed out, when you give all network rights to the state monopoly, and when you give that same state monopoly the right to reserve time on all the private stations, if it does not completely eliminate their independence, it certainly restricts it drastically, does it not?

Q. Of course, that has been inevitable.—A. Yes.

Q. Some of these stations could not have existed without the support of the C.B.C.—A. Oh, I am not saying anything about that.

By Mr. Boucher:

Q. I think you will agree with me that Canadians generally are looking to the radio to increase the taste, the culture, the loyalty, the unity and the welfare of the people. I am looking at it as a very powerful instrument to do that. With that in mind, with which I think you will agree with me, do you say that private enterprise, with a private chain in competition with public ownership chains, the C.B.C. will be as advantageous and as efficient without pretty strict controls over them by this radio commission appointed and considerable regulatory power given to that committee?—A. Mr. Boucher, yes; I think that any new committee should have fairly wide regulatory power. I think it should also exercise it judicially; that is, that it should hear all sides, those who are to be regulated, those who are pleased with the regulation and those who oppose it and give its decisions openly and fairly. If I may say so, I think that any body which has wide regulatory power, when dealing with so flexible a thing as radio, should use that power sparingly. It is so easy to sit down in this room and say that this is for the good of Canada—we the people of Canada; and we are all prone to think we are. It may not be so, and it may be that the processes of radio which permit people to make instantaneous decisions and to express them every time they turn on the radio machine, will in themselves, given a fair chance, furnish a sufficient measure of regulation. Because do not forget that we could not get very far away from what was good, because we have to compete with the C.B.C. which, I presume, would be doing a valuable public service in putting on excellent programs. Our programs would have to have something like their appeal, because we would have to get an audience in competition with them.

Q. That is the point I wanted to make because I understood from your previous statement you felt that a private enterprise chain should be pretty well untramelled, unhampered and uncontrolled. I take it now you feel it should be kept by this board pretty well on a par with the government-owned system so that it be truly competitive, suffering the same handicaps and given the same

privileges? Is that not right?—A. Yes, that is true but it is not regulation that makes the C.B.C. as excellent as we agree it is. It is its desire for self-improvement that makes it as good as it is.

Q. And we have regulation; regulation is then necessary?—A. Well, sparingly, yes, I think you are right, but a radio network would start out badly if it started out with little else but provision to grow and a big fat book of regulations to observe.

Q. What I am trying to establish is this, that if there were a privately owned and operated chain in Canada in co-operation and in competition with the nationally owned, operated and controlled public chain, there would be none the less an opportunity to give the people what the people should get?—A. Yes, that is quite true.

Hon. Mr. LAFLÈCHE: Mr. Chairman, I have had the privilege of listening to the reasoned presentation given to-day by Mr. Sedgwick. He has done it calmly and on occasion with the necessary good humour. I have taken from it as best my memory serves me three salient features, one that the private broadcasters feel that they need something more by way of facilities to permit them to be heard and to be consulted. I have already said at the first meeting of this committee what I thought about that, and I still think that. That seems to be best illustrated by Mr. Sedgwick's plea for another network. I have also been struck by the fact that the private broadcasters in the person of Mr. Sedgwick have gone rather carefully over the operations of the C.B.C. whereas the C.B.C. did not give us an equivalent insight into the operations of the private broadcasting stations. That point was mentioned this afternoon by one of the gentlemen of the committee and we might, Mr. Chairman, require some more information on that point.

In regard to the network no one to-day has said a word about what to me is a very important feature of any proposed network to be owned and operated by the private radio broadcasters, and that is, that as we have had it from Mr. Sedgwick he would depend a great deal upon the support to be obtained from a foreign country whereas it has always been borne in upon me that radio is the Canadian people's. I think we should have some further light thrown upon that aspect of the possible situation whereby there would be no such control over any possible foreign influence as there is at the present time in regard to similar tie-ups between the C.B.C. and foreign networks, not that I fear foreign opinion coming from that quarter, but the Canadian people are jealous of what belongs to them. I would invite further comment on that particular point if it were possible to have it some of these days. Finally, Mr. Sedgwick has condensed into to-day's presentation an immense amount of detail and information, so much so that speaking for myself alone, I will want to read what he said in the report of this committee and to have it at as early a date as possible. Might I request, Mr. Chairman, that special efforts be made to have the report distributed to us more quickly than has been the case up to date. I should think that is very easy, because most of the material taken down by the reporters to-day has been in the form of a printed statement which perhaps Mr. Sedgwick might agree to turn over to the reporter.

The WITNESS: I have done that, sir.

Hon. Mr. LAFLÈCHE: Thank you, very much, Mr. Chairman.

Mr. ROSS: May I ask Mr. Sedgwick a question just before he goes. In connection with the chain that Mr. Sedgwick is talking about, will there be more stations operating on both chains, both the C.B.C. and the proposed mutual chain, than there are on the chains at the present time? Will there not be more stations operating? Then there is another thing. Will it not be to the advantage of the stations to improve their programs? After all, what is necessary in order to educate the people is to get the audience. A lot of members have been talking

about some of the popular programs. But you have to get the popular programs over the air in order to attract people to listen to the other programs which perhaps are not as popular. Another thing I should like to ask Mr. Sedgwick while I am on that is this. It has been said by Dr. Frigon, and I will just read it:—

> We ourselves produce in our own studios, with our own staff and with the listeners' money, more programs, possibly better rehearsed and in most instances more carefully organized, than the majority of private stations, whose capabilities are limited and whose responsibilities may not be as great as ours.

What I wanted to get at is this. He says they have facilities.

The WITNESS: What page is that?

Mr. ROSS: Page 162. He says their capabilities are limited. What I am getting at is if you had the facilities, would you have the capabilities and facilities to do this originating, as you call it, if you were given the privilege of a private chain and had the same opportunities as the C.B.C. have at the present time?

The WITNESS: Mr. Ross, as to the number of stations, we would hope that every station in Canada would be able to get network affiliation with one or the other. As to the program production, of course a co-operative network would endeavour to produce programs of equal quality to those being produced now. It is a little hard to weigh quality. We would do our best. Many programs that are now produced and are heard only over one station would go on the network as part of the sustaining service of the network; and we would explore the talent situation and the productive brains of our various stations in the hope that we could produce cultural and popular programs of a quality that would entitle them to compete with those presently produced by the corporation.

Mr. HANSELL: Mr. Chairman, is Mr. Sedgwick coming back next week?

The CHAIRMAN: No.

The WITNESS: I may tell you frankly that I am not able to come back next week as I have a previous engagement.

Mr. HANSELL: I have been a silent member here this afternoon, but I have one or two questions I should like to ask.

The CHAIRMAN: I think probably it will be necessary to have Mr. Sedgwick or Mr. Bannerman back at some future time. I think that probably will end the questioning for to-day. What we propose for next Wednesday is to see if the honourable members would be anxious to accept the invitation which was extended on behalf of the Board of Governors by Dr. Frigon to make a visit to the Montreal studios. I think it might well be made then, taking a full day to visit the plant at Montreal, the two plants there, the one at Vercheres and probably the one at Marieville. However, in order to do that it will be necessary to have a motion to the effect that the committee ask leave to sit for a period not exceeding one day in the city of Montreal, and that the clerk accompany the committee.

Hon. Mr. LAFLÈCHE: Montreal and vicinity; if you go to Marieville you are a little way out.

The CHAIRMAN: Would that be acceptable to the members of the committee?

Mr. BERTRAND: When would we be leaving? Has that been arranged?

The CHAIRMAN: Definite arrangements have not been made but we would likely leave here on the train at 9 o'clock in the morning and come back on the late train at night, 10 o'clock. Dr. Frigon asks if we could leave on Tuesday afternoon but I hardly think so because the house is in session Tuesday afternoon and Tuesday night. Is that suggestion agreeable to the members of the committee?

Mr. ISNOR: That is Wednesday, the 3rd?

The CHAIRMAN: Wednesday, the 3rd of May.

Mr. ISNOR: I know that the members have talked about this but I was just wondering as to whether we should not clean up with Mr. Sedgwick and perhaps some other matters.

The CHAIRMAN: Will it make any difference whether he is heard next Wednesday or two weeks from to-day?

The WITNESS: I cannot be here next Wednesday. I am defending a man charged with murder.

The CHAIRMAN: Try and get him off. Let this gang hang.

Mr. BOUCHER: Last week we discussed making certain recommendations to Dr. Frigon that he might put them before the Board of Governors at the next hearing so far as political broadcasts are concerned. I do feel if we are going to make recommendations to him we should do so right away. Possibly he has taken enough out of last Wednesday's meeting.

The CHAIRMAN: I do not think that the board has met since that, have they?

Dr. FRIGON: The board is meeting on the 8th of May.

The CHAIRMAN: That can be arranged, too.

Hon. Mr. LAFLÈCHE: I understood Dr. Frigon at the last meeting undertook or stated his intention of bringing the matter again to the attention of the board. Is that not so, Dr. Frigon?

Dr. FRIGON: If I may be permitted to repeat what I said, I said that the Board of Governors would welcome any suggestion from this committee. At the meeting on the 8th of May I shall report to them as to what has happened here. That is all I can do at present. I added I thought they had studied the white paper as best they could and I was not very hopeful for any change with the knowledge they have at hand. Therefore, it is a matter on the 8th of May either for me to report to them and they will tell me what they want, or for the committee to make any suggestions they may wish to make.

Hon. Mr. LAFLÈCHE: They would have the report of the proceedings of last week's committee.

Dr. FRIGON: Yes.

Hon. Mr. LAFLÈCHE: I misunderstood.

The CHAIRMAN: The understanding as recorded in the minutes is that in the opinion of the committee the subject of political radio broadcasting should be considered by the Board of Governors, and Dr. Frigon is to convey that information to the board but he asked that suggestions might be made with reference to it. He said he thought those suggestions would help.

Mr. BOUCHER: Mr. Chairman, I am not absolutely satisfied with the present status of the question of political broadcasting as outlined in the white paper by the Board of Governors. In view of Dr. Frigon's opinion that it would not be changed unless we made a concrete proposition to them I think we should make a concrete proposition.

Hon. Mr. LAFLÈCHE: I did not gather that last week.

Mr. HANSELL: I do not think that is the inference, is it, Dr. Frigon?

The CHAIRMAN: Order, please; let us clear up one matter at a time. Is it agreeable to the committee to make a visit to Montreal next week? Will somebody kindly make a motion that the committee ask leave to sit for a period not exceeding one day in the city of Montreal and vicinity and that the clerk of the committee accompany the committee? Will somebody move that motion?

Mr. BERTRAND: I will move it.

The CHAIRMAN: The reason I ask for a motion to be put is that it is not in the order of reference for us to sit anywhere except here. We will ask the house for permission if the committee will pass a resolution to that effect.

Mr. Ross: Suppose you do not make a definite date. I do not know, but it seems to me that we have a lot of work to do here.

Mr. PICARD: It might be a very good thing for us to make that visit. We would better understand the technicalities when Mr. Bushnell and the other technical advisors come before the committee. I would support the idea of going there on the 3rd.

The CHAIRMAN: That is a motion by Mr. Bertrand, seconded by Mr. Rennie. Those in favour? Opposed?

Motion agreed to.

Mr. HANSELL: Is that by C.P.R. train or C.N.?

The CHAIRMAN: The details and arrangements will be made by the clerk of the committee, and the members of the committee will be informed or advised.

The committee adjourned at 5.35 p.m. to meet in Montreal on Wednesday, May 3, 1944.

APPENDIX F

CANADIAN ASSOCIATION OF BROADCASTING

COMMERCIALLY OPERATED INDEPENDENT BROADCASTING STATIONS

MEMBERS			NON-MEMBERS		
Station	Location	Licensed Power	Station	Location	Licensed Power
CHNS	Halifax	1,000	CJFX	Antigonish	1,000 DA
CJCB	Sydney	1,000	CJLS	Yarmouth	100
CFCY	Charlottetown	1,000	CHGS	Summerside	100
CKCW	Moncton	250	CKNB	Campbellton	1,000 DA
CHSJ	Saint John	1,000			
CFNB	Fredericton	1,000			
CHNC	New Carlisle	1,000	CHGB	Ste. Anne de la Pocatiere	250
CJBR	Rimouski	1,000			
CHRC	Quebec	1,000 DA	CKVD	Val d'Or	100
CKCV	Quebec	100	CHAD	Amos	100
CHLN	Three Rivers	250			
		p.o.p. 100			
CHLT	Sherbrooke	250			
CFCF	Montreal	500			
CHLP	Montreal	250			
CKAC	Montreal	5,000			
CKCH	Hull	250			
CKRN	Rouyn	250			
CHOV	Pembroke	250	CKCO	Ottawa	1,000 DA
CFBR	Brockville	100	CHEX	Peterborough	1,000 DA
CKWS	Kingston	1,000 DA	CHPS	Parry Sound	250
CFRB	Toronto	10,000			
CKCL	Toronto	1,000 DA			
CKOC	Hamilton	1,000 D 500 N			
CHML	Hamilton	1,000			
CKTB	St. Catharines	1,000			
CKCR	Kitchener	250			
CFPL	London	1,000 DA			
CFCO	Chatham	100			
CJCS	Stratford	50			
CKPC	Brantford	100			
CKLW	Windsor	5,000			
CKNX	Wingham	1,000 DA			
CFOS	Owen Sound	250			
CFCH	North Bay	100			
CJKL	Kirkland Lake	1,000			
CKGB	Timmins	1,000			
CKSO	Sudbury	1,000			
CJIC	Sault Ste. Marie	250			
CKPR	Fort William	1,000			
CJRL	Kenora	1,000			
CKRC	Winnipeg	1,000	CJCJ	Calgary	100
CJGX	Yorkton	1,000			
CFAR	Flin Flon	250			
CKCK	Regina	1,000			
CKRM	Regina	1,000			
CHAB	Moose Jaw	1,000			
CFQC	Saskatoon	1,000			
CKBI	Prince Albert	1,000			
CFGP	Grande Prairie	250			
CJCA	Edmonton	1,000			
CFRN	Edmonton	1,000			
CFCN	Calgary	10,000			
CFAC	Calgary	1,000			
CJOC	Lethbridge	1,000			
CFJC	Kamloops	1,000	CKLN	Nelson	250
CKOV	Kelowna	1,000			
CJAT	Trail	1,000			

MEMBERS			NON-MEMBERS		
Station	Location	Licensed Power	Station	Location	Licensed Power
CKWX	Vancouver	1,000			
CKMO	Vancouver	100			
CJOR	Vancouver	1,000			
CJVI	Victoria	1,000			
	p.o.p.	500			
CHWK	Chilliwack	100			
	Total Power	70,100 Watts		Total Power	5,250 Watts

CKY—Winnipeg, CKX—Brandon } These stations are by reason of their constitution precluded from membership in the Canadian Association of Broadcasters. They do, however, subscribe to the expenses of the Association, and are for all practical purposes, considered as members.

NOTE:—p.o.p. = present operating power.
D.A. = Directional Antennae.

SUMMARY—Total Stations in operation		89
Owned or operated by the Canadian Broadcasting Corporation—including CFPR, Prince Rupert	11	
Operated by Universities	2	
Members of the CAB (independently owned)	64	
Non-Members of the CAB	12	
		89

SESSION 1944

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

WEDNESDAY, MAY 3, 1944—Montreal.
WEDNESDAY, MAY 10, 1944.

WITNESS

Dr. Augustin Frigon, acting general manager of the Canadian Broadcasting Corporation.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1944

MINUTES OF PROCEEDINGS

WEDNESDAY, May 3, 1944.

(11)

The Special Committee on Radio Broadcasting met at 11.45 o'clock in the office of the acting general manager, Dr. Augustin Frigon, Canadian Broadcasting Corporation, Montreal, Que.

Members present: Messrs. Bertrand (*Prescott*), Boucher, Coldwell, Diefenbaker, Douglas (*Queen's*), Hansell, Hanson (*Skeena*), Isnor, Laflamme, McCann, Mullins, Picard, Rennie, Ross (*St. Paul's*), Tripp.—15.

The Clerk of the Committee and Messrs. Bradette, Deputy Speaker of the House of Commons, McIlraith, Taylor, Chief Government Whip, and Gershaw, accompanied the Committee.

In attendance: G. W. Olive, Chief Engineer, J.-A. Ouimet, Asst. Chief Engineer; Omer Renaud, Program Director for the province of Quebec; Leopold Houle, Publicist; Maurice Goudreault, Public Relations; John de B. Payne, Administrative Officer; Dr. Jean Saint-Georges, Acting Chief News Editor; Marcel Provost, Editor of Radiomonde, and Miss Louise Simard, secrétary to the acting General Manager.

The Committee visited the Keefer Building, King's Hall, and the transmitter at Verchères.

The Keefer Building—Comprises the following departments:

Chief Engineer's Office;
Plant Construction;
Properties;
Transmission and development;
Purchasing and Stores.

King's Hall:

Administration;
Commercial;
Engineering (broadcasting), such as master control, studios CBM and CBF, recording studios, stores, janitor services and transportation.
Programs, such as traffic, recording library, music library, scripts, news and special events departments.

In charge of groups:

At Keefer Building—Messrs.—
J. A. Ouimet, assistant chief engineer;
K. E. MacKinnon, Transportation and Development engineer;
C. E. Stiles, Purchasing Agent;
J. E. Hayes, Research Engineer;
R. D. Cahoon, Transmitter Engineer;
W. A. Nichols, Plant Department Engineer;
D. F. McKinstry, Properties.

At King's Hall—Messrs.—
D. Roberts, Chief Operator;
G. Hudon, Master Control.

A visit was made to the CBF transmitter at Verchères, Que., in the afternoon. This station which has provision for a shortwave transmitter is under the supervision of L. L'Allier and L. Ducharme, respectively regional engineer and residing engineer.

In the course of the dinner at Le Cercle Universitaire, at which Dr René Morin, Chairman of the Board of Governors was present, the Chairman, Dr. McCann, voiced the appreciation of the Committee to Dr. Frigon for his invitation and commended the Canadian Broadcasting personnel.

The following notes were distributed during the luncheon:

1. Montreal studios (CBM and CBF);
2. Engineering division. (With organization chart.)

On the return trip from Verchères, an album of photographs of the Marieville transmitting station was perused by the members of the Committee.

At 10.45 p.m., the Committee adjourned until Wednesday, May 10th, at 11.00 o'clock.

ANTONIO PLOUFFE,
Clerk of the Committee.

WEDNESDAY, May 10, 1944.

(12)

The Special Committee on Radio Broadcasting met at 11 o'clock. The Chairman, Mr. J. J. McCann, presided.

Members present: Messrs. Bertrand (*Prescott*), Boucher, Coldwell, Diefenbaker, Hansell, Hanson (*Skeena*), Isnor, LaFlèche, Laflamme, Macdonald (*Brantford City*), Matthews, McCann, Picard, Rennie, Ross (*St. Paul's*). 15.

The Chairman announced the untimely death of Mr. E. Durocher, Member for Montreal-St. James, a member of the Committee. His valuable services were lauded.

On motion of Mr. LaFlèche,—

Resolved,—That the Clerk of the Committee convey to Mrs. Durocher and family the Committee's sympathy.

Alluding to the Committee's visit to the Montreal CBC studios on Wednesday, May 3, the Chairman said that the Clerk would draft special minutes which will be printed.

As requested, information from the Department of Transport was tabled and distributed, showing changes in private broadcasting stations from April 1, 1943 to March 31, 1944, also a list of Broadcasting Stations in Canada (as at April 1, 1944), with a covering letter of G. C. W. Browne, assistant comptroller of Radio.

Ordered,—That this return be printed in this day's evidence. (See Appendix G).

In this respect, Mr. Isnor referred to stations CHNS and CHNX.

Reference was made by Mr. Coldwell to two recent awards to the CBC of which Mr. Bushnell will later give particulars.

Correspondence read:

1. Letter to Chairman from The Ontario Federation of Home and School Associations, Toronto, dated April 28, 1944;
2. Letter from Clerk to Radio Manufacturers' Association of Canada dated April 20, 1944.

On motion of Mr. Diefenbaker,—

Resolved,—That correspondence respecting Mr. Phillpot's broadcast on General MacNaughton be produced.

Dr. Frigon was recalled and proceeded to read a statement in reply to Mr. Sedgwick's presentation on Wednesday, April 26 last. He was assisted by Mr. W. H. Brodie.

The question of political broadcasting was again discussed.

Witness was retired.

At 12.55 p.m. the Committee adjourned until 3.00 p.m.

AFTERNOON SESSION

(13)

The Committee resumed at 3.00 o'clock. Mr. J. J. McCann, the Chairman, presided.

Members present: Messrs. Bertrand (*Prescott*), Boucher, Coldwell, Diefenbaker, Hansell, Hanson (*Skeena*), Isnor, LaFlèche, Laflamme, Macdonald (*Brantford City*), Matthews, McCann, Picard, Rennie, Ross (*St. Paul's*).—15.

Dr. Frigon was recalled. He was assisted by Messrs. Brodie and Bushnell.

In reply to Mr. Isnor's questions at the morning session, the witness gave particulars in respect to stations CHNX and CHNS.

Dr. Frigon quoted a ruling of the Federal Communications Commission (U.S.A.), governing mechanical records. He read a statement prepared by Mr. Bushnell respecting recent awards to CBC at the Eighth American Exhibition of Educational Radio held at Columbus, Ohio, May 5th to 8th.

Questions were asked on the proposed licensing of four new private stations.

Examination of Dr. Frigon was resumed on his first submission such as Overseas Unit, Controversial Broadcast, and Of Things to Come.

Mr. Hansell quoted from a pamphlet intituled "Help—a shrill call from the Atlantic Charter" by John J. Fitzgerald and a discussion followed with reference to Messrs. Lambert, Morrison and Davies.

Mr. Bushnell was called and made a statement. He was retired.

Dr. Frigon was retired.

At 5.15 p.m. the Committee adjourned until Wednesday, May 17 at 11.00 o'clock to hear again Dr. Frigon.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 10, 1944.

The Special Committee on Radio Broadcasting met this day at 11 o'clock a.m. The Chairman, Mr. J. J. McCann, presided.

The CHAIRMAN: Mr. Minister and gentlemen, I am sure that you will all be very sorry to learn that Mr. Durocher, who was a member of this committee, passed away this morning. Mr. Durocher was a very valuable member of parliament and also a valued member of this committee. I think it would be in keeping with your wishes if the clerk of the committee would express to Mr. Durocher's widow and family our sincere appreciation of the services which he has rendered on this special committee, and also our regret at his passing.

Hon. Mr. LAFLÈCHE: By all means.

Mr. COLDWELL: We all agree to that.

Some Hon. MEMBERS: Yes.

The CHAIRMAN: As you know our last meeting, gentlemen, was in Montreal. There will be a special minutes of proceedings which will appear in volume No. 6 of the minutes and proceedings of evidence of the committee.

I should like again to express to Dr. Frigon our very sincere appreciation of the arrangements which he made for the committee on our visit to Montreal. I think it is generally conceded that the visit was well worth while, and that we all have a better appreciation of the setup in Montreal and of the services that are being rendered by the staff of the C.B.C. in that district.

Mr. COLDWELL: Mr. Chairman, I think that it might also be well if Dr. Frigon put on record some time the fact—if the story which I heard over the air the other night is true—that the broadcasting corporation has been the recipient of some awards for programs.

The CHAIRMAN: Oh, yes.

Mr. COLDWELL: We might just get a short statement on that some time.

The CHAIRMAN: Yes. I think that is quite appropriate, Mr. Coldwell.

Hon. Mr. LAFLÈCHE: Might we have the story now as to just what those awards were? May I ask that, Mr. Chairman?

Mr. COLDWELL: For two of the best programs given, I think. I believe we should congratulate the corporation.

Dr. FRIGON: I will tell you very frankly that I did not expect this question and I therefore have no notes here as to the exact details.

Mr. COLDWELL: Perhaps Mr. Bushnell can tell us that.

Dr. FRIGON: Mr. Bushnell has all the details. He was in Columbus last week where this thing took place. We have been awarded first prize for a couple of programs—a drama and war news. Mr. Bushnell will give you more details on that. I am not familiar with the details of the programs, but it is considered as being a very important award. We are very proud of it.

Mr. COLDWELL: I should think you would be.

The CHAIRMAN: For the record, gentlemen, there is being included in the minutes and proceedings a list of broadcasting stations in Canada as of April 1, 1944, together with changes that have taken place between April 1, 1943 and April 30, 1944.

(See Appendix "G").

The CHAIRMAN: I should like to include in the record the following letter. It is from The Ontario Federation of Home and School Associations at Toronto and is addressed to myself. It is dated April 28 and reads:—

> Dear Sir,—The following resolution was presented by the Radio Committee of the Ontario Federation of Home and School Associations, Inc., to the annual meeting of Ontario Federation held April 11th, 12th and 13th, 1944.
>
> Believing that the principle of public ownership of radio far more important than any difficulties arising either outside or inside the Canadian Broadcasting Corporation, the Radio Committee of the Ontario Federation of Home and School Associations recommends that such ownership be protected in every possible way. It urges that appointments be made, and provision for advisory bodies be established which would safeguard the C.B.C. from disintegrating forces of any kind and also that the best possible programs be planned in the various departments so that the full facilities of our radio corporation may be used for the education and entertainment of the Canadian people.
>
> This resolution was strongly endorsed by the Ontario Federation of Home and School Associations, and they ask that it be given your kind attention.
>
> Yours very truly,
> BIRDIE R. WADE.

The business we shall proceed with this morning is a statement from Dr. Frigon.

Mr. COLDWELL: Before we start, may I just say a word with regard to the editorial which I forwarded to you as chairman of the committee, from CHAB in Moose Jaw. I have received a letter from Mr. Buchanan, the manager, in which he said this was put out by a lad of about seventeen during his absence, and to the effect that he did not wish to take responsibility for it. I thought perhaps, since he wrote to me to that effect, I should just mention it this morning for the record.

Mr. ISNOR: You say he did not wish to take responsibility?

Mr. COLDWELL: Yes. He did not wish to take responsibility for this particular editorial.

Mr. BOUCHER: A boy of sixteen writing an editorial?

Mr. COLDWELL: Seventeen or eighteen, I think.

Mr. DIEFENBAKER: There is another matter I should like to mention. About six weeks ago I asked for production of correspondence with regard to Mr. Philpott, the commentator at the coast. I would ask that it now be brought down, because I should like to have a look at it.

The CHAIRMAN: Was there a motion to that effect before?

Mr. DIEFENBAKER: It was agreed that it would be produced.

The CHAIRMAN: Will you move that that correspondence be tabled?

Mr. DIEFENBAKER: Yes.

The CHAIRMAN: It has been moved by Mr. Diefenbaker that the correspondence in reference to the broadcasts of Mr. Philpott—was that it?

Mr. DIEFENBAKER: Yes, regarding General McNaughton.

The CHAIRMAN: Very well.

Mr. COLDWELL: Mr. Chairman, that reminds me of something. Two years ago we asked for two reports that were forwarded to the C.B.C. by Dr. Siepman and Mr. Estorick, who made some report on the C.B.C. I do not know what is in those reports but it was suggested that they would be brought down. I think Major Murray promised that they would be brought before us. I was wondering if they were available, and if so, could they be produced? I think we might read them, because we were informed that they were an appraisal of the C.B.C. across Canada at that time.

The CHAIRMAN: I doubt if they exist. I remember with reference to the Estorick report that it came in part. I saw that, and Mr. Estorick wrote to the effect that when the report was completed he would forward the rest of it. That was at the end of the session of the radio committee, and as far as I am concerned it was never sent to me; that is, the remaining part of it. Dr. Frigon, I think, tells us that he has never seen them.

Dr. FRIGON: I have never seen the reports and I cannot locate them.

Mr. COLDWELL: I happened to be looking over the evidence the other day and ran across this, and I thought that since some inquiry had been made by outstanding and independent persons that it might be well to have those reports. However, if they are not available, we cannot get them.

The CHAIRMAN: All in favour of Mr. Diefenbaker's motion for that return?

Motion agreed to.

Mr. BOUCHER: Mr. Chairman, while we are speaking of these matters, may I say that some few weeks ago a motion of mine was carried to the effect that the Radio Manufacturers Association make an investigation. I think the chairman was authorized to accept their offer. Was anything more done concerning that?

The CHAIRMAN: I drafted a letter and sent it to them. We will read you the letter. We have not had any reply.

Mr. BOUCHER: You have had no reply?

The CHAIRMAN: No. In the meantime, I think we had better proceed with Dr. Frigon's statement.

Mr. COLDWELL: I was going to ask if Mr. Sedgwick is coming back again, or Mr. Bannerman.

The CHAIRMAN: Mr. Sedgwick intimated when he was here that he would be unable to come back again. Of course, he may be brought back again. He suggested if there were any questions the committee would like to ask him, that the questions be drafted and they would try to give a written answer.

Mr. COLDWELL: As Mr. Bannerman is president of the association and responsible for its operations throughout the country, it strikes me that if we are calling anyone representing the broadcasters, he, as president, should be the one to be called.

The CHAIRMAN: We will take up at the end of to-day's sitting the matter of future meetings and have a meeting of the agenda committee.

Mr. COLDWELL: All right.

The CHAIRMAN: Mr. Boucher, in reply to your question, I may tell you that the following is a copy of a letter which was sent. It is dated Ottawa, April 20, 1944, addressed to W. W. Richardson, Esquire, Radio Manufacturers Association of Canada and reads:—

> In reply to your letter of April 10 last to the Chairman of the Special Committee on Radio Broadcasting, I beg to state that the suggestions contained therein have been communicated to the committee.

I am instructed to inform you that it would be interested in having a survey made by your association at your expense.

This survey, it is understood, shall be an engineering study of the coverage of Canadian broadcasting stations with respect to the Havana Agreement as it affects the listening public in Canada, present and future.

It is altogether likely that the committee will be sitting up to and probably after June 1st and it would be appreciated if the results of this survey were presented either in person or in the form of a brief by June 1st at the latest.

Kindly inform as to your decision in this regard.

Yours truly,

ANTONIO PLOUFFE,
Clerk of the Committee on Radio Broadcasting.

We have not had any further correspondence than that. Is that satisfactory?

Mr. BOUCHER: That is satisfactory.

Mr. ISNOR: Are we dealing with this memorandum now, Mr. Chairman?

The CHAIRMAN: No. We are dealing with the presentation, the larger one that Dr. Frigon is going to make. Copies will be passed around now.

Mr. ISNOR: There is a question that I wished to ask Dr. Frigon arising out of this.

The CHAIRMAN: That return?

Mr. ISNOR: Yes, this return.

The CHAIRMAN: Perhaps it might not be necessary to do it now. You might note, Mr. Isnor, that the return as to changes in private commercial broadcasting stations is filed by the Department of Transport, and Dr. Frigon may not be in a position to answer your questions.

Mr. ISNOR: On page 3, Dr. Frigon, there are two licences granted; one is to CHNS, the Maritime Broadcasting Company Limited, Broadcasting House, Halifax. The second is CHNX.

Dr. FRIGON: CHNX is shortwave.

Mr. ISNOR: What is the date of the issuing of the first licence in connection with CHNS?

Dr. FRIGON: I do not know, but it is a long standing licence.

Mr. ISNOR: Yes, so I understand. Could you give us the data at some future meeting, and also the date of CHNX?

Dr. FRIGON: Of course, we could find that out for you from the Department of Transport. It is the Department of Transport that is responsible for this.

Mr. ISNOR: But you would have a record in your minutes, would you not?

Dr. FRIGON: I believe it is previous to the C.B.C., both of them.

The CHAIRMAN: Before 1936.

Dr. FRIGON: We could forward you the answer which we can obtain from the Department of Transport, if you wish us to do so.

Mr. ISNOR: Would you not have that in your minutes?

Dr. FRIGON: Both were issued previous to the creation of the C.B.C. They are old licences.

Mr. ISNOR: CHNX is old?

Dr. FRIGON: CHNS and CHNX, both, yes. They were in existence when we took over on the 2nd of November, 1936.

Mr. ISNOR: Thank you.

Mr. Ross (*St. Paul's*): Might I ask, Mr. Chairman, just before we start, about political broadcasting? That was to be taken up with the Board and the minutes were to be produced.

The CHAIRMAN: That will be included in this submission. I think if we go ahead with this now, it will clear up a great many points.

Dr. AUGUSTIN FRIGON, Acting General Manager, Canadian Broadcasting Corporation, recalled:

The WITNESS: I am glad to hear that your visit to Montreal was profitable and I hope it was also enjoyable. There is still Toronto to visit. I know it is not as easy to get there. The situation in Toronto is similar to that in Montreal, the bad feature there being especially that our studios are quite a distance from the centre of the town. If you gentlemen wish to visit Toronto, of course we shall be very pleased to take care of the matter. Some members of the committee know Toronto better probably than they know Montreal. I know some of you have visited the studios and offices recently, and you may have a report from them. But again, you would be welcome in Toronto if you wish to visit our plant there.

I am thankful to the committee for this opportunity to make my comments on the submission which Mr. Joseph Sedgwick made two weeks ago on behalf of his clients, the Canadian Association of Broadcasters.

May I first express my thanks to Mr. Sedgwick for the moderate presentation of his case and for the good words he had for the officials of the C.B.C. I can assure you that the affection is mutual. We believe that most private station operators are nice people and we get along with them very well. However, Mr. Sedgwick doesn't seem to like the C.B.C. and by a strange coincidence I must admit that at times we are at a loss to understand the policy of the C.A.B. executives. Their attitude seems to be one of fear of what might happen. They continually bring up the bogey of a B.B.C. in Canada. I have no reason whatever to criticize the B.B.C.; on the contrary I believe they have done a magnificent job. It is up to the people in Great Britain to decide whether their system serves their purpose best. So far as Canada is concerned I can tell you that during the seven and a half years I have been with the C.B.C., I have never heard anyone on our staff, or in the corporation, express the idea that the station should disappear in our country and be absorbed in a nationally owned system. On the contrary, everybody admits that private stations can play an important part in Canadian broadcasting. Our present Minister has gone on record supporting those views.

Mr. Sedgwick does not like the Aird Report either. I had the honour to be a member of the Royal Commission on Radio Broadcasting and I still believe in the ideals and the truly Canadian approach to broadcasting expressed in its report. I do not think that it would be in the interest of the public to suppress local broadcasting stations privately owned, because they can best serve the local needs of communities within which they operate, especially in small centres. Under the present system, there is plenty of room in Canada for private broadcasting to develop, to render good service to the population and to make plenty of money. I can see no reason for C.A.B. executives to insist in bringing up repeatedly this matter of state monopoly.

By Mr. Coldwell:

Q. I do not want to interrupt, but may I ask if you have procured a copy of the *"New Statesman & Nation"* in which Professor Joad's article appears?—A. I have not.

Q. I think we should have a copy of that here. You can get it from the library. It does not bear out what Mr. Sedgwick said. I think we should get it.

Mr. MACDONALD (*Brantford*): In respect of what—the B.B.C.?

Mr. COLDWELL: With respect to the B.B.C. I have read it, and in my opinion it puts an entirely different construction on the paragraph he quoted.

Mr. ROSS (*St. Paul's*): What is the publication?

Mr. HANSELL: The New Statesman & Nation.

Mr. COLDWELL: Yes.

The CHAIRMAN: All right. Proceed, please, Dr. Frigon.

The WITNESS: Continuing:

You may have noticed that I have refrained in my submission from criticizing private stations. It is not because there is nothing to talk about, but I thought that I should use your valuable time to show you what the C.B.C. has done, what it is doing and what it can do, rather than to recite our experience with the 78 odd private stations which it is our duty to regulate —a function which we exercise with the greatest fairness and with the least possible interference with their own commercial business. I do not intend to change my policy in the matter; I will limit my references to private station operations, to a discussion of the typical examples which Mr. Sedgwick has used himself.

Mr. Joseph Sedgwick, in presenting the case of the C.A.B., has discussed certain specific matters which I presume constitute the most important criticisms which his directors wished him to submit to you.

The first question raised was that of program content and the setting up of a Joint-Committee "to deal with the whole problem of ways and means of improving the effectiveness of commercial continuities."

We received on April 14, 1944, a letter signed by Mr. Bannerman inviting us to nominate two C.B.C. officials on that committee. As we had been dealing with such problems for years, we were only too glad to cooperate, and we assigned two of our best men to this work, namely: Mr. Charles Jennings and Mr. Edgar Stone. Mr. Stone's responsibility on our staff is to do exactly that sort of work and Mr. Jennings is the Assistant to our General Supervisor of Programs, Mr. Bushnell. We are extremely pleased to see that the Board of Directors of the C.A.B. has taken steps to support us in our efforts to improve commercial program content. I have already explained our attitude on this subject. I hope that the committee will spend more time in trying to improve the continuities from the point of view of public interest than in making, as Mr. Sedgwick says, "commercial continuities more effective"; because at times the effectiveness of continuity as a sales talk does not necessarily coincide with the interests of the public.

However, I know this newly appointed committee can do a lot of good and we welcome its formation.

POLITICAL BROADCASTING

Mr. Sedgwick also discussed the matter of political broadcasts at some length. Apparently he has completely missed the meaning of the new White Paper. There are only three new features in this new edition as compared either to the original White Paper, or to the policy which has been followed by general agreement ever since the dominion election in 1940.

First—It provides for the granting of free broadcasting time to political parties between election periods, with the specific condition that in those cases manuscripts will not be reviewed, except in respect to our general regulations and to whatever the Canadian Bureau of Censorship may wish to do;

Second—The definition which the committee of 1939 had recommended for new parties is applied to political parties in the house.

Third—There has been a clarification of our interpretation of the policy in respect to provincial and municipal elections.

There is nothing whatever in the White Paper, or in what has been said by us about it, which can justify any one in believing that the private broadcasters will not be consulted as they have been in the past, with regard to the granting of free time during political campaigns.

It was suggested that we were giving away the time of private stations without previous consultation with the C.A.B. This is entirely wrong Free political time is confined to the C.B.C's reserved time and we can make whatever disposition we like of these periods. If other private stations with whom we have no reserved time arrangements wish to carry these series of free political broadcasts, they are invited, not compelled, to do so and the C.B.C. bears the line costs.

The witness stated that he could see obvious difficulties in enforcing the rigid rule on page 10 of the White Paper which reads:—

> No individual station may carry a local political broadcast at the same time as there may be a national political broadcast. If a station carries the C.B.C. network political broadcasts, it must keep the half-hour immediately preceding and following the broadcasts free from other political broadcasts.

Mr. Sedgwick, in his statements, claimed that he sat in on the meetings which dealt with the last federal election arrangements; he should then be aware there is nothing new about this requirement. This ruling has been in force and has been followed during every election campaign since the previous White Paper was issued. It has been successful in actual practice and no such difficulties as those envisaged by Mr. Sedgwick have been experienced.

I am at a complete loss to know why the revised edition of the White Paper is being criticized by the C.A.B. because, up to this time, we had every reason to believe that everybody was very pleased with the way we handled political broadcasts during the last election. The new White Paper will be applied in exactly the same manner as the old one was, and I would be very interested to know the purpose of those who try to intimate that it will be otherwise.

Certainly the C.A.B. does not object to our giving free time to political broadcasting, because they have told you that they were organizing to offer members of the house the opportunity of recording their speeches in Ottawa, which could be sent to the radio station located within your constituency and broadcast for the benefit of your electors. We can hardly criticize that move because we have been doing so ourselves right along. Many of you know that whenever you wish to make such recordings you are welcome at any of our studios, including C.B.O. in Ottawa, and this applies to all political parties.

I would like to repeat here that our only purpose in regulating controversial broadcasts is to maintain proper program balance on the networks.

With these considerations as a background, our Board of Governors has considered the remarks made before this committee and has taken cognizance of the resolution which was adopted on the new edition of the White Paper. Your suggestions have been discussed fully and, as a result, the following resolution was adopted which I have been requested to submit to you:—

It was Resolved—

> That policies and rulings dealing with political and controversial broadcasting be amended by repealing section B (*a*) (i) and substituting therefor the following:—
>
> (i) Two periods of not more than thirty minutes each will be made available during each month for national political broadcasts, and one period of not more than thirty minutes will be made available each month for provincial political broadcasts.

And it was further Resolved—

That the Board ask the parliamentary committee to suggest how the status of national political parties should be determined for the purpose of distributing the national periods among political parties in the periods between general election campaigns.

You will see that our governors have not been able to find any better definition of the parties which should be given free time on a network during election campaigns. They believe that nothing better can be adopted than the definition agreed upon by political parties in 1939, which is suggested on page 7 of the new edition of the white paper. I am sure our governors would give the most sympathetic consideration to any suggestions which may come from this committee.

May I repeat that the question here is to decide what political parties should be given free time on a C.B.C. network, thereby enjoying free time on both C.B.C. and privately-owned stations together with free network facilities. This definition has nothing to do with broadcasting on private stations which can be arranged between each individual station and each individual politician or political group.

As regards free time to be given on a similar network between election campaigns, the board is asking your committee to indicate how that time should be divided between parties in the house. Furthermore, in accordance with what seems to be your request, the board has decided to place at your disposal two half-hours per month instead of one. Canadian listeners will have the benefit of listening to political party representatives 24 times a year as compared to twice last year and none whatever up to January, 1943.

I hope you will find in the resolution the proof of our desire to give all parties an opportunity to communicate their views to all Canadians, free of charge, through broadcast facilities. It is not intended, for the present moment, to make any other change to the rest of the White Paper.

POWER INCREASE

Mr. Sedgwick submitted a lengthy argument based on decisions rendered by the FCC and meant to destroy my own evidence when I stated that that commission had frozen power increases in 1942.

Reference was made to the fact that the FCC has never strictly applied the freezing order and it was stated that there have been a great many examples of U.S. stations being given permission to increase their power or change their facilities since 1942. There is evidence available in a letter dated December 30, 1943, which Chairman Fly of the FCC wrote to Senator Wheeler, the chairman of the Inter State Commerce Commission at hearings to amend the Communications Act. This evidence was given in the form of a table which shows all construction permits which have been granted since the freezing order went into effect in the United States. In this list there were four new stations or new transmitters; one of these was in Portsmouth, Virginia, and recommended by the Secretary of the Navy; the other three were in Alaska and recommended by the Board of War Communications or the Chief Signal Officer. In all other cases the construction permit did not involve purchase of new transmitters but permitted the change of the site or modification of the antenna system. In the specific case of the new station in Corpus Christi, Texas, referred to by Mr. Sedgwick, Mr. Fly's list shows that this equipment was merely moved from Mexico into the United States and did not involve new equipment. There is no mention in this table of a new 10 kw. station in Philadelphia. It is stretching things considerably to say that a change in frequency, as mentioned by the witness in regard to Cleveland, has anything to do with new equipment coming under the freezing order.

The tabulation in Mr. Fly's letter does not include any applications granted after September 22, 1942, involving the installation of quartz crystals only; nor any applications granted after August 11, 1943, requesting authority to erect a new station on a local channel or to increase to 250 watts the power of any existing station on a local channel in any community not served by any other broadcasting station. It should be noted that on these specific dates the freezing order was modified to permit authorizations of the type just mentioned.

The witness stated that the C.B.C. power limitation of 1936 caused a loss in potential coverage of Canadian broadcasting stations between 1937 and 1941. What has been ignored in this statement is that between 1932 and 1941 when the Havana Agreement became effective, there was a previous agreement between the United States and Canada which set out an agreement for sharing broadcasting channels. In this agreement there were eight channels on which Canadian stations were permitted to use powers up to 50 kw. On all the other frequencies the maximum power permitted was 1 kw. or less. On these eight channels only three stations operating with powers not over 1 kw. could have, under this agreement with the United States, used powers greater than 1 kw. They were CJRM Regina, Saskatchewan—1 kw., CFRN Edmonton, Alberta—100 watts, and CHNC, New Carlisle, Quebec—100 watts. Therefore, in the period between 1937 and 1941 these were the only stations which could have gone to higher power than 1 kw. under the terms of the international agreement but were prevented from doing so because of the C.B.C's. ruling.

The 1936 ruling really applied to eight channels only, which had been assigned to Canada for use up to 50 kilowatts, but which unfortunately Mexico was also using because that country had not been a party to the agreement between Canada and the United States.

All eight channels were operated by private stations. Besides the three mentioned above, there were CFCN, Calgary; CFRB, Toronto; CKAC, Montreal; CKY, Winnipeg; CRCM, Montreal; CKGW, Toronto. However, the last three were used by the C.B.C.

Thus the statement by the witness that there was considerable loss of potential coverage between 1937 and 1941 because of the C.B.C. ruling is not justified.

It is true, however, that the United States were able, through the then existing frequency agreeement, to increase the powers of their stations in the period 1937 to 1941. As a matter of fact one of the reasons the C.B.C. was so anxious to have a new agreement such as that signed at Havana was to permit Canadian broadcasting to improve its coverage, which the then existing agreements did not permit.

The witness refers back to a statement he made in March, 1939, in which he said that unless all stations in Canada were permitted to step up their power to the limits allowed by the Havana Treaty, they would be frozen at their present power, which was a very serious matter. This statement ignores the fact that a vital part of the Havana Agreement is that of priority of use, which still permits the stations which existed in 1941 on the effective date of the agreement to go to the maximum of their class at any time prior to the expiration of the agreement.

Mr. Sedgwick refers to the fact that on the four Class II channels given to Canada there were maximum power limitations, whereas in the United States the four Class II channels had no power limitations and could go up to 50 kw. It should be pointed out that the United States made an additional agreement with Mexico in which they agreed not to put any full time stations at all on four frequencies used in Mexico as 1 A's. Proportionately, this is a much greater sacrifice on the part of the United States than was the limitation of power on the Canadian Class II channels. Also, it should be remembered that in order

to reach an agreement between the North American countries on the use of broadcasting frequencies, there had to be a great deal of compromise and give-and-take among all the countries concerned, and it is considered on the whole that Canada did very well out of the Havana Agreement.

After saying that the Radio Technical Planning Board in the United States "will have not the slightest effect on the question of whether or not Canada should take full advantage of the rights granted on the present Havana Agreement", Mr. Sedgwick states that the board has "been set up in the United States to study the whole question of what changes may occur in broadcasting after the war is over". We have never said that the RTPB would deal with the Havana Agreement, but the functions of the board as described by Mr. Sedgwick are sufficient to justify the C.B.C. in being prudent when advising the Minister of Transport on station power at this time.

We never had any intention of abandoning any channel assigned to Canada, but surely Mr. Sedgwick will admit that the chances of getting new 50 kw. stations in Canada in the near future are very remote. You may be interested to know that the following increases in power were granted by the government but have not been implemented by the station owners partly because they have been unable to find the equipment required; in many cases the licensee has not had time to comply with the technical requirements of the Havana Agreement. I am giving you this list mostly to show you that the situation is far from being frozen in Canada.

CHWK	Chilliwack, B.C.	From 100 to 250 watts
CFOS	Owen Sound, Ont.	From 250 to 1000 watts
CFCH	North Bay, Ont.	From 100 to 1000 watts
CHGB	Ste. Anne de la Pocatiere, P.Q.	From 250 to 1000 watts
CKVD	Val d'Or, P.Q.	From 100 to 250 watts
CKOC	Hamilton, P.Q.	From 1000 day 500 night to 1000 day and night
CHAD	Amos, P.Q.	From 100 to 250 watts
CFGP	Grande Prairie, P.Q.	From 250 to 1000 watts
	New Station—Sorel, P.Q.	250 watts
	New Station—Edmundston, N.B.	250 watts
CJCS	Stratford, Ont.	From 50 to 250 watts
CHLN	Three Rivers, P.Q.	From 100 to 250 watts
	New Station—Sarnia, Ont.	1000 watts
	New Station—New Westminster, B.C.	250 watts
	New Station—Cornwall, Ont.	250 watts
	New Station—Port Arthur, Ont.	250 watts
CHLT	Sherbrooke, P.Q.	From 250 to 1000 watts
CKCW	Moncton, N.B.	From 250 to 1000 watts
CKPC	Brantford, Ont.	From 100 to 1000 watts
CHPS	Parry Sound, Ont.	From 250 to 1000 watts
CJVI	Victoria, B.C.	From 500 to 1000 watts
	New Station—Port Alberni, B.C.	250 watts
CJBC	Toronto, Ont.	From 1000 to 5000 watts
	New Station—Halifax, N.S.	100 watts
CKCV	Quebec, P.Q.	From 100 to 250 watts

As to the construction of a 5 kw. transmitter for Toronto by the C.B.C., I might say that we were unable to find a new transmitter and the difficulties we had in finding parts to build the transmitter ourselves constitue the best proof that equipment is not available. We searched for months for the various elements which we required and, because we have adequate shop facilities and experienced radio engineers, we decided to build the transmitter ourselves and we are doing so at the present moment.

About the application to FCC reported in Broadcasting and referred to by Mr. Sedgwick, which has not yet been granted, I would like to call your attention to the fact that the frequency 540 is not within the broadcasting band and that we are using it at Watrous by special understanding between the United States and Canada.

In their submission this year, the C.A.B. insist on the fact that the one kilowatt ceiling was too low right along. In 1936 it was then recognized that private stations had the important responsibility to provide broadcasting service to communities large and small. It was considered that 1 kw. was sufficient for them to discharge that function properly. Besides, the agreement between the United States and Canada did not permit the use of any high power on most of the channels that Canada could use. The use of the best channels available at the time for high power was left in the hands of private stations, and some of them are still using them at power above 1 kw. The C.B.C. then took steps to have the United States agreement modified in favour of Canada, and as a result the Havana conference took place. The war broke out in 1939. The Havana Agreement was finally sanctioned in 1941 and there followed the freezing of the manufacturing of equipment for civilians.

Last fall we decided that the time had arrived for a final survey of the situation. Our specialists were set to work and I had the honour of submitting a report to our board of governors the day before yesterday.

In our analysis we had to go back to 1932 in order to have an exact picture. I know that Messrs. MacKinnon and Richardson spent almost three weeks in condensing their findings into the general report which I submitted to the board. With all this work as a background, the question of implementing the Havana Agreement was fully discussed. It was agreed that the situation has changed since 1936. People have come to consider radio broadcasting as an indispensable service in their home. Some years ago they were satisfied with fair reception and did not mind very much some background noise or even interference. You will recall the interference caused to many of our stations from Mexican stations. Nowadays listeners demand a clear and strong signal. They want to be sure that when they wish to listen to their favourite station it can be heard without difficulty. On the other hand, interference has rather increased than decreased; American stations have taken full advantage of the old and of the new agreement and have increased the power of many of the stations. As a result of all this to obtain in 1944 the service which in 1936 required 1 kw., a higher power is now necessary. Following a thorough discussion of the subject, our Board of Governors has decided to recommend to the Minister of Transport that the ceiling of 1 kw. which was adopted as a general policy in 1937 should now be raised to 5 kw. This is not a change in policy but strictly an adjustment to meet technical conditions as they exist to-day. Furthermore, 5 kw. is the logical figure to adopt so that our stations may fit into the picture of the Havana Agreement. This recommendation that the power be raised to 5 kw. was agreed to by the Joint Technical Committee composed of members of the Department of Transport and of the Canadian Broadcasting Corporation.

This first step in solving the problem of power increase will take care of the majority of applications received. It does not mean that all those who have applied can be permitted to increase their power. Much will depend on local conditions. Most of them would have to move their transmitters out of town and build directional arrays to comply with the Havana Agreement. This will mean expenditures which they may not be willing to meet. Moreover, there will be situations—always under the Havana Agreement—which will make it impossible or impracticable to raise the power to 5 kw.

The prudent broadcaster may wish to wait a while before availing himself of the new policy in fear that F. M. may jeopardize his position within the next few years.

The new policy will simply mean that when a station owner agrees to meet the conditions set by the Havana Agreement, it may be possible to grant permission to operate a 5 kilowatt transmitter. We figure that 46 Canadian stations now have the opportunity to study the possibility of increasing their power to 5 kilowatts.

It is interesting to note that even if we had decided to recommend an increase in power many months ago, the present situation would be as it is now. Nevertheless, there are indications that changes in the equipment industry may possibly occur within a number of months and we believe that now is the time for broadcasters to review their position in respect to the possible increase in power of their transmitter. This, of course, has nothing to do with any deadline date considered by the Havana Agreement.

So far as applications for high power are concerned, I may tell you that following a recommendation at its 35th meeting on March 27, 1944, the board has written to the government asking them to request all participating countries that the deadline date of April 1, 1946, be postponed either from March 29, 1946 to March 29, 1948, or to a date two years after the cessation of hostilities, whichever is the longer. We already have had personal interviews with officials of other countries during the last few months. We believe it is preferable to wait until the reaction has been received before taking further steps. We have every reason to believe that other countries will be only too pleased to agree to our request, because, after all, full implementation of the Havana Agreement has not been possible owing to the fact that in wartime the manufacturing industry has transformed its production from civilian to military requirements. We, therefore, propose to wait a little longer before any ruling is suggested in respect to stations that may operate above 5 kw. but this will be done in time to protect the interests of Canada.

We still deny emphatically that Canada has lost "a great deal of potential coverage on account of the C.B.C's attitude in respect to power."

Television—Facsimile—Frequency Modulation

It has been suggested, although not quite directly, that we have neglected television, facsimile and frequency modulation. You may have noticed that television has been placed in to operation only in some five or six cities in the whole world. That is not without reason. It is because this service is extremely costly and cannot very well be undertaken except by people who have enough money to run it effectively. When we do have television in Canada it should be done with sufficient financial backing to make sure that the service is reasonably good, and with due precaution against allowing some one to occupy a frequency with the purpose of simply claiming vested interest at some later date. That is why the C.B.C. has not, up to now, felt justified in recommending to the government the granting of television permits. Furthermore, the art of television is going through a complete review at the present moment with regard to equipment and transmission facilities. Development in that line in Canada will come in due time.

Facsimile and frequency modulation are different. Facsimile has not yet made great progress in the United States, but Canada should not lag much behind what is being done there. So far as F.M. is concerned, we actually made plans and definite arrangements in co-operation with Canadian Marconi for the installation of a station on Mount Royal in Montreal. We obtained special permission from the city of Montreal to use Mount Royal park, and money was voted by our board to get F.M. started. But the war broke out and

neither Marconi nor ourselves could proceed with the project. None of the Canadian manufacturers have pressed for the introduction of those innovations in Canada up to the present moment. They are now just as anxious as we are to see these new-comers in the broadcasting field introduced in Canada. They know very well that it is not possible to do anything immediately, although I am sure they would like to know what the policy will be in the future. There again, although we admit the necessity for Canada to keep up with normal progress, we deny that it is extremely urgent to grant broadcasting permits now for television, frequency modulation and facsimile.

Regulations

Recordings and Transcriptions

Mr. Sedgwick complains that the C.A.B. was "not consulted in a deliberative way when regulations were enacted". If I may express my personal views, I would like to state that I have always believed in the fullest consultation with interested parties. As a matter of fact stations on our network were invited to a meeting, almost fifteen months ago, where they had an opportunity to state their case and discuss their most pressing problems with us. As I said before, I received a group of western broadcasters a few months ago for the same purpose. It may be that more of this could have been done in the past. So far as I am concerned, I shall see to it that this aspect of our relations with private broadcasters is not neglected. I hope broadcasters will come to us so that we may discuss technical problems and problems of regulation directly, in a friendly way and with a sincere desire to iron out all difficulties. We have, as a matter of fact, been in constant touch with them, but our relations have not taken the form of official conferences. In the future we certainly shall see that those directly interested are called in. We understand their position and I know they will help us to discharge our responsibilities as efficiently as possible.

Contrary to what you have been told, our regulations apply to all stations, including our own, with this difference that we are much more lenient towards private stations, and if there is a compromise we are usually prepared to be on the losing end.

Throughout his report, Mr. Sedgwick stated that he could not answer certain questions because he did not know our costs. At certain points, he indicated very clearly that broadcasters should know more about our finances and our organization. There was no suggestion, however, that the C.B.C. should know the financial conditions of private stations. Private broadcasters claim to have a right to know why we do things but, on the other hand, they claim almost a free hand to use their stations as they please. This is decidedly not in the spirit of the Radio Broadcasting Act. The public may be interested in knowing what those who use public property to their own financial benefit do with that precious monopoly.

One regulation which seems particularly to annoy Mr. Sedgwick is that which applies to the use of recordings. He maintains that it is not in the interests of the listeners for us to require that when a recording is used the listener should be told so. Now I quite agree that recordings are usually better than the performance of some local orchestra or dramatic artists. We limit the use of recordings because we believe it is in the interest of the public that broadcasters, who have the privilege of exercising a monopoly on the use of a frequency which belongs to the public, should be required to plough back part of their profit into their business in the form of live talent programs produced by them.

After all, when you remember that the biggest stations are allowed to use recordings during so much of their evening time and that most of their live talent shows are commercially sponsored, their production of live talent sustaining programs is indeed very limited.

I wonder what Canadian artists and musicians would say if we were to permit the unlimited use of recordings. Indeed I would like to know what the Canadian public would thing about it. Mr. Sedgwick made quite a case of the fact that for a few weeks, we used one and a half hours of recorded programs on station CJBC, Toronto. He did not know evidently that we allow the same privilege to private stations during their "building up" period. When this happened in Toronto we had a manager, freshly transferred from a private station, who had exercised that privilege for a period of months, and he treated the station of which he was put in charge—CJBC—in the same manner. This situation, however, returned to normal long ago.

We realize that the announcement of recordings as such may be annoying to the public at times. But all broadcasters are not always the perfectly behaved people of which Mr. Sedgwick seems to think his association is entirely composed; so we have to put a curb on their enthusiasm, which at times makes some of them try to fool the public by the use of clever announcements on recorded programs. It is decidedly not fair to a station which is trying to encourage local talent and spending some of its own money to that end, to allow its competitors to use recordings in such a way that they appear to give the listeners a better service from the general community point of view.

I have heard programs announced as if the station was paying a lot of money to bring to its listeners well-known performers, when in fact they have only paid a couple of dollars for a record. On the occasion of the inauguration of a big program on possibly the most successful station in Canada, I have heard people announced, contrary to our regulations, as if they were at the microphone, when we knew very well that their voices had been recorded in Hollywood some weeks before. In our case we would either have bought a line from Hollywood to the point of origination or we would have honestly announced that we were playing a transcribed talk. Such practices must be discouraged and regulations exist for that purpose.

There are some misconceptions with regard to the use of recorded programs that I may as well clear up now.

Mr. Sedgwick stated that stations in large cities such as Montreal, Toronto or Vancouver are allowed only one hour of recorded or transcribed music in the prohibited period. This is incorrect; stations in these cities to which full time network service is not available are allowed one and one-half hours of transcribed or recorded music and may use one hour of this time for commercials. In fact, in small centres where there is no appreciable talent, stations are allowed up to two and one-half hours of recorded or transcribed music during the evening hours and may commercialize one and one-half hours of this time. In other words, where live talent is not available, as is the case in small centres, stations are at liberty to use recordings or transcriptions practically all evening without let or hindrance.

The allowances were established after a close study of six months operation of private stations. While basic permissions have been established, the regulation has been administered fairly and leniently in cases where special conditions have existed. While we expect 100 per cent observance of the regulation, we actually experience about 75 per cent and the private stations are very well aware of this.

Mr. Sedgwick claimed that if this obligation on the part of the private stations were removed, there would be no deception on the part of the stations leading their audience to believe that they were listening to live programs. We do not believe it would work out that way.

While local listeners in Moose Jaw might be quite aware that Toscanini and his symphony orchestra were not in that city and that the music they were hearing from the local station must be a recording, this may not be true when it is realized that there is nothing to prevent a station from simulating network

broadcasting by the use of such recordings and give the impression that they were live programs. In the United States it is mandatory that every recorded or transcribed program or announcement be announced as such and this is rigidly enforced. One has only to listen to an American station for proof of this statement.

In a recent petition to the Federal Communications Commission in the States, the North Carolina Association of Broadcasters asked for some easement of the regulation which in the States is much more exacting than ours and is, as I said, most rigidly enforced. The North Carolina Broadcasters apparently did not ask for the abolition of the regulation but only an easement. Their resolution reads as follows:—

> It is agreed at the meeting that *while some regulation is desirable to prevent possible deception,* the present ruling is too stringent.

Mr. Sedgwick asked on behalf of the C.A.B. that—

> the whole mechanical transcription regulation seems to us at the present to be unnecessary and should, in the submission which we make, be rescinded in its entirety.

By Hon. Mr. LaFlèche:

Q. I am very sorry to interrupt, but if it is not included later in Dr. Frigon's presentation, could we now have or later the formula or the wording of the announcement made in the United States? I should also like to know if the wording used on the United States' broadcasting stations is uniform. Is it always the same formula?—A. I have not that information here but I will have it for you this afternoon. Continuing:—

Price Mention

Mr. Sedgwick would like to see our price mention regulation abolished. He claims that price mention would tend to shorten commercial announcements. A study of commercial announcements including price mention which are allowed in the United States, shows no evidence to justify that statement.

By Mr. Boucher:

Q. What do you mean by "Price Mention"?—A. Giving the price of an article advertised over the air. Continuing:—

I agree that in certain cases to mention the price of an article would not do any harm; but there are numerous border line cases which would be very difficult to take care of, if we did not have complete prohibition. You could very well envisage the possibility of some advertiser using the radio to announce the price of an article in order to meet the competition of another firm who might have made a similar announcement in the daily newspaper. Price mention would invite strong price competition between advertisers on different stations and broadcasting at different periods. In small communities especially it would unquestionably compete with the local newspaper. I submit this would invite abuses and would not be in the interest of the public.

Another point worth mentioning is this: In small centres, most of the local advertising is obtained from the local merchants. If they were allowed to broadcast prices, and particularly bargain prices of merchandise, sales, etc., this would have a tendency to attract more and more rural listeners to buy in the larger communities instead of purchasing their commodities from their local merchant located in a small town or village nearby.

Regulations are essential and they really embarrass only those who need to be regulated. If every single broadcaster was willing to co-operate fully in establishing high standards in the interest of the public at large including minorities, we would not need regulations. Unfortunately such a condition does

not exist. It is all very well for the executive of the C.A.B. to claim that they have the interests of the public in mind, that they want to do all they possibly can—but we know that some of their members, given the choice of the Vancouver Symphony and a local quiz participating program, would not hesitate to refuse the broadcast of the good music which some of their listeners request. We have to be practical about these things, and no argument will get away from the fact that human beings are what they are, and that often their personal interest, especially if it is financial, is their first consideration.

Important broadcasters know this. It is reported in "Broadcasting" of May 1, 1944, by no less a man than Edgar Kobak, executive vice-president of the Blue Network, that "in radio advertising as in everything else, there is good and bad; sheep and goats; wheat and chaff. Broadcasters should realize that and act accordingly". I can assure you, sir, that the C.B.C. will not be the goat.

Patent Medicines

Mr. Sedgwick referred to our attitude with regard to patent medicine advertising. It is true that the C.B.C. does carry a few top rate programs sponsored by pharmaceutical manufacturers. However, if you want to be technical, the products advertised in the programs referred to by Mr. Sedgwick are not registered under the Patent Medicine Act and are not actually patent medicines. Their commercial continuities are carefully scrutinized from the angle of good taste as well as being approved by the Department of Health. It is a fact that the restrictions in respect to patent medicines which the C.B.C. has exercised on its own stations and networks have cost it a very large sum of money; it is safe to say, we believe, at least $250,000 to $300,000 a year.

LINE CHARGES

The matter of line rates came in for long discussion, especially on subsidiary hookups, and we were told the problem is particularly acute in the Province of Quebec. A good deal was said about the fact that we charged eight cents per mile for a fifteen minute period. As a typical example to illustrate the fact that this rate is prohibitive, we were told that when Major Triquet was in Quebec, a local station wanted to send the program to Montreal but could not do so because it could not afford to pay line charges. It would have cost $18.52 for them to do so. I should perhaps remark that between March 29 and April 9 inclusive, the C.B.C. had ten individual broadcasts in connection with Major Triquet's visit throughout the province. These varied from interviews to reports of receptions lasting half an hour and to a description by Major Triquet of the battle of Ortona. All these broadcasts were offered free of charge to all French language stations in Quebec. I believe every station carried them all, with the exception of CHRC and another station.

By Mr. Coldwell:

Q. Is station CHRC the station that complained?—A. Yes. Continuing:—

To decide whether a rate is too high we must consider three possibilities: the price is so high that it is prohibitive; the price is much higher than could be obtained anywhere else; or those selling the service make too much profit.

When we consider that the purpose of network operation is partly to save the cost of programing, you will admit that line costs would have to be mighty high to offset that saving. If a station in Montreal has a sustaining program which would cost say $200 for 30 minutes, it is cheaper for a station in Quebec to buy a line from Montreal to Quebec, at a cost of $21.90, to broadcast locally the program produced in Montreal than it would be to produce a $200 program in Quebec. In the past we have at times permitted two such stations to buy their lines from other services than ours. I would be interested to know how much they paid on such occasions.

It is not always realized that in order to establish a service, including the special technical equipment required at repeater points on the lines, we pay annually—for instance in Quebec—over $15,000 to reach Rimouski, $14,000 to reach Campbellton, much more than that to reach New Carlisle, and $35,000 to bring programs to Rouyn. That does not include the main part of the network, which must be maintained so that these branch lines may be available. It is quite possible that you may be given figures cheaper than ours, but before you decide whether a comparison can be made, you had better make sure that those figures do not apply to simple toll lines rather than to specially treated broadcasting lines which are very much more expensive indeed.

I believe it can be said that our rates are not prohibitive. Mr. Sedgwick's figure of 1.06 cents per hour per mile is at best very misleading. We certainly pay a good deal more than that ourselves, and I thank him for the tip because we will certainly check with communications companies to find out just where we stand. My guess is that his quotation may cover only the actual use of lines without all the inevitable accessory charges, such as loops, transmitter connections, station connections, etc. I do not believe that he could even get his programs on the broadcasting line at the price.

There remains the argument as to whether we make too much profit. It must not be forgotten that the line we buy to establish a subsidiary network parallel to our basic service, costs us very much more than 1.06 cents a mile. I would not venture to quote an exact figure on account of the complication of rate structures I have already mentioned. A commission has also to be paid to agencies. The C.B.C., therefore, doesn't make much profit on the transaction although it does, free of charge, all the accounting, sees that the stations are paid, and actually books the station connected to the subsidiary hookup for sponsors—a service which is worth a good commission. So, when you take everything into account, the spread between sales price and cost is nothing like that between 1.06 cents and 12 cents, which Mr. Sedgwick apparently tried to establish in your mind.

That we make a profit we do not deny; and, may I repeat here, it seems only fair that those who make financial returns out of our network activities or who sell their goods to the Canadian public through broadcasting stations should carry their share of maintaining a network of broadcasting lines across Canada which is available to them any time they wish.

At this point I should like to correct a misunderstanding of Mr. Sedgwick's which you will find on page 217 of the printed evidence. Mr. Sedgwick apparently believes that if an advertiser wants to buy four contiguous quarter hours to link two or more stations in order to carry four separate 15-minute programs, he has to buy each quarter hour as a separate entity. This is not correct. In order to buy lines for one hour for the broadcast of four consecutive programs, the line rate we charge is 12 cents per mile per hour, plus one charge for loops and not four charges as was suggested by Mr. Sedgwick. This arrangement would apply also to subsidiary hookups but, so far as I know, we have never had such a request from any sponsor. It is a very significant fact that no definite objection has been taken to the rates for subsidiary hookups either by sponsors or agencies, and they are the only parties so far directly concerned in paying for such hookups.

Reserved Time

Mr. Sedgwick complains of the burden imposed on private stations by time reserved for C.B.C. network programs. He claims that the periods so reserved cut into the best commercial time of some broadcasting stations, especially in the Western Provinces. I quite agree with him that this is a major problem which unfortunately could not be solved by private broadcasters any better

than by us. It is decidedly not our fault if it is six o'clock in Moose Jaw when it is eight o'clock in Toronto; similarly we cannot help it if, when it is eight o'clock in Vancouver, our friends in Halifax are, I hope, fast asleep. I would have liked Mr. Sedgwick to tell us what arrangements private broadcasters could make to solve that problem if they were operating a network. Strange to say there seems to be no objection to that reserved time when it carries a commercial broadcast. I have never heard a private owner complain because he had to broadcast Charlie McCarthy at six o'clock or the Album of Familiar Music at seven thirty. Don't you think that it is our duty to request the same stations to give the listeners the Toronto Symphony Orchestra between six and seven.

A study of the distribution of C.B.C. programs outside of reserved time is rather illuminating. Regardless of the importance of programs which could be classified as public service, educational or cultural, in nearly all private stations they take second place to programs which bring in commercial revenue. There are, of course, some stations which are most co-operative and are aware that such programs have a rightful place in their schedules, but generally speaking, it is necessary for us to do an aggressive selling job in order to get sufficient distribution to make a program project worthwhile.

Recently we endeavoured to improve the distribution for "Comrades in Arms" outside of reserved time. This program presents various phases of the activities of our armed services and we maintain that the people of Canada have a right to know of these activities. Only some twelve privately-owned stations carried this series, and we asked an additional thirty stations to schedule these broadcasts in an endeavour to secure better distribution. Of the number so approached, only four stations co-operated with us and the rest, with practically no exceptions, stated they could not see their way clear to schedule the series because of local commercial commitments.

The broadcast performances of the Metropolitan Opera are for many listeners among their favourite programs. When they were scheduled on a sustaining basis only eighteen privately-owned stations carried the opera in its entirety. When the series was sponsored commercially twenty-eight privately-owned stations carried the series.

In the case of "Of Things to Come", which was not scheduled in reserved time, it was necessary to do considerable promotional work with the stations in an effort to have them carry this important series. Certain stations which commenced the series dropped it without any notification to us. This was true, too, of the National Farm Radio Forum and School Broadcasts.

It is a fact that C.B.C. sustaining service, which is fed to stations in other than reserved time, is used as a convenience by the stations to fill gaps in their schedules; and programs are quickly dropped when there is a chance to sell the time commercially.

Apart from reserved time on basic stations, of which a great proportion is occupied by C.B.C. commercial programs, the corporation has no guarantee of release for its sustaining service apart from its own stations. The spectacle is one of highly specialized departments of the C.B.C. planning, preparing and presenting programs for which there is limited distribution over privately-owned stations which are affiliated with our networks.

I should like to quote one specific instance of the manner in which our reserved time is dealt with by private stations. I will use the case of CHAB, Moose Jaw. The following periods constitute C.B.C. reserved time on that station:—

Sundays—	3.00 p.m.	—	5.00 p.m. EDT
	10.00 p.m.	—	12.30 a.m. EDT
Weekdays—	4.00 p.m.	—	4.30 p.m. EDT
	9.30 p.m.	—	11.00 p.m. EDT
	1.00 a.m.	—	1.30 a.m. EDT

Of these 19½ hours CHAB, during one week, released only 14 hours—that is to say, they were 5½ hours short of our minimum requirements. Outside of reserved time in that same week, apart from an early morning newscast, CHAB released only one 15-minute period of sustaining service.

This station has received more sympathetic consideration in the matter of releases from reserved time than any other station in Canada. The fact that CHAB is in the mountain time region did at one time constitute a hardship to the station, since our reserved time periods did take up much of its best commercial time. In order to meet the station's needs, we allowed them to use the period 9.00 to 9.30 p.m. EDT on weekdays for local programs, reserving instead the period 10.30 to 11.00.

We cannot blame broadcasters for looking after their commercial interest, but I am giving these examples to show their attitude towards sustaining programs carried by networks.

New Network

Mr. Sedgwick again this year strongly advocates the creation of a network operated by private enterprise. He said that under the present system we may not be "competing specifically for what is called the advertiser's dollar" but that we are decidedly competing for audience. That could be taken as a compliment because it shows that our service is not so high-hat after all.

In answer to his accusation that the C.B.C. is a monopoly, I would like simply to refer you to your radio receiver. It is important that you should do so yourself because it is amazing how quickly rumours get away from actual facts.

It is true, as Mr. Sedgwick suggested, that it might be in the interest of C.B.C. officials if the second network were in the hands of private enterprise. It would mean just so many fewer difficulties for us to take care of. However, I do not believe it would be in the interest of the public.

Mr. Sedgwick refers to the Australian system. He forgets that there are not 900 American stations across the border to influence the method of broadcasting in that country. The picture in Canada is quite different. By the way, Australian listeners pay an annual licence fee of twenty shillings (nearly four and a half dollars) plus an additional fee of half that amount for every extra set.

In the arguments Mr. Sedgwick has submitted, I can see nothing which cannot be achieved under the present system, at least as efficiently as by a few individuals who would control a private network.

It is suggested that the privately-owned network would be sustained a good deal with programs from the Columbia Broadcasting System and the Mutual Broadcasting System and that the C.B.C. network would feed off the National and the Blue.

By Hon. Mr. LaFlèche:

Q. Who makes that statement?—A. Mr. Sedgwick. Continuing: Surely we can continue to do as we have been doing, and offer to the Canadian people the best programs from all those four American networks.

Then, private broadcasters would be supposed to supply their own sustaining programs to their network. We contend that we are in a much better position to do that. The basic aim of private broadcasters is to keep the ear of the greatest possible audience by broadcasting programs with mass appeal; in that sense the programs chosen by private operators would tend to be of a more popular character than those chosen by us. We feel it our duty to offer to the Canadian public a good balance of broadcasting programs even at the risk of spending a good deal of money on some programs which would have an appeal

only to a minority. And that, by the way, also answers Mr. Sedgwick's remark that the big American programs carried on the Canadian network obtain the highest ratings.

I might mention here, that when we set up the Dominion Network, private station owners on it were told emphatically that we must have at least one hour per evening of sustaining programs on that network, or at least seven hours per week. I personally have said repeatedly that if we could not have that one hour of sustaining programs we were not interested in the Dominion Network, since it is not our function to look after the broadcast of commercial programs only, on a network composed of 24 private stations and one C.B.C. station.

Apparently Mr. Sedgwick envisages some sort of a mutual system to which private broadcasters would contribute their own money and programs. If private broadcasters really have the interests of the public in mind and want to offer to listeners a choice of programs which would create a healthy spirit of competition between C.B.C. producers and their own, the matter can be arranged very easily. We would be only too pleased to place our facilities at their disposal for programs of network standard. Private stations compose the bulk of our two networks, so they have now an opportunity to boost private enterprise. They would get full credit for their contributions. Indeed we have already taken steps in that direction. Correspondence on the matter has already been exchanged between the General Supervisor of Programs and myself. After all we do carry sustaining programs from American networks, and I do not see why we should not do the same for Canadian broadcasters.

As Mr. Sedgwick was speaking for the C.A.B., it is hard to understand how he could sponsor the idea of a private network across Canada in which only a few of the 64 members of the association could be interested. Suppose there was a private network composed of, let us say, 30 stations. Even if all those stations were members of the C.A.B., there would remain some 34 members not at all interested in the private network operation. Moreover, if that network was as successful as Mr. Sedgwick anticipates, they would be creating competition for themselves. This can hardly be considered a sound policy.

Mr. Sedgwick states very clearly that there would be little money in a network to start with and that it is most probable it would lose money during the first few years of its operation. It is hard to believe that the 30 odd stations in Canada would rather lose money with a private network than make money on a C.B.C. network.

Speaking of the possibility of sustaining networks in Canada, Mr. Sedgwick said that there was not enough talent in Canada for the purpose. I do not share Mr. Sedgwick's views, and I think he rebutted his own case when he said that Canadian artists are gradually moving to the United States where there is more money for them. It is not, therefore, because we do not have the artists that they do not appear more frequently on network broadcasts; it is because, as in many other fields, we have not the fabulous sums of money which American sponsors and networks have at their disposal. Any time we can afford to spend two or three thousand dollars on a one hour program we can produce a show of the highest calibre; and even that sum is ridiculously low as compared to American standards. It is not talent which is missing, it is the money which is not available to remunerate sufficiently those who would like to devote their talents to radio. Any artist, musician or writer who wants to derive a moderate revenue from broadcasting over Canadian stations on the network must produce many shows a week, relying more on quantity than on quality. In some countries that same man could devote all his time to writing or producing one show a week, or possibly less. It is easy to realize what this means in respect to the quality of the production. The same applies to musicians and rehearsals. I know that the big orchestras in the United States rehearse a

great deal more for every program than we can—in some cases, I am told, eight to ten hours for a thirty minute program. In our case, generally with less experienced musicians, we cannot afford to pay for more than four or five hours for a sixty minute broadcast, and frequently less.

However, there is a field for qualified artists and writers and many already derive interesting revenues from their work in radio broadcasting. After all the C.B.C. distributes over $1,000,000 a year for talent, and that does not include commercial broadcasting.

Of course the principal objection to a privately-operated network in Canada is that such a powerful instrument of communication and propaganda would inevitably come under the control of a very few individuals. Even if it were operated on a mutual basis, such a concentration of power in the hands of a few could not be prevented. This situation is peculiar to Canada because on account of our scattered population, there cannot be facilities for as many networks as there are in the States. We have great difficulty in lining up two networks. If, therefore, there was one C.B.C. network and one privately-controlled, the latter would be the only one of its type and whatever influence it might have could not be opposed by another network.

In the case of the C.B.C., nine Canadians are responsible for network policies. They are chosen from all parts of Canada and, if you consider the present composition of the board, you will admit that it is not a political organization. The officials who operate our network have no incentive whatever to protect any one group more than another. I therefore submit that, from the point of view of influence on the Canadian public, full control of network policy vested in a board of governors such as ours is the best protection against abuses, and offers all the advantages claimed for the dual system advocated by the C.A.B. directorate.

CHAB—Moose Jaw

I come now to the letter from Mr. Carson Buchanan who operates CHAB, Moose Jaw, a letter which according to Mr. Sedgwick "sets out I think without any bitterness, fairly the attitude of a small local station to this whole question of regulation and control and its inflexibility".

In this letter Mr. Buchanan says:—

> We hold, and we believe soundly, that unless a local and regional station is able to give the class of programs and service acceptable and helpful to its particular area, as distinguished from the "National" type of programming and service which is by contrast the duty of C.B.C., there is no purpose in its existence, and we must fight and keep fighting any tendency to unduly restrict our duties to the area we have the honour to serve.

Mr. Buchanon's letter reflects indeed the attitude of a number of broadcasters. He does not want to carry our news bulletins; he does not want to supply free time to political parties, because he insists on making his own choice locally in respect to such broadcasts; he wants the price mention regulation to be abolished, and generally he does not seem interested in the national picture. Mr. Buchanan has had plenty of opportunity to discuss his problems with C.B.C. officers and I am absolutely confident that he has never been treated "cavalierly" as he suggests, and it is most unfair of him to say that he has.

CHAB, Moose Jaw, was added to the National Network of the C.B.C. in the fall of 1937 at the very urgent request of Mr. Buchanan, though somewhat

against our better judgment inasmuch as the area was already covered by CKCK, Regina. Part of the letter which Mr. Buchanan wrote at that time to support his application for network affiliation reads as follows:

> On the air steadily between 7.00 a.m. and 11.45 p.m., CHAB is always endeavouring to give Moose Jaw first class presentations of such local preference and interest that no outside station can compete. We are confident we have succeeded to the extent that Moose Jaw city listeners have formed the habit of leaving their dials tuned to this station Since last February, Moose Jaw listeners have come to expect and look for all C.B.C. programs over CHAB and have come to get a far greater percentage of them than carried by any other station in Western Canada. With the service we have been rendering they can expect, look for and appreciate the same treatment to their own Moose Jaw station so far as commercial network programs is concerned as is given to the other three city stations in Saskatchewan at Regina, Saskatoon and Prince Albert and will be disappointed if CHAB is not permitted to carry them.

I might mention that in the year 1942-43 CHAB derived a revenue of $11,042.96 from its network affiliation.

Mr. Buchanan's problems have been examined carefully. He has been told by our officials that the only solution to his difficulties that we could see is for him to drop out of the network. So far as we are concerned there has been no reason in the last four years why he should not have done so. If he feels that he can best serve his listeners by giving them all local service, without network programs, I am sure that the C.B.C. would have no objection to his proceeding along these lines. We do not need CHAB for coverage because both CBK and CKCK cover the city of Moose Jaw; and if the power of the two Regina stations, CKCK and CKRM is increased, Moose Jaw will be well within the primary coverage area of both these stations.

Change of System

I come now to deal with the suggestion that the present system established under the Canadian Broadcasting Act should be modified. In this matter the parliament of Canada is and must be the judge. Ever since 1928 every parliament, every political party, every parliamentary committee enquiring into the question, has been in favour of a system similar to the one we have. Whether conditions have become so bad for the public that the present system should be changed is not for me to say. I must, however, tell you that I, personnally, cannot see how a controlling body exercising its power alike over a private network and a C.B.C. network, could improve conditions as they stand now.

It is easy to talk of a three-man commission, but I can assure you the matter would not stop there. Such a commission would necessarily have to develop into a department, with advisers and auxiliary staff of all kinds—technical, legal, commercial, station relations, programs, etc. And since the analogy of the Board of Railway Commissioners has been mentioned in this connection, I think it is well to remember this very important point. The problems involved in broadcasting are quite different from those involved in railroading. Railroad work deals with cold concrete facts—mileage, schedules, rates, etc. Broadcasting on the other hand is largely concerned with imponderables, questions of taste, opinion and values.

If it could be established that we have exercised our powers in such a manner as to make it impossible for private stations to operate profitably there might be a case for the suggested change, but I do not know of any private radio station which has gone bankrupt in the course of the past 7½ years.

If the C.B.C. were to operate a network in competition with a privately-owned network, both controlled by an independent board, it seems evident that unless the private network could establish a corner in commercial broadcasting the C.B.C. would be driven to compete commercially with the other network; in which case we might not feel that we should handicap ourselves in the competition for business by our present self-imposed restrictions; all we would have to do would be to live up to the board's regulations.

Of course, the new body being, I presume, outside of direct governmental administrative control, as is the C.B.C. now, could not be the official representative of Canada in international relations. The Minister of Transport will still have to occupy that official position; not only for the above reason but also because there are a very great number of problems concerning radio communications which come under the Minister and from which broadcasting cannot be separated in a discussion of international agreements.

I cannot see what would be gained for the public by having an overall controlling commission. I hope that I have already established that competition between C.B.C. and a private network would not improve the service to the public. I have shown that stations affiliated to a private network would not be better off financially. The regulatory body would act as our present Board of Governors which, you will admit, has always acted in the interest of the public and not exclusively in that of the C.B.C. or of the broadcaster. Of course, it may be that, with some change upsetting the present system, the independent broadcasters might wield a more powerful influence; but that would not be in the interest of the public; nor, I maintain, of the broadcasters generally.

Finance

Our chairman has already discussed with you generally our financial position. So I do not need to go back on that subject. However, I would like to say a few words on the surplus of $285,500 which we expect to achieve for the fiscal year 1943-44.

These budget surpluses may be an indication of prudent administration, but their existence does not mean that the C.B.C. is a wealthy corporation. We have no operating capital and no means of borrowing money except from the government, which we naturally would not consider doing under present circumstances. Every year, then, we can only spend whatever our revenues may be for that year. Just like any other well organized business, we draw up and adopt a budget, before the beginning of the fiscal year; that budget is based on what we estimate to be our maximum expenditures and our minimum revenues. Eevery year in the past we have managed to live well within our budget, and we have always seen our total revenue reach a higher figure than we expected. This means that every fiscal year since 1936, when the C.B.C. started, we have collected more money than we have spent, and so every year we have had a budget surplus.

Part of this year's surplus of $285,500 has already been voted to specific capital expenditures, such as the installation of a transmitter at Halifax, accommodation of studios in Quebec City, purchase of equipment for our overseas unit, purchase of musical instruments, etc. We have also set aside a certain amount of money which may be spent at any time in connection with postwar conditions. This would include, for instance, the construction of F.M. transmitters on an experimental basis. There is still a balance available which will be allocated to specific expenditures during the current year.

In the past, similar budget surpluses have been used to pay our loan from the government, which loan was necessary for the construction of 50 kw. stations at Watrous, Toronto, Montreal and Sackville, the taking over from

operating companies of stations at Quebec, Chicoutimi, the construction of a 5 kw. station in Montreal, etc. Other expenditures which were made possible because of those surpluses were the equipment of studios at Montreal, Toronto, Halifax and Ottawa, the extension of line in the Cariboo district, etc., the purchase of mobile units and of considerable equipment of all sorts, of musical instruments, of important standby equipment to protect us against any possible enemy action, etc.

It would be very easy for us to operate on a different basis. For instance, most of those expenditures listed above might have been paid out of income which would have permitted us to show the familiar deficit every year, but we never believed that this was the proper method of running our business as we would rather spend our money once we have it than go into debt and hope for the best. Our method seems so unusual that people in certain quarters are inclined to consider us as being extremely wealthy because we declare budget surpluses every year.

The only reserve we have is in the form of $500,000 Canadian government bonds which we keep as a protection against lean years, and $200,000 that we absolutely need as working capital; both these amounts being very modest for a $5,500,000 budget per year. We also have set aside $100,000 to take care of such postwar adjustments as may be necessary when our employees return from the armed forces to take up their positions. I am not sure whether this sum will be sufficient.

Notwithstanding our sound financial position, we are far from being wealthy. Our assets for a country of the size of Canada are small, and our budget, as compared with that of American networks, is indeed very small. It is reported that the total budget of the broadcasting industry in the U.S.A. last year, not including, of course, capital expenditures and the cost of equipment, has been in the neighbourhood of $300,000,000.

By Mr. Boucher:

Q. That means in the United States only?—A. Yes, and for broadcasting proper, not including capital equipment, and that sort of thing.

I shall be pleased to give you any further information you may wish in respect to our finances.

This is all I have prepared to submit to you, but I hope you will not hesitate to ask for the elucidation of any matter which may not be quite clear in your mind.

As acting general manager of the C.B.C., I was in duty bound to give you information and possibly my opinion on certain aspects of broadcasting. My submission was not therefore motivated by a desire to protect my property or my profits. What I have told you is based on my own personal experience, my knowledge of broadcasting both in its operation and in the matter of general policy, with experience dating back some 30 years in the radio technical field and some 16 years in the broadcasting field.

If you so desire, Mr. Bushnell will submit some notes on our programs and Mr. McArthur, our chief news editor, is also at your disposal.

In closing I would like to submit that the C.B.C. has done a reasonably good job, and I assure you that within our financial limitations we will try to improve to the utmost possible. If you want to find out whether our present service is adequate, again I am satisfied to refer you to your radio receiving set.

I wish to thank you for your patience in listening to my long submission.

The CHAIRMAN: I am sure you will agree, gentlemen, that is a very important submission which the general manager has given us this morning and is in part, at least, an answer to the submission of the Canadian Association of Broadcasters. That will be on the record in the next minutes and proceedings.

I think it is a statement which should have our study before we enter into the matter of questioning. I suggest that this afternoon we continue with the questioning of Dr. Frigon on the original statement which he made. You will recall we were discussing that and we had got along fairly well. Probably this afternoon might be taken up with the further consideration of and questioning on the first submission which Dr. Frigon made. Would that be agreeable to the members of the committee? If we conclude with that then we can take up the submission which Dr. Frigon has given us this morning. Without entering into a discussion of that first submission now, as it is a quarter to one, I suggest that we might adjourn to meet this afternoon and take up the submission then.

Mr. BOUCHER: There is one possible suggestion. That is as to the allocation of time for political broadcasting. In my opinion, the Board of Governors have acted reasonably in extending the time, have really doubled the time, and having asked this committee to submit recommendations as to a definition of a political party and the allocation of time, I do feel, by virtue of the announcement going out that the C.B.C. Board of Governors are increasing the time, our committee should not be slow in bringing in what recommendations we may see fit to the Board of Governors. I am of the opinion that it would be better, if possible, for us to cross that bridge at the earliest possible moment.

The WITNESS: May I point out at that particular juncture the definition of parties which should be given free time during an election campaign remains the same, in other words, on the first day, or when the nominations are known; the definition of page seven stands. That is the best the board could find. Between election times, after the members have been elected, and they are in the house, we would like you to indicate how best to proceed to allocate the time of two one-half hours per month, we are pleased to place at your disposal, among the parties in the house.

By Mr. Boucher:

Q. Why make a difference? I do not understand why you suggest that one should be set and as is, and the other modified.—A. Because when an election campaign gets under way the situation as to who is interested is very clear. You have candidates nominated. You have all the other factors well known. After the election all we have to base ourselves on is what exists in the House of Commons. We would like you to tell the corporation what you believe would be the best way to distribute this time between election campaigns between the members of parliament, or parties in the House of Commons, the difference being that in that case the matter of nationwide importance is not so clear. It was said here, I think the week before last, that you may have candidates in all constituencies across Canada and only half a dozen members elected. If there are only half a dozen members elected, what is the status of that particular group in the national picture?—because do not forget this time is for full national coverage from coast to coast. The speaker is addressing all the provinces. Therefore it is meant for a party which really has a national appeal, I would say.

Q. Dr. Frigon, I do not quite get your distinction because at an election time there is just as much national appeal as there is between election times. I do not know whether there is any tangible difference in the allocation of time during elections and between elections.—A. During an election time you deal with candidates who are well known.

Q. I should not think so as far as national broadcasting is concerned to any great degree.

Mr. HANSELL: Mr. Chairman, once again might I say this, that the decision of the Board of Governors in respect to political broadcasting in elections still

rules out the Social Credit party if they do not have 61 candidates in the field. That is what happens. On the face of it we have elected a provincial government twice and we have had more members in the house than some of the other parties which are entitled to time. I do not think that needs any further explanation. On the face of it alone it seems to me that regulation is unfair. It is not going to be acceptable to my party. It just means I am going to fight on. That is all there is to it.

The WITNESS: The answer there seems to be this, that the Social Credit party may have 61 candidates in the next federal election. If this is so they will qualify within the regulations.

Mr. HANSELL: Here is the thing. The position is this. I do not know that we operate very much differently to other parties, but here is a party, we will say, with a lot of money. They say in certain constituencies, "Put up a candidate; here is the money". The candidate is put up whether there is a great feeling in that constituency for that candidate or not. We handle the thing entirely differently to that. We have no money, and if there is a demand coming from the people in the constituency itself then a candidate is put up. We are entirely dependent upon the people in these constituencies, and not on a party machine. The result is we may not have 61 candidates. I do not know. I think we will, but we may not. We may have 61; we may have 55, and that would mean we are ruled out just the same.

Mr. BOUCHER: Looking at it from the same viewpoint but from another side, I should not like to think that the allocation of time by the number of candidates would be the deciding rule lest it might mean some party would put up candidates solely for the sake of getting an allocation of time.

Mr. HANSELL: That is what I said.

Hon. Mr. LAFLÈCHE: That would be hardly worth while though.

Mr. HANSELL: It does not matter. It could work that way. Mr. Chairman, I was instrumental in my group in submitting an alternative to the Board of Governors. That alternative was this, that if a political party had a representation in the House of Commons and had been able to elect a provincial government that should stand in lieu of the 61 candidates. It did not rule out the 61 candidates but it did stipulate that should a party not put up 61 candidates but had elected a provincial government they should have the right of political broadcasting with other parties. I think that was a reasonable suggestion. It was not a big change to make. We agree with the first, second and third, namely that you should have a convention, that you should have a leader, that you should have a wide range of national policies. The only thing we suggested—and I think it was a fair suggestion—was that in lieu of the 61 candidates any party that had been able to elect a provincial government should stand the same chance of political broadcasting.

The CHAIRMAN: Might I ask how many members are in the Alberta legislature of your group?

Mr. HANSELL: I have just forgotten now. I think it is around 38 or 39. I can get the figures.

The CHAIRMAN: How many are in the house?

Mr. HANSELL: We have ten at the present time.

The CHAIRMAN: So you have practically 48 or 49.

Mr. HANSELL: It is 61 candidates in the federal field, Mr. Chairman.

The CHAIRMAN: I am looking at it another way. In government in Canada, in parliaments in Canada, both legislature and parliament, you have approximately 60 representatives at the present time.

Mr. HANSELL: We have three or four in Manitoba.

The CHAIRMAN: All told you would go over 61.

Mr. HANSELL: If you take the provincial candidates, too.

The CHAIRMAN: I was thinking it might be arranged some way whereby a party which had a wide representation either in a provincial legislature or the federal parliament would qualify.

Mr. HANSELL: We have a government in one province and we have Social Credit representation in two others.

Mr. BOUCHER: I think our committee should give early consideration to the matter. I think there is something in what Mr. Hansell says. In fact, in some respects I would go a little further than he and in other respects probably not as far. I am of the opinion that if any party forms either the government or the official opposition in any of the provinces of Canada, and has a national scope similar to that set out in the white paper already issued, they should have some allocation of time. I believe we could couple the two theories together and form a definition of a political party for the purposes of the C.B.C. Board of Governors which would compromise the two thoughts without very much difficulty. I would urge that this committee give the earliest consideration to a compromise of the two suggestions. I would not like to feel that we were obligating ourselves to give a portion of time to a party which had representation as the government in one province only unless it was national as well, nor would I want to have representation in broadcasting over the C.B.C. simply because they had formed the official opposition in one province if they had not representation in the federal house as well. I do think that we could make a compromise which would be satisfactory, taking both thoughts into consideration and requiring certain things in both the provincial and federal fields.

The CHAIRMAN: The matter is one on which the committee will be given an opportunity for early discussion. I suggest we adjourn now to meet at 3 o'clock.

By Mr. Isnor:

Q. I should like to ask Dr. Frigon if the Board of Governors met this week? A. Sunday and Monday.

Q. Did they reconsider their decision in regard to the paper which was issued on February 21?—A. Yes.

Q. Are they going to make a further statement? A. No.

Mr. HANSELL: The further statement is here this morning which still rules out our party. The longer it goes the more it seems to me they are not trying to see if they can give us some time. The longer it goes it seems to me they are trying to rule our Party out. I am not going to make that accusation, but that seems to be the way it is with me.

Hon. Mr. LAFLÈCHE: Mr. Chairman, by merely mentioning that it leaves in my mind, at least, the thought that Mr. Hansell fears that some people here are out to keep his party from being on the air. I should like to remind Mr. Hansell that at the last meeting when this matter was brought up everyone around this table listened to with—I hate to use the word—sympathy. He will permit me the use of that word. We wanted to be fair and yet the majority of this committee cannot forget that the Liberal party has about 170 members in the House of Commons. Compare with the number in my friend's party.

Mr. HANSELL: I appreciate that.

Hon. Mr. LAFLÈCHE: That represents the public mind in Canada. We cannot forget that either however fair we want to be.

The CHAIRMAN: Order, please.

Hon. Mr. LAFLÈCHE: I hope there will be no complaints until we have dealt with this matter.

Mr. Ross: I think it would be better—

The CHAIRMAN: The meeting stands adjourned. We will discuss it later.

The committee adjourned at 12.55 o'clock, p.m., to meet again at 3 o'clock p.m.

AFTERNOON SESSION

The committee resumed at 3.00 p.m.

(Dr. Augustin Frigon recalled)

The CHAIRMAN: I think we shall proceed, gentlemen. Dr. Frigon has a short statement to make with reference to a question that was raised this morning as to awards which had been made to the C.B.C. He will give an answer to that now, and we shall have it on the record.

Mr. HANSELL: Before Dr. Frigon gives the statement, may I just say one word, Mr. Chairman. It is respecting what the minister said before the adjournment of the committee at noon. He appeared to have the impression that I wanted an equal amount of time for my party as was given all other parties. I do not believe we would get that even though we wanted it. I may concede that the largest party may be entitled to more time. All I want is that our party be included in the free time arrangements, and that we have what might be considered our fair share of time.

The WITNESS: In answer to that, Mr. Chairman, may I say this. When we discussed the regulations with respect to political broadcasts, we did not take into account the requirements of any party. We did not even take into account conditions as they exist now, because regulations have to apply for a long period and under all circumstances. So that is our problem, to devise some regulation, some definition which will apply no matter what the conditions may be, when it needs to be applied.

In answer to some questions which were asked this morning, I should like to report that information received from the Department of Transport states that CHNX, Halifax, applied for a licence September 17, 1930. The licence was issued on September 25, 1930, as station VEQCF. The call letters were changed to CHNX in June, 1938. As to CHNS, the licence was applied for by the Halifax *Herald* some time in 1928 and the licence was issued on October 1, 1928. The Maritime Broadcasting Company Limited took over the licence on April 1, 1931.

By Mr. Isnor:

Q. Could you answer this, Dr. Frigon: Did you have an application on file in 1938 from another party in Halifax? A. There has been an application on file from the *Chronicle*.

Q. The Halifax *Chronicle*? A. If my memory does not fail me, they were granted a licence but they did not do anything about it and it lapsed. That was abandoned a number of years ago. They have applied again lately, and our report is going in to the Minister of Munitions and Supply very shortly.

Q. I wonder if it was abandoned, or if, the situation was that, because of the war coming on and equipment being perhaps not available, they for the time being just dropped the notion of carrying on?—A. I could not tell you. All I know is that they did not use the licence they were permitted to use.

Q. Since then they have revived it, you say? A. Yes, they have. The board considered their application last Monday; and the report of the board will go as usual to the minister, with the recommendation.

Mr. HANSON *(Skeena)*: Mr. Chairman, I should like to express my own personal view in reference to what Mr. Hansell said.

The CHAIRMAN: Mr. Hanson, would you just delay that discussion for a few minutes until we come to it? We shall come to that shortly again.

Mr. HANSON *(Skeena)*: All right, Mr. Chairman.

The CHAIRMAN: I should first like Dr. Frigon to give us the statement with reference to the awards.

Mr. HANSON *(Skeena)*: Yes. Pardon me, Mr. Chairman.

The WITNESS: There was one question asked this morning about the regulations as to recordings in the States. I should like to answer it by reading the following:

Federal communications commission ruling governing announcement of mechanical records as such.

3.407—Mechanical records. Each broadcast program consisting of a mechanical record or a series of mechanical records shall be announced in the manner and to the extent set out below.

> (*e*) The identifying announcement shall accurately describe the type of mechanical record used, i.e., where an electrical transcription is used it shall be announced as a "transcription", or an "electrical transcription", or as "transcribed" or "electrically transcribed", and where a phonograph record is used it shall be announced as a "record".

Then I have some notes which have been prepared by Mr. Bushnell. They read as follows:—

Two Canadian Broadcasting Corporation programs won first awards at the Eighth American Exhibition of Educational Radio held at Columbus, Ohio, May 5 to 8.

Entries were submitted by a great many broadcasting organizations in the United States. We were informed that over seven hundred programs were entered in thirteen classes. Out of this C.B.C. won premium honors in two classes but its entry in the class of "Cultural Programs" was not only the winner in its own field but to quote the citation: "This program was the best entry submitted in the whole exhibition. Unusual dramatic treatment of psychological factors of human behaviour rarely dealt with in broadcasting. Excellent script, first class production and highly effective treatment of music". The program winning such high praise was one of a series in "Stage 44" broadcast over the C.B.C. Trans-Canada network on Sunday nights 9.00 to 9.30 E.D.T. It was called "They Are All Afraid" and was produced by Andrew Allan, C.B.C. Supervisor of Drama and written by Mr. Len Peterson, a particularly promising young Canadian radio dramatist. The music was written and the orchestra was directed by Lucio Agostini.

The second award won by the C.B.C. was in the class on "Combat Reporting". The judge's comment was: "Well organized reporting with listener interest, heightened by the use of spot recordings, a technique recommended to American networks".

The broadcast winning such high commendation from the judges was but one of the many presented regularly over the C.B.C. networks prepared and presented by C.B.C. war correspondents who accompany Canadian forces in all active theatres of war. In this instance the reporter was Matthew Halton.

It might be interesting to note that in the three years in which the C.B.C. has entered programs in the Columbus, Ohio, competition, it has never failed to win high honours in at least two classes.

Mr. COLDWELL: I congratulate the corporation.

The CHAIRMAN: Gentlemen, will you now be good enough to turn to the minutes of proceedings and evidence, page 66. We had discussed the matter of Dr. Frigon's presentation on school broadcasts, labour forum and farm broadcasting. We then jumped to controversial broadcasts at the request of one of the members of the committee and we omitted discussion on overseas unit. If there are any questions on the presentation which Dr. Frigon made on overseas unit, now is the time for them.

Mr. COLDWELL: Might I have a copy of that number of the minutes of proceedings and evidence?

By Mr. Diefenbaker:

Q. While that is going on, there is a question I should like to ask arising out of the list of stations, the details of which were given here this morning. It is a question that will take only a minute or two. I asked it previously but did not get any answer from the minister. It had to do with the question as to whether or not any licences had been issued or were about to be issued in reference to the establishment of certain new stations in Saskatchewan, Manitoba or Alberta. I asked the minister—I have not the page here—and he said the matter would be answered by Dr. Frigon. Have any applications been received for the establishment of stations in those provinces?—A. You refer to the French language stations?

Q. Or any other stations.—A. There have been four applications submitted to the corporation lately. They were discussed on Monday at the last meeting of the board and the report is going to the minister with proper recommendation. It is up to him to decide, as the C.B.C. is only advisory to the minister.

Q. How many applications for stations in Saskatchewan, Alberta and Manitoba were received?—A. Well, there are four in the group I have in mind.

Q. You say there are four?—A. Yes.

Q. Asking for the establishment of stations where?—A. In St. Boniface, Gravelbourg, Prince Albert and Edmonton.

Q. The applications were considered on Monday last?—A. Yes.

Q. And the recommendation made by the board to the minister?—A. Right.

Q. What were the recommendations made?—A. I do not know whether it is my duty to reveal that until it has reached the minister.

Q. Well, I would think so.

Mr. ISNOR: I stopped a moment ago when I was questioning about Halifax. I stopped there. I did not want to go too far.

Mr. COLDWELL: What are those stations?

Mr. DIEFENBAKER: That is what I am trying to find out.

Mr. COLDWELL: Are these more private broadcasting stations?

The WITNESS: Yes.

Mr. DIEFENBAKER: Yes.

Mr. COLDWELL: More of them?

Mr. DIEFENBAKER: Yes.

Mr. COLDWELL: I thought we had pretty well gone the limit as far as private stations were concerned.

The WITNESS: The usual routine is for the C.B.C. to be consulted by the minister. A report goes to our own Minister of War Services, who in turn forwards our report to the Minister of Munitions and Supply, who passes on the recommendation and advises the Minister of Transport as to what he believes should be done.

By Mr. Diefenbaker:

Q. The application comes to you?—A. Yes.

Q. To your board?—A. Well, it first goes to the Minister of Transport.

Q. I beg your pardon?—A. It first goes to the Minister of Transport.

Q. Yes?—A. And then the Minister of Transport sends it to the corporation for advice.

Q. Yes?—A. A committee of technical representatives of both Transport and the C.B.C. study the technical aspects of the application and they report.

Q. By technical aspects, do you mean the need for the establishment of the station?—A. No. It is mostly as to the possibility of having a station, in respect to frequency allocations, for instance; also whether the application is conformable with the regulations of the corporation. They report on this technical side of the question. Then their report goes to our Board of Governors and they study the applications from a wider point of view, and they send on recommendations to the Minister of Munitions and Supply through our own minister, the Minister of War Services.

Q. The situation is that the Board of Governors has made a recommendation to the Minister of Transport in regard to these four applications; and you tell me that the committee is not entitled to the information as to what the recommendation was from the C.B.C., from the corporation's Board of Governors? Is that the stand that is taken?—A. Well, until the recommendation has reached the minister, I should think it is an internal affair. Otherwise the minister would hear of the recommendation through the newspapers.

Q. As a matter of fact, did not the matter get into the newspapers?—A. Not the recommendation.

Q. Well, was there not a reference in the newspapers the other day to the effect that three of these stations had been recommended, excluding Prince Albert?—A. Well, if there was a report to that effect, it was at least premature.

Q. It was second sight, possibly. Did you see that in the press?—A. No, I did not.

Q. That three stations had been recommended but that the one with reference to the application for Prince Albert had been passed on and not recommended for consideration?—A. No. I have not seen that report.

By Mr. Boucher:

Q. Do you think it is efficient that a recommendation should first of all go to the Minister of Transport, then to the Board of Governors, to the Minister of National War Services, the Minister of Munitions and Supply and back to the Minister of Transport?—A. I do not think it is for me to decide. We know that that is how it works. We have no difficulty.

By Mr. Coldwell:

Q. What power will those stations have?—A. They have applied for one kilowatt.

By Hon. Mr. LaFlèche:

Q. I take it that Mr. Boucher was making a circle there a moment ago. Has it not always been like that?—A. Always. Well, always since the creation of the Ministry of Munitions and Supply.

By Mr. Boucher:

Q. That is the procedure, is it not?—A. It is the procedure.

By Mr. MacDonald (Brantford):

Q. You have to have the approval of all of those which you have mentioned?—A. It is first analysed by a technical group, and then surveyed by the Board of Governors.

Q. May I interrupt? Do I take it that the Board of Governors may just refuse the application and that would be the end of it?—A. They have no power to refuse. They only advise the minister, who decides.

Q. Then you have it as far as the Board of Governors?—A. Yes.

Q. Then where does it go?—A. It goes to the Department of Munitions and Supply, through our own minister.

Q. Through your own minister?—A. Yes.

Q. With the recommendation or otherwise of the Board of Governors?—A. Right.

By Hon. Mr. LaFlèche:

Q. As to the recommendations, you are saying there that you send them on to me. To put it straight, that is for my information. I pass it on as received to Mr. Howe.—A. Of course, we only report to our own minister. We have no authority to do anything else.

Q. And they prepare a letter for my signature to the Minister of Munitions and Supply and I send it on.

Mr. BOUCHER: In other words, you have no discretionary power on it?

Hon. Mr. LAFLÈCHE: I have never exercised any.

Mr. BOUCHER: Do you know whether or not you have any?

Hon. Mr. LAFLÈCHE: That is my answer. That is the only answer I can give.

Mr. COLDWELL: What does the Act say in that regard?

Hon. Mr. LAFLÈCHE: The routine that is being followed is in conformity with the Act.

Mr. COLDWELL: Does the Act mention any discretionary power?

Hon. Mr. LAFLÈCHE: I would have to look that up. That is a particular question. I would have to look it up before answering. I would not want to answer without being certain about my reply.

By Mr. MacDonald (Brantford):

Q. If I may follow up my question, I should like to do so. After the recommendation is received by the Minister of National War Services, he sends it on to the Minister of Munitions and Supply?—A. Right, sir.

Q. Can the Minister of Munitions and Supply refuse an application or grant it?—A. I understand that he may refuse or grant it. He may accept the recommendation of the board or he may decline it.

Q. Then what does he do with it?

Hon. Mr. LAFLÈCHE: What is the purpose of sending it to him, you mean?

By Mr. MacDonald (Brantford):

Q. Yes. What is the purpose of sending it to the Department of Munitions and Supply?—A. Because, I presume, the present Minister of Munitions and Supply was Minister of Transport some time ago and he is very familiar with the handling of such things.

Q. Does the Minister of Munitions and Supply consider whether or not there is equipment available for setting up the station?—A. Well, I am informed that the Minister of Munitions and Supply is at present the licencing authority for broadcasting stations.

By Mr. Coldwell:

Q. The final say is with him?—A. That is right.

By Mr. MacDonald (Brantford):

Q. Is that the end of the application?—A. It is.

Q. The licence is then either granted or refused by the Minister of Munitions and Supply?—A. That is right.

Hon. Mr. LAFLÈCHE: Now may I put a question, Mr. Chairman?

The CHAIRMAN: Yes.

By Hon. Mr. LaFlèche:

Q. There are real reasons why the application goes on to Mr. Howe. There is in Transport an organization dealing with not only radio but with T.S.F. What do those officers do now? Have they not a technical purpose there?—A. There is a radio branch with the Minister of Transport and in it radio matters are handled, including broadcasting, ship to shore wireless, all that deals with radio communications or signals.

Q. Yes?—A. That is handled by the radio branch of the Ministry of Transport. Applications go to that group.

Q. Is that not the real reason why the applications go there?—A. To Transort? Decidedly, sir.

Q. So that the applications may be compared with existing radio facilities and to make certain, I believe, that there is no conflict between a new station and existing ones, and because of international agreements as well?—A. Well, that is just the point. Broadcasting is only a small part of radio communications.

Q. That is right.—A. And radio communications come under international agreements, including all services; so all services have to be grouped under one authority in respect to wireless in all fields. That is why applications are sent to the Department of Transport or more exactly to the radio branch of the Department of Transport. When it comes to broadcasting licences specifically, at present the Minister of Munitions and Supply is the authority to grant the licence, to accept or refuse the recommendation of the Board of Governors of the C.B.C.

By Mr. Diefenbaker:

Q. Where does he get that authority? Is that under the Transport Act?—A. I really do not know.

Hon. Mr. LAFLÈCHE: I wish somebody would find that.

Mr. HANSELL: I am inclined to think that was done under the War Measures Act, was it not? It has something to do with security.

Hon. Mr. LAFLÈCHE: It is all there, Mr. Chairman, and I think the officials can turn it up more quickly than anyone else and they will do it.

By Mr. Diefenbaker:

Q. Then, Dr. Frigon, as far as the situation is concerned, if what Mr. LaFlèche has said is correct, the power is in the Minister of Munitions and Supply?—A. That is right.

Q. All right. Then what is the purpose of a recommendation of the Board of Governors of the C.B.C.? What part do they play in it?—A. As they are in charge generally of broadcasting in Canada, they are better informed of the policy of broadcasting; and they must consider in the recommendation many other factors besides the policy aspect of the question.

Q. What are those factors?—A. Well, for instance, they may recommend that the station be not permitted to broadcast, because if it was permitted it might compete commercially with other stations and create such a situation that nobody could live within the community where they operate; and it is in

the interests of listeners that all stations live comfortably. Otherwise the quality of the services very soon goes down and the service to the listeners suffers. That is one reason.

Q. Those four stations are to be French language stations?—A. Yes.

Q. Is that correct?—A. Yes.

Q. All right. So that as far as competition is concerned, that would not enter into the decision on this question so far as those four applications are concerned?—A. Then there might be other considerations such as, for instance, the long-term policy of the C.B.C. in respect to national networks. For instance, in this case there may be very serious matters to discuss with the applicants, and in this case particularly to make sure that they do not expect a service from the C.B.C. which might be too expensive from the C.B.C's point of view; they must know that before they venture to build their station.

Q. In so far as these stations are concerned, or any of them, if established, will they have connection with the C.B.C. and look after the distribution of C.B.C. services in Saskatchewan and Alberta and Manitoba?—A. That has not been covered yet. They are applying for broadcasting licences, and that is as far as it goes. They were told if they build the stations it will be on their own responsibility, that they may expect the usual support from the C.B.C. which we extend to all those we can help, such as supplying recordings of the type that we give to our own station in Watrous, and any help which we can lend within our financial means and which we consider as reasonable.

Q. If granted would they be restricted as to the number of hours a day they would operate?—A. No.

Mr. PICARD: Mr. Chairman, is it not a matter of coverage more than a matter of extending the network? Is it not because there were complaints from the local people around there that they did not have the coverage they wanted in news in the language they could understand, and in programs that were of the general nature of the culture they were used to? Is it not more a question of coverage with regard to the four applications being made?

The WITNESS: The application as submitted is strictly for stations which will broadcast mostly in the French language so as to give service to the people who speak that language in the vicinity.

By Mr. Diefenbaker:

Q. Then, over these stations there will be no broadcasting in English? Is that correct?—A. No, I would not say there will be no broadcasting in English.

Q. That is the point. Are they to broadcast either in English or in French? —A. Even on our own Quebec network we have many English broadcasts.

Q. For instance, will the news be broadcast over these stations, if granted licences, in English?—A. That point has not been discussed at all.

By Mr. Picard:

Q. Have we not in Quebec the same situation with regard to CBM in Montreal which has been established to cover in English the English population in Montreal?—A. Right.

Q. Has not the same thing been done with CKCV in Quebec, a private station which has been asked to extend the English services of the C.B.C. to the district around Quebec?—A. With the difference that in both cases they broadcast the C.B.C. network programs.

Mr. DIEFENBAKER: That is exactly the point. Why would not the existing facilities be used just the way Mr. Picard says that they are being used?

Mr. PICARD: CBM has been created especially for that purpose.

The WITNESS: Do you suggest local stations should carry French programs?

Mr. DIEFENBAKER: I am asking whether that has been considered, taken up with them at all?

The WITNESS: I know some years ago I approached the local stations to do that sort of thing and they claimed they could not do it.

By Mr. Picard:

Q. May I ask a question? Do you not think truly that the local people would have ground to object to having French programs imposed upon them if they did not want to use them and having their own hours shortened?

Mr. DIEFENBAKER: I am just taking your analogy and asking a question based on it.

Mr. PICARD: In Montreal they have created CBM especially to meet the needs of the English-speaking population, and so as not to take any hours from the French stations. The same thing might be done there in order not to deprive the English-speaking population of any of their hours of English programs. It might be well to have stations that would cover a number of people scattered around there whose culture is French. In Quebec, of course, it is not a special station, but in order that the local English-speaking people in Quebec would get the news every day and the important London broadcasts, and the important broadcasts over the C.B.C., which are not given in English on the other station, arrangements have been made with the C.B.C. to give these programs although the English-speaking population is very small in number, even smaller than the French population served by these four stations. The English population of the city of Quebec is being served. We are glad of it. I often listen to these broadcasts myself through this independent station.

Mr. DIEFENBAKER: What do you mean by "independent"?

Mr. PICARD: CKCV is an independent private station with which the C.B.C. has made an arrangement to broadcast to the English population of the city of Quebec a number of English broadcasts for the convenience of the English population there.

Hon. Mr. LAFLÈCHE: I have always thought that the station at Chicoutimi well illustrates the proper spirit of any broadcasting organization in dealing with the real needs of the listeners. I think it is a very excellent and heartening example of a desire to be generous and fair and tolerant with minorities.

Mr. DIEFENBAKER: How does that operate?

Hon. Mr. LAFLÈCHE: It was in operation before the war in a country which I presume was 98 or 99 per cent French and yet they have English regularly on their programs, and quite rightly, because I have termed it an excellent and heartening example of the way to deal with these matters, in my opinion. I have always kept that before me as a shining example, as I understand the situation, of what should be done in similar cases.

Mr. DIEFENBAKER: What is the division of time over the Chicoutimi station?

Hon. Mr. LAFLÈCHE: I am not in a position to tell you what it is. We had it before this committee last year, if not this year, that they did make it bilingual to meet the interests of the listening public. I should like to see that practice extended.

Mr. COLDWELL: Mr. Chairman, I was going to ask a question. I think our English-speaking people in Quebec and French-speaking people elsewhere are entitled to service, but who are building these stations? Who are the owners of them? That rather interests me. I must confess I do not know anything about these stations. Where are they going to be located? Who applied for the licences?

The WITNESS: The Minister of Transport, to be explicit, has received four applications from four different companies acting in a group to build stations and operate them, one at Edmonton, one at Prince Albert, one at Gravelbourg, and one at St. Boniface. They are four distinct companies, but they are applying in a group and are supported by local people.

By Mr. Coldwell:

Q. Their facilities for public discussion and political broadcasting, and so on, will be subject to the same rules as other stations in the province, I presume? —A. They will be just so many more privately operated broadcasting stations.

Q. I do not want to raise the question particularly but I am just bringing it to the attention of the committee. The Canadian Broadcasting Corporation was set up to ensure there would be freedom of the air. In one of these towns which you have mentioned the French language newspaper there has, I am told, refused to accept advertising from one of the political parties in that province. I should like to be sure, if we set up these stations, that all political groups, and all points of view, will be given the same fair play that we get on the English speaking radio stations in the same area. We have had perfectly fair treatment on all but one of the English speaking radio stations in western Canada and I would like to be assured that the same fair play will be extended in connection with these broadcasting stations which are to be set up.

Mr. PICARD: I think Mr. Coldwell's point is very well taken, that these stations should be subject, like all others, to the same regulations, and be made to abide by the same laws which apply to all stations in Canada except that they would deal with French culture instead of the English language, but I would imagine that they should be subject to the same rules.

Mr. DIEFENBAKER: You would not be setting up a different kind of station. They would be all subject to the regulations.

Mr. COLDWELL: I want to make sure of that.

Hon. Mr. LAFLÉCHE: Surely there can be no thought that these stations, or this station, or whatever it may be, or any other station, can come either more or less under the regulations than other stations. They are all the same, are they not?

The WITNESS: Certainly.

By Hon. Mr. LaFléche:

Q. Would your board consider for a moment making an exception in that regard?—A. Oh no.

Mr. COLDWELL: If discrimination were shown I imagine the board would take action.

The WITNESS: We have regulations covering those things. Private stations are free to make their own arrangements with any groups that want to broadcast over their stations, but we have a regulation, which is very clear on the point, that they must treat all groups fairly.

By Mr. Diefenbaker:

Q. Just let me ask one question there. Suppose a station fails to give a fair, or any, allocation of time to a political party. I know one which endeavoured to do that. Afterwards it was ironed out. Suppose a station would allow one political party overwhelming time over that station and took the stand as far as other political parties were concerned, "Well, we have sold our time: we cannot do anything for you". What would be the attitude of your board?—A. To see that they give time to the other parties; we have done that repeatedly, and the very reason why the Aird commission was organized was on account of that. Some stations refused to do as they were supposed to do, and as a result they were refused renewal of licences. That was in 1928.

Mr. MACDONALD: Mr. Sedgwick in his evidence last week assured the committee that was being done by the private stations. The question was asked him definitely and he said if there appeared to be discrimination against any other party that the committee at Ottawa got in touch with that station and saw fair play was given to the other party.

Mr. COLDWELL: It is not always done.

Mr. MACDONALD: Mr. Sedgwick said that.

Mr. COLDWELL: I think I mentioned that Dr. Frigon and I had some correspondence regarding the situation which arose at Flin Flon when neither the organizer of the men's union nor the member of the legislature were allowed to broadcast. The member of the legislature particularly wanted to speak to the people as his constituents, but no time was available for him although there were periods when the programs showed fifteen minutes could have been given, but it was turned down on the ground they changed their policy just after some other political party had broadcast.

Mr. MACDONALD: Did no one broadcast about the labour conditions?

Mr. COLDWELL: No.

Mr. MACDONALD: No other representative?

Mr. COLDWELL: I am talking about the political party still. As far as the political party was concerned, there was a broadcast.

Mr. MACDONALD: So there was no discrimination.

Mr. COLDWELL: There was in the case of the political party.

Mr. MACDONALD: No party broadcast?

Mr. COLDWELL: Yes, one party did broadcast.

Mr. MACDONALD: I suppose if there was a complaint sent to Ottawa it would be corrected.

Mr. COLDWELL: There was a complaint sent.

The WITNESS: I can give you two typical examples. In one case we received a complaint from the municipal authorities of a large city saying that the private station refused to carry political broadcasts during municipal elections. We stepped in. We organized the broadcasts and the station did carry broadcasts. Broadcasts were carried by private stations. In another case there was one candidate who cornered all the stations on a certain evening. We forced him to let one of the other stations go to his opponent. We do that frequently. We have no difficulties in respect of that. The stations are very pleased to co-operate. There may be times when they are fooled, they are caught by very active publicity agents, or people who look after the affairs of groups or parties, but when they find that they have been led into a difficult position they agree to co-operate and clear time for all concerned.

Mr. PICARD: I think this discussion shows well the difference between newspapers and radio. We talk about the liberty of the press, but any man who has enough money to start up and organize a newspaper is not subject to any rules and can refuse to take advertisements or give information about any party while, on the other hand, radio is subject to rules which are well established, to a board which has to act fairly, which is judged by the public and by the House of Commons, as we are doing now. Therefore, we are much safer as to what we call liberty of opinion under a system like we have with radio broadcasting than with the newspapers. Liberty of the press is all very good but it is not in the hands of the government. It can turn out to be just as bad as in other cases it may be good if a group of people who control a chain of newspapers want to prevent the truth from getting out.

Mr. COLDWELL: Of course, most of the newspapers are all right, but we have not a free press. Take the Montreal *Star*; they refuse to take advertisements from our organization and refuse to give us any publicity whatsoever. We have another paper in Quebec which refuses the same thing, *L'Action Catholique.*

Mr. PICARD: That is proof of what you said a moment ago about the rules applying to these four stations.

By Mr. Boucher:

Q. When you said there were four applications were they made by four individuals or four companies? A. Four companies with four different names, but sponsored apparently by the same group of people, westerners, western French speaking Canadians.

By Hon. Mr. LaFlèche:

Q. But are they four separate applications? A. Four distinct applications for four separate stations.

Q. Is anything interlocking about them? A. Not that I know of.

By Mr. Diefenbaker:

Q. Have you looked into who the directors and shareholders are in the different companies? A. I think we have a list in the application.

By Mr. MacDonald:

Q. You referred to these stations as being French speaking stations. Is that the proper designation? A. The local people claim they do not get enough French on the local stations and they want their own stations.

Q. I understand that, but there will not be exclusively French sent out from those stations? Is that correct? A. The recommendation would not carry anything which would indicate there must be a one language station.

Q. According to their licence they can broadcast from that station and nothing is said as to the language? Is that correct? A. That is correct, yes; just as we do not force any of the other stations in the prairies to broadcast in French or Russian or German or anything else.

By Mr. Diefenbaker:

Q. Having regard to the coverage of the existing stations in western Canada, were it not for the fact that these four companies intend to broadcast for the benefit of the French population in western Canada, would licences have been granted? A. It has not been granted yet.

Mr. PICARD: That again is a question of coverage. If it is already covered by an English station there may not be need of another one.

By Mr. Coldwell:

Q. Is there any proviso preventing them from taking advertising as there is in the university station in Edmonton? A. There are no stations yet.

Q. I mean when the time comes. I am not objecting to them taking advertising. I think the university station should get the same privilege.

Mr. MACDONALD: Why can the present stations not broadcast in French?

Mr. PICARD: Because the local people might not want to have French imposed on them. On the other hand there is the right of the local people to have broadcasts in their own language, and then nobody is hurt. Then, some have their programs in English and others have their programs in French.

Hon. Mr. LAFLÈCHE: Then there is the example in the province of Quebec where it is otherwise, and full justice has been done to the needs of the English speaking population, and rightly so.

Mr. BERTRAND: Mr. Diefenbaker was asking a moment ago about the percentage of French given on this typical station you have referred to Mr. Minister, at Chicoutimi, where there is about 98 per cent French population. In that case a representative week given to us last year has 83.4 per cent of their broadcasting in French and 16.6 in English.

Mr. DIEFENBAKER: This is Chicoutimi?

Mr. BERTRAND: Yes. Although the minister did say it was a very typical case if you take CBV in Quebec you will find it gives 19.4 per cent in English. If you go to CBF, Montreal, which is supposed to be a wholly French station, it gives 16.2 per cent of its broadcasting in English. Then there is CBM over and above that which gives 100 per cent of its broadcasting in English to the English minority in Quebec.

Mr. BOUCHER: It gives 100 per cent.

Mr. BERTRAND: It gives 100 per cent English. Then, a survey was made,—we were asking similarly about French being broadcast in the west—and for the same week it was given as 6.45 per cent.

Mr. DIEFENBAKER: Over what station?

Mr. BERTRAND: That is over the only station that gives French in the west, CBK Watrous.

Mr. MACDONALD: You say there is no French given over one station in Montreal?

Mr. BERTRAND: Yes, CBM.

By Mr. Boucher:

Q. I take it there is no hard and fast rule that any one station must give a certain percentage in English and a certain percentage in French?—A. No.

Mr. ISNOR: As to the times which you give, Mr. Bertrand, that would take in full time including commercial programs.

Mr. PICARD: The commercials would be in English.

Mr. BERTRAND: This question was up last year. Just exactly how it was answered it would be pretty difficult for me to tell you, but this is a breakdown of language broadcasting over different stations.

The WITNESS: That would include all, except there are no French commercials on CBK.

Mr. MACDONALD: I have heard French over CBL in Toronto quite often. In fact, I often hear, "Ici Radio Canada".

The CHAIRMAN: Gentlemen, this discussion has gone quite a little afield from what we expected to take up this afternoon.

By Mr. Ross:

Q. I want to ask Dr. Frigon a question about this. In connection with the authority given to the Department of Transport who makes the survey in regard to whether the people will be allowed to have a station or not? What I am trying to get at is this. What has radio broadcasting in Canada, like the C.B.C. and so on, got to do with ship to shore broadcasting or any other broadcasting that we might have in Canada?—A. The C.B.C. has nothing to do with that whatever. But transport has.

Q. Why should the Department of Transport have anything to do with that?—A. Because somebody has to do it and they do it.

Q. In actual fact, does not the C.B.C. do it?—A. Not at all. We have nothing to do with that at all.

Q. I thought the C.B.C. did that.—A. No.

Q. The Department of Transport deal with all those services?—A. We do exclusively broadcasting and nothing else.

By Mr. Boucher:

Q. Did I not understand the committee of technical men of both the Department of Transport and C.B.C. dealt with that?—A. The committee referred to deals only with broadcasting problems of the broadcasting stations.

Mr. ISNOR: What was the page we were at?

The CHAIRMAN: Page 66.

By Mr. Ross (St. Paul's):

Q. I do not know that you got my question. What about the frequency of ordinary broadcasting? Does that interfere at all with the other type of broadcasting such as ship to shore and so on?—A. Of the standard broadcasting bands? No.

Q. That is what I am getting at. Therefore it is all C.B.C.—A. The frequency allocation is done under the authority of the government, not the C.B.C. The right to use the frequency is really an international affair and the government has to deal with that.

The CHAIRMAN: That is the answer.

Hon. Mr. LAFLÈCHE: Mr. Chairman, I understand that the Board of Governors met recently at Lucerne. Might I put a question to Dr. Frigon? I will begin by saying that I had hoped to see the gentleman but learned that they were meeting there so late that I was not able either to go there or to ask him to call on me. Why was the meeting held at Lucerne?

The WITNESS: Well, because it was away from all interference of visitors.

Hon. Mr. LAFLÈCHE: Away from interruptions?

The WITNESS: Yes. They took up more work than they ever did before.

Mr. PICARD: Away from cabinet ministers and parliamentary committees.

The WITNESS: In Lucerne they had seven meetings in two and a half days. They were always together. They were within the same building. If a meeting was called for a certain time, they were there. In Ottawa they are usually there but they may be late because they have an appointment somewhere else, and so on. I think for the sake of efficiency of discussion, it is an ideal place.

By Mr. Boucher:

Q. The meeting was not held there for the purpose of finding out how well Mr. Sandwell could play golf?—A. They did not have time for that.

By Hon. Mr. LaFleche:

Q. What did you do? Did you work morning, afternoon and evening?—A. Yes. They had three meetings per day and some committee meetings. Not that it is extremely important, but I might say that it is cheaper there than in Ottawa and it relieves the hotel situation here. There were all sorts of reasons for going there.

Q. I think there was some point made of it in the press. That is why I asked the question.—A. Well, I don't think that is serious. I should like to emphasize the fact that they turned out in Lucerne probably a bigger two day's work than they ever turned out anywhere else because the circumstances made it easy for them to work.

The CHAIRMAN: All right. Let us get back to business. We were at page 66. We had got as far as the discussion of Dr. Frigon's statement on overseas unit.

By Mr. Coldwell:

Q. How large a staff overseas have you? We have the names of some. —A. I think I said twenty-five before, or twenty-six. That is right. It is right here. That includes some people living in England—that is, not coming from Canada—such as stenographers.

Q. I do not know whether this is the place to mention it or not, but I think it is. I do not know whether you have seen the report of the episode in Calgary on May 2, I think it was, when it was stated that a dramatization of a letter from a soldier overseas was being given, and it was suddenly interrupted by a statement to the effect that Hailfax had been bombed and for about two and a half hours the city of Calgary was filled with consternation, particularly among people who had relatives in Halifax. You heard something about that? —A. We have done it at times on our own network.

Q. Orson Welles?—A. Not the Orson Welles program, but the Germans were supposed to have landed in Nova Scotia; then half an hour later they were in Quebec and Montreal. People did not realize that and started to telephone.

Q. I will hand you the clipping I have here. It is quite a story.—A. Those are pressure programs. Some people think they should not be done and others claim they are really an essential thing to wake the people up. They can be made very efficient.

Q. It apparently frightened some Calgary people.—A. Those programs are usually related to the victory loan campaigns, and that sort of thing. Those who want those programs want to frighten the people.

Q. Unfortunately they did not let the people know for a couple of hours that this was just a story.—A. Oh, well.

Mr. HANSELL: I think that was in connection with a victory loan.

Mr. COLDWELL: I do not know what it was. CFCN was the station.

Mr. HANSELL: I think that was what it was. I understand the manager of the station apologized afterwards. I think he stated it was an amateur program and had he seen it beforehand, he would not have allowed it. I can quite understand how that happened, because the CFCN ten o'clock news broadcast is very effective, with a siren starting before it announces the news; evidently it was the same siren that sounded in the middle of this program.

Mr. PICARD: Similar to the Orson Welles program in the United States when he mentioned the invasion by the Martians a year or two ago.

By Mr. Boucher:

Q. I see the overseas unit has got great commendation from the armed forces.—A. Yes. It is regarded in Great Britain as really quite a feature.

Q. Quite a leading enterprise.—A. I think we unquestionably are the best organized broadcasting system to cover the war. We have good men. We have good technical experts and we have good equipment. Our broadcasts are carried frequently over the B.B.C. stations.

By the Chairman:

Q. Is the expense in connection with the overseas unit borne entirely by the C.B.C.?—A. Exclusively by us, yes.

Q. I was just thinking of a lot of this other what we might call auxiliary service. Much of that expense comes out of the appropriation for the different armed services, I think. Have you thought of the idea at all of having some

of your broadcasting units over there connected with the auxiliary services and thus having some of the expense paid by the armed services?—A. Of course, they work in close co-operation with all services, but we have never thought of asking anybody to pay for the cost of maintaining that service.

By Hon. Mr. LaFlèche:

Q. Are you not doing exactly the same as Canadian Press, B.U.P. and other news services?—A. We are doing similar services, yes.

Q. The same basis?—A. The same basis.

Q. It is a service to the public?—A. Yes; except that in our case the voice comes across the ocean to the listeners; in the case of the other correspondents, they send reports by cable or by code.

By Mr. Macdonald (Brantford):

Q. Are we broadcasting from Canada to the Canadian troops in Italy? —A. In the form of records, I think, mostly.

Q. There are no direct broadcasts?—A. No direct transmission.

Q. There are direct broadcasts, I understand, from the United States to United States' troops in Italy.—A. Yes; from New York.

By Hon. Mr. LaFlèche:

Q. From Boston?—A. From New York a good deal to Algiers and I think also to Italy. Of course, there is a lot of short-wave broadcasting by the States to all parts of the world.

By Mr. Picard:

Q. In order to broadcast to the troops, would you not need a shortwave station?—A. Yes. We have no facilities. We would have to use the American facilities, which we do at times.

By Mr. Macdonald (Brantford):

Q. Did you say there was some broadcasting by way of delayed broadcasts?—A. Yes; some recordings.

Q. Some recordings?—A. Yes.

Q. And then the records are sent overseas?—A. They are sent overseas.

Q. Where are they broadcast from?—A. Over the B.B.C. stations mostly. Is that right, Mr. Bushnell?

Mr. BUSHNELL: B.B.C. shortwave.

By Mr. Coldwell:

Q. What kind of records are sent over? Are they musical programs?— A. Musical programs, hockey broadcasts, etc.

Q. Are there any speeches?—A. No speeches.

Mr. MACDONALD *(Brantford):* Did you not know that?

Mr. BOUCHER: Did you want to do it?

Mr. COLDWELL: No. I just wanted to know if somebody else was doing it.

By Hon. Mr. LaFlèche:

Q. What is the shortwave station doing at Boston? What is its position in the picture?—A. Before the war, Boston had about the only efficient short-wave broadcasting station in the United States. Since the war and especially during the last couple of years quite a number of broadcasting stations were organized in the States at the request of the government by broadcasting organizations. Boston, I think, is now taking second place to these other big stations. They still have their station in Boston, of course.

By Mr. Coldwell:

Q. I suppose the American government arranges the programs on the other side?—A. Yes. It is organized by a department of the government.

Q. Yes. No private organization would undertake that sort of thing?—A. Oh, they do also. The American networks do a lot of broadcasting to foreign countries through the shortwave.

Q. Through the shortwave?—A. Oh, yes.

By the Chairman:

Q. How many mobile units have we overseas at the present time?—A. We have actually four and there is one being bought or procured now; that is, another one.

By Hon. Mr. LaFlèche:

Q. Who picks the people who go over there as your announcers and staff?—A. We do. Our program department does that.

Q. What are their relations with the Canadian armed forces?—A. They are accredited war correspondents. They are in the uniform of war correspondents, the same as any other war correspondent from any other news service.

By Mr. Coldwell:

Q. If they are killed, they are pensionable?—A. Yes, if they are killed. If we base our judgment on the precedent of Eddy Beaudry, they will be pensioned by the government.

By Hon. Mr. LaFlèche:

Q. That case is subjudice?—A. There is still a matter of cash settlement. It has not been settled yet. It is before the court.

By Mr. Coldwell:

Q. What rank do they carry?—A. Captain.

Q. And they get a pension then of a captain?—A. Yes.

Hon. Mr. LaFlèche: Everybody is a captain or a colonel, you know.

Mr. Hanson *(Skeena)*: There are no privates.

By Mr. Hansell:

Q. Is the unit expected to follow up the invasion?—A. Yes, decidedly. We have moved two men from Italy to England for that purpose.

Q. That is, if there is an invasion?—A. Halton and Ouimet were in Italy and were moved to England and replaced in Italy by two others.

The Chairman: Are there any further questions on overseas unit? If not, do you want to discuss any further the matter of controversial broadcasts? If so, now is the time.

By Hon. Mr. LaFlèche:

Q. May I say a word before you come to that. Are you satisfied that you are making sufficient provision to follow the Canadian forces as they advance?—A. Oh, yes. Of course, we are limited by the number of correspondents we are allowed. We are allowed two. They divide the number between the different services. We have two war correspondents and I think there are nine from newspapers and news services.

Q. Is there not an understanding between the several armies of the different nations operating in the same field?—A. In Italy we were controlled, I understand, by the American forces. We got acceptance of our correspondents from the American forces.

Q. The Commander-in-Chief?—A. Yes.

Q. Whoever he may be?—A. Yes.

Q. And he sets up the total possible number?—A. Right.

Q. And that is apportioned between the different countries involved?—A. Yes.

Q. Is that it?—A. That is right.

Q. Are you satisfied with our apportionment?—A. We could use one or two more. We have tried very hard to get them but we were told it was not possible.

Q. Do you know whether or not the same feeling exists with the people of other nations?—A. Oh, I am sure it does, yes.

Q. You are all limited?—A. We are all limited.

Q. I have heard that.

By Mr. Macdonald (Brantford):

Q. Are exchange broadcasts now taking place between members of the armed forces and their next-of-kin back in Canada?—A. You mean those reports from overseas?

Q. I recall in the early days of the war young guests from Britain who were in Canada spoke to their parents back in Britain and their parents spoke to the children?—A. Do you mean is it going on still?

Mr. BUSHNELL: Actually I think what you heard were two Christmas broadcasts in which there were two-way conversations, but the parents of the children now in Canada do talk to their children every Sunday, as a matter of fact.

By Mr. Macdonald:

Q. My question was is there any such arrangement between the members of the armed forces in Great Britain and their parents in Canada?—A. No.

Mr. BUSHNELL: We stopped that eighteen months ago.

Mr. COLDWELL: You did have that.

Mr. BUSHNELL: We did, and discontinued it because of casualties.

Mr. COLDWELL: There were one or two instances of people who were already killed.

Mr. BUSHNELL: We had voices from the dead on the network.

Mr. MACDONALD: Was that done by record?

Mr. BUSHNELL: Yes.

By Mr. Coldwell:

Q. If one of these units is destroyed in the invasion have you replacements?—A. Yes, that is why we have four.

Q. You have plenty of equipment?—A. Yes.

Mr. COLDWELL: I think that is a very excellent service.

The CHAIRMAN: We will now take the matter of controversial broadcasts. Are there further questions or discussion about that?

Mr. COLDWELL: There was a proposal made by the general manager this morning that we should make some recommendations. I do not see how a committee like this can make a recommendation of that kind. I think the feasible thing is to do what was done when the white paper was first established, have a smaller committee meet representing the various political groups with a view to arriving at some understanding. I do not think we can straighten that out here.

Hon. Mr. LAFLÈCHE: Not now, at any rate.

Mr. COLDWELL: Not now, anyhow.

Mr. MACDONALD: I think we can pass that for the time being and come back to it.

Mr. COLDWELL: I think there is a pressing problem. This has been extended to provincial elections. Just before I came into the room this afternoon we had a telegram saying that the Saskatchewan provincial election had been called for June 15th.

Hon. Mr. LAFLÈCHE: Is this Orson Welles?

Mr. COLDWELL: No, this is not a false alarm.

The CHAIRMAN: There will be a lot of noise about it.

Mr. COLDWELL: It may scare some people.

By Mr. Macdonald:

Q. These special broadcasting provisions will now apply to the Saskatchewan area?—A. Right, sir.

Hon. Mr. LAFLÈCHE: Mr. Chairman, while we are on this may I acknowledge with gratitude the habitual courtesy of Mr. Hansell. I got in here late. I was delayed at the door. He passed me over a quotation, or the wording of a short statement he made earlier this afternoon. May I assure Mr. Hansell through you, Mr. Chairman, that of those in this committee when the matter was brought up, I think two weeks ago, no one displayed any narrow-mindedness, I hope, and any remarks I made this morning were without reservation and I had no impressions which knowingly I did not express.

Mr. HANSELL: I think, Mr. Chairman, according to the people who have come to me, the members of the committee who have come to me, I have the support of the committee in the matter I am trying to establish. Might I suggest if we do make any recommendations—I think perhaps we should—the time will come before we close to bring in a report, and perhaps at that time we can make some recommendation or other.

Hon. Mr. LAFLÈCHE: Mr. Chairman, if I may take the liberty of making a suggestion to the committee I think this is a problem that each one of us, at least myself, would like a few days to think over. It came as a surprise to us this morning and I would like until the next meeting of the committee, at least, to think it over. It is all very well to want to do things, but we must do it in a practical way. I would suggest that, Mr. Chairman, if it meets with the agreement of the other members of the committee.

Mr. COLDWELL: There was evidently some discussion on it after I had left.

Hon. Mr. LAFLÈCHE: I think you will want to read what was said.

Mr. HANSELL: Just a few minutes; that is all.

Mr. COLDWELL: I had to leave.

Mr. ROSS: It seems to me there ought to be some way of having it definitely fixed, and not just fixed by regulation of the Board of Governors. After all, the members of the House of Commons who belong to political parties are the ones most directly interested in the matter. Really it is not the Board of Governors which should have the decision in the matter at all.

Mr. COLDWELL: What I meant was there should be a committee representing the various parties in the house.

Mr. ROSS: I quite agree, but I do not think the Board of Governors should take it on themselves to make arrangements without consultation with members of parliament.

Hon. Mr. LAFLÈCHE: What I was advocating was that we take until next week to think it over.

Mr. Ross: What raised the controversy before us was that the Board of Governors made regulations without consulting the members of parliament. I am sure that each one of us as a member of parliament wants to be quite fair with the whole thing.

Mr. PICARD: The Board of Governors had the final authority, but you mean they should have consulted before they enacted these rules.

Mr. Ross: There should be something definite about how it is going to be done. I do not think it should be just left to making a new regulation every now and again. We will have to get some basis.

Mr. HANSELL: I think the Board of Governors would be glad to have any recommendations, and I suggest before the committee ends its session that we embody some recommendation in our report.

Mr. COLDWELL: In the meantime you agree with what the minister has said that we should have a few days to think it over?

Mr. HANSELL: Yes, you can have a few weeks as far as that goes.

Mr. Ross: What about the situation in Saskatchewan?

Mr. COLDWELL: That will have to be discussed by the representative of the Board of Governors and the representative of the parties in Saskatchewan.

Hon. Mr. LAFLÈCHE: They will not agree as far as the Board of Governors are concerned. Nobody can take it upon himself to try to bind the Board of Governors under the laws which exist.

The WITNESS: What we will try to do, as we have done in the past, is to treat each party in the province fairly. There are big problems to be solved which are not easy. When there is a coalition government how are we going to treat each group? If there are three parties in the coalition are they each going to have their time against one party in the opposition, or what? That is the difficult problem.

Mr. COLDWELL: That is a matter you have to straighten out with the political parties in the province. You did in the Ontario election and it worked out all right.

Hon. Mr. LAFLÈCHE: With all respect to the gentlemen who have said anything about it, are we not a little overdisturbed about that? In previous elections did you not get through them without too much heart burning?

Mr. HANSELL: The only thing is if these are going to be hard and fast rules during an election time it makes it a little difficult. I personally think we can strike an agreement.

The WITNESS: Even if we have no regulation in respect to time division on private stations we always try to help by working with the private stations to divide the time. If any group complains that a station does not give proper time or consideration to their candidate or their people we try to arrange things so they will be satisfied.

Mr. HANSELL: Apart from political broadcasting in the report this section deals with another matter, and that is broadcasting by commentators, and so forth.

Mr. PICARD: Where is that?

Mr. HANSELL: It is page 71 and the top of page 72. It all comes within the scope of broadcasting in general, and then comes "Of Things to Come" which some regard as a bit controversial. Might I bring this to the attention of the committee? I wonder if Dr. Frigon has seen this little publication here?

The WITNESS: I have not.

Mr. HANSELL: Evidently it is public property now because it can be bought for the price of 25 cents. I believe nearly all members of parliament have

received a copy of it. The content that affects this committee is the publication of a series of letters, correspondence, between the author of this pamphlet, Mr. John J. Fitzgerald, and one or two ministers of the government. The pamphlet itself is entitled "Help, a Shrill Call from the Atlantic Charter" in the form of an open letter "To Whom it may Concern" with addenda. The content of the publication is a discussion in respect to the Polish border dispute, but that does not concern this committee. The thing that concerns the committee is that there are certain allegations in the correspondence which have passed between this gentleman and the ministers. The tenor of it is that it is a complaint that the exponents of communism are making inroads into the Canadian Broadcasting Corporation programs. If the allegations described here are true I think the matter cannot go by without some comment. I might read a little bit. Perhaps some of you have read some of it.

Mr. COLDWELL: How long have you had it? I have never seen it.

The CHAIRMAN: It just came yesterday.

Mr. HANSELL: I have had it since about last Friday.

Mr. COLDWELL: I have not seen one.

Mr. MACDONALD: One was mailed to me. I received it yesterday.

The CHAIRMAN: Over the weekend.

Mr. HANSELL: I do not know this gentleman at all but from the type of letter he writes he seems to be a reputable gentleman. He writes to Mr. Neil M. Morrison, supervisor of talks and public affairs, Canadian Broadcasting Corporation, and he makes his complaint. He also writes to the Minister of Finance whom he thinks can do something in the matter and writes to him because he, the writer, is the chairman of the victory loan campaign in his particular district.

Mr. COLDWELL: Where does he come from?

The CHAIRMAN: The publication is from Sault Ste. Marie and he lives at Blind River. I know him very well.

Mr. HANSELL: The Minister of Finance answered him quite courteously and passed his letter over to the Minister of War Services; and the Minister of War Services answers courteously and passes the correspondence over to the C.B.C. officials. Now, I will read a little bit of this pamphlet so that you may get a better idea of what it is about. In one letter which he writes he gives a comment that has been passed on to him from what he regards as a reputable source but he does not give the name of the man who makes the comment, but he says:—

> I think you will have to probe much further back than young Mr. Morrison to find the real niggers in the woodpile. One of the biggest is Richard Stanton Lambert, chief adviser to the C.B.C. on talks and the like. He is an arrant Leftist . . . .

I might comment here that Mr. Fitzgerald says that when he uses the term leftist he really means a communist.

> . . . and is the new chairman of the Writers', Broadcasters' and Artists' War Council, five of whose seven branches were personally organized by a member of Tim Buck's national executive. I believe that investigation would show that the C.B.C. staff was honeycombed with Leftists.

Perhaps it might be in the minds of some that I should not bring this matter up, but the fact of the matter is that the document is public property now and I think this matter should be brought up. Then he goes on to say:—

> There is one bit of background that you ought to know. One of the most aggressive and dangerous men in the Communist Party of Canada is a young Russian named Davinsky. Under the name of "Roy Davis", he was a leader in the Young Communist League from about 1933 to

1939, and was the first editor of the Communist Youth publications, *New Advance.* In 1939-41 he faded out temporarily, but re-emerged under a new name as "Raymond Arthur Davies", contributing a flood of articles to the *Toronto Daily Star* and even to such capitalistic papers as *Saturday Night.*

I do not think I will read it all, but there follows this portion:—

Aided by his vogue in these new journalistic circles, he took the main initiative in August, 1942 in organizing in Toronto the united front "Writers', Broadcasters' and Artists' War Council", whose secretary he became and into which he brought such notorious Communists as Ed Yardash and A. A. McLeod. Next year he made a trip through western Canada, actually addressing Canadian Clubs, and organized five new branches of the "War Council". In 1943, he also published a villianous piece of propaganda, entitled This is Our Land, in which he tried to whitewash the Ukrainian Labour-Farmer Temple Association. In the fall of 1943, friends in Toronto raised enough funds to send him to Moscow to cover the Moscow Conference and to stream-line propaganda for the Canadian public. And now, for the past month he has been quoted almost daily on the national news summary of the C.B.C. as the authority for vivid little items on Soviet achievement on the industrial front. (By the way, he was listed with his photograph, in the Canadian *Tribune* for August 28, 1943, as a member of Tim Buck's new national executive.) The question is how does a high ranking Communist have the inside track with the C.B.C.? Why is his clever propaganda thrust daily into every Canadian home? The president of the War Council, of which Davies-Davinksy is secretary, is R. S. Lambert, chief adviser on talks to the C.B.C.

Now, I could read a lot more. I have read only part. There is here a letter to Major-General L. R. LaFléche, and I am not breaking any confidence when I read it because it is all in here and this pamphlet has been sent to all members of parliament:—

In my letter to Mr. Ilsley I appealed to him "not to rest" until something is done to put a stop to prevalent abuses in the C.B.C. The same letter constituted a covering letter for copies of other communications which dealt with the "abuses".

The abominable situation is disclosed in the following information sent to me by an erudite, reliable, well-informed Canadian:—

(*a*) That Richard Stanton Lambert, chief adviser to the C.B.C. on talks and the like is an "arrant Leftist".

(*b*) The belief that "investigation would show that the C.B.C. staff is honeycombed with Leftists."

(*c*) That Richard Stanton Lambert is the new chairman of the "Writers', Broadcasters' and Artists' War Council."

(*d*) That five of the seven branches of that War Council were personally organized by a member of Tim Buck's national executive.

I mentioned to Mr. Ilsley that the above information is not within my personal knowledge but that I accept the authority of the one who sent it to me. The Department of Justice is in a position to promptly establish the facts.

And then a little further on he says:—

My protest as one of His Majesty's subjects is against the use of the broadcasting facilities controlled by His Majesty's Government in Canada

as an instrument to deliberately undermine the institutions symbolized by the Crown; especially at this hour when the blood and treasure of the nation is being poured out in defence of those institutions.

I do not think I need to read any more, Mr. Chairman.

Hon. Mr. LAFLÈCHE: Is it not stated that I passed that on to the proper authorities?

Mr. HANSELL: Yes, I think I mentioned that, general. I do not know whether Dr. Frigon would care to comment on this; perhaps he would like to look it over; but I believe a comment on it is due. I might say that when I raised the issue in parliament some months ago I mentioned our C.C.F. friends. Perhaps I should not have mentioned them; I do not know. I am not connecting them with the communists at all. I do not regard my friend, Mr. Coldwell, as being a dangerous man in any way. I think he is a very fine man and I think he personally would like to do what is right by the country.

Hon. Mr. LAFLÈCHE: The truth about that is that nobody considers him dangerous.

Mr. HANSELL: I think he has a perfectly honest desire—

Mr. COLDWELL: Mr. Chairman, you may remember that two years ago I was very critical of Mr. Lambert in another connection. I felt he was not the proper man to be in charge of these broadcasts, not on account of his political views, but on account of the fact that, perhaps, he was not quite sufficiently conversant with the school system and the educational system of this country. However, I think we in this committee should guard ourselves against anything in the nature of a heresy hunt. As Mr. Hansell said, I have no connection with the communists. As a matter of fact, I think that over the past few years it can be shown that I have probably been the target of more personal abuse from members of that party than any other members of the House of Commons. I have a file upstairs which I go over once in a while. As a matter of fact, I had a very abusive letter this morning. However, I feel this way about this matter: we should not penalize a man for his political views. It is perfectly true, perhaps, that from time to time somebody with a very definite slant on Russia may speak over the air but, on the other hand, let us not forget this that all the time we have people with very different slants broadcasting on the other side of the fence. If we are going to have freedom of speech, I do not think we can deny anybody the right to hold political views provided they are doing their duty properly. As for this suggestion that, perhaps, there is a hidden hand in the C.B.C. broadcasts, I listen whenever I can, and I have someone who listens all the time and tells me about these broadcasts and I have never felt there was any attempt on the part of anybody to tinge the news or commentaries in favour of any particular side, whether the extreme right or extreme left. I think we get views that are on the extreme right and on the extreme left; but in a free country we should have those views expressed quite freely.

Now, I am surprised to hear about Raymond Arthur Davies. I have been reading his articles. I did not know what his background was at all. That strikes me, as far as that goes, as being a matter between Mr. Davies and his employers, whoever they may be. I do not think we should put ourselves in the position of the Dies committee of the United States which went on a heresy hunt and did, I believe, a good deal more harm than good.

I believe you all know that I have no confidence in the Communist Party which has changed its tune almost from month to month, and which a few months ago was denouncing us because we were not socialists and to-day are denouncing us because we are too socialistic. However, I just want to make the comment that we have to be careful not to go heresy hunting in these days. I believe this is a reflex from former times when Russia was held up as being a big bogie; now she is a very excellent ally; and I really think that the people who held

Russia up as a big bogie are inclined to-day to go to the opposite extreme and overlook any of the failings of Russia or any of the things we disapproved of in Russia. We have to keep our balance. We should proceed with care. I have no objection, of course, to Mr. Hansell's suggestion that the general manager of the C.B.C. should look into this matter, but I do not think the purpose of this committee should be to engage in anything approaching a heresy hunt or a hunt for hidden leftists in the C.B.C. I do not think they influence the C.B.C.

Mr. HANSELL: Mr. Chairman, I do not want to do that either. The position is this. As I see it we all have certain convictions. At this particular time we are living in a period when a war is being fought and Russia is our ally; so I do not want to say anything or have anything done that would cause any misunderstanding between Canada and the British empire and Russia at this time. But here is the position as I see it—I will watch my words, perhaps—personally I believe there is an attempt being made to sell Canada and our democratic way of life over to communism. Now, the public of Canada are paying very largely the shot of the Canadian Broadcasting Corporation, and I for one am not going to see Canada sold out without a tremendous protest. This Canadian Broadcasting Corporation is the most powerful medium of propaganda in Canada to-day, and if, as this gentleman describes in his pamphlet, any of these things are so, Canada will be sold out right under our noses, and I do not want that nor does anybody else in this committee. This gentleman does not blame the officials of the Canadian Broadcasting Corporation. If you read the pamphlet carefully you will see that the writer takes the attitude that these officials who are responsible are not aware of what is going on. If there is that danger, then I say that the corporation had better be aware of it. Because after all, it does not matter whether it is a committee or whether it is a member of parliament or anything else, we are custodians of the interests of the Canadian people. If Dr. Frigon wants to comment now, all right. But I should like to ask if Mr. Lambert is connected with the corporation at this time.

The WITNESS: He is on our staff. The only comment I could make is this. To my knowledge there has never been any sign or any reflection of his particular opinions in his work. On the contrary, he has been responsible for truly Canadian broadcasts in the educational field.

Mr. HANSON (*Skeena*): Are Mr. Lambert and Mr. Davies the same person?

Mr. HANSELL: No. They are two different persons. Might I say that I do not think this comes exactly in the realm of politics. I do not look upon communism as being embodied in a political party. Communism is a way of life, to my mind; and it is a way of life that is contrary to the democratic way of life of the Canadian people.

Mr. PICARD: Do you not think that a perfectly loyal citizen might feel differently? I am not advocating it or defending it. But do you not think that liberty of thought, liberty of the press, and liberty of expression might lead us to give them the same treatment? I am not advocating it, but would those principles not lead us to give the same treatment to fair-minded people who might have these views, and who might be just as patriotic as any others? We live in a strange world. With all due respect to Mr. Hansell, we had some time ago Mr. Hansell advocating that people having his views should be recognized as a national party in Canada and get equal time on the air with other parties and so on. Now he comes and says that other parties, because they have different views, should not be represented anywhere. I am not advocating and I am not defending the communist way of life. But if we are to uphold liberty of expression, liberty of thought and liberty of the press, how can we prevent some people from having these views? It might be all right to prevent them from causing harm and to make sure that the Canadian network does not spread their views. But is it not clear that there might be men who might have the goodwill

and the same true purpose as Mr. Hansell would have but who would believe differently and would be sincere in those views? The question is: where does liberty of expression start and where does it end?

Mr. HANSELL: I have no objection to all sides of the question being discussed. I have no objection to that at all. But if this man's accusations are true at all—

Mr. HANSON (*Skeena*): He should not hold that position.

Mr. HANSELL: Right, I do not think he should do so. To answer Mr. Picard, I have already said that I do not regard the thing as a competition between two political parties. It goes far beyond that. It is a matter of whether we are going to live and have in Canada the true expression of our democratic way of life or whether we are going to be run by a communist philosophy.

Mr. PICARD: Is it not part of the democratic way of life to allow every citizen to express his views within the limitation put on by law?

Mr. HANSELL: Yes. I have no objection to that.

Mr. COLDWELL: If Mr. Lambert has those views, that is another matter. As I say, I was critical of him on another ground. I know I just have that criticism of him, that he probably has not been in the country sufficiently long to understand our educational system to the extent that would make him the proper man to supervise school broadcasting. But in fairness to Mr. Lambert, I think I should say this. I used to listen, perhaps because I had so many relatives in the old land, to his Sunday broadcasts "Letters from Home." That was during the period of time when the communist party was doing everything possible to undermine our war effort. At that time Mr. Lambert certainly was not following the party line, if he was a communist member or a fellow traveller; because I think his broadcasts at that time were distinctly morale building, just quite the opposite of what the communist party was doing throughout that period. If he were a communist, he concealed it very cleverly in his broadcast "Letters from Home".

Hon. Mr. LAFLECHE: Is he a new arrival?

Mr. COLDWELL: He had been in the country about six years. Major Gladstone Murray brought him, I believe. I think we should suspend judgment on the matter in the meantime.

Hon. Mr. LAFLECHE: Mr. Chairman, is there not really only one point to be considered, and that is to make certain that no employee of the C.B.C. abuses his position?

Mr. HANSELL: I think it goes farther than that. I think there would be a lot of objection here, and I am putting it purely on party lines now, which is much narrower than the broad lines of philosophies. But putting it on party lines, I think there would be a tremendous cry go up if the chief adviser of the talks department were to be the organizer of the Liberal party, the Conservative party or any other party.

The CHAIRMAN: Is not your principal objection that a subtle method is being used?

Mr. HANSELL: Exactly.

The CHAIRMAN: That officers of the corporation are being made instruments unknowingly?

Mr. HANSELL: Exactly.

The CHAIRMAN: Of a philosophy that perhaps should not come over the air?

Mr. HANSELL: Exactly.

The WITNESS: Mr. Chairman, is there anything in the book Mr. Hansell has referred to, referring to the actions of Mr. Lambert as a member of our staff which would reflect his communistic inclinations? Has he done anything in his work that would reflect that?

Mr. HANSELL: He does not state that. To my mind that does not make any difference.

Hon. Mr. LAFLECHE: He is really warning the corporation to look him up and find out what he is.

The CHAIRMAN: I might interject here that I had correspondnec a year ago with Mr. Fitzgerald in which he objected to the type of some of the talks that were given, in that they were what he considered propaganda for the communists, and that there should be closer supervision and censorship of the type of talks that were given. That was his objection.

Mr. COLDWELL: Then we lose all freedom expression of the air, if there is censorship.

The CHAIRMAN: I am only putting to you what he put to me.

Mr. HANSELL: I do not believe we have to lose freedom on the air by taking the greatest care. As the chairman has very aptly expressed it, there is a very subtle attempt being made, I am perfectly convinced in my own mind, to bring communism into Canada, a thing that was outlawed a few months ago, and a thing on which I recommended that the ban should be lifted. I recommended that because I wanted these men to come out in the open. It strikes me that if the ban had been lifted the situation would have been better than it is to-day. What is happening to-day is that they work under cover under the names of all sorts of things. I can tell you, Mr. Chairman, to my mind that is a very, very grave danger in Canada.

The WITNESS: Mr. Chairman, Mr. Lambert works under the immediate direction of Mr. Bushnell. Would you like Mr. Bushnell to express his views at this time on this matter?

Mr. HANSELL: That would be all right. Perhaps Mr. Bushnell would like to look over this pamphlet first.

Mr. BUSHNELL: Mr. Chairman and gentlemen, I do not think it is even essential that I should look over it, because in the first place we have had considerable correspondence with Mr. Fitzgerald; and, if I may use the expression, I think that he is a fanatic. Mr. Fitzgerald has taken it upon himself to come to our office and discuss this matter with Mr. Morrison, and I do not think that it is possible to persuade him, no matter what argument you use, that we are not loaded with people with strong political views. I should like to correct one thing. Mr. Lambert is not in charge of talks. He has nothing whatsoever to do with them. The second thing is that he belongs to this club, I am told, but that the club includes other prominent writers and authors in the Dominion of Canada. One of the gentlemen who belonged to it and was responsible for the forming of the club was Mr. John Collingwood Reade whom many of you know. There are men of his standing in the community who belong to that club. It was a sincere effort on the part of the writers and the authors to help in the war effort. I regard this as being very dangerous and very damaging.

Mr. HANSELL: So do I, on the other side.

Mr. BUSHNELL: I should just like to say one word more. This same allegation has been made with respect to the people in our news department. I am prepared to put before you sworn affidavits that there is no man of any importance in our news department who belongs to any political party. I think it high time that a stop was put to this, once and for all. The C.B.C. is not

riddled or honeycombed with people of any "ism" or any political party. Personally, I take it upon myself to assure you that those canards that have been circulated around the country are nothing else but that and I resent the implication very strongly.

Hon. Mr. LAFLÈCHE: Mr. Chairman, Mr. Bushnell very kindly gave us some assurance. He said that he did not think that Mr. Fitzgerald could be convinced of the point. I take it that he, Mr. Bushnell, is convinced that there is no foundation to those charges, shall I call them.

Mr. BUSHNELL: Absolutely.

Hon. Mr. LAFLÈCHE: In regard to Mr. Lambert.

Mr. BUSHNELL: Quite right. What Mr. Lambert's views are I really do not know.

Hon. Mr. LAFLÈCHE: There was another gentleman named.

Mr. BUSHNELL: Mr. Morrison?

Hon. Mr. LAFLÈCHE: No, not Mr. Morrison. I think it was Davies.

Mr. BUSHNELL: I should like to put that straight. Raymond Arthur Davies is not an employee of the C.B.C. He was not sent to Russia by the C.B.C. He contributes articles to *Saturday Night* and he contributes articles to the Toronto *Daily Star*. He went, so far as I know, absolutely on his own, in a purely speculative way. We do receive from him and pay him for certain messages that are transmitted by cable.

The WITNESS: But we do not have to accept them.

Mr. BUSHNELL: We do not have to accept them. As a matter of fact, I shall be very glad to put before you the contract or arrangement as evidenced by the letters between Mr. Davies and the C.B.C. They will make it very clear to you just what that arrangement is. We have never felt that we should not use a Canadian, irrespective of what his views might be. If he was successful in getting into Russia and he can tell us something about what is happening in that country, an ally of ours, why in the name of heaven should we shut him off?

Hon. Mr. LAFLÈCHE: Do not ask us. We are asking you.

Mr. BUSHNELL: Well, I mean I do not think there is any justifiable reason why we should not make use of his reporting talent when it is used by such excellent journals as the Toronto *Star* and *Saturday Night*. He also writes for a great many publications other than those. I know some of his background, and I think some of the things Mr. Fitzgerald has said are quite true.

Hon. Mr. LAFLÈCHE: Mr. Chairman, I raised the point all the more readily because I know neither Mr. Lambert nor Mr. Davies; at least to my knowledge I do not recall them.

Mr. HANSELL: Well, Mr. Chairman, I brought it up and I still claim that the officials of the Canadian Broadcasting Corporation have got to be on their guard in every possible way.

The WITNESS: We are.

Mr. HANSELL: Lest this country is sold down the river.

By Hon. Mr. LaFlèche:

Q. Have we the assurance that the, shall I say, plain warning that has been voiced this afternoon by Mr. Hansell will be brought to the immediate attention of the Board of Governors of the Canadian Broadcasting Corporation?—A. Certainly. But it would help again if we had a direct reference to what has been observed in our work which might be objectionable. It is all right to say that

a man is a communist or that he is not a communist. But from that, to infer that the C.B.C. is influenced by his thoughts is another thing. We would like to have a reference to what is done on our network or in our organizaton, which really is affected by the opinion of Mr. Lambert or anyone else.

Mr. COLDWELL: I think we had better follow the age old custom of democracies, and particularly the democracy from which we inherit so many institutions. In my opinion, the best way to promote subversive movements is to drive them under cover, so to speak, and the more freedom of speech we have the less danger there is to the country. I do not think any man should be prohibited from holding a position because of his political views, whatever those may be. I think we would be embarking on something very dangerous if we endeavoured to sort the C.B.C. officials out according to their political likes and dislikes. I think it is treading on very dangerous ground. I remember when we used to go down to Hyde Park. You could hear anything said, and I believe because you could hear anything said in Hyde Park democracy in Britain is in less danger than it is in almost any other country in the world.

Hon. Mr. LAFLÈCHE: I think the corporation can find a very good example in section 55, I believe, of the Civil Service Act. The section of the Act I have in mind is a warning and prohibition to those who earn their living by way of salaries, remuneration, from the public, from abusing their position. I think that is the point, apart from the general warning given us by Mr. Hansell.

Mr. COLDWELL: I am in the sharpest disagreement with that. I, myself, received my salary from the public funds for years. If there was one thing I fought for it was the right of the public servant to free expression of his political views, and to take part in any activities he liked within the community.

Hon. Mr. LAFLÈCHE: The Civil Service Act is the law of the land.

Mr. COLDWELL: I want to see that preserved. I do not want to see any interference with that right. Otherwise, what are you doing? You start with the federal civil servants and provincial civil servants and extend it to the C.B.C., and as we have more and more institutions under government ownership and control, as we are getting in spite of the dislike some people have for it, we are going to find by and by a very large percentage of our population will be entirely removed from any public activity. I think that is wrong.

Hon. Mr. LAFLÈCHE: May I remark, Mr. Chairman, that the Civil Service Act has been operative for many years and amongst civil servants the meaning is perfectly clear. They lead very happy lives without going outside, in their actions, the limits set by section 55, I think it is, of the Civil Service Act. It is not a prohibition to the extent of limiting people's thoughts, but in their actions while they are civil servants they take no part in politics. I do not know whether Mr. Coldwell is against the theory or not, but I would say it has worked very well, and most of those who know Ottawa would agree heartily.

Mr. COLDWELL: What I am pointing out, Mr. Minister, is that the C.B.C. is not part of the civil service.

Hon. Mr. LAFLÈCHE: No, I agree, and when I made the suggestion I said they would find a good example there that they might adapt to the particular position and circumstances of radio broadcasting. In other words, it means that a man is not supposed to abuse his position.

Mr. PICARD: If I might put in a word before we adjourn as to the question of banning a political party's expression of views in peace time might I remind members of the committee of the attitude which was taken by my former leader, the late Mr. Lapointe. He was urged by some elements of the church in his province and by some laymen to condemn or ban the Communist party in Canada. He held that at all times in peace time, not in war time, liberty of opinion was the best way to proceed, as expressed a moment ago by Mr. Coldwell, so that the

people may sort out the value of views as expressed by different parties. He held that our democratic institutions were such that in peace time when there is not the urgency of war liberty should be allowed, and that the truth will finally out, that the views of parties which are not good for the country will not triumph, and that prosperity in the country, more than banning the political party, will bring about the stoppage of ideas expressed by the Communist party.

Mr. COLDWELL: I think the proof of that is, as a matter of fact, that after twenty-five years of active propaganda in this country the Communist party, or Labour Progressive party, as it calls itself now, has a very small following in this country.

Mr. LAFLÈCHE: My suggestion had not any particular reference to any particular trend of thought. It would apply generally to all people in a position like civil servants. They should live more quietly in that one respect than ordinary citizens.

Mr. HANSELL: Might I ask Dr. Frigon or Mr. Bushnell when they decide on a series of talks what is the method which is used? What do you do? Do you just suddenly decide and ask somebody to do it?

The WITNESS: The topic is fully discussed by Mr. Bushnell and his men, and possibly followed by a discussion with the general manager. Once the formula is established it is up to the man in charge to follow through. If the thing was to go wrong, it would be corrected immediately. Of course, nobody would maintain that we are not watchful. We allow free speech, but nevertheless we maintain certain discipline in our programs.

Mr. HANSELL: What I mean is this: suppose you decide on a certain topic, say, for instance, something to do with world relations. You are going to discuss the peace terms or something of that kind. I fancy you would naturally say, "Mr. So-and-so and Mr. So-and-so and Mr. So-and-so seem to be more or less experts along this line. Let us call them in." It might turn out that these Mr. So-and-sos all have one particular view. You decide on a certain course of action. The result is the program might all be along similar lines, and by the time the program is finished there has been a certain view put over to the Canadian people which runs all through it. I should like to ask this: do you say, "Well, we had better call in Mr. So-and-so and Mr. So-and-so and Mr. So-and-so who has the very opposite view," and not leave it and take it for granted just because these certain individuals who are experts, or considered to be experts along some line, that therefore their philosophy is correct?

The WITNESS: Is there any indication in any of our programs that anyone has control of the philosophy of any of our programs? That should be the answer. We do seek the advice of people holding different opinions. In any of these broadcasts, especially of a controversial nature, any discussion broadcasts, you certainly have noticed yourself that the exponents of all philosophies, so to speak, have an opportunity to express their views.

Mr. COLDWELL: I know I have only been on one broadcast, but I can say that very great care was exercised by the persons who organized it to find somebody who had a very distinctly opposite view to mine, and they succeeded.

The CHAIRMAN: Order, please; that will end the discusion for to-day. What will be the agenda for the meeting next week? Will we continue with Dr. Frigon and have Mr. Bushnell? Is that satisfactory?

Mr. HANSELL: May I say in connection with the agenda that I cannot be here in the week of the 24th. Of course, you do not need to take that into consideration unless you want to, but whatever you have on that week I would just as soon that it be something in which I am not particularly interested. I was wondering if we might forgo that week and have two or three days in succession

the following week. My thought is, for instance, that when the budget is brought down there is a full dress debate and you know when you are coming on. We might be able to be absent for a few days then.

Hon. Mr. LAFLÈCHE: When is the Sabbatical week?

Mr. HANSELL: It may not be the week I want to be away.

Mr. COLDWELL: May I just interrupt and say that I am going to take a couple of weeks' holiday in Saskatchewan soon.

The CHAIRMAN: All of which is more reason why we should proceed a little more expeditiously than we have been doing. I had thought to-day we might get through with the examination of Dr. Frigon, and although there has been a very interesting discussion we have not accomplished as much as I had hoped for, but I will let it go at that. Next week we shall continue with Dr. Frigon, and if possible have Mr. Bushnell's presentation with reference to his particular activities. We shall take into consideration the suggestion of Mr. Bushnell with reference to the following week.

The committee adjourned at 5.15 o'clock p.m. to meet again on Wednesday, May 17, 1944, at 11 o'clock a.m.

APPENDIX G

CHANGES IN PRIVATE COMMERCIAL BROADCASTING STATIONS APRIL 1, 1943—MARCH 31, 1944

CHANGE IN NAME—

Ontario—Hamilton—CHML—from Maple Leaf Radio Co., Ltd. to *Kenneth D. Soble.*

" —St. Catharines—CKTB—from E. T. Sandell to *The Silver Spire Broadcasting Station Ltd.*

CHANGE IN CALL SIGN—

Manitoba—Winnipeg—from CJRC to *CKRC* Transcanada Communications Limited.

Winnipeg—from CJRO to *CKRO* Transcanada Communications Limited.

Winnipeg—from CJRX to *CKRX* Transcanada Communications Limited.

Ontario—Brockville—from CFLC to *CFBR* J. C. Whitby.

Kenora — " CKCA to *CJRL* Kenora Broadcasting Co. Ltd.

Toronto — " CBY to *CJBC* Canadian Broadcasting Corporation.

Saskatchewan—Regina—from CJRM to *CKRM* Transcanada Communications Limited.

INCREASES IN LICENSED POWER—

Manitoba—Flin Flon—CFAR—Arctic Radio Corporation from 100 watts to 250 watts.

Ontario—Kenora—CJRL—Kenora Broadcasting Company Limited from 250 watts day, 100 watts night to *1000 watts.*

Quebec—Three Rivers—CHLN—Le Nouvelliste Ltee. from 100 watts to *250 watts.*

CHANGE IN FREQUENCY—

Manitoba—Flin Flon—CFAR—Arctic Radio Corporation Ltd., from 1400 Kc/s to *1230 Kc/s.*

Ontario—Kenora—CJRL—Kenora Broadcasting Co. Ltd., from 1450 Kc/s to *1220 Kc/s.*

CANADA

DEPARTMENT OF TRANSPORT

OTTAWA

LIST OF BROADCASTING STATIONS IN CANADA

(as of April 1, 1944)

Call Sign	Name of Licensee and Address of Main Studio	Frequency (KC/S)	Operating Power (Watts)
CBA	Canadian Broadcasting Corporation, Sackville, N.B.	1070	50000
CBF	Canadian Broadcasting Corporation, 1231 St. Catherine St. W., Montreal, P.Q.	690	50000
CBFW	Canadian Broadcasting Corporation, 1231 St. Catherine St. W., Montreal, P.Q.	6090	7500
CBFX	Canadian Broadcasting Corporation, 1231 St. Catherine St. W., Montreal, P.Q.	9630	7500
CBFY	Canadian Broadcasting Corporation, 1231 St. Catherine St. W., Montreal, P.Q.	11705	7500
CBFZ	Canadian Broadcasting Corporation, 1231 St. Catherine St. W., Montreal, P.Q.	15190	7500
CBJ	Canadian Broadcasting Corporation, Chicoutimi, P.Q.	1580	1000
CBK	Canadian Broadcasting Corporation, Watrous, Sask.	540	50000
CBL	Canadian Broadcasting Corporation, 805 Davenport Rd., Toronto, Ont.	740	50000
CBM	Canadian Broadcasting Corporation, 1231 St. Catherine St. W., Montreal, P.Q.	940	5000
CBO	Canadian Broadcasting Corporation, Chateau Laurier Hotel, Ottawa, Ont.	910	1000
CBR	Canadian Broadcasting Corporation, Hotel Vancouver, Vancouver, B.C.	1130	5000
CBRX	Canadian Broadcasting Corporation, Hotel Vancouver, Vancouver, B.C.	6160	150
CBV	Canadian Broadcasting Corporation, Chateau Frontenac Hotel, Quebec, P.Q.	980	1000
CJBC	Canadian Broadcasting Corporation, 805 Davenport Rd., Toronto, Ont.	1010	1000 DA
CFAC	The Southam Company Ltd., Southam Bldg., Calgary, Alta.	960	1000
CFAR	Arctic Radio Corporation, 75 Hill Street, Flin Flon, Man.	1230	250
CFBR	J. C. Whitby, Fulford Bldg., Brockville, Ont.	1450	100
CFCF	Canadian Marconi Co. Ltd., 1231 St. Catherine St. W., Montreal, P.Q.	600	500
CFCH	R. H. Thomson, 37 Main St. E., Capitol Bldg., North Bay, Ont.	600	100
CFCN	The Voice of the Prairies, Ltd., Toronto General Trusts Bldg., Calgary, Alta.	1010	10000
CFCO	John Beardall, William Pitt Hotel, Chatham, Ont.	630	100
CFCX	Canadian Marconi Co. Ltd., 1231 St. Catherine St. W., Montreal, P.Q.	6005	75
CFCY	The Island Radio Broadcasting Co. Ltd., 85 Kent Street, Charlottetown, P.E.I.	630	1000
CFGP	Northern Broadcasting Corp. Ltd., Northern Broadcasting Building, Grande Prairie, Alta.	1340	250
CFJC	Kamloops Sentinel, Ltd., 310 St. Paul St., Kamloops, B.C.	910	1000
CFNB	James S. Neill & Sons, Ltd., York St., Fredericton, N.B.	550	1000
CFOS	H. Fleming, 904-2nd Ave. East, Owen Sound, Ont.	1400	250
CFPL	The London Free Press, Printing Co. Ltd., 442-446 Richmond St., London, Ont.	1570	1000 DA
CFPR	Northwest Broadcast & Service Co. Ltd., 336-2nd Ave., Prince Rupert, B.C.	1240	50
CFQC	A. A. Murphy & Sons, Ltd., Murphy Building, First Ave. S., Saskatoon, Sask.	600	1000
CFRB	Rogers Radio Broadcasting Co. Ltd., 37 Bloor St. W., Toronto, Ont.	860	10000
CFRC	Queen's University, Fleming Hall, Kingston, Ont.	1490	100
CFRN	G. R. A. Rice, C.P.R. Bldg., 10012 Jasper Ave., Edmonton, Alta.	1260	1000
CFRX	Rogers Radio Broadcasting Co. Ltd., 37 Bloor St. W., Toronto, Ont.	6070	1000
CFVP	The Voice of the Prairies, Ltd., Toronto General Trusts Bldg., Calgary, Alta.	6030	100
CHAB	C. H. A. B. Limited, Grant Hall Hotel, Moose Jaw, Sask.	800	1000

LIST OF BROADCASTING STATIONS IN CANADA

(as of April 1, 1944)

Call Sign	Name of Licensee and Address of Main Studio	Frequency (KC/S)	Operating Power (Watts)
CHAD	R. H. Thomson, (Northern Broadcasting & Publishing Ltd.) Amos, P.Q.	1340	250
CHEX	Peterborough Broadcasting Co. Ltd., Hunter & Water Sts., Peterborough, Ont.	1430	1000 DA
CHGB	G. Thomas Desjardins, Main St., St. Anne de la Pocatiere, P.Q...	1230	250
CHGS	R. T. Holman, Ltd., Holman Bldg., 190 Water St., Summerside, P.E.I.	1480	100
CHLN	Le Nouvelliste Ltee., Hotel Chateau de Blois, Three Rivers, P.Q.	1450	100
CHLP	La Patrie Publishing Co. Ltd., Sun Life Bldg., Montreal, P.Q....	1490	250
CHLT	La Tribune Ltee., 3 Marquette St., Sherbrooke, P.Q.....	1240	250
CHML	Kenneth D. Soble, Pigott Bldg., James St. S., Hamilton, Ont....	900	1000
CHNC	The Gaspesian Radio Broadcasting Co., Ltd., Main St. and Blvd. Perron, New Carlisle, P.Q.	610	1000
CHNS	The Maritime Broadcasting Co. Ltd., Broadcasting House, 10 Tobin St., Halifax, N.S.	960	1000
CHNX	The Maritime Broadcasting Co. Ltd., Broadcasting House, 10 Tobin St., Halifax, N.S.	6130	500
CHOV	D. A. Jones, Provincial Bank Bldg., Pembroke, Ont.....	1340	250
CHPS	Gordon E. Smith, 47A James Street, ParrySound, On.....	1450	250
CHRC	C. H. R. C. Limited, 11 Buade Street, Quebec, P.Q.....	800	1000 DA
CHSJ	New Brunswick Broadcasting Co. Ltd., 14 Church St., Saint John, N.B.	1150	1000
CHWK	Chilliwack Broadcasting Co. Ltd., Wellington Ave., Chilliwack, B.C.	1340	100
CJAT	Kootenay Broadcasting Co. Ltd., 814 Victoria St., Trail, B.C...	610	1000
CJBR	J. A. Brillant, 1 St. Jean St., Rimouski, P.Q.....	900	1000
CJCA	The Southam Co. Ltd., 10113-104th St., Edmonton, Alta.....	930	1000
CJCB	Eastern Broadcasters Ltd., Radio Bldg., 318 Charlotte St., Sydney, N.S.	1270	1000
CJCJ	The Albertan Publishing Co. Ltd., 120-7th Ave. West, Calgary, Alta.	1230	100
CJCS	Frank M. Squires, 23 Albert St., Stratford, Ont.....	1240	50
CJCX	Eastern Broadcasters, Ltd., Radio Bldg., 318 Charlotte St., Sydney, N.S.	6010	1000
CJFX	Atlantic Broadcasters Ltd., Antigonish, N.S.....	580	1000 DA
CJGX	Yorkton Broadcasters Co. Ltd., Broadway Ave., Yorkton, Sask.	1460	1000
CJIC	J. G. Hyland, Windsor Hotel, Sault Ste. Marie, Ont.....	1490	250
CJKL	Northern Broadcasting & Publishing Ltd., Arcade Bldg., Kirlkand Lake, Ont.	560	1000
CJLS	Laurie L. Smith, 529 Main St., Yarmouth, N.S.....	1340	100
CJOC	H. R. Carson, Ltd., Marquis Hotel, Lethbridge, Alta.....	1060	1000
CJOR	C. J. O. R. Limited, Hotel Grosvenor, 846 Howe St., Vancouver, B.C.	600	1000
CJRL	Kenora Broadcasting Co. Ltd., Kenricia Hotel, Kenora, Ont....	1220	1000
CJVI	Island Broadcasting Co. Ltd., 620 View St., Victoria, B.C.....	1480	500
CKAC	La Presse Publishing Co. Ltd., 980 St. Catherine St. W., Montreal, P.Q.	730	5000
CKBI	Central Broadcasting System, Ltd., Sanderson Bldg., Prince Albert, Sask.	900	1000
CKCH	La Compagnie de Radiodiffusion CKCH Le Droit, Limitee, 85 Champlain Ave., Hull, P.Q.	1240	250
CKCK	Leader-Post Limited, 1853 Hamilton St., Regina, Sask.....	620	1000
CKCL	Dominion Battery Co. Ltd., 444 University Ave., Toronto, Ont..	580	1000 DA
CKCO	Dr. G. M. Geldert, 272 Somerset St. W., Ottawa, Ont.....	1310	1000 DA-N
CKCR	Wm. C. Mitchell and G. Liddle, Waterloo Trust Bldg., 31 Ontario St. S., Kitchener, Ont.	1490	250
CKCV	C. K. C. V. Limited, 142 St. John Street, Quebec, P.Q.....	1340	100
CKCW	Moncton Broadcasting Co. Ltd., Knights of Pythias Hall, Moncton, N.B.	1400	250
CKFX	Western Broadcasting Co. Ltd., 543 Seymour St., Vancouver, B.C.	6080	10
CKGB	R. H. Thomson, Thomson Bldg., Timmins, Ont.....	1470	1000
CKLN	News Publishing Co. Ltd., 711 Radio Avenue, Nelson, B.C.....	1240	250
CKLW	Western Ontario Broadcasting Co. Ltd., Guaranty Trust Bldg., Windsor, Ont.	800	5000
CKMO	Sprott-Shaw Radio Co., 812 Robson St., Vancouver, B.C.....	1410	100
CKNB	Restigouche Broadcasting Co. Ltd., Campbellton, N.B.....	950	1000 DA
CKNX	W. T. Cruikshank, Josephine St., Wingham, Ont.....	920	1000 DA-N
CKOC	Wentworth Radio Broadcasting Co. Ltd., Wentworth Bldg., Hamilton, Ont.	1150	1000–Day 500–Night
CKOV	Okanagan Broadcasters Ltd., Mill Ave., Kelowna, B.C.....	630	1000

LIST OF BROADCASTING STATIONS IN CANADA

(as of April 1, 1944)

Call Sign	Name of Licensee and Address of Main Studio	Frequency (KC/S)	Operating Power (Watts)
CKPC	The Telephone City Broadcast Ltd., Arcade Bldg., 49 Colborne St., Brantford, Ont.	1380	1000
CKPR	Dougall Motor Car Co. Ltd., Radio Hall, 104½ S. May St., Fort William, Ont.	580	1000
CKRC	Transcanada Communications Ltd., Free Press Bldg., 300 Carlton St., Winnipeg, Man.	630	1000
CKRM	Transcanada Communications Ltd., Saskatchewan Life Bldg., Regina, Sask.	980	1000
CKRN	La Compagnie de Radiodiffusion Rouyn-Noranda Ltee., Riley Hardware Bldg., Rouyn, P.Q.	1400	250
CKRO	Transcanada Communications Ltd., Free Press Bldg., 300 Carlton St., Winnipeg, Man.	6150	2000
CKRX	Transcanada Communications Ltd., Free Press Bldg., 300 Carlton St., Winnipeg, Man.	11720	2000
CKSO	W. E. Mason, 21 Elgin St. N., Sudbury, Ont.....	790	1000
CKTB	The Silver Spire Broadcasting Station Limited, St. Paul E. and Yates Streets, St. Catherines, Ont.	1550	1000
CKUA	University of Alberta, Electrical Engineering Bldg., Edmonton, Alta.	580	1000
CKVD	La Voix d'Abitibi Limitee, 586 Third Ave., Val d'Or, P.Q.....	1230	100
CKWS	Allied Broadcasting Corporation, 306 King St. E., Kingston, Ont.	960	1000 DA
CKWX	Western Broadcasting Co. Ltd., 543 Seymour St., Vancouver, B.C.	980	1000
CKX	Manitoba Telephone System, Princess and 8th Streets, Brandon, Man.	1150	1000
CKY	Manitoba Telephone System, Telephone Bldg., Winnipeg, Man..	990	15000

SESSION 1944

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

WEDNESDAY, MAY 17, 1944.

WITNESSES:

Dr. Augustin Frigon, acting general manager and Mr. E. L. Bushnell, general supervisor of programs, Canadian Broadcasting Corporation.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1944

MINUTES OF PROCEEDINGS

WEDNESDAY, May 17, 1944.

(14)

The Special Committee on Radio Broadcasting met at 11 o'clock, the Chairman, Mr. J. J. McCann, presiding.

Members present: Messrs. Bertrand (*Prescott*), Boucher, Casselman, Mrs. (*Edmonton East*), Coldwell, Hansell, Isnor, LaFlèche, Martin, Matthews, McCann, Rennie, Ross (*St. Paul's*), Tripp, Veniot.—14.

The Chairman read the following communications:

1. A telegram to the Chairman dated Toronto, May 11, 1944, from Writers, Artists, Broadcasters and Musicians Council, Incorporated;

2. A letter to the Chairman from J. J. Fitzgerald, dated Toronto, May 14, 1944; and Chairman's reply;

3. A letter to the Chairman dated Ottawa, May 6, 1944, from the Federation of Agriculture;

4. A letter to the Committee dated Toronto, May 15, 1944, from Radio Manufacturers Association of Canada;

5. Extracts from a letter undated, from Saskatoon, from Robert McArthur.

Referring to the telegram of the Writers and Artists, etc. Council Incorporated, Mr. Hansell made a statement.

On motion of Mr. Coldwell,—

Resolved,—That this Committee deprecates the tone of the telegram from the Writers, Artists, Broadcasters and Musicians since it reflects upon a member of the Committee who believed it his duty to draw our attention to statements being circulated regarding certain employees of the Canadian Broadcasting Corporation.

Mr. Coldwell made reference to a petition on behalf of Reverend Mr. Bradley of Saskatoon, addressed to the Prime Minister. This petition had been mislaid in his absence and has been since forwarded to the Prime Minister.

Dr. Frigon was recalled and his examination continued on news service, staff council, pension fund, power increases and Havana agreement, network operations, and Canadian commercial continuity.

At 1.05 p.m. the Committee adjourned until 3 p.m. to hear Mr. Bushnell.

AFTERNOON SESSION

(15)

The Committee resumed at 3 o'clock, Mr. J. J. McCann, the Chairman, presiding.

Members present: Messrs. Bertrand (*Prescott*), Casselman, Mrs. (*Edmonton East*), Coldwell, Hansell, Isnor, LaFlèche, Laflamme, Martin, McCann, Rennie, Ross (*St. Paul's*), Tripp, Veniot.—13.

Dr. Frigon was recalled.

Mr. Hansell brought up the matter of the allotment of free time on the C.B.C. networks between election campaigns.

After discussion, the Chairman suggested that because of the position taken by the C.B.C. in the past, it would be fair that C.B.C. maintain the principle of recognizing the four qualifying parties to the original understanding in a federal campaign in which the Social Credit party was one of the qualifying parties.

This suggestion was agreeable to Mr. Hansell and to the Committee which felt that it would reach the Board of Governors through the acting General Manager for their consideration.

Dr. Frigon was retired.

Mr. E. L. Bushnell, general supervisor of programs, was called. He made a statement, was examined and retired. He was assisted by Mr. Brodie.

In the course of his presentation the witness filed for distribution, copies of:

1. Audition application report;
2. A report and summaries on the Italian campaign over the C.B.C.;
3. C.B.C. interval rules and regulations (Part 14) regarding news service (English and French);
4. Directives of C.B.C. chief news editor to senior editors.

Witness supplied answers to questions previously asked by Messrs. Tripp, Hansell, Isnor and Martin.

The members of the Committee were given an opportunity of listening to a recording of selections of C.B.C. war correspondents in the Italian campaign (Matthew Halton and Marcel Ouimet).

Copies of the following return, requested by Mr. Coldwell, were tabled, namely,—Summary of Broadcasting Stations (Station logs).

Mrs. Casselman, Messrs. Isnor and Hansell commended Mr. Bushnell for his presentation and he was retired.

The Committee adjourned at 5.10 p.m. at the call of the Chair.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
May 17, 1944.

The Special Committee on Radio Broadcasting met this day at 11 o'clock a.m. The Chairman, Dr. J. J. McCann, presided.

The CHAIRMAN: Mr. Minister and gentlemen: there is a little correspondence here which I might put before you at the beginning of the meeting. I have a telegram here from Toronto dated May 11th, which reads:—

J. J. McCann,
Chairman, Parliamentary Radio Committee,
House of Commons,
Ottawa, Ont.

Writers artists broadcasters and musicians council incorporated regrets exceedingly references made by irresponsible parties in parliamentary radio committee yesterday stop purposes for which council formed two years ago and achievements on behalf of Canadas war effort such as successful campaign for women workers in industry on behalf of selective service and RCAF mural in Union Station Toronto are sufficient answer to critics stop council protests unwarranted aspersions on numerous loyal journalists artists broadcasters and musicians and requests this telegram be entered on committee record stop

W. F. SUTHERLAND,
Secretary-Treasurer, 171 Dawlish Ave.

I have a letter here from the King Edward Hotel, Toronto, to the chairman from John J. Fitzgerald. It reads:

May 14, 1944.

Dear Mr. CHAIRMAN,—I shall appreciate it, and I believe it would be in the public interest, if you would kindly arrange to give me the earliest possible opportunity to give testimony before the Parliamentary Radio Committee.

According to my present plans I could arrange to be present at any time within forty-eight hours notice. Advice may be sent by mail or by collect telegram to:

JOHN J. FITZGERALD,
King Edward Hotel,
Toronto, Ont.

Should there by any change in this address I shall promptly advise you.

Yours faithfully,

(Sgd.) JOHN J. FITZGERALD.

To: Dr. J. J. McCANN, M.P.,
Chairman, Parliamentary Radio Committee,
Ottawa, Ont.,
House of Commons.

I replied to that letter yesterday and stated:—

> I have your letter of May 14th with reference to your having an opportunity to give testimony before the Parliamentary Radio Committee.
>
> The committee meets tomorrow and your letter will be brought to their attention, and should they make an oppointment for you to appear you will be advised to that effect later. The present indications are that the committee will not finish its deliberations much before the end of June, so that there will be plenty of time for you to make your presentation. However, I will give you more definite information when I have it.

I have some correspondence from the Canadian Federation of Agriculture signed by H. H. Hannam, president of that organization, dated May 6. He had already telephoned me. He says:—

> This will confirm our telephone conversation of this morning in which I made a request on behalf of the Canadian Association for Adult Education and the Canadian Federation of Agriculture for an opportunity to make a presentation to the Select Committee of the House of Commons on Radio Broadcasting 1944.
>
> Owing to the fact that we are holding a directors' meeting of the Canadian Federation of Agriculture in Winnipeg during the week of May 15th it would be extremely difficulty for us to have our presentation prepared until later in the month. Accordingly we appreciate your consideration in suggesting that you would list us tentatively for May 25th or 26th.
>
> I shall be back from Winnipeg by May 20th or 22nd and shall get in touch with you at once. On the other hand we may be able to give you, in the meantime, more definite information regarding our plans by letter.
>
> While we cannot say definitely as yet, it is possible that we would have Dr. Sydney Smith, President of the University of Manitoba and President of the Canadian Association for Adult Education; and Dr. W. H. Brittain of Macdonald College, an executive member of the Canadian Association for Adult Education, with us in making the presentation.
>
> The thought we have in mind for our brief would be to support national radio, to record what we believe it has achieved, to point out its possibilities for the future and particularly to discuss educational programs which are of vital importance in a democratic society.

I have here an important letter from the Radio Manufacturers Association of Canada. You will remember they made an application to the committee to make a survey. They write on May 15th from Toronto and the letter is addressed to the committee. It reads:—

> GENTLEMEN,—Under date of April 10th, the Radio Manufacturers Association of Canada asked permission of the Special Committee on Radio Broadcasting to submit data on the overall broadcasting situation in Canada which might be of interest and value in your deliberations. This offer was accepted.
>
> As the matter of broadcast allocation is a highly technical and complex one, we felt it could be best presented in graphical form by a set of maps of Canada showing the effective service areas, day and night, of all the Canadian Broadcasting stations. This would provide an integrated picture of the degree of broadcast service available in all parts of the dominion as far as coverage is concerned.
>
> It was our intention to prepare this data in accordance with the technical standards of allocation as defined in the North American

Regional Broadcasting Agreement. To do so would require the calculation of coverages from the data normally used for allocation engineering purposes, together with whatever specific data on measured coverages existed in the files of member companies. This work would have required several man weeks of engineering time.

As a result of your acceptance, the work was started, following which it was learned that the Canadian Broadcasting Corporation had already completed such a survey and maps were available which were made from actual field strength measurements. On learning of the existence of these maps, it was obviously unnecessary for our engineers to continue this work. It is presumed that these maps prepared by the Canadian Broadcasting Corporation have been made available or may be made available to your committees. Therefore, we consider that the objectives of our proposal have been accomplished. Hence, we will not appear before the committee.

However, with a view to helping to give Canadians the best possible radio service, there are several matters which we feel are in the public interest and which we would like to draw to the attention of the committee.

As of January, 1944, the members of this Association, consisting of the twelve Canadian radio set manufacturers and twenty-five radio parts manufacturers, had combined staffs of approximately 25,000 workers. The responsibility of keeping these people employed in the industry in the post-war period is admittedly a heavy one. Maximum expansion of broadcasting facilities would assist in maintaining employment at a high level in the postwar period. While the size of the industrial effort involved in making equipment for such an expansion is small in comparison with the industry's capacity, it would nevertheless be an important factor in postwar employment. Further, it is desirable to offer encouragement in Canada to the great radio technical knowledge gained during the war.

A second recommendation relates to the development of frequency modulation and television broadcasting in Canada. There is every indication that these net services will be of great national importance. Consequently, an announcement of policy in connection with the permitted use of these services in Canada would enable both broadcasters and manufacturers to make necessary long-range preparations. It would be of great advantage if a policy covering these services could be made public at an early date even though the dates of effectiveness remain indefinite. Engineering standards, frequency allocation and power must be determined before the radio broadcasting and manufacturing industries can know how to prepare for the future.

A considerable period of time is required to develop equipment and prepare the technical data. We feel it would be in the public interest to permit such planning to start at an early date. Therefore, we would suggest that Government and the Canadian Broadcasting Corporation formulate and announce their policies relating to frequency modulation and television and indicate some approximate data when such principles will be made public.

Upon the invitation of the Federal Communications Commission, there was formed in the United States a Radio Technical Planning Board. This is the unified effort of experts in every field of electronics to plan an orderly future development in all fields of electronics. The results of the work of the Radio Technical Planning Board will be made

available to the Federal Communications Commission for their consideration. This background of technical information will be of inestimable value to the United States Government.

The work of the Radio Technical Planning Board can be of real value to Canada and, to this end, this Association and certain other Canadian groups are acting as observers at the meetings of the Radio Technical Planning Board. However, to make full use of this privilege, a Radio Technical Planning Board should be set up in Canada to provide a medium whereby the Government, the Canadian Broadcasting Corporation, the various users of electronic equipment, and the radio manufacturing industry could consider their problems on a mutually co-operative basis. For example, a nationwide collaboration on frequency modulation and television would insure their orderly development. While we have referred specifically to the various kinds of broadcasting, the same plan would be advantageous for the same reasons in all other fields of radio.

The radio manufacturing industry has a common purpose with the Government, the Canadian Broadcasting Corporation and independent broadcasters to provide the public with the best in radio broadcasting and reception at a minimum of cost. We believe to do so requires very careful long-range planning. It is with the latter in mind that we have mentioned those aspects in Canadian broadcasting which appear to us to be of great national importance. If our views contribute anything of value to the deliberations of your committee, we will indeed feel gratified.

Yours very truly,

(Sgd.) W. W. RICHARDSON,
Executive Secretary.

Dr. FRIGON recalled.

The purport of that letter is, of course, that the very type of survey this organization suggested they could do had already been done by your corporation, and the records are on file to that effect.

Mr. BOUCHER: Should we not also refer that letter to the Board of Governors of the C.B.C. or to the general manager so far as the radio technical planning board proposition is concerned, and have him bring in a recommendation to us at a subsequent meeting as to what their reaction is?

The CHAIRMAN: I think it is automatically referred to them when it becomes part of our record.

Mr. BOUCHER: But should we not ask him to bring in their suggestions or comments on it before this committee at a subsequent meeting within the next several weeks?

The CHAIRMAN: Perhaps Dr. Frigon might comment on it now or at a later date.

The WITNESS: So far as the technical planning board is concerned we have been discussing the matter for some months now with the R.M.A., and it is understood that there should be one set up in Canada. The last time I saw them we discussed the matter as to who should convene the group. The F.C.C. did that in the United States, and I made the offer to the R.M.A. that the C.B.C. might do it. In other words, we are quite prepared, any time they are ready, to call a meeting of all interested in broadcasting in Canada, not in broadcasting only, but in wireless, and to set up a board in Canada parallel to that in the United States.

By Mr. Boucher:

Q. In your frank opinion there is nothing this committee should do in the matter but leave it in your hands?—A. As I say we are willing to go ahead with the plan. We think it should go through and be organized.

By Hon. Mr. LaFlèche:

Q. You have made that known to the manufacturers' association?—A. Yes.

Mr. BOUCHER: This letter goes to some pains to explain the situation which led me to believe that they felt greater initiative should be taken. From what you have stated it seems to me you have that very much in mind and are anxious to see it promoted, but I wondered if there was anything that this committee could do in that regard and if you would give it your considered opinion and make such suggestions as you see fit for us to consider.

The WITNESS: As I said, at the present moment so far as the R.T.P.B. is concerned we believe it should be convened. That board deals with all matters of wireless, including broadcasting. Whether we should be the party to convene the different manufacturers and those interested has not been quite decided, but Mr. Hackbush and Mr. Reg. Brophy of the R.M.A. know that we are prepared to work with them even to the extent of convening the members of such a committee and doing as they did in the United States. Then they go on their own. They elect their chairman, and we co-operate with them.

By Mr. Boucher:

Q. The fact remains that all parties seem to feel that the Radio Technical Planning Board should be established and yet nobody is taking the initiative to establish it?—A. The R.M.A. are meeting to-day and to-morrow in Toronto. They have their annual dinner to-night. It is understood that when Mr. Brophy goes back to Montreal he will let me know what they think should be done about it.

Q. I would suggest that you give this matter consideration, and that we do not let it hang in abeyance any longer. I would suggest that we discuss it at a future meeting and see if there is anything can be done in that regard. —A. All right; I could report at the next meeting what has been the decision in respect to it.

Mr. COLDWELL: Mr. Chairman, since we are discussing correspondence I want to say to the committee that last July a petition was evidently received at my office from a number of people in Saskatchewan on behalf of the Rev. C. P. Bradley whose case has been discussed here from time to time. That petition was addressed to the Prime Minister. It came while I was away from the city. I forwarded it as soon as it was discovered yesterday to the Prime Minister as it was addressed to him, and I have no doubt it will be drawn to the attention of the general manager. There is a feeling still in Saskatoon and district that the Bradley case should be reinvestigated. The corporation reported to us that Mr. Radford of the C.B.C. public relations staff had gone to Saskatoon, had met Mr. Bradley, the manager of the station and members of the congregation, and that they hoped that the matter would be adjusted, but it has not been adjusted yet. I want to draw the attention of the committee to the fact that this petition should have been here sooner, but when I was away it was put in an old file and I did not know it was even there until yesterday.

The CHAIRMAN: Are you still retained as their advocate?

Mr. COLDWELL: Am I still retained as their advocate? I have never been their advocate, but I believe in free speech.

The CHAIRMAN: I have a letter here from Saskatoon that refers to the matter. There is one paragraph of it which reads:—

> This second petition was sent to Mr. M. J. Coldwell, M.P., because he was on the parliamentary committee. According to the verbatim report of the discussion Mr. Coldwell completely failed to convey to you the size and seriousness of the petition. Evidently you did not even see it. So far Mr. Coldwell has not acknowledged to us that he has received the petition.

Mr. COLDWELL: That is quite right because I had a search of my files made a day or so ago. I did not know of the contents of this letter which reached the chairman. I had an inquiry about the petition a day or two ago. I spoke to my secretary and looked up the correspondence. I found that the last letter I had received from Saskatoon was one that said the petition would be sent to me. I acknowledged it saying that I was leaving for Washington and that when I returned I would look after it. The letter was filed and nothing more came to my attention. I got my secretary to search my files and we found someone had filed a number of 1941 and 1942 radio committee documents and this looked like an old thing, and evidently got in the old file.

Hon. Mr. LAFLECHE: It happens to everybody.

The CHAIRMAN: I might say, Mr. Coldwell, in justice to you that this matter was brought up on the 19th of April. I do not know if you were here. It is on the record. The telegram from James Main, the chairman, was read, and that letter became part of the correspondence. The writer of the undated letter is Robert McArthur, chairman, but he does not say chairman of what. It is written from 2138 Lorne Avenue, Saskatoon, and addressed to the chairman. It is a long letter, three or four pages, mostly complaints.

Mr. COLDWELL: I was not aware of that.

Mr. HANSELL: I think the *Blue Banner* is the publication which Mr. Bradley puts out.

The CHAIRMAN: It is a paper.

Mr. BOUCHER: It is not the official organ of the Conservative party.

Mr. COLDWELL: It was one of those regrettable accidents one has to take responsibility for although not responsible for.

Mr. HANSELL: Mr. Chairman, might I ask for information because similar things are liable to come to us? What is the exact relationship between the C.B.C. and such a matter as this? My understanding is that Mr. Bradley has not been able to get satisfaction from his local radio station.

Hon. Mr. LAFLECHE: Privately owned?

Mr. HANSELL: I think it is privately owned. They have refused to give him time on the air, apparently because some of his messages are not liked by the station, I suppose, or perhaps the station has had a lot of complaints. I do not know, but I should like to know just what is the relationship between the C.B.C. and a matter of this kind. How do the C.B.C. come in on it?

The CHAIRMAN: This whole matter was taken up two years ago, and I would suggest to members of the committee who are particularly interested that they review the debate at that particular time and they will have a better knowledge of it. Mr. Bradley was banned and Mr. Radford made a special trip, I understand, to investigate the whole matter. My recollection is Mr. Radford put in a report, did he not?

The WITNESS: The matter is entirely in the hands of the local station. They can give their time to whoever they think best suited, and we would only intervene under the Act if there were a very gross injustice. If Mr. Murphy thinks that material is not suited for the people of Saskatoon that is his

responsibility. Mr. Murphy has decided that the material used by this gentleman is not according to our regulations. There are many statements in the scripts which would not be tolerated under our regulations. We think he is right.

By Mr. Isnor:

Q. You think he is right?—A. Yes.

By Mr. Boucher:

Q. In other words, you feel that the C.B.C. should only interfere in a case of great hardship and you do not feel that this is a case where they should interfere with the private broadcaster's discretion?—A. Exactly.

Mr. COLDWELL: The only thing is I think that if we are going to have freedom of speech, providing there is nothing slanderous or libellous in the script, there should not be censorship of what a man says, providing there is nothing subversive, nothing seditious, nothing slanderous or nothing libellous.

Mr. BOUCHER: I think I agree with that, but on the other hand do you think that the C.B.C. Board of Governors or the corporation should interfere with any private station and tell them what they must put on or must not put on at the request of somebody who feels he has a personal grievance with the management of the private station? I think there is a big principle involved there.

Mr. COLDWELL: There is a principle there, but on the other hand I think that is a rather dangerous thing to have any individual deciding what shall or shall not go on the air. I have mentioned two or three cases bearing on this point this year, of censorship, or refusal to grant time on the air to persons. I am thinking of another one, Mr. P. M. R. Morrison of Calgary, who is in the same position. I have taken that up with Dr. Frigon in a letter.

Hon. Mr. LAFLÈCHE: It is certainly a matter which rests directly with the private station and the individual.

The CHAIRMAN: Yes, and it is not really a matter with which the committee should deal.

Mr. COLDWELL: I know it is not a matter for the committee to deal with. I am quite well aware of that. As the one who brought the matter here on two or three occasions I wanted to make the explanation of a regrettable mistake in my office when I was away.

Dr. FRIGON: If you will recall, a typical script as used by Mr. Bradley was circulated among members of the committee of 1942.

Mr. COLDWELL: Yes, I remember that.

Mrs. CASSELMAN: Am I correct in my understanding that you have regulations laid down dealing with these matters? Is this not one of the matters which Madame Chiang Kai Shek referred to when she referred to those people who consider "chaos lends charms to democracy".

The CHAIRMAN: Mr. Hanson, did you wish to take up a certain matter?

Mr. HANSON: Yes, Mr. Chairman. I think it is based on a telegram which you have. May I see it for a moment?

The CHAIRMAN: Yes.

Mr. BOUCHER: I think the matter of Mr. Hannman of the Federation of Agriculture and the Youth Education Movement should be disposed of now, if necessary by a motion; and should that be required I would be glad to so move.

The CHAIRMAN: We will look into that. It will be brought before the agenda committee. It is just a matter of setting a date.

Mr. BOUCHER: Do you want a motion from me?

The CHAIRMAN: No, it is not necessary; if there is no reason to the contrary I suggest that we should hear any representative body who makes a request to be heard. That is the policy we have followed in the past.

Hon. Mr. LAFLÈCHE: If we are going to do that from now on, Mr. Chairman, would you not keep in mind the fact that we will not be sitting many more months; you will not forget that?

The CHAIRMAN: No.

Mr. BOUCHER: Perhaps.

The CHAIRMAN: The number of requests is not so many.

Hon. Mr. LAFLÈCHE: That should not affect the applications you have before you; the agricultural people, of course.

Mr. BOUCHER: Is that official intimation that this parliament will not be sitting many months longer?

Hon. Mr. LAFLÈCHE: You are a very clever man—may I suggest that you had better get busy and do your stuff, or your term will end.

Mr. COLDWELL: Don't you think that the Saskatchewan election might shorten the session? I understand that a lot of us will be away on account of that.

The CHAIRMAN: In connection with one of the messages which I read to you this morning, Mr. Hansell wishes to say a few words.

Mr. HANSELL: Thank you, Mr. Chairman. You read this morning a telegram from the secretary of the Writers, Artists, Broadcasters and Musicians Council. I would point out that there was a press dispatch the next day that carried the contents of this telegram. You will recall that I rose on the orders of the day in the House on a point of privilege but the Speaker ruled against me on account of the matter being before the Broadcasting Committee, and this is the first opportunity I have had; therefore I am making that point of privilege. The Committee will notice that the telegram commences in this way.

> "WRITERS ARTISTS BROADCASTERS AND MUSICIANS COUNCIL INCORPORATED REGETS EXCEEDINGLY REFERENCES MADE BY IRRESPONSIBLE PARTIES IN PALIAMENTARY RADIO COMMITTEE YESTERDAY."

The reference that was made to the Writers, Artists, and Broadcasters Council in the committee was made by me, so I fancy that I am the person they regard as responsible.

Mr. COLDWELL: But you were only referring to the committee the contents of a pamphlet that certain persons brought to your attention, the document to which it refers?

Mr. HANSELL: What was that again?

Mr. COLDWELL: Of course, you do not take any responsibility for what was said beyond the fact that you were quoting from that publication.

Mr. HANSELL: I see what you mean, they may have fancied by the report that that person was before the committee.

Mr. COLDWELL: Or that you are quoting from that person.

Mr. HANSELL: I was quoting from the pamphlet that they published. But the position is this, Mr. Chairman; that as I look upon it this is a reflection upon anyone who cares to give evidence before this committee or any member of the committee who cares to bring anything up which they think has some significance or importance. Now, as far as being responsible, I am not concerned very much about that accusation except that I will stack my record as a responsible Canadian beside their record or the record of anyone whom they may have

on their Writers, Artists, Broadcasters and Musicians Council. I am not taking a back seat for any of them, as far as being a responsible Canadian is concerned. I think my record will speak for that, in parliament and out. And I say this too; that neither these people or anybody else are going to shut my mouth if I have something to say which I think is of importance, and I think it is. And it will be noticed, Mr. Chairman, that these people do not deny the accusation that was placed on the record; they only squeal, that is all. Personally I think it calls for an apology and if they are gentlemen they will give it.

Mr. COLDWELL: I think we are all interested in what Mr. Hansell was reading the other day. He brought to the attention of the committee a pamphlet which was issued and which made certain statements. I did not think he was taking the responsibility for the statement himself.

Mr. HANSELL: No, I was not. I did not know any of these people, I have never met them.

Mr. BOUCHER: I do not think this was the sort of communication which this committee should receive. We do not like publication of a document of that kind calling a person irresponsible from people who have had no opportunity of showing their responsibility. It does not reflect any honour or credit on the sender of the telegram—

Mr. HANSELL: Hear, hear.

Mr. BOUCHER: —when they use such terms.

Mr. COLDWELL: I think it is the duty of any member of the committee who has anything of the sort that Mr. Hansell had to bring up before the committee to do so if he feels that it should be brought here. I do not think a reflection of that sort should be made on a member of the committee at all—I do think though that the statements in the document were irresponsible.

Mr. MATTHEWS: I think this committee should stand by Mr. Hansell.

Mr. COLDWELL: I think we should deprecate criticisms of that nature being sent to our committee.

Mr. ROSS: Mr. Fitzgerald who is the writer of the pamphlet could be asked to be heard.

Mr. COLDWELL: I would move that an acknowledgment of this telegram give expression to the sentiments we have just expressed.

The CHAIRMAN: I do not think it is even necessary to acknowledge it; that will be on the record too, and they will see the record.

Hon. Mr. LAFLÈCHE: They asked that it be put on the record.

The CHAIRMAN: The telegram is on the record and now your reply will also be there.

Mr. COLDWELL: It has been suggested that we just drop the whole thing.

Mr. BOUCHER: I do not think we should even give them the opportunity of having their statement on the record.

Hon. Mr. LAFLÈCHE: We know Mr. Hansell and we are the best judges, I think, of the strength of character and the goodness of character of the hon. members before us; particularly the one in question.

Mr. COLDWELL: I do not disagree with you. In my opinion the language of that telegram is unjustified.

The CHAIRMAN: You are going to make a motion, Mr. Coldwell?

Mr. COLDWELL: I will do so if it is thought necessary.

The CHAIRMAN: A motion is before the committee to the effect that the committee deprecates the type of language used in the communication in question.

Mr. COLDWELL: And you might add, "which seems to reflect on a member of the committee".

The CHAIRMAN: And that in the opinion of this committee there is no basis for any such reflection.

Mr. COLDWELL: That is right.

Motion agreed to.

The CHAIRMAN: Now, Mrs. Casselman and gentlemen, we will revert to a discussion of the report that was submitted by Dr. Frigon. Last session we were dealing with the matter of—if you will turn to your record at page 70—we were dealing with the overseas units, controversial broadcasts, and things to come; and I think we had finished with the C.B.C. national news service. Now, have you any questions to ask on page 76 with reference to staff councils and pension fund?

Mr. BOUCHER: You say that is on page 76?

The CHAIRMAN: Yes, on the record; that is Minutes and Proceedings No. 2.

By Mr. Coldwell:

Q. How is staff council appointed?—A. They are elected by the personnel.

Q. You have them widely scattered over the country?—A. We have them in I think 16 different centres. We have staff councils there and a chairman of each staff council and once a year each of the staff councils sends a delegate to Ottawa—it may be the chairman or one of their members—to a national meeting of staff councils.

Q. But they are elected?—A. They elect them themselves, and they have passed regulations that we approved two years ago which were slightly improved this last Fall. They are their own regulations; they elect their own officers and they come to us whenever they see fit to discuss matters.

Q. Did you have any requests this year to recognize any unions in the C.B.C.?—A. No.

Q. Is there a union among the employees?—A. No.

Q. There are no unions?—A. No; some of the members of our staff I do believe belong to unions; but there is no union as such within the employees, the staff councils take care of it.

Q. Members of the staff may belong to unions but they do not negotiate with the corporation through the union?—A. Right.

Q. If they did, if they requested it, would they be granted recognition now? —A. Well, we feel the staff councils fill the purpose.

Q. What I was getting at is, you will remember we had a discussion as to the status of the corporation regarding negotiations with the unions?—A. Yes, I remember that; the legal aspect has not changed at all since I was last here; we are still told that it is not within the law for us to sign an agreement with a union; but there has not been any attempt on the part of our staff, and I do not think there has been any move on the part of any member of our staff that we should recognize any particular union. They seem to be pleased with the arrangement we have now.

Q. Then I take it that there has been no change in the legal opinion?—A. No, there has been nothing new in that picture at all. We will very shortly start a publication for the staff, a magazine which will be paid for by us. We are having a meeting of the employees in a couple of weeks to settle the final matters about that. It will have a small staff of its own.

Q. It will be a staff publication?—A. It will be a staff publication, for the staff and by the staff.

Q. Have you anything in mind regarding the public, is there anything in hand with respect to that?—A. No, we are not contemplating anything like that.

Hon. Mr. LAFLÈCHE: Have you made any arrangements to get your paper supply?

The WITNESS: We have not dealt with the question at all because we have never tried to establish a national C.B.C. publication. We would like to have one. There is no question about that; but we do not believe that it would be proper for us to start it during wartime.

Hon. Mr. LAFLÈCHE: I hope it will not be overlooked. I think it would be very profitable from the point of view of the public to do so.

The WITNESS: It is a big problem and a difficult one. We would have to go on the market in competition with other publications which would involve something in the nature of a publication which would be different from what they have in Australia or Great Britain, otherwise it would not sell on the stands; and there is the financial side of it to be considered, that is extremely important; so at the present time we are not dealing with it.

Mr. COLDWELL: I agree with you that during the war is not the time to undertake a national publication like the British "Listener", in view of the shortage of paper and everything else.

The CHAIRMAN: Is there any further discussion there? Have you any discussion on the matter of pension fund?

By Hon. Mr. LaFlèche:

Q. Is that running well?—A. Very well, and we are proud of our pension fund because we have only had compliments for it from all the experts who have studied it, and the staff consider it very very favourably. It has been in operation since the 1st of April, 1943. You have received a copy of the booklet that we have issued covering all angles of it.

Q. How have the members of the staff accepted the pension fund?—A. I think they are very very pleased; of course, it is not a very good time to start a pension fund because it takes so much more away from their salary when they have to contribute to the pension fund; but they asked for it and I think that generally speaking they are very pleased, except that it is rather hard for them financially when they have to contribute 6 per cent out of their monthly pay cheque.

Q. The pension scheme was approved on my recommendation. It required the approval of council after it had been through the hands of I do not know how many experts; and I was very happy to sign the submission to His Excellency, the Governor General in Council. Also it seemed to me as if it were another step toward the security of the Canadian people; of course, only those members of the staff of the C.B.C. benefited directly; but it seemed to me a very proper thing to do and I am very glad that it has been well accepted by the staff.—A. It was fully discussed by the staff at a national meeting, and locally by each staff council and they have approved it as it stands to-day.

By Mr. Coldwell:

Q. What is the amount of the contribution?—A. Six per cent on the part of the staff, of their salary.

Q. Six per cent?—A. Yes.

Q. A fairly high contribution.—A. Nowadays you have to pay that to get a satisfactory return. We of course pay much more than that because we have to make certain retroactive contributions to the pension fund, and we also have to assume the cost of pensions to some of the older members of our staff who had reached retirement age or who had reached an age which would not enable them to build up a satisfactory pension.

Q. It is on an actuarial basis?—A. Yes.

By Mrs. Casselman:

Q. It extends I suppose only to the members of the corporation? It does not extend to any broadcasting station in Canada?—A. No, just to our own permanent personnel.

By Mr. Veniot:

Q. Is there any provision made with respect to members of the staff serving overseas?—A. Yes.

Q. What about provision for dependents?—A. They receive the accumulated amount of the premiums paid in by each annuitant, plus interest; there is also an insurance policy under the terms of which the widow receives so much per month for I think five years.

Q. For a period of five years?—A. Yes, up to $90 a month, I think it is, for five years.

By the Chairman:

Q. For those on active service, members of the corporation actually on active service; I understand that you not only pay the corporation's share of the pension fund for the account of such an individual, but that you also assume his share of the cost as well?—A. We carry it for the men who are on active service; when a man comes back, if he remains with us, he will be protected; but if he doesn't choose to come back to our staff, then that amount is absorbed into the general fund.

The CHAIRMAN: That deals with that very well. We will now turn to the power increases and the Havana agreement; Dr. Frigon made quite a lengthy statement on that. Are there any questions with respect to it?

Mr. ROSS: In connection with the technical board which functions in the United States, and a letter which was read to the committee this morning, I would like to ask this question: are the Canadian Broadcasting Corporation interested in the setting up of any scheme similar to that here in Canada with a view to co-ordinating the activities of broadcasters; and, would you include on such a party representatives of all the communication system? Would you have representatives of the wireless companies on such a council?

The WITNESS: No, it would take in all the manufacturers and users of wireless communications, including broadcasting. As in the States, the Board would be strictly technical, made up of those interested in manufacture or use of wireless equipment; and they would be called together to study ways and means of incorporating in the art new things that have been found in the war and so on; and they would advise the proper authorities as to what should be done.

By Mr. Ross:

Q. Well, it would be interesting to them as well, would it not?—A. It would, in so far as they use wireless. At certain points the wireless companies use wireless communication links, and it is quite possible that they will go in for that more and more as the years go by. They would be interested to that extent. Of course, the Department of Transport is very highly interested in the whole thing because they are the governing authority, licensing stations both with respect to broadcasting and communications.

Q. In the United States I notice that they have an authority for all communications.—A. Yes, they link up all communications.

Q. Yes, communications of all kinds, would it not be a better idea in Canada if we were to do something similar to that—I do not know that I should ask you that question.—A. I think the Minister of Transport is the man to answer that.

Q. It always seemed to me that a great deal of our difficulty and misunderstanding, and there is much of it that occurred in the past, has arisen by reason of the fact that we have more than one authority with respect to communications of one kind and another. We have the telephone companies and the telegraph companies coming under the Board of Railway Commissioners, and I suppose our radio comes under the Minister of Transport and his department; and then we have the Broadcasting Corporation having control of certain phases of wireless and the Department of Transport over others; and it would seem to me that we ought to have some consideration of all these things.—A. We have nothing to do with the technical inspection of private radio broadcasting, except that we are advisers to the minister;. There may be room for a co-ordinating board there, I do not know.

Q. The other day when I asked you a question I do not think you quite understood it. The question was this: that the Board of Transport for instance are the ones to allocate channels under the agreement, they are responsible for the regulation of power and all that part of it. I imagine they may have something to do—they may have nothing to do with the wires that carry your material—or, is that under the Board of Railway Commissioners?—A. The Department of Transport deals with wireless, not lines; although lines of course have to be used most of the time to reach the wireless stations.

Q. Yes. Now then on a survey which has just been made with the C.B.C. —that was made by the C.B.C., was it?—A. That was made by us because we had the staff facilities and the general background but it was strictly a job for Transport. As a matter of fact, we did the work and handed them the results. Anybody who would like to have some data about what we found would have to apply to the Transport people. We would not release to private stations, for instance, any of the technical data we have compiled unless we had instructions so to do from the Department of Transport.

Q. Some idea of that survey might be interesting to the members of the committee. I suppose we would have to get Transport to do that?—A. You see under the Havana Agreement stations have to use frequencies with the minimum specified efficiency. If any station does not come up to those standards, they are not supposed to use the frequencies, and the country in which the frequency was being used would be accused of not doing the proper thing; so we had to know in what way these stations were operating. For instance, we had to know whether their aerials were efficient; and in order to do that we had to make actual surveys in the field. We had measuring trucks going around, and we actually made surveys in the field. We were able to indicate to the station owners where some of their technical features were not satisfactory. It happens even to us. As a result of the survey we changed our aerial completely at Chicoutimi. We replaced it entirely and we have practically doubled our signal by doing so. In other words, before you allow a station to use more power you must expect that station to use the frequency they have and the power they have in the most efficient way.

Q. The Board of Transport found that out for you?—A. No, we did that.

Q. You go around and inspect these stations and see whether their aerials are efficient?—A. It is not done by an inspection of the station. It is done by actual measurement in the field of the result obtained by the station.

Q. Pardon?—A. The survey is not made by going into the station itself. It is done by measuring in the field the results obtained by the station, and with those results you can compute very easily whether a station is efficient technically. Those results were turned over to Transport.

By Mr. Boucher:

Q. You were actually doing that on behalf of Transport rather than on behalf of the C.B.C?—A. Exactly, because we had the equipment, facilities, personnel and so on.

By Mr. Ross:

Q. It seems to me it would be better if we had one authority looking after everything; not only that, I think it would be right to see that if stations are going to occupy the air they should have the proper equipment in order to do that.—A. We have to set up a department or group of this sort for such measurements for our own purposes. We want to check our own stations. We want to know if our designs are efficient; and having the personnel and equipment, which is rather involved, and the trucks, we were ready to do the job. I do not believe that Transport are as well equipped, because they have not got to do these things in the way that we have to.

Q. That is exactly what I am getting at. We have a divided authority in two or three places in connection with that work.

Hon. Mr. LAFLÈCHE: May I interject that it is not a division of authority. One body has the necessary equipment and trained staff and they did the job and turned it over to the authority. That is what happened here.

The WITNESS: You could very well envisage Transport giving an order to R.M.A. to do the job. Transport could say, "We have not the personnel; we are not going to buy the equipment; we are not ready to do it; let an outside party do it for us". They might have entered into some agreement with the R.M.A. to do it. Instead of that they asked us. We did it. I do not think there is any division of authority there, but on the contrary there is an efficient use of whatever facilities there are in the organizations which exist.

By Mr. Isnor:

Q. Dr. Frigon, I wonder if you could give us a little clearer picture from a layman's standpoint. I am not just able to follow the position which Canada occupies as one party to the Havana Agreement. What I should like to know is what is our position at the present time in relation to the expiration date which I understand to be March 29, 1946? If I read the figures correctly which you have presented on page 84, dealing with our position, it would appear that we in Canada to-day have only about one-ninth of the power to which we would be entitled if we took full advantage of the agreement. Is that so?—A. I do not know about the proportion of one-ninth, but we are not using, and we probably never will make full use of the Havana Agreement, for purely financial reasons.

By Mr. Boucher:

Q. Do you not think that the fact we are not using it will prejudice or hurt us when it comes to a renewal of that agreement?

Mr. ISNOR: That was what I was going to deal with. I was going to get our position. I should like to pursue it.

Mr. BOUCHER: I am sorry.

By Mr. Isnor:

Q. The figures you gave on page 84, three paragraphs above network operations, show that we were entitled to a total power of 852 kilowatts as against the present 92·85. That is where I got my ninth. Is it your intention to take advantage and make applications with a view to utilizing the full benefit of the terms of the agreement?—A. I think the answer is, would anyone expect

that 22 50-kilowatt stations could live in Canada, as is indicated here? I mean those are the possibilities. Those are the outside limits possible under the Havana Agreement, but besides those technical limits you also have the financial aspect of the question.

Q. From the private stations standpoint you have four applications before you at the present time. You have dealt with four applications during the last ten days. If they were all granted they would add to the power that you would have in Canada?—A. As I said at the last meeting, there are at the present time 46 stations which may or may not, according to their technical and financial restrictions, go to 5 kilowatts, which are now below 5 kilowatts. That is the first step towards using the Havana Agreement to its fullest extent. When the countries met in Havana they set out a pattern for the use of frequencies on the North American continent, and that is the basis of the Havana Agreement. Now, they said, "There are a few exceptions, and as to Canada, Canada requests the favour of having more time to implement certain conditions". In the case of six different channels Canada asked, "Will you give us more time to use the six channels", which are listed at the top of page 84. They said, "Yes, but by the first of April, 1946, if you have not met those minimum powers, then when the conference meets again we may distribute the frequencies, degrade them or use them differently." There are only six frequencies involved there The others are all taken care of permanently as long as the Havana Agreement stands.

By Mr. Boucher:

Q. If I might ask the question in a different way, is it your considered opinion that we in Canada have used sufficient of our power allocation to justify us retaining the channels we have when the matter comes up for revision in 1946?—A. We have made all the use we wanted of the frequencies allotted to Canada, and of the type of stations allotted to Canada, or that could be used in Canada. We have made full use of that to the extent of technical and financial restrictions. Now, the very fact that we are recommending an increase in the maximum power used from 1 to 5 kilowatts indicates that something can be done.

Q. Let me put it another way. I will ask it in a positive way. Do you not think if we were to make a greater effort to use more of the power that was allocated to us in the last Havana Agreement we would be in a better bargaining position in 1946 when it comes to a revision of that agreement?—A. No.

Q. Than we will be?—A. No.

Q. And do you not think that by virtue of us not having used more of the power, and apparently not being able to use more of the power up to May of 1946, we may find ourselves in the position that, from a long term viewpoint, our needs will be prejudicially affected when it comes to a revision?—A. There is no question of revising the Havana Agreement at all.

Q. You said that there is a possibility that when it comes up for reconsideration in 1946 if we have not used the minimum power allocations we have had that some may be taken from us?—A. In respect to six frequencies only.

Mr. COLDWELL: Have you noted, Mr. Boucher, that in the last submission of the general manager he pointed out that the board has written to the government asking them to request all the participating countries that the deadline date of April 1, 1946, be postponed either from March 29, 1946, until March 29, 1948, or to a date two years after the cessation of hostilities, whichever is the longer. Then he goes on to say:—

> We have every reason to believe that other countries will be only too pleased to agree to our request, because, after all, full implementation of the Havana Agreement has not been possible owing to the fact that in war time the manufacturing industry has transformed its production from civilian to military requirements.

Mr. BOUCHER: I have that very much in mind, and that is the reason I am asking the question, because it seems to me that when we are in the position that we are asking for a postponement of that date there is the feeling that we may be prejudicially affected if that date is not postponed, and other countries may be likewise.

The WITNESS: In respect to these six frequencies.

By Mr. Coldwell:

Q. On the other hand you pointed out in your submission last week that certain increases in power were granted but have not been implemented by the stations, and you submitted a long list?—A. 25 stations.

Q. Stations to which additional power has been granted but they have not been able to get the equipment; they have not been able to take advantage of the permission. Is that not evidence that we would be justified in asking for a postponement to 1948 or two years after the war?—A. When that date was set there was no question of war and, of course, the war has stopped everything.

By Mr. Boucher:

Q. I do not question that at all. Do not misunderstand me. I am not questioning the wisdom of asking for a postponement of that date. I am rather inclined to think we are very wise, but I was wondering if we were using all possible channels and power allocations that we have to the extent that we could use them from a long term viewpoint in order to retain our bargaining position for the next meeting, whenever that meeting may be?—A. I think we are using the frequencies and power allocations within all the provisions of the Havana Agreement, and nobody has any complaint to make or anything to say against us on the grounds that we are not handling these allocations properly.

Hon. Mr. LAFLÈCHE: May I ask Dr. Frigon a question?

By Hon. Mr. LaFlèche:

Q. It is clear that Canada is labouring under certain restrictions, the difficulty of getting equipment due to war conditions, and also financial difficulties having to do with capital expenditure. Are there not other countries, parties to the Havana Agreement, which are equally suffering from the same general conditions?—A. Decidedly. F.M. was mentioned at the beginning of this meeting. There are quite a number of applications in the United States for F.M. stations which cannot be authorized because there is no equipment. The same applies here.

By Mr. Boucher:

Q. To the same extent?—A. To the same extent; the equipment is not being manufactured.

Q. I would say more so here than there, and that would be our difficulty.

By Mr. Isnor:

Q. Why not authorize these and let us build up your case.—A. We will see what happens in the next twelve months. At the present time we have 25 stations who may use more power of they so desire, and there is a potential list of 46 who may do so up to 5 kilowatts. We will see what happens in the next twelve months.

By Mr. Boucher:

Q. Are there any others other than that 25 who can use more power if given the authority?—A. Up to 5 kilowatts.

By Mr. Ross:

Q. Why did you set 5 kilowatts?—A. Because, as I said last time, we believe in order to render the community service which 1 kilowatt could render in 1936, at the present time 5 kilowatts are needed on account of the interference from other stations tolerated under the Havana Agreement, on account of background noises, the interference in small and large centres being higher than it used to be, on account of people demanding better service from their stations. And besides, 5 kilowatts is quite the logical figure to adopt under the Havana Agreement.

Mr. BOUCHER: He did not quite answer my question.

The CHAIRMAN: I will admit I did not quite get it.

By Mr. Boucher:

Q. You say there are 25 stations who have authority to increase their power and have not been able to secure equipment. My question was other than these 25 are there any other stations who could get equipment and could increase their power if given the authority?—A. No.

By Mr. Coldwell:

Q. Is it not the policy of the corporation that approved by parliamentary committees, by parliament and by the governors that the high powered stations, the Havana Agreement stations, would be the national stations?—A. There was no doubt in the minds of those who represented Canada at Havana that the high powered channels were intended for the C.B.C., or for the service we would be operating on a national basis. That is where we stand now, but the basic thing is this: Under war conditions, and taking all the factors into consideration, we maintain there is no urgency at the present moment to decide on these points which are being discussed now. We have taken care of the bulk of it by recommending an increase to 5 kilowatts. That takes care of the bulk of whatever might be done whenever equipment is available.

By Mr. Boucher:

Q. In other words, you say that we stand in a position where we compare very favourably with other nations in maintaining the status we had under the last agreement when it comes up for revision the next time?—A. Yes, and the reason for deciding on the 5 kilowatt increase at the present moment is that we believe at some future date, maybe quite soon, maybe many months ahead, the freezing order may be rescinded; and then there will be on the market some equipment which may be frozen now in warehouses, and we do not want to be in the position of having our own broadcasters not knowing what to do with these offers they receive. It may be in August or December. We cannot tell when the governments in Canada and the United States will say, "Manufacturers are permitted to sell 5 kilowatt equipment". When that comes we want to be there ready.

Q. Would it not be good policy to go one step further and to grant power to the station to use that if, as and when they can get the equipment?—A. That is what has been done.

Hon. Mr. LAFLÈCHE: They have done that.

The WITNESS: Every case that has been received will be reviewed now. Of course, that is the responsibility of the Department of Transport, but they will be reviewed in the light of the new recommendation. Some stations will be able to go to 5 kilowatts as soon as they get the equipment. Some will never be able to go there on account of technical restrictions, and probably quite a number of them will not do it because they have not got the money.

We have applications for television stations in the smallest centres in Canada. We do not know what they could do with a television station even if they had the equipment. Maybe they have something in mind, operating that small station with very second-grade programs, but we have some rather queer applications. We know very well some of the applicants either do not realize what they are in for in the way of cost, and cost of upkeep or they have some scheme we do not know about.

Mr. BOUCHER: My point in raising the matter was to exhort the C.B.C. as to their viewpoint on a long term policy with the idea of keeping all the channels we possibly can and making them available to the Canadian people at the next meeting on the Havana Agreement.—A. I may repeat this. The C.B.C. was started on the 2nd of November, 1936. This 1 kilowatt ceiling was discussed at that time and came into effect in 1937. The Havana conference took place in the fall of 1937. It was not implemented by the countries until 1941. In the meantime the old agreement still existed. It is only in 1941 that any change could have taken place in Canada, and the war was on then. Therefore, matters are taking their course normally. There is nothing so extraordinary about what is being done, because of the war.

By Mr. Isnor:

Q. Dr. Frigon, was the agreement signed on behalf of the C.B.C. or Canada? —A. Canada.

Q. What would lead you to say—not that I am taking any exception to it —that it was intended that the high powered stations would be for the C.B.C? There is nothing in the agreement to support that.—A. Oh, no, there is nothing in the agreement. There is nothing official about it, but in the minds of those who were negotiating that certainly was the background of the whole thing.

By Mr. Ross:

Q. That was government policy at that time? Is that right?—A. I do not think it was an announced policy but it was decidedly the view of those interested in broadcasting.

Mr. BOUCHER: It was a C.B.C. interpretation of government policy.

The WITNESS: Not only that, but government representatives interpreted the policy at Havana.

By Hon. Mr. LaFlèche:

Q. Was it not at the time the only outlook one could logically have?— A. Yes. We have the report of the committee in 1932 which says:—

> The public ownership of all high-powered stations under a national system of broadcasting, with low power stations individually operated or co-ordinated in relation to the dominant system.

Mr. ISNOR: You are reading from a recommendation of this committee or some other committee?

Hon. Mr. LAFLÈCHE: From what was Dr. Frigon reading, from a report of which committee?

The CHAIRMAN: The report of the parliamentary committee in 1942.

The WITNESS: It was just the statement of 1932 which was incorporated in your report in 1942.

The CHAIRMAN: Reaffirmed; we reaffirmed it, and it has been reaffirmed by every committee that has ever sat.

Mr. COLDWELL: That is right.

Mr. ROSS: Except last year.

The CHAIRMAN: No, it was reaffirmed last year.

Mr. ROSS: We recommended an increase in power for all stations.

The CHAIRMAN: The principle has been reaffirmed by every committee every year.

The WITNESS: This statement I have read here is taken out of the report of the special committee on radio broadcasting dated July 22, 1943. Therefore, in 1943, the committee restated this basic policy.

Mr. COLDWELL: Every committee has done so.

The CHAIRMAN: In 1943 this statement is made in the report.

> In the reports, as well as in the debates of parliament, a number of principles governing national broadcasting in Canada were enunciated and emphasized. Your committee now desires to reaffirm these principles as stated in the reports of the committee for the years mentioned in brackets.

Then we go on to say:—

> Public ownership of all high powered stations under a national system of broadcasting with low power stations individually operated or co-ordinated in relation to the dominant system.

Mr. BOUCHER: There is just a little difference there. It said all high powered stations under a national network which is a little different from the interpretation that might be put on what Dr. Frigon has said.

The CHAIRMAN: Not a national network; under a national system.

Mr. COLDWELL: In other words, we are following out the Act of parliament.

The CHAIRMAN: We are following out the official policy of every party that has ever been in this country, and as first enunciated by the Bennett government. If that policy is going to be repudiated then it should come from the party rather than from the committee.

Mr. COLDWELL: That is right. My understanding is that the Progressive Conservative party reaffirms the same principle.

By Mr. Ross:

Q. Might I ask one more question? It is in connection with the 5 kilowatts which have been allotted now. Why do you say that they can only have 5 kilowatts? One station might be in a position where it might be better for it to have more than 5 kilowatts?—A. Because we believe 5 kilowatts is quite sufficient for every station to give the service it is supposed to give, and there is no reason to encourage wild competition across Canada between stations. A small station may be giving service in a small community and another station thirty miles away may have more money and could steal the market of the small station. We think 5 kilowatts does a perfectly good job. For instance, in Montreal the oldest station is operating on 5 kilowatts and has been doing so for the last sixteen or seventeen years. There is no question but what it gives very good service at every point in the metropolitan district. Therefore 5 kilowatts is at the present time the logical figure to adopt for stations which are supposed to serve a metropolitan district whatever the size may be. Under the Havana Agreement 5 kilowatts is one of the levels which is adopted all through the different classifications.

Q. I notice there is one station at St. Catharines, CKTB which is using 1 kilowatt now and its limit is 10 kilowatts. Will it be allowed to go up to 10 kilowatts?—A. To 5 kilowatts under the present recommendation. That is a special case. That is a minimum power of 10 kilowatts. That frequency can broadcast on a higher power than 10 kilowatts.

The CHAIRMAN: If that is all the discussion on that particular topic we will pass on to network operations.

Mr. BOUCHER: Mr. Chairman, I have a question to ask. I do not know whether it comes under this section or not but I think probably it is as much under this as any other section. It may be quite elementary, but what I am speaking of is where a broadcast is made can a recording be made from the broadcast itself, and is it customary for the C.B.C where they have a broadcaster giving a certain talk on the radio to take off the radio a recording of what is said? Is it customary to do so?

The WITNESSS I would say that we record nearly all important talks on the air on national issues or matters of national importance.

By Hon. Mr. LaFlèche:

Q. Overseas?—A. Overseas, yes, but we will not record a broadcast of a talk on some subject not of national importance.

By Mr. Boucher:

Q. In other words, where there is a matter of national importance being broadcasted the C.B.C. as a general policy makes a record from the broadcast itself?—A. Yes.

Q. Then, from that record do they as a rule make a statement of the words used, have it transcribed for publication for anybody who wants it? —A. No.

Q. What I am referring to particularly from my point of view——A. It can be done and it has been done occasionally, but it is not the practice.

Q. Let us take a definite illustration, the Walter Winchell broadcast over which there is some discussion now. Can a copy of the exact words which he used in the broadcast for the War Information Board be secured?—A. We would like you to hear the record. We could let you hear the record if you want to.

Q. Is there not available at all times copies of that record?—A. We have no copies at present, but it can be done if it is copied from the record by a stenographer. It is not very easy at times because it is just taking a verbatim report.

Q. In the House of Commons yesterday or the day before I think the Minister of National Defence said that he had it. On page 2978 of *Hansard* of May 15th Colonel Ralston says:—

> I happen to have in my hand the statement which was made by Mr. Winchell. I had not seen it before, but I have glanced through it. There is not one sentence in it which by the wildest stretch of the imagination could be regarded as giving credit to any particular government.

That would indicate that Col. Ralston had a definite copy of the statement which Walter Winchell made at the time, and I understand that other copies cannot be had.—A. We have no copies in our files.

The CHAIRMAN: Excuse me, Mr. Boucher, I think you are probably in error there. The statement to which Mr. Ralston referred in my opinion was the public statement which Mr. Winchell made previous to this; not the statement which was made in the broadcast on Sunday night.

Mr. BOUCHER: I happen to have in my hand the statement which was made by Mr. Winchell—about Mr. Winchell—and there is not one sentence in it which even by the wildest stretch of the imagination could be construed as a reflection—

Hon. Mr. LAFLÈCHE: Would you read all of it. I think there is something more.

Mr. BOUCHER: There is not one sentence in it which by the wildest stretch of the imagination could be construed as a reflection. Yes, Col. Ralston said:—

> I happen to have in my hand the statement which was made by Mr. Winchell. I had not seen it before but I have glanced through it. There is not one sentence in it which by the wildest stretch of the imagination could be regarded as giving credit to any particular government. As my colleague the Minister of Mines and Resources (Mr. Crerar) has said the whole statement is with regard to the effort of the Canadian people.

There is a lot more of it, do you want me to read it?

Hon. Mr. LAFLÈCHE: Does he not say there, does he not quote from Mr. Winchell saying that he had never been in Canada since 1914?

Mr. BOUCHER: I do not know, I did not see it.

Hon. Mr. LAFLÈCHE: I judge that he was referring to the newspaper account.

Mr. MARTIN: When Mr. Winchell made his statement on the radio he said that he was going to extend it to his column the next day and as you know, his column is syndicated in practically every newspaper in the United States and many in Canada.

The CHAIRMAN: Exactly.

Mr. BOUCHER: It does seem to me that if the C.B.C. have a copy of the statement, and if a copy of the statement is given out, they should be required to give it to all who may seek it if a transcription is made.

The WITNESS: That broadcast was not our own broadcast. It was made at the request of a government department.

Mr. BOUCHER: Nevertheless if a transcription were made it should have been made available to everyone who wanted it.

The CHAIRMAN: They did not get it from you?

The WITNESS: Not from us, we haven't got it.

Mr. BOUCHER: You said you haven't got it?

The WITNESS: The only way in which we could give it to you would be to have a couple of stenographers sit up and listen to the record and then read their notes.

Mr. BOUCHER: Very often you hear over the radio of the C.B.C., and I believe also from other stations, something to the effect that you can have copies of this broadcast by application to so and so. My point is that rather the case of almost any broadcast that if I hear a broadcast over the radio which is of particular interest to me it is my privilege to write to the C.B.C. and get a transcription of that broadcast.

Hon. Mr. LAFLÈCHE: You are privileged to do that if it is available.

The WITNESS: If Mr. Winchell had been requested by us to give a talk we would have the manuscript in our file. We only played a record which was supplied to us by a government department as part, I understand, of the Victory Loan Campaign.

Mr. BOUCHER: And you say that in the case of the Winchell broadcast a recording was not made?

The WITNESS: A recording may have been made, but not by us. We received copies of the recording being supplied to stations, and a great many private stations in Canada also received these recordings in all parts of the country, all over Canada, they were distributed across the country with a request that they should be played.

Mr. BOUCHER: And the records used, were they checked with the actual broadcast to see if they were the same thing as the actual broadcast—they would be the actual broadcast.

The CHAIRMAN: They could not be different.

Mr. COLDWELL: Was the broadcast in the same vein as the material Mr. Ralston quoted?

Mr. BOUCHER: I understand this broadcast was given over certain private stations in British Columbia, Toronto and perhaps elsewhere, on the Saturday afternoon following its use by the C.B.C.

The WITNESS: The record was played on some of their own stations.

Hon. Mr. LAFLÈCHE: At whose request?

The WITNESS: At the request of the Advertising Agencies of Canada—I think you know whom I mean.

Mr. MARTIN: Mr. Boucher does not intend to suggest that he is not willing to have the fullest tribute paid to Canada in every possible manner.

Hon. Mr. LAFLÈCHE: Among those identified with the agencies associated in the Canadian Association of Advertisers are such firms as Eastman's, Gibbon's, and firms of that standing. Hon. gentlemen opposite know well who they are. The duty of the Associated Advertising Agencies is to work in the Canadian interest.

By Mr. Boucher:

Q. Among other things that I want to find out first of all I want to find out what is the policy of the C.B.C. in taking transcriptions or in recording broadcasts being made on other than their own stations; secondly, when they get their recordings do they get a transcription; thirdly, is it their policy to give a transcription of broadcasts to one another—there are a number of things.—A. In answering your first question as to whether—what was it?

Q. Whether you make recordings of national or international broadcasts on all occasions?—A. We make recordings of broadcasts in our own stations; if the broadcast has been organized by us we will often keep a recording. We have the manuscript and these manuscripts are either carbon copies or at times may be printed copies, and if we have extra copies we may give one to whoever may ask for it, but it is not our practice to distribute these.

By Mr. Hansell:

Q. May I ask Dr. Frigon if manuscripts are kept of all the speeches and recordings that go over the C.B.C. networks?—A. All the manuscripts of all the talks recorded in our studios and produced by us; in other words if you have a broadcast from a Canadian club meeting in Toronto we would, of course, have the manuscripts for whoever talks at the luncheon; however, if whoever is making that speech before the gathering interpolates something which is not in the script, we would have no record of that but if we made a recording we would know what was said. What he has in his copy is there without the recording. We would not in every case make a recording of speeches of that kind. For instance, if it was someone talking about tuberculosis, we would not likely make a recording of that, but if on the other hand someone were talking about commonwealth and empire relations, we would make a recording of that.

Mr. BOUCHER: I understand that this Winchell broadcast was actually recorded in New York and it was broadcast from the record by the C.B.C., and I understand that the recording was reproduced here at the request of the Victory Loan people.

The WITNESS: Yes, that is the group known as the Advertising Agencies of Canada, who take care of publicity for the government and the various war projects, and they distributed across Canada a number of copies of the records. We received some of these and we have played them on some of our stations, just in the same way as many privately-owned stations in Canada have done.

By Mr. Coldwell:

Q. This was done by the Canadian Advertising Agencies in connection with the Victory Loan?—A. Yes.

Q. Was any of the broadcasting time paid for by the government?—A. No.

Q. That is a free service?—A. Yes.

Mr. ISNOR: This is one of those cases where this agency thought they had a sufficiently fine tribute to Canada to make further use of it.

Mrs. CASSELMAN: This is a tribute to Canada from a man who is very well known and people are pleased to hear him. People are pleased to hear anyone who has kind words to speak of Canada and her war effort. We have been hearing a good many complaints, we have frequently heard them, that Canada's war effort is not sufficiently well known in the United States. Here is a man who comes along with a tribute to Canada. I think it was a very great service to put on the air what someone else, a person of such distinction, had said about our war effort.

Mr. ISNOR: But don't forget that that same man made other statements which were anything but a tribute to Canada.

Mrs. CASSELMAN: But he did make this statement however.

Hon. Mr. LAFLÈCHE: Might I make a remark? I had hoped we had heard the last of the complaint and this slapping in the face of Mr. Winchell as a result of the broadcast—

Mr. ISNOR: "Kick in the britches" is the way he put it.

Hon. Mr. LAFLÈCHE: I had hoped we had heard the last of that, because if anyone in Canada is going to take the position that it is not in order for people to acclaim the very tremendous war effort that Canada is making—well I think if anyone in Canada holds that view he had better revise his opinion. There is a rising tide of acclaim for Canada's war effort, so much so that Mr. Winchell has taken a recent interest in it; and there is another one who has taken a keen interest in it lately. I refer to the Right Hon. Mr. Winston Churchill; Mr. Churchill, as you know, just recently referred to the very high regard which people had, with which all people viewed Canada's war effort, and the admiration they have for what she has done from our Prime Minister down.

Mr. BOUCHER: I do not know, Mr. Minister, why anybody should be sensitive here; I personally and I do not know of anybody else who does not want Canada's war effort acclaimed.

Hon. Mr. LAFLÈCHE: We had somebody in the House insult Mr. Winchell.

Mr. BOUCHER: Nobody in the House insulted Mr. Winchell, or anything of the kind.

Mrs. CASSELMAN: Oh, Mr. Chairman, I suggest that this is entirely out of order.

The CHAIRMAN: Yes, it is a little bit out of order.

Hon. Mr. LAFLÈCHE: It is certainly bringing out this fact, that it shows that every Canadian ought to be pleased to hear good things, well founded, said of our country.

Mr. BOUCHER: And every Canadian is.

Hon. Mr. LAFLÈCHE: I am very glad to hear you say that.

The CHAIRMAN: Order.

We will proceed with network operation.

Mr. HANSELL: Following on the question I asked a little while ago in respect to manuscript, I got a letter the other day from Mr. James J. Larkin, Vancouver, in which he says he was unable to get a copy of a manuscript—the party says this:—

> Mr. Philpott has already been the subject of complaint in regard to his broadcast here. J. G. Diefenbaker in Commons questioned a broadcast in which Philpott commented on the retirement of Gen. McNaughton. The C.B.C. alibi at that time was that there was no script of Philpott's address! But of course the C.B.C. would look into it—yes; yes.
>
> Later on it became known through Ira Dilworth, C.B.C. regional director for B.C. that even after that no scripts are even now being kept of the broadcasts—

The WITNESS: The gentleman should see Mr. Dilworth again and he will find that he is wrong in that statement.

Mr. COLDWELL: We may find some who disagree with statements made by commentators at times, but if we are going to have these commentators who are worthwhile on the air we should not interfere with them, they may step on some people's toes; naturally some people dislike some things they say. We should not allow ourselves to be placed in the position of approving such censorship; there is really a lot of worthwhile comment from these people, although we may not agree with all they say.

Mr. HANSELL: That is not my point; my point was, is the manuscript available?

The WITNESS: The manuscripts, or copies of the manuscripts, are available.

Mr. BOUCHER: I think the situation has all been boiled down to this; I think the point I am trying to establish by virtue of instances in which the manuscripts could be had; and in matters of this kind where the manuscript is available, there can be no difference of opinion as to what a man may have said or did not say; there should be a record to the talk in manuscript form so that we will know what he did say when he is accused of saying something else, we can find out if they agree.

The WITNESS: We have the actual recording here if you want to listen to it.

Mr. BOUCHER: It would be better if you would let us have the manuscript.

Mrs. CASSELMAN: I do not think it is worth the while of the committee going into this. I would ask the Chairman to rule it out of order. I think we have spent enough time on this.

The CHAIRMAN: This is an isolated incident, and we are dealing with a concrete subject here of network operations. Is there any discussion with respect to network operations?

By Mr. Ross:

Q. I was just wondering if we could have something further in connection with a statement the chairman referred to a short time ago, one which relates to findings of the committee of last year. Page 261 of the recommendations of the committee of last year which reads as follows:

> Evidence was presented to the effect that there may be danger of losing the full use of channels now assigned to Canada by the Havana Agreement. We believe that the corporation should safeguard these channels and, if necessary, consider increasing the power of all stations to the limit of the agreement—

Mr. COLDWELL: And I think the committee should realize that that has been done.

The WITNESS: You ask that regarding channels?

Mr. ROSS: Yes. I was wondering if anything had been done to correct that situation, if any effect had been given to that recommendation. I think something of that kind should be done, that there is a danger of our losing out unless we do it, and we do not want the corporation to lose out.

Mr. COLDWELL: No.

Mr. ROSS: That is the reason we put that recommendation in there. We recommend that if necessary consideration be given to increasing the power of all stations to the limit of the agreement.

The CHAIRMAN: And Dr. Frigon said that they had taken certain steps to implement that part of our report.

Mr. COLDWELL: Yes.

The CHAIRMAN: That completes network operations, now we come to Canadian commercial continuity, indicating patent medicines, drugs, etc. I would like to make mention of the special steps that have been taken by the corporation to clean up commercial copy, particularly having relation to patent medicines and things of that kind broadcast over Canadian stations.

Mr. COLDWELL: What about the Bayer Aspirin which is a very fine program; I was shocked to learn the other day that 50 per cent of their profits are set aside for the parent company in Nazi Germany—of course, those funds are held in trust by the Custodian of Alien Property. I do not think I will buy any more aspirin.

Mr. BOUCHER: You will have some headaches.

Mr. COLDWELL: I seldom have a headache.

By Hon. Mr. LaFlèche:

Q. Are private stations following your instructions in regard to this cutting out of the use of objectionable terms in commercial advertising?—A. That is a matter of taste and good judgment, and when you are dealing with that it is not very easy.

Q. I am asking you, has there been any special improvement on the air in Canada?—A. Oh, yes, unquestionably; the situation is improved to a certain extent but in certain specific cases it is difficult to agree on what is good taste and what is not.

Q. I see.—A. And we are trying to set a standard which we think will meet with the approval of Canadians generally.

Q. And all broadcasters are aware of the necessity of improving it as best they can?—A. They are, and most of them are very co-operative. The same situation existed in the United States. Their networks have committees of officials and they supervise all commercial script, checking it up themselves; and the N.B.C. some few weeks ago issued an interesting booklet or brochure setting forth their rules and regulations in this respect.

Q. Since the committee began its meetings the new network has had that much more time to get going; the new network was just about beginning when the committee started its sittings.—A. That network started in its final form on the first of January.

Q. However, it has had that much more time in which to get established?—A. Yes.

Q. How is it going?—A. It is going all right, and I would like to call a meeting of all the stations on the Dominion network but I will have to wait until the meetings of this committee are concluded because it is too much of a load to attend these meetings and adequately to arrange for and attend the others. Therefore those meetings will have to wait until this committee has concluded its work but as soon as this committee has finished we shall call them in to a meeting.

Q. But what is your opinion of the way in which the new network is working out?—A. I think it is working very nicely.

Q. Have you had any complaints from the private broadcasters?—A. No, I have not had anything from any one of them for the last two or three months. One of their principal complaints seems to be with reference to zoning and time. We are working on that at the present time and we are trying to find a solution for it.

Q. By that you mean they were having trouble in connection with the several time zones in Canada?—A. Yes, we have five time zones in Canada and they have four in the United States.

By Mr. Coldwell:

Q. I was just wondering in a project of this sort whether you had any competition, why you could not build up friendly rivalry between say the people who are operating each of the two networks. I believe as a matter of fact that among government-owned institutions it is quite possible to develop friendly rivalry, and quite desirable also; not from the standpoint of competition for profit, but I think much could be done in that way to improve the efficiency of each of these organizations.—A. I think that will come when we are able to carry on our own networks sustaining programs for each; if there are opportunities for broadcasting, putting on a set of programs on the one and on the other, it might help to develop that spirit of rivalry to which you refer. However, there are times when we have not sufficient time on the network to carry all material offered, so we carry it on the other network on the same basis.

Q. That is not what I had in mind. What I mean is this; you have two networks, the Dominion and the Trans-Canada; would it not be possible to have each of them try to out-rival the other in the way of perfecting their respective productions?—A. I think that is met basically through our key stations in Toronto; CJBC is being operated entirely separately from CBL. All its programs are in opposition to CBL.

Q. That is more what I mean.—A. In those two stations we try to encourage them to compete with each other in quality of program. Each has a different management, a different staff, and different announcers and different producers.

By Mr. Isnor:

Q. What was the object of bringing into effect a separate network in the Dominion?—A. For a number of reasons; the first was so that every listener might have a choice of programs from either of the two networks and then because our own national network was being overcrowded with commercials; and also because we wanted to produce a number of sustaining programs for which we had no room on the national network.

Mr. ISNOR: I can see where you could have very keen competition between your two networks, but I cannot quite visualize how you can hope to get it in the way you have indicated.

Mr. COLDWELL: Rivalry is what I call it.

Mr. ISNOR: I think you would get better results if you had competition between privately-owned stations and those that are publicly-owned.

The WITNESS: Competition can only come from commercial broadcasts, which are competitive all through, and there are also sustaining programs.

By Mr. Coldwell:

Q. I think you should be able to get that where you have two separate managements for the two broadcasting systems. You should have rivalry between the two systems as to which take in the best type of program and

service.—A. You must have in mind what the listener wants. There is competition on one network, for instance between sustaining and commercial programs. In the case of two networks, you have competition between them as well.

Q. Competing for audience, you mean?—A. Yes.

Q. Why cannot each network system compete for audience?—A. They do, since the commercials on each of the networks are in competition with each other.

Q. And suppose we leave the commercials out altogether?—A. The second point is this, as I said at the last meeting, we are prepared to have private broadcasters come on our own network with their programs and compete with us.

Q. I said, leave out the commercial broadcasters; why could not the national C.B.C. networks be so managed as to compete with each other as to service and related things?—A. As I explained, we are already doing that. We have a manager who gives his exclusive time to station CJBC in Toronto, the key station on the network; and there is a different staff in connection with CBL which is the key station on the other network. These networks are in competition. They have different announcers, different producers, and we hope to build up this competitive element in the organization to a very much greater and beneficial extent.

Mr. COLDWELL: That is what I had in mind.

By Mr. Veniot:

Q. The simple fact of competition is awfully good, isn't it?—A. Certainly.

The CHAIRMAN: Will you turn now to page 124.

By Mr. Ross:

Q. Might I ask this question about the time factor—is that what you call it—that difficulty to which you referred, is that what you call it?—A. Yes.

Q. The time factor?—A. Yes.

Q. How is it worked out on these national broadcasts by say the NBC, the blue network or the red network?—A. By repeat programs. They have repeats; they also use recordings, they record the program and hold it up for a number of hours and play it at some other time later.

Q. What do they do with a program like Jack Benny?—A. I think Jack Benny is a repeat program, the same actors do the show usually twice in the same evening. Of course, that is a very very expensive arrangement and we cannot afford it.

Q. It is quite expensive?—A. Oh yes.

Q. Well then, another thing I would like to ask you about the network; are you not in competition with the red network and the blue network in the matter of time all along the border areas at least?—A. To some extent, that is especially true in Vancouver because Vancouver has a wide field to select from. We do not carry the NBC and the Blue Network on our station.

Q. How about other places across in the United States—you take in Ontario we get Buffalo and Cleveland and points of that kind?—A. Oh yes. Near Vancouver there is a station at Seattle. We find that some of our American friends across the border listen to our station, CBR, because they like it better for a certain type of program than they do their own Seattle station. We have for instance the school authorities in Bellingham where they listen to our school broadcast over CBR. Mr. Dilworth went down there and talked the situation over with them and he has built up our school broadcasts with the result that we have received a very complimentary letter and remarks from the Bellingham group. That is in the States. They do listen to certain types of broadcasts from CBR and they often prefer them to what is available over their local stations.

By Mr. Coldwell:

Q. Who looks after the school broadcasts in British Columbia?—A. We have a part time man there who is employed both by the local school authorities and C.B.C.

Q. Who is he?—A. His name is Caple.

Q. I know of Mr. Caple and I know that he has made a special survey in connection with broadcasting and he has done a splendid job in British Columbia. I wonder why when the corporation were appointing a supervisor for education or an assistant, they did not select a teacher, and a man like Mr. Caple, who was a teacher and who had made an extensive study of the subject; he is held in very high regard by the educational authorities in British Columbia. I am wondering why a man of his calibre was not considered for that position when it was first set up. Maybe he was.—A. I could not tell you.

Q. I am told he was not by the teachers in British Columbia. I wonder why persons who are not familiar with Canadian educational problems were brought in to be put in charge of educational broadcasts. I cannot understand it. —A. I have no knowledge of that myself at all.

Mr. HANSELL: I think, Mr. Chairman, the matter of competition with American stations is not so acute in the daytime. It may be that in the southern part of Ontario there may be some competition, but in so far as other parts of the country are concerned I do not think we can get very many American stations in the daytime. There may be some competition at night, but even then I think our two networks carry a good deal of the American program. It would not be a matter of competition then, it would be a matter of tuning in to the stations from which you would get the best reception.

The WITNESS: For instance, for the news broadcasts we know that we have a big audience in the States. We know that.

Mr. COLDWELL: Mr. Chairman, it is one o'clock.

Hon. Mr. LAFLÈCHE: What are we dealing with this afternoon?

The CHAIRMAN: There are some technical activities being considered here, and we have Mr. Bushnell. We could go ahead with Mr. Bushnell, if he is ready. How long will it take you, Mr. Bushnell?

Mr. BUSHNELL: It would take me about an hour and a half.

Mr. ISNOR: There are one or two questions that I want to ask about Exhibit A.

The CHAIRMAN: Then we will hear Mr. Bushnell this afternoon, and if there are a few questions relative to what we have been discussing this morning we will dispose of him first.

The Committee adjourned at one o'clock p.m. to meet again at 3 o'clock p.m. this day.

AFTERNOON SESSION

The committee resumed at 3 o'clock p.m.

The CHAIRMAN: Mrs. Casselman and gentlemen: I think perhaps it might be good procedure if we were to have the presentation of Mr. Bushnell. He is here and members have been supplied with a copy of his presentation. We can break off the questioning of Dr. Frigon until Mr. Bushnell has made his presentation. Is that agreeable to the members of the committee?

Mr. HANSELL: I was wondering—possibly it might be taken up after Mr. Bushnell gets through—if to-day there might be any announcement of any further development in respect to political broadcasting?

The CHAIRMAN: I do not know just where the matter stands. I suppose that is a matter which could be disposed of very shortly.

Hon. Mr. LAFLÈCHE: A very simple matter.

The CHAIRMAN: A very simple matter. I would make this proposition to the committee, that because of the position taken by the Canadian Broadcasting Corporation in the past I suggest that it would be fair that the C.B.C. maintain the principle of recognizing the four qualifying parties to the original understanding, in so far as a federal campaign goes, in which the Social Credit party was one of the qualifying parties.

Hon. Mr. LAFLÈCHE: I think that would be very good.

Mr. HANSELL: That will satisfy us.

Mr. ISNOR: I did not get that last part.

The CHAIRMAN: I will read the whole thing again. I just made a note of it with reference to between election campaigns. The proposition is this, that because of the position taken by the C.B.C. in the past I suggest it would be fair that the C.B.C. maintain the principle of recognizing the four qualifying parties to the original understanding, in a federal campaign, in which the Social Credit party was one of the qualifying parties. If you remember there was a meeting held back in 1939, I think it was, and the four political parties were put down as being qualifying parties.

Hon. Mr. LAFLÈCHE: That would be brought to the attention of the Board of Governors.

The CHAIRMAN: And that it be on the record and be brought to the attention of the Board of Governors, and that the committee suggest to the board that the matter be given their consideration.

Hon. Mr. LAFLÈCHE: I think that would be very good.

The WITNESS: If I understand you you would like the corporation to distribute time until the next federal election on the same basis as during the last federal election, and on the occasion of the next federal election to do likewise?

Hon. Mr. LAFLÈCHE: The chairman, as I understood it, suggested for consideration by the Board of Governors of the Canadian Broadcasting Corporation that they maintain the principle which was established several years ago and work out a proper scheme bearing that in mind.

Mrs. CASSELMAN: You said, "between elections," did you not?

The CHAIRMAN: Yes. If you will refer to the memorandum which was given to us earlier in the session it is called "revised edition of the C.B.C's policy with respect to political and controversial broadcasting." They have a paragraph here with the heading "between election campaigns." It reads as follows:—

> Under a policy issued by the Board of Governors on January 22, 1940, paid political broadcasting on C.B.C. stations, networks, or hookups was prohibited for the duration of the war, and since that time the corporation has not accepted paid political broadcasts. However, free network time has been provided on occasions to federal and provincial party leaders for messages of outstanding importance. Under the revised policy, one-half hour per month of free time will be set aside on a C.B.C. national network for political broadcasting by national party leaders. In the event that there are only two qualifying political parties, the leaders will be allotted equal time, but when there are more than two qualifying parties, the time will be divided in the following ratio: two periods to the party in power; three periods to be divided among qualifying opposition parties.

I think the position taken then was that the Social Credit party was one of the qualifying parties.

The WITNESS: Yes, during the last federal election. I understand you want us to extend to the period between elections until the next federal election the same principle or the same basis which was in effect during the last election campaign. In other words, time that we may give free of charge to party leaders between election times shall be divided on the same basis as we divided the time during the last election campaign.

Hon. Mr. LAFLÈCHE: I took it we were rather leaving that to the Board of Governors. As I understand this it was that this committee would, if it approves, desire the Board of Governors of the Canadian Broadcasting Corporation to maintain that principle which recognized the Social Credit party three or four or five years ago; maintain that principle and work out the details.

Mrs. CASSELMAN: It would mean the redefining of your word, "qualifying"?

The CHAIRMAN: Yes, or "political parties."

Mrs. CASSELMAN: Qualifying political parties; the word "qualifying" would have to be defined.

The CHAIRMAN: The position is that in the last election campaign the Social Credit party was allotted time and according to this between elections they are excluded. Our idea is that in between election campaigns they be one of the qualifying parties.

Mrs. CASSELMAN: I quite agree with that. The only trouble would be you would almost have to redefine your word "qualifying" in order to see whether other parties besides the Social Credit party would then qualify for time. You would have to put down something fairly definite as to your word "qualifying." Otherwise you open the gate to all kinds of things.

Mr. BERTRAND: The chairman has said this courtesy was extended to the Social Credit party, that at that time there were four qualifying parties and that the same principle would continue to apply to those parties, but it would not be opening the gate. I would suggest one thing. This is a rather important declaration. Why is it not left on the table until the next meeting so that we can study it?

Hon. Mr. LAFLÈCHE: I thought it was very simple. If the Board of Governors know our wishes or our suggestion they can work out the details, surely. They have got a job to do. Let us keep their noses to the wheel.

Mr. ISNOR: I think we had better approve of that.

Mrs. CASSELMAN: I think we had better approve, only it seems to me if you are going to make any alteration you have to redefine your rules.

The WITNESS: If I may explain, during the last election campaign the regulations said that time would be given free to political parties in the house. Through mutual agreement four parties were given free time: Liberal, Conservative then, C.C.F., and Social Credit. I understand you want this principle to be applied to the time which we propose to give free between election times, and until the next federal election.

The CHAIRMAN: Exactly.

Mr. ISNOR: To the same four parties.

By Mr. Ross:

Q. Is it understood though that it might be advisable to have another conference when the next general election does come along, have another conference between the representatives of the parties as they had the last time to confirm any arrangements which might be made?—A. That is understood.

Q. The last time they got them all together.

The CHAIRMAN: That is taken for granted.

Hon. Mr. LAFLÈCHE: That is really for the Board of Governors to bring about in due course.

Mr. ISNOR: I am glad you brought that up to-day because if there had not been a settlement I was going to move that no free time be made available to any political party, either federal or provincial, on the C.B.C. networks. In fact, I had written out a motion and was going to give notice to move that, but I think this solves our problem so that for the time being I will let this stand in abeyance.

The CHAIRMAN: You are saisfied with that proposition for the time being?

Mr. HANSELL: I think our group will be well satisfied with that.

The CHAIRMAN: Then we shall proceed with Mr. Bushnell's presentation.

Hon. Mr. LAFLÈCHE: We have copies of his presentation?

The CHAIRMAN: Yes, exactly.

ERNEST BUSHNELL, Supervisor of Programs, Canadian Broadcasting Corporation, called.

The WITNESS: Mr. Chairman, Mrs. Casselman, and Gentlemen: I thank you for the opportunity of appearing before this committee. I shall try to be brief, covering only a very few of the activities of the program division.

I feel it is a privilege to express publicly my deep appreciation of the valuable service given by members of the program staff during the past year. They have not spared themselves—neither those who have had to remain at home nor those who have been so fortunate as to have been sent to active theatres of war. Of the latter I shall have a special word of commendation to offer later.

You may be interested in knowing what are the functions and responsibilities of the supervisor of programs. I quote from the C.C.B. manual which contains a definition of the duties of every member of the staff according to his or her classification:—

> To be responsible for all programs produced by or broadcast under the auspices of the Canadian Broadcasting Corporation; to organize and direct the work of program staff at head office and all production centres; to develop and maintain a proper balance between the various types of programs originated by the Canadian Broadcasting Corporation; to assist in conducting program surveys as required and to observe public reaction to C.B.C. programs; to prepare estimates and budgets of program accounts; to confer with and advise the general manager on questions of program policy; to co-operate closely with the engineering division in so far as operations are concerned; to maintain contact with the development of broadcasting in other countries; and to perform other related work as required.

I have not mentioned this with the intention of trying to impress you with the wide scope of the important duties attached to my own position, but rather to indicate that some members of the program division must possess not only creative but administrative ability as well. On a great many of them rests the responsibility of administering the money of licence payers, and in so doing of exercising a considerable degree of prudence, foresight and intelligence—qualities that sometimes are not attributed to those who deal mainly in "ideas". I am happy to tell you that there is not the slightest indication of any misuse, extravagance or recklessness in the spending of what constitutes a considerable sum of money allotted to the program division every year. A thorough, and to my mind a completely adequate, system of checking all expenditures effectively precludes any such possibility. In this we have the active co-operation of and competent assistance from the treasurer's department, for which we are most grateful.

Out of its revenues, the Canadian Broadcasting Corporation spends approximately one million dollars a year on talent. That is what is called our "artists fees" budget. Of this sum we pay approximately fifty-five thousand annually to symphony orchestras for the right to broadcast a portion of their regular concerts I think it is an understatement to say that if the C.B.C. for one reason or another was unable to give financial support to the principal symphony orchestras of this country, they would have great difficulty in carrying on.

The question of encouraging young artists has been raised by this committee. The C.B.C. is keenly aware of its responsibilities in this matter, for we recognize that the very existence of broadcasting in this country is predicated upon a steady flow of new and fresh talent being made available to us. What are we doing about it? Since April, 1943, we have auditioned 1,115 potential artists. We have spent close to $15,000 in doing so, either through payment to members of audition panels, or in travelling expenses incurred by members of our staff. This figure does not take into account time spent by officials of the program division who are constantly interviewing prospective artists or attending recitals and concerts where young artists are appearing. The matter of auditioning talent is not a new development by any means but is a continuation of a policy in effect for many years.

Of the 1,115 artists auditioned this year, 243 have been given one or more engagements.

I should like to make special mention of a talent finding survey that was undertaken last summer in western Canada. Mr. Beaudet, C.B.C. supervisor of music; Mr. Herbert Walker, C.B.C. regional representative for the prairie provinces; and Dean Collingwood, dean of music of the University of Saskatchewan, spent from four to five weeks visiting Winnipeg, Brandon, Regina, Moose Jaw, Saskatoon, Edmonton, Calgary and Lethbridge. Three hundred and sixty-two candidates were auditioned. Of this number less than ten per cent were considered suitable for network broadcasting. In December last we commenced engaging some of these artists and others are now booked for network broadcasts for as far ahead as next July.

In Toronto we engaged an experienced coach and producer of drama for the purpose of finding and training new dramatic talent. During the past year 56 students have been enrolled, and the majority attended the classes on from 8 to 10 occasions. Of those who have completed the course twenty have already been used and others will be given engagements when the opportunity arises.

In Winnipeg, our producer, Mr. Esse Ljungh, has been doing much the same work as in Toronto. Mr. Rupert Caplan, supervisor of production, and Mr. Andrew Allan, supervisor of drama, are constantly on the look-out for new voices, new writers and new talent of any kind. Mr. J. Frank Willis, our supervisor of features, has given employment to 27 new dramatic artists this year. Mr. Charles Wright, manager of CBO, has interested himself in stimulating and developing radio talent among the members of the Recreational Association of the civil service in Ottawa. For a number of weeks he conducted classes designed to give to those interested some knowledge of the background and workings of broadcasting. He followed this up during the month of March by conducting a practical radio dramatic workshop. Four plays were produced in the series and broadcast locally over CBO at 11.30 p.m. on Fridays, in the half hour after the station normally closes down for the night. Some hundred interested people were auditioned in connection with the series, of whom over twenty have been used. It has been an interesting and useful experiment. Mr. Wright has devoted a great deal of his time, quite voluntarily, in addition to his many other duties, to this valuable method of seeking and developing new talent among the many in the civil service now in Ottawa. It is our feeling that this kind of co-operation between the C.B.C. and the Recreational Association is beneficial to all.

A great many young artists first obtain experience in privately owned stations. From there they graduate as it were to the wider field of network broadcasting. Considerable credit is due the private stations for what they have done in the discovery of new talent.

You might be interested in knowing how our auditions are conducted. Those applying are asked to complete the "Audition Application Report", a copy of which is before you. Auditions are held regularly and each candidate is notified well in advance of the date on which he or she is to be heard. Three people listen to all auditions whether instrumental, vocal or dramatic. Two members of the audition board are not employees of the C.B.C. They are selected for the most part from the faculty of the local conservatory of music, or a university department of music, or from a school of drama. A C.B.C. producer is also present at each audition, and completes the candidate's report in the presence of the other two adjudicators.

Candidates attaining a rating of 80 per cent or higher are considered suitable for network broadcasting.

A list of all those who receive such a rating is sent promptly to the production department and producers are asked to include them in appropriate programs at the first opportunity. I will not go so far as to say that all those whose rating is 80 per cent or over receive regular engagements. That would be impossible. But for the most part they are given an opportunity from time to time, and eventually the most talented ones work their way up to the point where they can be considered professional artists ready to rehearse and broadcast at any time they are called upon to do so.

Now what would happen if we displaced professional artists with all the new or promising talent that we find? The answer is obvious. We would have very few if any professionals (and by professionals I mean those who earn their living entirely from broadcasting), and we simply could not give to our listeners anything like an adequate service. There is no royal road to success in the broadcasting field any more than in any other. Progress may seem slow to those whose friends and relatives assure them—and they are legion—that they are unquestionably the most talented in the world. However, if they have the ability, and the perseverance, eventually they are bound to succeed.

I have with me a few completed audition reports selected at random from our files at National Program Headquarters in Toronto. I should like to take just a moment to glance over them with you for I am sure they will reveal how carefully each candidate is considered.

These are completed copies of the form I believe you now have before you. The form is filled in by the artist seeking the audition, and pertinent details regarding name, age, marital status and so forth, experience in broadcasting, are all given to us before this report comes in.

Then we have, as I mentioned before, three people who listen to each audition and their comments are included in here on separate pages and then correlated on the back of the form. I will not mention any names, but here is an application for engagement as a singer, a young lady,—a soprano, obviously—married, with two children. She would like to take part in broadcasting on a sort of part-time basis. She gives other pertinent information over here. She has had training; she was trained at the Toronto Conservatory of Music under two very eminent vocal teachers. We, as I say, get all the pertinent information we can and then we have the report of those who give the audition. In this case the young lady got 80 per cent and the comments of the three people are as follows:—

> Soprano with clear, bright voice—all the attributes of a fine singer. Did a very competent job—has a fine musical sense and sings with intelligence and sincerity. This is a most promising young singer.

By Mr. Coldwell:

Q. Did that singer get an engagement?—A. That singer, as a matter of fact, has got an engagement, yes. Then we find here apparently a young boy who is a pianist. He is only fourteen years of age but he has played piano solos on Aunt Edith's program, whatever that might be. He lives in Vancouver. He has also done some dramatic work on the C.B.C. He played on this particular occasion the "Valse in A Flat", by Brahms, "Rustle of Spring" by Sinding and "Nocturne in E flat" by Chopin. He got a rating of 65 per cent. That hardly qualfies him for network broadcasting. I will just read you the comments:—

> He displayed a musical quality of tone, with good tempo on the whole, although the Brahms was inclined to be a little slow. His rhythm was good and he displayed a high standard of accuracy.

I will not read it all, but there is this further comment:—

> This is an attractive young player with a good sense of musical values and ability to win attentive sympathy from the listener.

I do not know that it is necessary to tire you by going through all these. Here is another person who got 80 per cent. I will see if I can find one who is a little lower down on the scale. Yes, here is another with 60 per cent, a baritone soloist. I will see what it says:—

> This candidate sang the following popular songs:—"I heard you cried last night", "You'll never know", and "Night and day". He possessed a baritone voice of fair quality which was evidently untrained. His diction was lacking in finish, and he approached his notes from below thus rendering his pitch very insecure. He was lacking in sense of time, and his phrasing had no musical foundation. He possessed no tremolo, but his breath control was poor, and his personality was not convincing. This singer is not prepared for a radio program.

The people who gave him the audition signed their names. They are two very well known musicians in the city of Vancouver. If I were to mention their names I am quite sure some of you would recognize them. That is the way we go through this business.

By Mr. Ross (St. Paul's):

Q. Do they perform over the radio? When the audition is taken, do they perform over the radio?—A. No. They perform through a closed circuit. They are heard in a broadcast studio over the same facilities as they would normally perform over, with the exception, of course, that it is not going out on the air.

By Mr. Hansell:

Q. Would these people be advised of the comments made by these adjudicators?—A. Not necesarily. If they ask for them sometimes we provide them with the comments. But if they are not very heartening, we feel it is best not to send them out. We have learned from experience that unless these comments are asked for, it is just as well to keep them on our files.

By Mr. Coldwell:

Q. Do you do anything about the musical festivals, as regards picking up talent? Of course, there have not been many lately.—A. There have not been many lately, no; but we have had people out on a number of occasions. We do not attend every musical festival.

Q. No.—A. But we keep an eye open for prospective talent at all festivals. If I may, I shall now continue:—

The C.B.C. is not concerned only with discovering new singers, instrumentalists, and actors. We must find new authors, and composers, new play writers. At the moment we are engaged in assisting composers in having their works published. We cannot afford to spend very much money on this project but, if we can arrange for a dozen works to be published each year, it will not be long before we have a fair sized list of musical works of a high standard that can and will be played in other countries, and from the performance of which Canadian composers will receive a fee for performing rights.

On page 99 of the Minutes of Proceedings and Evidence Mr. Diefenbaker suggested that in Toronto musicians found it difficult to get the opportunity to broadcast.

I am sorry that Mr. Diefenbaker is not here to-day. I hope he will not consider that I am talking behind his back.

Continuing:—

He asked Dr. Frigon a question. I take it that what he wanted to know was whether or not an artist who had been passed by the Audition Board but had not received engagements subsequently had the right to have his application considered by someone in higher authority than the program production section. The answer to that is yes. If an artist feels that he has been unjustly treated he can appeal to the Station Manager, and if he is unsuccessful there, he can then carry his case to the Supervisor of Music or the Supervisor of Drama, and finally, if necessary, to the General Supervisor of Programs. Indeed he can go further—and very often they do—and either write to the General Manager or see him when he is in the city in which the artist lives.

Mr. Diefenbaker was kind enough to tell me the particular artist he had in mind when he raised the question. I would not go so far as to agree with Mr. Diefenbaker that this young artist has a wide international reputation but I will say that he is a first-class violinist. In the last year he has only been given three engagements; but it so happens that the young man is studying medicine and is not always available either for rehearsal or for a program at times when we might be able to use him.

A great many of our best solo artists also play in orchestras and it is essential that they should be free at almost any time of the day or night for rehearsal. Furthermore, the C.B.C. does not choose the musicians in any orchestra. That is left entirely to the conductor in accordance with a regulation of the Musicians' Union. So you can see that if this young artist wished to play in an orchestra he would have to approach one of the leaders whom we engage. It is then entirely up to the leader as to whether or not he makes use of this young artist's talent.

A member of this committee mentioned the fine job being done by the York Knitting Mills Co. Limited, in its series of programs "Singing Stars of To-morrow". I, too, would like to add a word of praise. To me these programs have been inspiring and prove conclusively that this country can and does produce artists as fine as any country in the world.

This past season the C.B.C. had laid plans to do a series of pragrams very similar in character, but when the York Knitting Mills came along with their suggestion, we could see no reason why they should not be permitted to carry it forward. I may say that this decision did not please some members of our staff, but the view I took was, that so long as someone was giving financial encouragement and opportunity to young artists, it did not matter much who footed the bill. I reasoned that if this sponsor spent his money on a program of that type, the C.B.C. could then do something else equally constructive and helpful.

While I do not wish to labour the point I do want to re-emphasize that the development of new talent is not being overlooked—far from it. But in spite of all we can do or ever hope to do quite probably we will never escape the accusation that the C.B.C. is a "closed shop" and, as I have heard it said a score of times, "You have to have pull to get a job in the C.B.C." I deny that most emphatically. It must not be forgotten that our first responsibility is to the listening public. We must strive to bring to them the finest programs that the combination of our financial resources and ingenuity can provide. To accomplish this we must engage the best and only the very best talent available to us.

At a National Program Conference held in April of 1943, it was decided that we should include in our schedule a week-night devotional period. It was agreed that such a program should have quiet dignity and should contain readings of the great passages of scripture to which thousands have turned traditionally for comfort and sustenance. And so we conceived and created a program called "Eventide" which originates in Vancouver and is broadcast over our national network on Friday evenings at 10:30 E.D.T.

We believe that this program has a fairly large audience. The mail response has not been great but it has come from all sections of Canada and the United States. This is the sort of program that will never get a very high rating in radio surveys, but from the letters received there is a very strong indication that it is serving a worthwhile purpose, the purpose for which it was intended, to bring solace and inspiration to those who feel in need of it.

I should like to take just a moment to read to you a few letters that have been received from those who have listened to "Eventide."

There is one here, and again I am not going to give you any names, that comes from a little place in Manitoba. It is an Indian mission. It says:—

> I wish to express my appreciation for your program "Eventide." Being a missionary teacher, I live alone, with only my dog for company. You can imagine the joy and peace listening to the old familiar hymns and the words of comfort your program gives me.
>
> For twenty-one years I have lived in this northern country alone with the Indians. I hear no sound in the long evenings but the bark of dogs or wolves. I wait eagerly for each Wednesday night for your program.

Then there is another one that comes from Vancouver, very obviously from a minister of the gospel. He says:—

> Mrs. . . . . and I deeply appreciated your message, listed as "Eventide," over C.B.R. last night. It brought a measure of cheer and comfort to us, for one of our sons, George, was killed and the other, John, has been injured in North Africa. Both were on active service in the air force in this war.

As I say there are a great many here. Here is an interesting leter that comes from a little place in Ohio; as a matter of fact, it is a little town in which I sang some twenty years ago. It is called Coshocton. Some of you may know of it.

By Mr. Martin:

Q. Did you say it was a place in which you sang?—A. That is right. Please do not ask me to give a demonstration.

Mrs. CASSELMAN: Why not have an audition right now?

The WITNESS: This letter comes from a chap down there who obviously has been listening to our station in Toronto. He says:

> I am most grateful to you for "Eventide" as you broadcasted it to-night. It came in, away down here among the hills so clearly it made the century-old farmhouse seem almost like a sanctuary, and brought a real peace to an anxious old man whose boy is piloting a plane in England. I wish copies of the "Eventide" quotations could be given or at least we could be told where to find them. In this troubled world, tired, and old and puzzled, we don't get much renewal from the programs of "jive," penny-horribles, etc., but "Eventide" is like cold spring water to a very tired man. Carry on!

That is just an illustration of some of the letters we do get.

May I add that such letters as those provide encouragement to the members of our staff when at times they feel that their efforts are very little appreciated.

At the meeting on March 29th Dr. Frigon promised the committee that I would produce an analysis of a typical Sunday program schedule. I thought I could not do better than to deal with the Sunday immediately following Mr. Isnor's request. It is typical of almost any Sunday throughout the year.

It is a bit difficult to give you as clear a picture of the two coast to coast networks with their different regions and time zones, as I would like to do for even to those of us who are thoroughly familiar with network operation they are, at times, somewhat confusing. However, my remarks may serve to illustrate some of our problems.

Our network operates on Sundays from eight o'clock in the morning (EDT) until 2.30 EDT the next morning; that is from 9.00 a.m. on the Atlantic coast until 11.30 p.m. on the Pacific.

Now, how do we fill those 18½ hours spread over five time zones? Naturally the network is not operating as a unit all the time, but has to be broken down into regions for certain programs. I will deal with these first.

One purely regional program is "Neighbourly News". I think it is known to most of you, though those of you who have heard it may not be aware that there is a similar program for all our regions. Experience has taught us that the best time for these broadcasts is fairly early on Sunday morning. In the Maritimes it is heard at nine o'clock local time. Gerald Redmond is the commentator. Here in Ontario we can listen to Andy Clark at 10.05; the Western Neighbourly News by R. T. Colquette goes on from Winnipeg at 10.02 (11.02 EDT); while the Pacific coast listeners get Earle Kelly at 9.15 a.m. (12.15 EDT).

We have another problem of this kind in our new series of talks on "Gardening". Now what is good advice for a gardener in Vancouver at some particular season may be quite useless to a gardener in Ottawa; so these talks too have to be regionalized. At the present time we have Sunday gardening talks for Ontario and Quebec, for the Prairies and for B.C., and recently the Maritime Region has been added to this list. They all take place at different times, best suited to each region.

While these regional programs are being broadcast we have to provide other programs of a character better suited to that particular time of the day for the rest of the network. Another factor which makes it essential to split up the National network is the necessity for spotting news at suitable times. Our Sunday schedule for news is as follows. From now on, I shall keep to eastern daylight time, and shall ask those of you who come from other time zones to do your own sums in addition or subtraction.

8.00- 8.05 a.m.—Maritimes
9.00- 9.05 a.m.—Ontario and Quebec
10.00-10.05 a.m.—Maritimes, Quebec, Ontario, Manitoba

11.00-11.02 a.m.—Manitoba, Saskatchewan, Alberta
2.00- 2.04 p.m.—National
5.00- 5.03 p.m.—National
10.00-10.15 p.m.—National Summary to Trans-Canada Network
11.00-11.15 p.m.—National Summary to Dominion Network
11.30-11.33 p.m.—CBO CBM CBL (sign off)
1.00- 1.15 a.m.—Alberta and British Columbia
2.25- 2.30 a.m.—British Columbia (sign off)

The B.B.C. News also is broadcast twice to the National network at 12.00 noon and at 6.45 p.m.

From all this you will see that we have some tricky problems in scheduling. And when I come to review the day's broadcasting as a whole, you will understand why there appear to be gaps in my account of the network.

In passing it might be interesting for you to learn the number of sustaining programs the C.B.C. originates each month. I have chosen January of this year as a normal month. All told the C.B.C. was responsible for the creation of 3,774 sustaining programs, or in terms of hours, 1,147. We originated 37 hours of program service somewhere in Canada every 24 hours. This is accounted for, of course, by the five time zones and the fact that a great deal of our service is regional.

The first big program on Sunday morning, April 2nd, was "The Way of the Spirit" at 9.30.

This is a series of dramas based on the Bible, and occasionally illustrating the work of the Christian spirit in the lives of such men as St. Augustine, Livingstone and Bishop Berggrav of Oslo. The plays are intended primarily for Sunday school students, especially those in rural areas where church and Sunday school facilities may be limited. This weekly program is repeated on the western network at 12.30 (9.30 a.m. Vancouver time).

From 10.00 to 11.30 the network is more or less broken up for reasons I have already given. At 11.30 we had "Rhapsody of the Rockies", an orchestral program from N.B.C. At 11.30 there was light concert music from a string group in Toronto. After the B.B.C. News came "Canadian Yarns", a series of Canadian tales and legends by John Fisher and other story-tellers; on this day James McCook of Ottawa told of early days in Qu'Appelle. After another short interval of broken time, filled variously in the different regions, came "Hello Children", when British parents talked to their children here in Canada. Then came a story for children written and broadcast by Miss Mary Grannan, who is known to countless children as "Just Mary". Incidentally, Miss Grannan is a member of the C.B.C. staff. At 1.30 we presented half an hour's chamber music with Cornelius Ysselstyn the well-known 'cellist. A four-minute news bulletin was followed by a commentary from Clyde Blackburn of The Canadian Press, one of our Washington commentators. All these men by the way are Canadians in Washington who interpret the principal American news of the week from a Canadian point of view for Canadian listeners. Then came fifteen minutes of "Anzac News" for the military personnel of Australia and New Zealand stationed in Canada. From 2.30 to 3.00 is a regular religious period; on this particular day listeners could hear an address by Father R. F. Venti from North Bay. From 3.00 to 4.30 the network was occupied by the New York Philharmonic, and Canadian listeners were given an opportunity of hearing the first performance of the new English Symphony by Shostakovitch—a very noble work beautifully performed. On the "Church of the Air" program which followed the Symphony, the speaker was the Rev. W. A. Cameron of Yorkminster Baptist Church, Toronto. Then after a brief news bulletin at five o'clock we had the York Knitting Mills "Singing Stars of Tomorrow." At 5.30 came "Comrades in Arms", about which I shall have something to say later. From 6.00 to 6.30 we broadcast a program of recorded music, and at 6.30 we had a talk by B. K. Sand-

well in tribute to the late Stephen Leacock. The B.B.C. News was scheduled for 6.45 as usual; unfortunately short wave reception from Britain was unsatisfactory that evening, and we had to fill the period with a brief C.B.C. News bulletin and recorded music. I hope that these occasional interruptions of B.B.C. service will occur a good deal less frequently now that the additional receiving facilities at Dartmouth, N.S., are in operation. The 7.00 o'clock period on Sunday evenings is always filled during the winter season by the Jack Benny program. Then at 7.30 a very popular program about the R.C.A.F.—"L for Lanky". At 8.00 o'clock, Charlie McCarthy. Every Sunday at 8.30 we set aside 15 minutes for what we call "Week-end Review", talks by members of a panel of speakers who in turn review the news of the week. This is always followed by a talk on something topical by a specially qualified speaker. On this occasion we heard Mr. John Morris, head of the B.B.C. Far Eastern Service, who told of his experiences in Japan both before and for nine months after Pearl Harbor. At 9.00 o'clock there was a drama in the series "Stage 44" of which Dr. Frigon spoke to you. Then we had "The Album of Familiar Music".

The national news came at 10.00 o'clock, and was followed by a program of stirring British music, "Songs of Empire" from Vancouver. At 10.45 we had fifteen minutes of an informal harpsichord recital. Reception from Britain was still bad at 11.00 o'clock and we had to substitute music for the "B.B.C. Newreel" and the regular London talk by J. B. McGeachy, who incidentally is a former Canadian journalist now on the staff of the B.B.C. and in my opinion doing a very distinguished job.

At 11.30 our eastern network and stations close down, but broadcasting continues in the west. From 11.30 to 12.00 Vancouver provided the west with a piano recital by Max Pirani. At 12.00 the west should have got a delayed broadcast of the B.B.C. newsreel and McGeachy's talk. But, as I mentioned before, this did not come through that day, and CBR filled with recorded music. At 12.30 there was a very fine devotional program "Vesper Hour," including some excellent choral work and readings from the Scriptures. From 1.00 to 1.15 there was news for the Pacific coast and mountain zone, then a repeat of the talk by James McCook given to the east earlier in the day. Ten minutes of recorded music and another brief news bulletin closed our broadcasting activities for Sunday, April 2nd. It was then 2.30 a.m. on Monday here in Ottawa, but only 11.30 on Sunday night in Vancouver.

I should make some mention of alternate services we offer on the dominion network. From 6.00 to 7.00 listeners could hear the Philco Hall of Fame, a sort of radio digest of some of the best radio programs of recent weeks. At 9.30 the popular comedian, Fred Allen, was broadcasting for the McColl-Frontenac Company. At 10.00 we had a program of Latin American music, and at 10.30 "Nocturne", a revival of "Atlantic Nocturne" which was so popular some six or seven years ago; it consists of poetry readings by Frank Willis with a musical background. At 11.00 o'clock there was C.B.C. news with commentary.

By Mr. Coldwell:

Q. Are the Atlantic waves still broadcast?—A. No, we have removed them. We tried lake Ontario waves but they were not successful.

Q. That was one of the delightful features?—A. The waves do not roll so high in Toronto.

"I feel that this day's schedule offered something for just about every type of listener. There was variety; there was a great deal of very high quality. And it may be interesting to note that of the 18½ hours continuous network service plus the 3¾ hours of the dominion network, only four hours were commercial.

In keeping with a recommendation in the report of the parliamentary committee of last year, we have continued our Forum broadcasts. While I do not wish to single out one for special mention, I think the service performed

by the farm forum has been outstanding. It was with regret and a deep sense of loss that we accepted the resignation of Mr. O. J. W. Shugg, who has been responsible for the development and the direction of our Farm Department since its inception four years ago. For purely personal reasons, and not because of any dissatisfaction of which I am aware, he felt he must sever his employment with the C.B.C. to return to his father's farm. His former assistant, Mr. Harry J. Boyle, has been appointed to Mr. Shugg's position.

Since this committee last met we have also lost the services of two old and valued employees of the program division—Mr. G. A. Taggart, former assistant supervisor of programs, and Mr. Rupert Lucas, who was our supervisor of drama. Mr. Taggart has started his own business and Mr. Lucas has gone to Hollywood to produce radio programs. In keeping with the policy of the corporation, promotions to both these positions have been made from within the organization. Mr. Charles Jennings is now assistant supervisor of programs and Mr. Andrew Allen is supervisor of drama. Both are doing valuable work.

In my opinion, it is unfortunate that the C.B.C. should suffer the loss of these senior employees particularly at this time when so many of our most experienced people, both men and women, are either serving with our overseas unit or in some branch of the armed services.

I am afraid, however, that it will always be the lot of the C.B.C. to be a training ground for young, able and highly qualified persons who move on to other remunerative positions in their chosen profession. I am not complaining about the salaries paid by the C.B.C., for there has been great improvement in the last few years. The fact is that there is a limit to our financial resources.

Since salaries have been tabled and as the matter was raised by Mr. Hansell the other day, it may not be out of place to read a very short item published recently in *Variety*. *Variety* is the trade paper of the entertainment world, as you know. This story may have little substance in fact, but I believe the salary mentioned is not far wide of the mark. Mr. Paul White holds a corresponding position to that of our chief news editor, Mr. D. C. MacArthur. May I read the item.

Paul White for Blue News Spot?

> Looked-for entrance of Life-Time publisher Henry R. Luce into the newsgathering setup of the Blue Network, following his recent acquisition of web stock is at the "waiting for a cue" stage. Paul White, CBS Director of News and Special Events, reportedly is in line for the news editor's post in Luce's radio plans.
>
> Although White is denying that such a shift is being contemplated on his part, the impression still remains in radio circles that he is slated for an important position when the Life-Time organization makes its expected entrance into the Blue newsroom. Reported change, it's said, would boost White from the $20,000 bracket into the 50G class.

Fifty G, I assume, means 50,000 dollars."

Mr. HANSELL: I think, according to this, that we had better raise Mr. MacArthur's salary.

The WITNESS: I am sure he would be very happy to hear you say that.

Hon. Mr. LAFLÈCHE: Before we do that I think we had better compare it with what is paid to editors and people like that.

"The program division, as in other years, has co-operated to the fullest extent with all agencies responsible for the direction of programs sponsored by government departments—victory loan campaigns, Wartime Prices and Trade Board, Department of Labour, and the many others who from time to time feel that broadcasting is a primary medium for informing the public of their policies

or regulations. The C.B.C. has also co-operated with the Department of National Defence by broadcasting a thirty-minute program each week over its national network. It is called "Comrades in Arms"—some of you may have heard it on Sunday afternoons. It is a really fine example of combined operations. The content and the writing are the responsibility of the Public Relations Division of the armed services, which as you know is headed by Mr. J. W. G. Clark. The production of "Comrades in Arms" and payment to artists and musicians is the responsibility of the C.B.C. On this one weekly feature program the C.B.C. has spent approximately $30,000 in the last fifty-two weeks. This figure of course does not include station time or wire line costs, but is spent entirely on talent. If the writing (which is done by the P.R.O.'s) had to be paid for, it would cost another $10,000 a year.

Dr. Frigon has mentioned the work of our overseas unit. It is my view that too much credit cannot be given them for the job they have done, and I know will continue to do until the fighting ends—and probably for some considerable time after. I have here a pamphlet recently published by the C.B.C. It is a transcript of three of Mr. Matthew Halton's recent broadcasts. I ask you to read it for in my opinion no more poignant stories have yet been told about the valour and fighting qualities of our Canadian soldiers in action. Some of you may have heard these stories from the front line—others may not.

I believe that this committee should know more about the work C.B.C. war correspondents are doing and, therefore, I am going to make what may seem like an unusual request. Mr. Chairman, may I have just a few minutes of the time of this committee to listen to a selection made from commentaries that have been given by our war correspondents since the Canadians went into action.

(At this point the committee listened to recordings from overseas by C.B.C. war correspondents.)

I might add that these recordings are all very carefully preserved as they may have some considerable historical value in the years to come. I think it is apparent that equally fine service is being rendered to the French network by our war correspondent colleagues from Quebec.

I shall say very little about the C.B.C. news service. That is a field which, although coming under the jurisdiction of the program division, is a highly specialized one; for that reason its operation is left largely to those best qualified to carry it out. Policy directives or instructions issued to all editors are discussed with me or my deputy.

I am convinced that the methods approved and adopted by the management at the time the C.B.C. began to select, edit and stylize its own news bulletins are sound. I have complete confidence in the integrity and honesty of purpose of the chief news editor, Mr. D. C. MacArthur and his staff who, for the most part, are experienced journalists carefully chosen not only for their ability, but what is probably more important, because we believe they are men and women who have no political bias and who, within the limits of human fallibility, will exercise the high degree of skill, judgment and good taste that C.B.C. standards demand.

That so much importance has been attached to our national news summary is indeed most gratifying. We, like those who in recent months have been critical of it, are fully conscious of its importance and of the influence that it has on our national life. For that reason, if for no other, special care is taken in its preparation; the selection of items to be included, the manner in which each item is phrased, its relative position in the bulletin, and many other factors which all go toward the assembling of a fifteen-minute summary of world news, domestic political and international political news, that is bound to have a profound effect upon the thinking and subsequent actions of the people of this country.

We are not infallible. We make mistakes and when we do we are ready to admit them. Unfortunately, we have not hit upon any formula that will guarantee that we employ only a special breed of supermen. However, I will say this that we view with considerable disquietude statements that have been given to the press by people in high and responsible places—statements questioning the accuracy of our reporting and by implication suggesting our lack of responsibility and integrity. For that reason I urge upon you, Mr. Chairman, and upon every member of this committee, that you should listen most carefully to the evidence of our chief news editor (that is, of course, if you wish to hear him)—that you should examine microscopically the directives issued to our news staff. If you will do so, I am convinced that you will come to no other conclusion than that, subject to the limitations imposed by the frailties common to the human race and the limitations of time, the C.B.C. is providing its shareholders with a news service that is unbiased and impartial—a service that is as factual and objective as any being broadcast anywhere in the world to-day. Those were our objectives when we started. We have not departed from them.

One other point about the news and I am through. There have been rumours that responsible members of our staff are deeply interested in and have concerned themselves about the advancement of one political party or another. I have taken it upon myself to make a thorough investigation of these allegations. I am pleased to tell you that they are as untrue as they were disturbing.

There are so many sides to the activities of the program division that I could take at least two full sessions of this committee telling you about them. I shall not do so. Instead may I suggest that when you have the time you can listen with benefit and I hope keen enjoyment to many fine programs both sponsored and sustaining now being broadcast over the C.B.C. networks. I have observed that those who listen most are seldom our severest critics.

In conclusion, may I give you in summarized form the objectives of the program division of the C.B.C.—what it tries to do for its listeners, not entirely without success may I suggest and conversely not without some failures.

(1) To bring to all our listeners, and particularly to those in lonely places, some comforts, some enjoyment, a laugh or two, news of the day, information, education and worship.

(2) To remove from our schedule anything that savours of being tawdry or vulgar. Instead, to strive to provide programs that have a higher cultural, a richer and therefore a more lasting value; never forgetting for one minute that radio is primarily a medium of entertainment and that every program, no matter what its nature or purpose, must contain that fundamental ingredient that attracts listeners to it and compels them to listen.

(3) To resist firmly any attempt by doctrinaires or special pleaders to exploit the C.B.C. On the other hand, we must never forget that this is a democratic country where to speak freely "without let or hindrance" is the right of every citizen rich or poor; that it is our duty to see to it that those who hold strongly opposing views are given reasonable opportunity of expressing them.

It is axiomatic that program planners, producers and directors must subordinate any personal bias or prejudices they may have. They are but the machinery through which ideas pass. Ideas or suggestions, no matter from what source they come, must be carefully sifted, properly evaluated, and if found acceptable in the light of our financial resources, must be skilfully produced.

(4) To give sympathetic encouragement and practical aid to those who are deserving of such assistance and who eventually through their artistry and perhaps virtuosity may bring enjoyment, relaxation and comfort to an increasingly large body of listeners.

These, as I said before, are a few of our objectives. With the unquestioned influence of radio to-day to mould the thoughts and lives of young and old alike, these objectives present a challenge to every member of the program division—a challenge that is accepted with enthusiasm, sincerity and a keen appreciation of the responsibility that is theirs.

Thank you.

The CHAIRMAN: Thank you, Mr. Bushnell.

Hon. Mr. LAFLÈCHE: I am sure that all have been very interested in hearing Mr. Bushnell. I am sorry he said so little about the French programs. Who looks after them?

The WITNESS: That, Mr. Minister, was covered very fully by Dr. Frigon.

Hon. Mr. LAFLÈCHE: I notice that Mr. Bushnell has been good enough to give us his views. Why should we not have the equivalent in regard to the French programs before this committee? I venture to suggest we have not heard enough about that. Speaking to 30 per cent of the Canadian population I think it is a very formidable group, and I think we should hear more about them.

Mr. COLDWELL: I think that is a very good idea. I understood that Dr. Frigon gave us a sample of a week's programs on the French network and told us about the various programs they had there. I think the committee was very glad to hear about the French programs. I understood we had received a resumé of the French programs and Dr. Frigon suggested that Mr. Bushnell would give us a similar outline of the English programs. I imagine that is what he has done.

The WITNESS: I believe that is correct. At least, that was my understanding.

Hon. Mr. LAFLÈCHE: Would it be possible to consider having Mr. Bushnell's opposite number on the French side of the program division? Perhaps there may be no need of it. Dr. Frigon might give us his opinion on that. I fail to remember that this committee has gone into the French programs as we have gone into the English programs. There is a very considerable body of people who are interested in those matters.

Mr. COLDWELL: I think, Mr. Minister, that two years ago we devoted quite a lot of attention to the French programs. If I remember correctly it was discussed at much greater length than the English speaking programs.

The CHAIRMAN: I think if you refer to page 60 of the minutes of proceedings and evidence you will find there that Dr. Frigon deals at some length with the French programs.

Mr. MARTIN: I am sure that no one intended that Mr. Bushnell should cover that, but I think it would be desirable if we could have an up to date picture of the French program. Mr. Bushnell has given us a very complete picture of the English programs, and as the minister suggests his opposite number might do so for the French programs. I think it would be very helpful.

The WITNESS: Mr. Chairman, I should like to make it very clear there was no intent on my part to disregard French programs.

Hon. Mr. LAFLÈCHE: May I say very clearly there was no thought of making any such reflection at all. It is clearly understood that Mr. Bushnell is the head of the English speaking program department of the C.B.C.

Mr. MARTIN: I certainly would not want Mr. Bushnell to think that my support of General LaFlèche was intended that way because there are few officers in the C.B.C. for whom I have a higher regard than Mr. Bushnell.

Hon. Mr. LAFLÈCHE: We have become somewhat familiar as a result of what we have heard in the last two years with the English side of the opera-

tions of the C.B.C. Perhaps in the year before that this committee, many of whom are the same members, had quite enough information regarding the French but I regret I did not have that educational formation.

Mr. COLDWELL: I think it would be a good idea to have that right up to date, but I thought Dr. Frigon had given us an outline of the French side. As one of the English speaking members of the committee I would be delighted to hear any further outline of the French programs.

Mr. HANSELL: Perhaps Dr. Frigon could add to what he has already said at some future time.

The CHAIRMAN: According to page 62 Dr. Frigon said:

> May I now say a few words about programs on our English networks. I propose to deal with this very briefly, but if you should want to know more, I am sure you will like to give Mr. Bushnell, our general supervisor of programs, an opportunity to answer your questions.

I think Mr. Bushnell, having that in mind, has dealt principally with the English speaking programs. I suggest now that any comments or questions with reference to Mr. Bushnell's presentation to-day be proceeded with because from the point of view of expense and time Mr. Bushnell is here to-day, and if we can dispose of his presentation it will avoid having him come back here at a later date.

The WITNESS: Mr. Chairman, in order to facilitate proceedings there were one or two or possibly three questions, I believe, that have been asked of which I had made a note, and I have just a word or two here, if you will permit me.

The CHAIRMAN: If you wish to put them on record, all right.

The WITNESS: I believe Mr. Tripp asked about a school broadcast. You may recall the one called "Working Together in Tukwilla Valley". I think that is correct. In any event, this program was planned last summer as the result of a work conference held in Victoria by the British Columbia Department of Education, which conference was attended by the inspectors of schools and departmental officials. The conference leader was Elsie I. Schatzmann, executive secretary of the committee on rural education, University of Chicago. Miss Schatzman is an international authority on the problems of rural education, and is the author of the book, "The Country School" The idea of the series was to present in dramatized form an interesting program which would help the pupils, especially in the rural schools, to study their most pressing problem, and by group effort, do something about it. The series has been very successful. As an example, one of the problems which the children faced was the lack of a good nourishing lunch for rural children. The children in the dramatized Tukwilla Valley school house decided they would have a hot noon lunch which they would prepare themselves. The bulletin outlined for the teacher one way in which the children might go about providing a hot noon lunch. As a result of this broadcast, the children in a number of schools throughout the province decided they, too, would have hot lunches. The teachers have reported that as a result of these good meals the children are working better in the afternoons, and the school nurses have reported that the children are putting on weight at a very satisfactory rate.

This series represents modern education at its best, and it is quite possible that this could be planned on a national scale, although it might be better to do different series in the different regions, since part of the charm depends on the fact that it is local in feeling. Because of this, the children in the listening classrooms identify themselves with the children in the radio classroom.

There has been considerable interest in the program in the United States and the National Film Board was sufficiently interested in the work being done to film part of the children's activities. I think that is the answer to that.

Then Mr. Isnor, I believe, asked a question about a series "My Canada" which dealt with the province of Nova Scotia and was broadcast on October 14, 1943. Mr. Isnor asked: Who prepared the material used in the broadcast? Did the province provide it or the C.B.C.? Was the educational department of Nova Scotia consulted or shown that material? The script was written by Miss Ann Mariott who comes from the province of British Columbia. She consulted, among other, the following:—

Mr. Gerald Redmond, Director of School Broadcasts for the Department of Education.
Mr. Harold Connolly, Minister of Industry and Publicity.
Mr. A. J. Campbell, Director of the Nova Scotia Government Bureau of Information.
Dr. Martell, Archivist.
"Nova Scotia at Work" by H. P. Jenkins, Ryerson Press, 1938.
This book was recommended to her by the Nova Scotia Department of Education.
Historic Nova Scotia (Nova Scotia Government Handbook).
Pamphlet on the Port Royal Habitation published by the Department of Mines and Resources in Ottawa.
Fisherman's Manual.
Canada's Fisheries (Dominion Government Department of Fisheries).
Canadian Historical Review (Sept. 1942); for Nova Scotia and Naval History.
The Neutral Yankees of Nova Scotia by J. L. Brebner.
Here's to Canada.
Bluenose (by Dorothy Duncan).
Nova Scotia, Land of Orchards and General Farms, Nova Scotia Government publication.

Feature story on Deepbrook in Halifax Chronicle, July 8, 1943.

As to whether the finished script was shown to anyone in the Department of Education, I cannot say. I would imagine however that Mr. Gerald Redmond did see it.

Mr. ISNOR: Thank you very much. I am glad to have that on the record.

The WITNESS: I believe it was Mr. Martin who asked about Trois Pistoles. Is that correct? I have here somewhere a comment on it.

By Mr. Isnor:

Q. Just before we leave that, you would be responsible for Miss—what was her name?—A. Miss Mariott.

Q. You would be responsible for Miss Mariott going from British Columbia to Nova Scotia to write such a story?—A. That is correct.

Q. Would it not be possible to obtain some one in the maritimes who would have a little more of the atmosphere of the Atlantic coast?—A. I daresay that is possible. However, she was not only doing a broadcast of Nova Scotia but a series of broadcasts on every Canadian province. She is a particularly fine radio dramatist, and I must admit that those people are few and far between. There are very good writers but when it comes to writing a radio drama, and particularly one for children, they are difficult to get. We, whether rightly or wrongly, believed that it would be a good idea to send her right across Canada; that she would get a feeling of the bigness of the country and the national unity that prevails, and would be able to do a much better job than just the odd writer here and there writing one script for each of the series. That was our thinking on the matter.

Q. Yes. Perhaps you are right.—A. If I may go on with Mr. Martin's question or the reply to Mr. Martin's question:—

> Western University of London, Ontario, conducts an annual summer course in French for English-speaking students at Trois Pistoles.
>
> In 1943 the C.B.C. arranged a broadcast on which students from various parts of Canada attending the school spoke in both languages, telling of their work and experiences.
>
> (Wednesday, August 25—5.30-6.00, to French and National. Repeated on Thursday, August 26, 9.30-10.00)
>
> This year Dr. Sherwood Fox, head of Western University asked us if we would arrange for reference to the school on Canadian Round-up. John Fisher did a brief commentary on this series on April 24 this year.

I might say that a letter of appreciation was received from Dr. Fox. The script is here. It is rather interesting. I will not take the time to read it, but Mr. Fisher says, "This is the story of two bridges. You cross one and talk about the other." I see, in a new series he is planning, that he intends again when he is in that neighbourhood, to visit Trois Pistoles and get a further report on the work they are doing. Those are the only comments I have to make, Mr. Chairman.

By Mr. Hansell:

Q. Mr. Chairman, I was going to say that I think we should congratulate Mr. Bushnell on his very fine brief this afternoon. I think it is really a very fine brief. There are one or two questions I should like to ask. On page 2, Mr. Bushnell, towards the bottom of the page, you say that you are paying the sum of $55,000 annually for symphony orchestras. I notice that in the United States the N.B.C. have an orchestra of their own. Would it be feasible for the C.B.C. to have some such an orchestra? What I have in mind is this. There is a certain advertising value to Canada in having an orchestra that may be known as the C.B.C. orchestra. For instance, we are going to have, sooner or later, a shortwave station opened. I suppose there will be some programs of a musical nature going over it. It would be quite an advertisement for Canada, I think, if the C.B.C. had an orchestra of their own. It appears to me that it would not cost very much more than that to get one, would it?—A. Well, Mr. Hansell, it is a matter that has been discussed many times, and there are problems. One of them is as to where you would locate that orchestra, because of the five different time zones. It might make a valuable contribution, let us say, to the eastern section between 9 and 10 o'clock at night, but it would be heard at the west coast at six o'clock. It would mean that we would have to put in another line and have the orchestra possibly repeat its performance. That would be costly, engaging a symphony orchestra of sixty pieces. The cost would be considerably more than the amount that we grant to the established symphony orchestras. There is another point in connection with it, and it is this. If we corral, shall I say, sixty or seventy of the best players in Canada—and obviously those are the only players in which we would be interested—I think it is almost fair to say that we would tear down and destroy the symphony orchestras that are already in existence. Whether it is desirable or not to do that, I cannot say. Quite frankly, I think that Canada should have a national orchestra. I am all for it. I think we should have not only a national orchestra but I think we should have a national band. I am not so sure that we should not have a national repertory company. Then there is the question of where you are going to locate it, whether in Toronto, Montreal or Winnipeg.

Q. Of course, the matter of the time element is just as applicable in the United States as it is here, is it not?—A. That is true.

Q. Is there any violation at all of any musical ethics if a man plays in more than one orchestra?—A. No. As a matter of fact, if we had a symphony orchestra, we would probably use the players on many different programs. But there are restrictions imposed by the Musicians' Union as to the number of times that any musician can play for a given salary. Suppose, for example, we were paying our orchestra musicians—well, let us just take a figure of, say, $60 or $75 a week and maybe $200 for the conductor. They would only be permitted to play, I would imagine, and rehearse about five half-hours, all told, in any one week. So that, economically, you are not much better off than you are by engaging the musicians on a per-occasion basis.

By Mr. Martin:

Q. Whath about the other radio stations or rather the national radio companies in the United States? Do they have orchestras of their own?—A. The N.B.C. is the only one that has its own orchestra. No; I believe C.B.S. have one too.

Q. What about the B.B.C.?—A. The B.B.C., yes.

By Hon. Mr. LaFlèche:

Q. I suppose any or nearly any musical organization would be very happy to be known as the C.B.C. orchestra?—A. Yes.

Q. For its own sake?—A. Yes; that is true.

Q. There would be no trouble in applying the name to an organization? —A. No. We have done that before.

Mr. COLDWELL: I have always hoped that some day we might have a national theatre and a national orchestra, and that each of the provinces might have a similar organization. I think that it is a little way off, but it is something in the cultural life of this country that we lack. Quebec is about the only province where there is a very large amount of this sort of thing done now, and it seems to me that the rest of us are losing a very great deal by not having that kind of thing. Most of the European countries have their national opera companies.

The WITNESS: Yes.

Mr. COLDWELL: And their national symphony orchestras and their national theatres. We are very poor in drama and so on in this country. I was going to say that it seems to me it is not a program that the C.B.C. can undertake itself. It has not the funds. But one of these days I hope that the provinces and the dominion, the broadcasting corporation and perhaps even the film board, when we get television, may all co-operate together towards something of this sort.

The WITNESS: There is no doubt that there is a very great desire for that sort of thing. We, for example, broadcast a series of Handel oratorios, the lesser know oratorios of Handel, last winter I believe it was. I was just going through the mail before I came down here, and I noticed some that had a very strong appeal to me at least, which indicates that people are hungry for that sort of thing. One that is here, I notice, reads:—

> This is a note expressing the appreciation of a pioneer farmer and his wife, from the Regina plains, of the wonderful Handel concert series which you have just completed. It has been a great treat for us especially for my wife who has lost her sight and who was educated by some of the best masters of her day. Thanking you, and hoping you may be able to give us more of such treats. . . .

Then a young lady in Victoria college in Toronto writes:—

> I should like to know for instance the date of the St. Cecilia's Day Ode and Alexander's Feast to arrange student listening groups, these being closely related to our work in English literature. . . .

And so on it goes. Our files are filled with letters of that type.

Mr. COLDWELL: I do not think anybody who has not been in close contact with somebody who is not able to get out, fully realizes the service that the C.B.C. is rendering to that type of person. It is the window or it is the outlet; it is everything to them. I happen to know that. I have a very deep appreciation for what the C.B.C. is doing in all such persons.

The WITNESS: There is one other interesting point that occurs to me here. I believe it was mentioned in this committee. There was a series of broadcasts given by Mr. John W. Fisher. Sometimes we in the broadcasting business are just a little bit blasé and we get a jolt when we see things like this happening. As you know, he gave a series of fifteen-minute talks on Sundays called "Canadian Yarns". I was going to say foolishly—but that is hardly the word to use—maybe inadvertently would be better. Inadvertently, we offered to send a copy of this broadcast to anyone who would write in. To our utter amazement in the thirteen weeks we received requests for 27,100. That just about throws the sand into our gears because it means that we have to put on two or three extra typists to handle mail of that kind. It is rather interesting to note from whence those requests came. We keep in fairly close touch with our mail because that is one of the yardsticks we use to determine how valuable programs are. Out of the 27,100 letters that we received, 4,517 came from government departments, newspapers, magazines and war service publications; 9,034 came from educational departments, teachers and students; and 13,549 or the balance came from service men and women and the general public.

If you have time, there are just one or two letters here that I should like to put into the record. Here is one that came from a young chap in the R.A.F. He says:

> Coming from the old country, we are most anxious to acquaint ourselves in the habits, geography and traditions of Canada and the States—I have your faith in the grand future of Canada and assure you that we—and I speak for the majority of British subjects from the old country who have visited Canada on the Air Training Scheme—shall return home treasuring very happy memories of a great country and a fine people. My congratulations upon the excellent work you are doing in your series of talks.

A copy of Mr. Fisher's talks was sent to that young chap in the R.A.F. Then from Fredericton, New Brunswick, came this letter:—

> May I express the appreciation of people here in the maritimes for Mr. Fisher's interesting and informative radio articles. His efficient coverage of Canadian scenes from Vancouver island to Cape Breton is helping to promote a growing pride in the dominion and to acquaint us with many unseen parts of our own country. Maritimers feel themselves very much a part of Canada and intend to contribute greatly to her post-war progress, the shadows of which are already visible in Mr. Fisher's word pictures. We take pride in and admire the great civic advances made by our friends in other provinces, and we eagerly await further distribution of good Canadian ideas in more Sunday programs by John Fisher.

And so it goes. Here is one that came from the Protestant Board of School Commissioners of the City of Montreal:—

> Will you please send me a copy of each address given in "Canadian Yarns" as I should like them for use in the school library. As all classes study "Canada" the material will be of great help to both pupils and teachers.

Even our travel and publicity bureaux did not overlook it. One coming from Winnipeg says:—

> I believe that such programs will do much to make our country better known to the residents of the respective provinces, as well as to our good neighbours in the United States.

Mr. ISNOR: I think, Mr. Chairman, that I brought up this John Fisher series. Naturally I was interested because he comes from the maritimes. But I do feel that it has served a good purpose in making for a greater unity throughout the dominion. I am very pleased to hear Mr. Bushnell speak in such high terms of the work that Mr. Fisher is doing. I should like to join with the expression of appreciation given by Mr. Hansell in regard to the fine presentation we have had this afternoon. If the thoughts as outlined, particularly in one and two, and the purposes of the program division are carried out, I think the C.B.C. will serve the function for which I believe it was originally intended, namely to create a higher culture of richer and therefore more lasting value. I think we should emphasize that part of the C.B.C. work. I think that we should all join with Mr. Hansell in saying that this C.B.C., through the program division, is doing a very excellent job. I am critical, of course, at times, in regard to certain programs. But still, I think if you turn your dial to the C.B.C. for any particular day and allow it to remain there, you will get as good a program as you will from any other one station in America, perhaps.

Hon. Mr. LAFLÈCHE: Hear, hear.

Mr. HANSELL: Hear, hear.

Mr. ISNOR: I also wish to say a word in regard to the Sunday programs. I am glad we have on record such a full and complete account of the Sunday programs. I have heard, perhaps, more people speak of the Sunday programs than of any one day's activities on the C.B.C. People all speak in very high praise of those programs, and I think, perhaps, the outstanding feature, recent feature, is the Way of the Spirit. I mentioned that before and I wish to repeat it. The Way of the Spirit is mentioned on page 11. It is heard on Sunday morning at 9.30. I do not know, Mr. Chairman, whether you have heard that program or not.

The CHAIRMAN: I am not up so early, and I am usually too busy to listen.

Mr. ISNOR: It is a little early for members of the medical profession, perhaps. It is a very splendid feature. I would like to add my words of commendation to those of Mr. Hansell.

Mr. COLDWELL: Who broadcast the very beautiful service at which the Archbishop of York had a part; was that the C.B.C.?

The WITNESS: It may have been, sir.

Mr. COLDWELL: My only regret was that it was not broadcast right across Canada. There was beautiful music and beautiful language and the sermon was very finely done.

By Mr. Matthews:

Q. On page 20 at the bottom of paragraph 3 there is something I wish to call your attention to. I can sympathize a good deal with the position you find yourself in there and which I thought you got out of very nicely. I am thinking of the number of letters that we as members receive from people across the country—cranks along certain lines, and those to whom you have referred as doctrinaires and special pleaders. You must have a lot of approaches from that type of people to be heard over the radio, and it seems to me you are doing pretty well to keep the door closed as much as you do. Now, I am not saying anything with regard to a man's right to free speech, but I do think that there is quite an element in the country which, while they should enjoy free speech have not the right to enjoy it over the C.B.C. Let them hire a hall or go stand on a soapbox on a street corner. I think every member here has had the same experience with regard to the number of letters that come from different people—you used a good word "doctrinaires". I was wondering how much trouble you have along that line?—A. Oh, we do not have too much.

Hon. Mr. LAFLÈCHE: It is a pretty good country, eh?

The WITNESS: But we watch out for that sort of thing. We refuse to be made use of; that is all.

Mr. MATTHEWS: I think you are making a good job of it.

Mr. Ross: I would like to add my words of commendation of Mr. Bushnell's work. I have always found him very straightforward, with nothing to hide, and quite willing to argue with one, but also quite willing to have anything corrected that you bring to his attention.

The CHAIRMAN: I am sure he found in you a very responsive soul when it came to an argument.

Mr. Ross: He did. I am going to ask another question. He was giving some instances in connection with Fisher. I was wondering what he had in connection with the Toronto Symphony Orchestra and the more important one, the Promenade Concerts which are given. Apropos of what he said, the promenade concerts are given in the Varsity arena on Thursday nights during the summertime and you will find all the girls and their boy friends going there rather than to the movies, and places like that. It is difficult to get a seat in the place. I wonder whether it has as much popularity over the air, or not.

The WITNESS: I do not have those comments with me, but I know we have many letters from people who are extremely grateful, and I may say that that applies also to the Chalet concerts given in Montreal during the summer season. We break off the promenade concerts in Toronto for a period of eight weeks and broadcast the Chalet concerts from Montreal, but those two run for approximately twenty-four weeks and they are very much appreciated; there is no doubt about it.

Mr. Ross: Are the promenade concerts still broadcast from Toronto?

The WITNESS: Yes, they started two weeks ago.

Mr. Ross: I suppose they get a subsidy from you?

The WITNESS: We pay them $1,000 a broadcast which includes the right to broadcast a minimum of an hour on every concert, including their guest conductors and their guest stars.

Mrs. CASSELMAN: I would like to add my appreciation in this matter and to comment on the remarks made on page 20, "To bring to all our listeners and particularly those in lonely places." I hope you have an idea that lonely places are not entirely in the country or in the backwood districts. Those lonely places might be right in the cities, and probably the place that we may come across

appreciation of the program is not only where the people are by themselves and cut off from others but often when they are among others and appreciate something that touches them in that way.

Mr. MARTIN: Like Toronto on a Sunday.

The WITNESS: Mr. Martin, I will withdraw what I said a moment ago.

By Mr. Tripp:

Q. About the middle of page 18 there is a reference to these broadcasts and you say: "I am convinced that the methods approved and adopted by the management at the time the C.B.C. began to select and edit and stylize its own news bulletins, are sound." You have no correspondents in the press gallery here, have you?—A. No, we do not have any.

Q. But I would surmise that you have a ticker in the office.—A. We have a bank of them; I believe we have seven so-called tickers.

Q. They give you the news as it comes from the gallery here from which your editor selects and edits. Now, does he revise the wording or does he reproduce the news as written by the reporters from the gallery?—A. I think it would be safer to say he stylizes and adapts rather than edits. That word is rather misinterpreted.

Hon. Mr. LAFLÈCHE: He re-writes the news, does he?

The WITNESS: Yes, he re-writes the news.

By Mr. Tripp:

Q. Does he write the news that comes from that source?—A. That is right.

Q. Your editor is responsible for the phraseology, is he?—A. That is correct.

Q. And the completeness of the recording?—A. That is right. He does just as the newspapers do.

Mr. HANSELL: I do not know whether Mr. Tripp has had an opportunity of reading these internal rules and regulations, but I would urge that members of the committee read them. It is a very fine set of rules, and I might say that if you read that you will be able to better your own broadcasts, if you are writing any.

Mr. COLDWELL: Is Mr. MacArthur going to appear before us as Mr. Bushnell suggested?

Mr. HANSELL: Mr. Chairman, I shall not keep you long, but at page 19 about the middle of the page, the second paragraph, I note these words: "However, I will say this, that we view with considerable disquietude the statements that have been given to the press by people in high and responsible places—statements questioning the accuracy of our reporting and by implication suggesting our lack of responsibility and integrity."

Mr. Chairman, I just wish to say that I have made some criticisms but that paragraph cannot apply to me because I have never made any statements to the press. Any criticism I have made has been made openly on the floor of the house.

The WITNESS: Mr. Chairman, may I say one or two things more. We relish criticism. The thing we do honestly fear is this, that at times in the heat of battle, as it were, responsible people like yourselves may—and I use the word advisedly—may complain about C.B.C. news broadcasts and thereby undermine unknowingly and unwittingly, and not with any desire to do so—but may undermine what to us is a very strong national institution. Now, it is our concern for the C.B.C. and not because of criticism of any individual in it that I just tried to pass on that word of, admonition, if you like.

Hon. Mr. LAFLÈCHE: Perhaps there is a better word. Mr. Chairman, may I ask who fixes the remuneration paid to those who go on the air for C.B.C.?

The WITNESS: That is left mostly, within certain limits, of course, to those who are responsible for the origination of programs. For example, if we were engaging, shall I say, a violinist, the program producer and the manager in charge of the station—

Hon. Mr. LAFLÈCHE: They would be C.B.C. officials?

The WITNESS: They would be C.B.C. officials. And, of course, all such persons have a very definite budget to work on. They know just how much they can afford to pay for the work of any artist.

Hon. Mr. LAFLÈCHE: Have the known artists a well known rating in the eyes of your program people?

The WITNESS: Yes.

Hon. Mr. LAFLÈCHE: Does the C.B.C. tolerate the use or services of impressarios?

The WITNESS: No.

Hon. Mr. LAFLÈCHE: Therefore when an amount is decided upon as remuneration, fee or honorarium with regard to an organization or an individual artist, that artist gets the full amount which was paid out?

The WITNESS: With very few exceptions we make it a practice to pay the artists. Now, whether the artist pays a booking fee to his or her agent, I cannot say. I think it is done occasionally.

Hon. Mr. LAFLÈCHE: That will be beyond you?

Mr. Ross: This million dollars you pay out, is that to people you employ? For example, if this were for an advertising firm or something like that you would not have anything to do with that?

The WITNESS: No.

Mr. Ross: This is outside of that altogether?

The WITNESS: Yes.

Mr. Ross: It does not mean only a million dollars; many more dollars than a million will be paid for talent.

The WITNESS: Indeed, yes.

By Hon. Mr. LaFlèche:

Q. May I ask Mr. Bushnell what thought has been given to certain Sunday programs, particularly those in the early hours of the evening which will be listened to by youths or the children? Is it possible that some of those programs are for people a little older?—A. I am afraid I do not quite understand you, sir.

Q. I have particularly in mind some programs heard on Sunday in the early part of the evening which are, perhaps, too sophisticated for children?—A. Oh, possibly.

Q. There are children of 7, 8, 9 or 10 years of age listening to such programs, and I am asking what consideration you have given to such matters?—A. I do not know exactly that we have ever broadcast any programs on Sunday particularly that we might consider to be too sophisticated for children. I cannot think of any at the moment, unless you consider that the Jack Benny program was too sophisticated or the Charlie McCarthy program.

Q. I am asking, Mr. Bushnell.—A. Obviously we would take that into consideration when a new program was offered to us.

Q. Would the sponsor take it into consideration?—A. We would take that into consideration before we accepted the program from the sponsor. I know of one program that is broadcast in the United States—I am not going to name it—but it is heard over a great number of stations there, and it is what might be called a "jive" program. It is put on by some of the best dance bands in the

United States and it advertises a product I will not mention. We do not think it is suitable for Sunday evening. We do not want hot dance bands. We do not want to listen to a hot dance at 7 o'clock on Sunday night when we have to eat our dinner.

Q. I am thinking more of the words than the sounds because children understand the words better than sound. I am not complaining. I am asking whether consideration is given to what goes into the ears of the very young in Canada, and they would necessarily hear these things?—A. I think I can say, Mr. Chairman, that we do.

The CHAIRMAN: Well, gentlemen, that ends our sitting for to-day. We have this return that was made to Mr. Coldwell, but if every member has a copy of it it will not be included in our printed record because I do not think we should go to the expense of printing that.

Mr. COLDWELL: No. I have been looking it over and I think it is well worth study.

The committee adjourned to meet at the call of the Chair.

SESSION 1944

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

WEDNESDAY, MAY 24, 1944

WITNESSES:

Mr. E. L. Bushnell, Dr. Augustin Frigon and D. C. McArthur, Chief News Editor, Canadian Broadcasting Corporation.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1944

MINUTES OF PROCEEDINGS

WEDNESDAY, 24th May, 1944.

(16)

The Special Committee on Radio Broadcasting met at 11 o'clock. Mr. J. J. McCann, the Chairman, presided.

Members present: Messrs. Bertrand (*Prescott*), Boucher, Mrs. Casselman (*Edmonton East*), Coldwell, Diefenbaker, Hanson (*Skeena*), LaFlèche, Laflamme, Martin, McCann, Rennie, Ross (*St. Paul's*), Veniot (13).

The Chairman read the following communications:

1. Letter to Chairman from H. C. Buchanan, Manager of CHAB, Moose Jaw, dated May 20, 1944, enclosing copy of a letter to Glen Bannerman, dated April 4, and copy of a letter to Dr. Frigon, dated May 20, 1944.

Ordered,—Mr. Buchanan's letter printed as an appendix (*See Appendix H to this day's evidence*).

2. Letter to Chairman dated May 22, 1944, from Joseph Sedgwick, K.C., Toronto.

3. Letter to Chairman dated May 22, 1944, from R. S. Lambert, Toronto, with statement.

Ordered,—Printed as an appendix (*See Appendix I to this day's evidence*).

4. Telegram to Chairman from the Canadian Federation of Agriculture, Ottawa, dated May 20, 1944.

5. Copy of a letter from A. H. Jarvis to E. A. Weir, dated May 19, 1944, with newspaper article.

The Chairman tabled and filed with the Clerk a return asked for by Mr. Diefenbaker regarding Mr. Phillpot's broadcast on General McNaughton.

Mr. E. L. Bushnell was recalled, questioned and retired.

Dr. Frigon was recalled and, after a brief statement on television, his examination was concluded.

Copies of an article which appeared on Sunday, May 2, in the New York *Herald-Tribune*, were tabled by witness and distributed.

Mr. Diefenbaker brought up the question of licensing and after discussion it was agreed to hear an official of the Department of Munitions and Supply.

Mrs. Casselman expressed to Dr. Frigon, on behalf of the Committee, appreciation for his appearance before the Committee and he was retired.

Mr. D. C. MacArthur, Chief News Editor, was called and read a statement.

At 1:05 p.m. the Committee adjourned until 3 p.m. this day.

AFTERNOON SESSION

(17)

The Special Committee on Radio Broadcasting resumed at 3 o'clock, the Chairman, Mr. J. J. McCann, presiding.

Members present: Messrs. Bertrand (*Prescott*), Mrs. Casselman (*Edmonton East*), Coldwell, Diefenbaker, Hanson (*Skeena*), Laflamme, Martin, McCann, Rennie and Ross (*St. Paul's*). (10)

Mr. D. C. McArthur was recalled and his examination concluded. He was assisted by Mr. Brodie.

Information concerning advertising which was requested previously by Mr. Diefenbaker and not yet tabled was ordered produced.

At its next meeting, the Committe will hear a representative from the Canadian Federation of Agriculture and from the C.B.C. on finances.

Witness filed with the Clerk for the information of the members a survey of listener attitude towards the C.B.C. National News Summary.

At 3:45 p.m. the Committee adjourned at the call of the Chair.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 24, 1944.

The Special Committee on Radio Broadcasting met this day at 11 o'clock a.m. The Chairman, Dr. J. J. McCann, presided.

The CHAIRMAN: Mrs. Casselman and gentlemen: We shall proceed with the business of the meeting. There is a little correspondence that perhaps should be brought before the committee. Here is a letter from CHAB, Moose Jaw, addressed to myself from Mr. H. C. Buchanan. This letter will be found at the end of to-day's proceedings. (*See Appendix H.*)

Then there is a copy of a letter to Mr. Bannerman which is very extensive, and I do not think it needs to be published.

I have a letter from Mr. Sedgwick, dated the 20th of May at Toronto, and addressed to myself.

> I have just finished reading the proceedings of your committee of May 3rd and I observe that a question was asked by Mr. Coldwell as to whether or not I would be able to return to your committee for the purpose of answering questions, and I observe that you said that I had intimated that I would be unable to come back again. I think you must have misunderstood the remark that I made at the conclusion of my evidence; you will recall that I was asked about coming back to answer questions and I said that I could not appear the following Wednesday as I had other commitments, but that I would be available at any time thereafter. I should be delighted to present myself before your committee again and indeed would prefer to answer questions in person rather than to merely make written replies to written questions, as I think the former method would be much more satisfactory to the members of the committee and to myself.
>
> Yours very truly,
>
> (Sgd.) J. SEDGWICK.

I have a letter from Mr. Richard S. Lambert. I think perhaps it should be read for the committee. (Letter read.) (*See Appendix I.*)

Then, Mr. Lambert goes on to make a long statement here with reference to his innocence and he places himself at the disposal of the Special Committee on Radio Broadcasting for questioning if the members of the committee are not fully satisfied as to the groundlessness of the allegations made against him in Mr. Fitzgerald's pamphlet. Do you want that statement read or will we just print it?

Mr. HANSON (*Skeena*): Put it on the records. I think it should be because the charge against him was in the record and we should have his explanation in the record, too. (*See Appendix I.*)

The CHAIRMAN: There is a telegram from Mr. Hannam, of the Canadian Federation of Agriculture wanting to appear before the committee at a later date which will be fixed.

We have a return here which was asked for by Mr. Diefenbaker with reference to the correspondence existing with Mr. Philpott *re* McNaughton.

There is a lot of this correspondence. I just wonder, Mrs. Casselman and gentlemen, whether we should go to the expense and the work of producing it in the record. What is the opinion of the committee?

Mr. DIEFENBAKER: As far as this information is concerned dealing with the Philpott broadcast I do not see any purpose in having it on the record.

The CHAIRMAN: We will have a copy on file with the clerk if anybody wants to refer to it.

Mr. DIEFENBAKER: As a matter of fact, apparently anything that did take place was by phone or by conversation and is not recorded here. What is brought down does not show in any detail what took place as a result of the broadcast.

The CHAIRMAN: I think perhaps we might incorporate in the record the correspondence from Mr. Lambert and his comments as well as the correspondence from Mr. Buchanan. The members of the committee will have an opportunity of reading them, and if, at the next meeting, there is any business arising out of them it can be brought up at that time.

Hon. Mr. LAFLÈCHE: What disposition did you make of the Lambert correspondence?

The CHAIRMAN: The suggestion, Mr. Minister, was that it be incorporated in the record, and if there are any questions arising out of it they can be brought up at a subsequent meeting.

Hon. Mr. LAFLÈCHE: That will permit the hon. gentleman who first made mention of the case to see it.

The CHAIRMAN: Exactly.

Hon. Mr. LAFLÈCHE: We will not let a case like that hang in the air, will we?

The CHAIRMAN: No, it will be brought up at another time. We have a letter here from Mr. A. H. Jarvis with reference to "Just Mary." It is just a copy of a letter which went to the C.B.C. Is there any matter which any member wishes to bring up arising out of that correspondence?

Mr. Ross: What about Mr. Fitzgerald? He made these charges, and all that sort of thing, and he has asked to be heard. Are you going to hear him?

The CHAIRMAN: He is very anxious to appear before the committee. It is up to the committee to decide whether or not they want to have him appear.

Mr. Ross: I think it leaves everything in the air pretty well unless he comes here. I do not know how long it would take to examine him. Is there any objection to it?

Mrs. CASSELMAN: Is it valuable for the committee?

Mr. COLDWELL: I have no objection to it. I think Mr. Bushnell made a rather complete reply to it which satisfied me personally.

Mrs. CASSELMAN: There is not much use taking the time of the committee if the thing has been explained satisfactorily.

Mr. Ross: I do not know that. It has not been explained by Mr. Fitzgerald.

Hon. Mr. LAFLÈCHE: As I recall it, out of the Fitzgerald correspondence or writings arose the case of Mr. Lambert. Is that not right?

Mr. COLDWELL: That is right.

Hon. Mr. LAFLÈCHE: It began then with a difference of opinion between Mr. Fitzgerald and Mr. Lambert, as between those two persons, and then it comes to us not directly from Mr. Fitzgerald but through a member of this committee.

Mr. Ross: It comes through a member of the committee but, on the other hand, Mr. Fitzgerald has written in asking to be heard before the committee.

Mrs. CASSELMAN: Then we would almost have to hear the other man, too.

The CHAIRMAN: Dr. Frigon has suggested that perhaps I ought to read the statement of Mr. Lambert and if that is the wish of the committee I will. It is not very long. The statement is issued on May 20. (Statement read—*See* Appendix I.)

Mr. COLDWELL: That seems to be a pretty complete reply.

The CHAIRMAN: I think it is.

Mr. COLDWELL: As I said last week I have listened on Sundays to "Old Country Mail." Naturally I was very interested in it. I never thought that anything in those broadcasts could be construed as having any bias in any respect. They were simply factual stories from letters.

Mr. DIEFENBAKER: We are coming to a strange position of affairs when men have to establish that they are politically fit in order to hold a position in the C.B.C. I think it is a ridiculous allegation against this man, and while he has answered it very completely I think it should not be necessary any time in the future for officials of the C.B.C. to have to answer charges such as that.

Hon. Mr. LAFLÈCHE: I think that is well taken, Mr. Chairman, but I think Mr. Diefenbaker should make it clear that in this case the point came from outside the C.B.C. It came from the general public and I am afraid that nobody can protect any individual from statements made by individuals in the general public. It is too bad. I agree with that.

Mr. Ross: I think that is a pretty complete reply to the situation.

Hon. Mr. LAFLÈCHE: It is as definite a statement as we could hear.

Mrs. CASSELMAN: It was supported by Mr. Bushnell before us and I do not think there is any need to go further into it.

The CHAIRMAN: Of course, the matter gets down to this, that if this closes it and we are satisfied with the answer, then there cannot be anything to be gained by having Mr. Fitzgerald here because if we do that opens the whole thing up and you are going to have a continued controversy which will get nowhere.

Mr. COLDWELL: We have got Mr. Lambert's own statement, and we have got the statement of Mr. Bushnell, the head of the department. I do not think that any good purpose can be served.

The CHAIRMAN: If it is a private fight let them choose a different ring.

Mr. Ross: The only thing I had in mind was the statement was made in this pamphlet by Mr. Fitzgerald, and it was given publicity through the committee. I had in mind that Mr. Fitzgerald could be questioned to ascertain just how true the whole thing was. On the other hand, we could not very well question everybody who writes something in some pamphlet. It is rather unfortunate.

Mr. COLDWELL: I Imagine the press will give Mr. Lambert's reply some publicity.

The CHAIRMAN: I think we should proceed with the questioning of Dr. Frigon and attempt to get through that this morning, if possible, and then we have Mr. McArthur of the News Service this afternoon.

Mr. Ross: I wanted to ask Mr. Bushnell a question. I do not know whether it should be before we start or sometime during the course of the day.

The CHAIRMAN: Mr. Bushnell is right here if you will ask the question now.

Mr. E. L. BUSHNELL recalled.

Mr. Ross: What I had in mind was this, that if we have a private network, a mutual network in Canada, would Mr. Bushnell and his department fear the competition of the private network? What effect would it have on the C.B.C.?

Mr. BUSHNELL: Mr. Chairman, we certainly would not fear competition.

Mr. Ross: Would you welcome it?

Mr. BUSHNELL: I am not prepared to say I would welcome it exactly but we do not fear it. I think, as the chairman of our board, Mr. Morin, explained in his evidence, a private network operating in competition with the C.B.C. must have this effect: it is true we are competing for audience, and we like to keep a balanced schedule of programs, and we do create and broadcast programs that are of a cultural nature; if it became a straight race for audience we might have to lower the level of some of our programs. In other words, it would be a question of straight competition between the two of us. That is the only serious effect I see that it would have. As I have said a couple of times I do not fear their competition. There would seem to be plenty of talent to go around. It might also have this effect, it might be better for the artists in the long run, inasmuch as competition usually increases the rates of pay. Therefore, the artists might benefit. Just how or whether we could afford that or whether the private stations could afford it I do not know.

Mr. BOUCHER: It might also increase the development of artists, too?

Mr. BUSHNELL: It might.

Mr. COLDWELL: But you would expect a private chain to bear all the costs of operation. At the present time some radio stations could not exist without C.B.C. support.

Mr. BUSHNELL: That is quite true.

Mr. COLDWELL: You would expect them to operate their own lines and everything else and they would not come in on the C.B.C. lines.

Mr. ROSS: There is just one thing further. Mr. Bushnell said it might lower the standard of the broadcasts, that they try to do broadcasting which is cultural, and so on. I do not think that the public ought to have stuff shoved down their throats, but if you had a regulatory body which had a certain amount of control over the nature of these broadcasts so that private stations were in the same position as the C.B.C., that is, of necessity they would have to broadcast some of these programs that the C.B.C. broadcast, would that take away a certain amount of the difficulty?

Mr. BUSHNELL: It would if that board had that authority, but I question the advisability of giving any board—

Mr. Ross: That authority?

Mr. BUSHNELL: That type of authority. As a matter of fact, in the United States at the present time there has been a great fight between the broadcasters and the F.C.C. and it has been admitted by the Federal Communications Commission that they have no authority over the type of program that must be broadcast. That is something which is left to the discretion of the stations and the networks.

Hon. Mr. LAFLÈCHE: Mr. Chairman, I assume that the questions put to Mr. Bushnell are very largely from the point of view of operation. I think it is time to mention that if it is a question of policy we would do better to question the Board of Governors.

Mr. Ross: I do not want to embarrass Mr. Bushnell.

Hon. Mr. LAFLÈCHE: I do not want to suggest cutting off on the question, and I am not doing that, but in fairness to Canada, to the situation of the C.B.C., and to the officers of the C.B.C. I venture to drop the thought it would be well to speak about policy to the board rather than to anybody else.

Mr. Ross: I did ask Mr. Morin and he answered the question and said that they could not stand competition. I just wanted ta find out from the operational standpoint as to what they felt about it. My own opinion is that competition is always good, and I think there is a place for a private network

in Canada. I do not think it would interfere at all. That is my own opinion. I do not think it would hurt the situation.

Hon. Mr. LAFLÈCHE: I hope the hon. gentleman does not mind my interjection there. I think it is in fairness to the situation we are discussing here.

Mr. Ross: With all due respect to the minister, on the other hand, as I see it you have men on the Board of Governors who are very fine citizens, and so on, but who really do not know anything about the operation of broadcasting.

Hon. Mr. LAFLÈCHE: I think it is a good question from the operational point of view, but if it has to do with policy then I do not think that is right. The policy has been fixed in regard to that matter for years and years and years, and it seems to me it is putting a great deal upon the shoulders of an official, and putting him in a rather difficult position, I would say, to question him on that. If you want anything on that line I think that the governors themselves are the responsible people.

Mr. Ross: I do not think so at all. I do not want to embarrass Mr. Bushnell as far as that is concerned, but I think Mr. Bushnell has given me the answer I required and I do not think it has embarrassed him.

Mr. COLDWELL: I am inclined to agree with the minister that it is a matter of policy and is not a question for the officials. I was just going to remark that it is rather interesting that you have the point of view expressed to some extent in this country that we should establish a private chain because I was reading only a few days ago some information that came to me from Australia where they have had a privately owned system paralleling their own. I saw a resolution adopted by the government party in Australia at its recent convention on December 13th reversing that policy entirely and wanting to place the whole of the broadcasting under one single, national, publicly owned authority, but with this slight difference that they thought the networks, if you like to call them that—they are organized rather differently to ours—should be operated so there would be that rivalry which I was suggesting might be undertaken between our networks in this country. There they have had experience, and they seem to be going in the direction in which we have gone.

Mr. BOUCHER: Do they not contemplate a regulatory board with private enterprise still running a network?

Mr. COLDWELL: No private enterprise at all.

Mr. Ross: They have it now.

Mr. COLDWELL: Yes, but they do not like it.

Mr. Ross: It is just the opposite in Great Britain. A great many people do not like the system there.

Mr. COLDWELL: I do not believe that is true. If you read the article by Professor Joad, quoted by Mr. Sedgwick, you will find what is suggested is not competition but rivalry between the various regional and other organizations which he suggests in his article. I have read it rather carefully. I think you will find that is true.

Mr. Ross: I do not think that is my information.

Mr. COLDWELL: I would be surprised if Professor Joad said anything else. I happen to know him and know what his views are.

Dr. AUGUSTIN FRIGON, Acting General Manager of the Canadian Broadcasting Corporation, recalled.

By Mr. Boucher:

Q. There is another point I should like to ask Dr. Frigon about, probably just in line with what was said. I have heard complaints from Banff that they get practically no coverage on the C.B.C. whatsoever, and particularly news. The nearest station, being Calgary, is not satisfactory to the Banff community,

and about the only news they can get is United States news. I wonder if Dr. Frigon can give us any information about that. My point of view is that every effort should be made to try to get better coverage for Banff. They require it as it is quite an important centre in Canada and they should have improved radio facilities as soon as convenient and to as great an extent as possible.—A. The only way we could cover such a place as Banff efficiently would be to have a station locally, because the terrain there does not allow efficient transmission except from skywave. It is uncertain, and it is perfectly possible that they might hear far-distant American stations and yet not be able to bring in Calgary. That is just one of the tricks of nature.

Q. You say that the terrain is such that it is difficult at the present time to give a radio service to a point like Banff?—A. Unless you have the station right at Banff.

By Mr. Diefenbaker:

Q. I would like to ask a question in regard to applications for extending radio station facilities in Saskatchewan and Manitoba. I asked a question in the House the other day and it was to the effect that there were applications in for St. Boniface, Gravelbourg and Prince Albert in regard to private French facilities. Then there was also the application of the Prince Albert Herald Company. They own a daily in Prince Albert. Their application was made about a month or so after the French company incorporated made its application. Will you please tell us what happened to the applications and when they came before the board—was that in May?—A. The board has considered the applications and has sent a report to the minister. I do not know whether I should reveal here the recommendation of the board in respect to the action taken. I do not know whether it would be proper for me to do so.

Q. After all, the recommendation of the board may or may not be accepted. It is a matter of some importance.—A. That is my position, whether I should reveal here the position of the board which has been forwarded to the minister for action. Should I tell you what the board thinks before the minister has said what he wants to do? After all, the minister is the official to decide, the Minister of Munitions and Supply.

Mr. COLDWELL: Could we not call the minister and ask what recommendation was received? I suggest it would be hardly fair to ask the general manager to disclose that information.

Mr. DIEFENBAKER: He refers to the Minister of Munitions and Supply. That is one matter that will have to be cleared up once and for all. Here we have the Minister of Munitions and Supply exercising a power, a control that is not given to him under the Act; namely, determining what applications being made for radio licences in the country shall be allowed.

The CHAIRMAN: Are you sure he has no such powers?

Mr. DIEFENBAKER: Certainly not under the statutes; and if he has it is a very dangerous precedent where the statute controlling the C.B.C. can be altered or varied by order in council. It is a very dangerous principle. We as a committee asked Dr. Frigon a question; what did the board of governors determine. The Minister of Munitions and Supply has no authority under the Act, and has not had any such authority since the board was instituted; and this witness says that until the minister has dealt with the matter that he can tell us nothing. As representatives of the people we should know what decision has been arrived at by the board of governors who are charged with the responsibility of the administration of radio in this country.

Mrs. CASSELMAN: It is not the business of the general manager to tell what the board's decision is. Also, if I remember correctly, the Minister of Munitions and Supply was given certain duties in wartime because airports

come under his supervision, and it is his work and duty at the present time across Canada to see that an adequate beam service is maintained in connection with airports and aircraft operation.

Mr. DIEFENBAKER: All of which may be perfectly correct, but the fact remains that the determination as to whether there will be an extra broadcasting station at Prince Albert rests on the board of governors, not the Minister of Munitions and Supply. Is the Minister now going to say that the members of the committee should not be permitted to know what the board of governors recommend for the public interest. Because we are at war the Minister of Munitions and Supply has power as Mrs. Casselman says in the matter of broadcasting and as such has the determination as to who shall have a licence; surely, that rests with the board of governors.

Mrs. CASSELMAN: The point I am making is this, that the question is one which should be directed to the Minister of Munitions and Supply who received the recommendation from the board of governors, not to the general manager.

Mr. COLDWELL: I think we should get the answer to Mr. Diefenbaker's question.

The CHAIRMAN: From the proper source.

Mr. COLDWELL: I hesitate to put an official of the board in the position of perhaps divulging information which is not for him to divulge; that is the only thing. I think we should have someone here to answer that question.

Mr. BOUCHER: Let us look at the position as to whether or not the officials need to answer. We are in this position, here are the board of governors acting for the C.B.C. whom we are investigating by authority of parliament and this officer says he cannot give us the information, although he has it at hand he will not give us the information simply because they have made a certain recommendation to the Minister of the Crown who has no legal authority by statute at least to deal with radio matters of this kind; and in doing that we are saying that this man, the Minister of Munitions and Supply, in this case has the power to withhold the action of the very board of governors whom we are investigating. I think our situation is ridiculous, to say the least.

Mrs. CASSELMAN: I think the point is one which is quite different; as I see it, it amounts to this that Dr. Frigon is not the one to give us this information. It is not a question of his withholding any information this committee might want; it is strictly a matter of Dr. Frigon as general manager not being the one to give us that information. If we want to get that information we should call the responsible party, in this case the minister.

Mr. DIEFENBAKER: Who is that?

Mr. COLDWELL: In this case either the Minister of Munitions and Supply or the board of governors.

Mr. BOUCHER: We are asking what the opinion of the board of governors is; we are asking the general manager (Dr. Frigon) what conclusions they came to and we could ask him that without in any way asking him what the recommendation of the government would be.

Mr. DIEFENBAKER: I do not know how to go about it.

Mr. COLDWELL: Very simply, by calling the chairman. Let us get an answer to the question.

The CHAIRMAN: Order, please. Section 24 of the Broadcasting Act covers the whole matter involved in the point raised by Mr. Diefenbaker. It says:—

> (1) The Minister shall, before dealing with any application for licence to establish a new private station or for increase in power, change of channel, or change of location of any existing private station, or making any regulations or changes in regulations governing the activities of private stations, refer such application or regulation to the corporation,

> and the corporation shall make such recommendations to the Minister as it may deem fit. The approval of the Governor in Council shall be obtained before any licence for any new private station is issued.

That is in the statute.

Mr. DIEFENBAKER: What does that add up to?

The CHAIRMAN: It adds up to this, that the Minister has the authority under the Broadcasting Act.

Mr. Ross (*St. Paul's*): What Minister?

The CHAIRMAN: The Minister of Munitions and Supply, in here.

Mr. DIEFENBAKER: Is "minister" defined in that act; how is "minister" defined in the statute you have just read?

The CHAIRMAN: "Minister" means the Minister of Transport according to this.

Mrs. CASSELMAN: And Mr. Howe carried that over to the Department of Munitions and Supply as part of his duties when he went from Transport to Munitions and Supply.

Mr. BOUCHER: Unless the Act was amended the Minister of Munitions and Supply could not carry that authority with him.

Mrs. CASSELMAN: It states specifically that his powers were carried over.

Mr. DIEFENBAKER: In other words the statute gave power to a certain minister and another minister is exercising it.

Mr. COLDWELL: I am not sure that this power was transferred by order in council under the War Measures Act or not, I rather suspect it was.

Mr. BERTRAND (*Prescott*): At that time, yes.

Mr. BOUCHER: You cannot transfer from one department to another authorities vested by statute in a department unless you have legal authority to do so. It may be done by order in council, I don't know.

Mr. BERTRAND: It may have been done under the War Measures Act.

Mr. DIEFENBAKER: Possibly you could get information on that, Mr. Chairman, and let us have it.

The CHAIRMAN: I think this will help to clarify the situation if I may read it at this time; this is a statement made by the Hon. Mr. Thorson when he was Minister of National War Services in 1942. If you will refer to Minutes and Proceedings for that year, 1942, at page 7 of the first volume, he says this:—

> When the Canadian Broadcasting Act, 1936, was enacted, the minister designated in section 24 (1) was the Minister of Transport. He was the minister under the Canadian Broadcasting Act, but he was acting in section 24 (1) in his capacity as the radio licensing authority by virtue of the provisions of the Radio Telegraph Act, which is now the Radio Act, 1938. The matters referred to in section 24 (1) are technical and they continue to be within the jurisdiction of the radio licensing authority. Order in Council P.C. 4215 dated June 11, 1941, which transferred the duties, powers and functions with respect to broadcasting to the Minister of National War Services, did not transfer the licensing functions of the Minister of Munitions and Supply to the Minister of National War Services, and they consequently remain with the Minister of Munitions and Supply.

Mr. BOUCHER: The Minister of Transport and the Minister of Munitions and Supply; it is very interesting.

The CHAIRMAN: That merely indicates that the Hon. Mr. Howe still retained his authority when he became Minister of Munitions and Supply.

Mr. BOUCHER: But what would the Minister of Munitions and Supply have to do with radio?

The CHAIRMAN: The order in council setting up the ministry gave that authority to him.

Mr. BOUCHER: The power of a statute cannot be altered in that way. We will have to find out how they got that authority.

The CHAIRMAN: That is a technical point about which I do not know very much.

Mr. DIEFENBAKER: May I say the reason I brought this up, Mr. Chairman, is that in Prince Albert we have an outstanding broadcasting station which has an exceptionally fine record for public service based on its operations over a period of years. As you will recall, there has recently been some discussion in this committee about French speaking people in western Canada having more adequate language facilities, and references have been made to the company which proposes to operate three French speaking stations and who already have applications in for the points I mentioned, St. Boniface, Prince Albert and Gravelbourg. That is fine. Now then, along comes the Herald Publishing Company and applies if I understand correctly to operate an opposition station in the English language as against CKBI which gives every facility for radio broadcasting that is needed in the northern part of the province. It is an outstanding station which has given fine public service. The three French speaking stations of this company to which I referred made direct application, and a month later along came the Herald Publishing Company and they are asking permission to open up an opposition station; and I want to know whether or not with all the facilities being completed in so far as one station is concerned another licence is being granted. It is a matter of very great importance to the people of Prince Albert and northern Saskatchewan. As I say, there is a station which has all the facilities it needs now, station CKBI.

Mr. COLDWELL: Who owns radio station CKBI?

Mr. DIEFENBAKER: It is a private company. They started in fifteen years ago and they have built up gradually during the years and there is one thing to be said for that station, there has never been any question of interference with any other group. They assure all of a fair opportunity to broadcast there, and they have built up one of the finest stations in the west. My interest in the matter is trying to find out for them if a consideration has been given to the opening up of an opposition station there.

Mr. COLDWELL: I think another consideration enters into that; I think the policy is wrong of allowing a newspaper to control radio stations in the same area; that makes for a monopoly of service in the community.

The CHAIRMAN: Mr. Diefenbaker, I think the question is one to which you are entitled to have an answer but I do not think that Dr. Frigon should be pressed for an answer having in mind the confidential report to the minister, which report the minister may either accept or reject; and until the matter has reached the stage of finality, until a decision can be given, I think that the proper person to give an answer to your question is the minister or one of his representatives. If you wish to have the minister or one of his representatives from the department as a witness before the committee we will be glad to see that they are here.

Mr. DIEFENBAKER: I am following your suggestion. You are so fair as chairman of this committee that any suggestions coming from you should be accepted, I think. It is my opinion that we should have a representative from the department here because a number of representations have been made in this matter and a number of requests for information have been received; and

the representations of course can only be considered before the licence is granted. There is a very considerable amount of feeling aroused over the fact that this company after a long period of fifteen or eighteen years in operation and having trained their own men may possibly find themselves faced with an opposition which will not enable them to make a fair return.

The CHAIRMAN: That will close the incident for the time being.

I will now ask Dr. Frigon to proceed with his statement which he was presenting.

The WITNESS (*Continuing*): With your permission, I would like to file a copy of an article which appeared in last Sunday's issue of the New York *Herald Tribune*. It says in part that "the CBS stand in favor of playing down television promotion until better standards are achieved—if possible, within a year after the war." It also says that NBC, RCA, the Zenith Radio Corporation and Emerson endorse that stand. Joseph H. Ream, vice-president of CBS, estimates that the set sales potential in the first five to ten years after the war is between $2,000,000,000 and $2,500,000,000. That volume of receivers must be sold, he estimates, before network operations will become practical. E. K. Jett, who used to be Chief Engineer of the FCC and is now one of the commissioners, suggests that television be allowed to go along on both the present low-range and the high frequencies. But this, in turn, means the installation of two complete transmitting and receiving systems, which poses difficult financial problems for broadcasters. Mr. Jett is known as a man with very good judgment; he is one of the best radio engineers in the United States.

Further on we read "Television broadcasting has proved to be an expensive proposition, considering the results obtained. CBS, for example, is currently spending $350,000 on ten months of broadcasting which results in four hours a week, divided between news analysis and studio entertainment of a type not exactly comparable with radio standards."

Many such documents could be submitted to prove that the situation in respect to television is still in a fluid state. Some claim that it is now so good that it can be used as it stands as soon as war conditions permit. Others claim that it can be improved materially and that it is better to wait until experts have agreed on the best possible system before going all out in a sales promotion campaign. There is also the question as to what system is to be used for the transmission of sound that goes with television. Over this technical picture there is the uncertainty as to the financial success of television on a large scale. It is also evident that all Canadian manufacturers concerned will be forced to adopt the standards finally accepted in the United States before proceeding with intensive production of equipment.

Under those conditions, we believe it is wise for Canada to wait for a crystallization of conditions in United States before committing ourselves to a definite policy.

The CHAIRMAN: Now I think we were discussing, when Dr. Frigon left off at our last meeting, the matter of commercial and technical activity, page 125 of the Minutes and Proceedings of Evidence. I suggest that we continue on from there and if the members care to ask Dr. Frigon further questions he will try to answer them.

By the Chairman:

Q. May I ask, Dr. Frigon, have you any further statement to make in reference to what the CBC are doing in the field of television?—A. Our experts are keeping in touch with the problem. We have men sitting in on the subcommittees of the Radio Technical Planning Board in the States, and we keep fully informed as to all developments so that when we are ready to go ahead we will have all the information at hand.

Q. Have you allocated any part of your budget for that particular purpose? —A. We have $100,000 set aside for research which would include any experi-

mentation or trial of television on a very small scale. $100,000 is not enough for us to operate on an extended scale.

Q. Could you give the committee an idea roughly what amount of money would be necessary for expenditure on that, Dr. Frigon, in order to keep up relatively to what is being done in the United States?—A. I could tell you that transmitters are more expensive and it is indeed a great problem; another thing, the programs required for television broadcasts are very much more expensive than those used for sound broadcasting.

Q. Where do you propose to get the money with which to do that particular work?—A. I do not know, except that some special grant or subsidy would have to be available to help us do that sort of work. That is not our basic responsibility. You will notice that wherever television has been developed to any extent, as in United Kingdom or the European countries they have been drawing on public money; I have in mind such places as Great Britain, Germany and European countries, or where there are very powerful private companies to support it, as in the United States. This is a kind of work which requires a lot of money and we haven't got it, and there is nobody in Canada with any large amount of money to spend in the development of television. It takes a lot of money if a good service is to be given to the public. You can always play with it and call it television, but I do not think that that sort of thing should be encouraged When television goes on the air it should give a substantial service to the public.

Q. Under the present system whereby your own revenue from the corporation comes from fees of private individuals, owners of stations, and from your commercial advertising, do you feel there would be sufficient backlog of revenue there, sufficient to enable you to proceed along the line of television; or, what would be necessary by way of a special grant from the government for that particular purpose?—A. I would say that our present source of revenue would take care of broadcasting as we are doing it now; it would take care of most things that would come up in sound broadcasting, but I hardly think there is enough money coming from licence fees or from commercial operations to allow us to promote television to any great extent. We can go ahead and organize frequency modulation, which is a quite different thing, because the programs produced over our usual broadcasting stations will be suitable for frequency modulation. When you go into television it is a different matter entirely and you need more revenue; considerably more revenue will have to be available before we can do that properly.

Mr. MARTIN: Did you ask the witness what it would cost to Canada?

The CHAIRMAN: What it would cost?

Mr. MARTIN: Yes, was he asked that question?

The CHAIRMAN: No, I will ask him that if you like; what would it cost Canada to undertake television development?

The WITNESS: I do not think it would be possible at the present time to give you anything like a definite figure, except to say that it would be very much more costly than sound broadcasting.

Mr. COLDWELL: You say that the Columbia people have limited their television appropriation to $350,000?

The WITNESS: That is for four hours a week; and that is nothing compared to sixteen hours a day.

Mr. Ross: What would be the cost of a television receiving set?

The WITNESS: That is hard to say, except that it will be within the range of almost everybody; it is a matter of quality. You will notice from what I read, that they say that we cannot have network television until there has been $2,500,000,000 spent on receivers in the United States. When you reach

that volume it means that the sets will be radically cheaper than they are today; but even before then I think you will find that television receivers in the States will be down pretty close to $200 a set.

Mr. COLDWELL: Did someone tell us that you could get an attachment for something like $70?

The WITNESS: No, not for television; that was for frequency modulation.

By Mr. Coldwell:

Q. If you are through with that I was going to ask you about what you had done with regard to facsimile?—A. May I first answer the other question: the first figure I gave you is the cost in the United States. It is bound to be more in Canada. About facsimile: that is pretty much at a standstill now. It is not an expensive proposition, but I think the problem there is to find a reasonable use for it, an effective use. And nobody seems to be particularly interested in it at the present moment. It will come up, I suppose, in the normal way; but at the present time the main factor, in relation to post-war development, is not facsimile so much as frequency modulation and television.

Q. Its usefulness would be where anyone wanted to hear a certain program, where they wanted to go out and when they come back be able to have a repeat of that program?—A. Yes, it could be used that way. One factor which enters into it is the paper used; probably a much cheaper material will be found which can be used on the machine than that which is used at the present time. However, that is not an outstanding problem. The great thing is television. There are two schools of thought in connection with television; some are all in favour of it and others advise us to go carefully about it.

Mr. ROSS: You do not believe that the movie corporations have such a financial interest in television that they are somewhat responsible for withholding its progress?

The WITNESS: I could not tell you, I do not know. It is evident that films will play a large part in television in the future.

Mr. COLDWELL: But you anticipate that frequency modulation will come in almost after the war?

The WITNESS: Oh yes, it is here. It is a matter of equipment and it would relieve the over-crowding of the present broadcasting bands considerably. Another thing it would do would be to improve the quality of reception.

Mr. MARTIN: Are we doing any research on television in Canada?

The WITNESS: Some companies in the United States are working on it. I do not suppose there is any research of any importance going on in Canada; at least, not to my knowledge. That is all being done in the main in the laboratories of the principal companies in the United States and Europe.

Mr. MARTIN: Would there be any advantage in our doing some research work along that line?

The WITNESS: There again it is a matter of cost—royalties, patent rights and all that sort of thing.

Mr. MARTIN: Well what about just research?

The WITNESS: Research is certainly costly at the present time. The General Electric Company are maintaining a television system just to keep in the field and to train men for the post-war period, and that is a costly proposition; we in Canada could not afford to spend anything approaching the sum of money they are spending on that work.

Mrs. CASSELMAN: Speaking of your operating expenditures; would you need more revenue to carry on your shortwave broadcasting station?

The WITNESS: That is a special vote. We will do that for the government by a special subsidy which would not affect our ordinary operations.

Mrs. CASSELMAN: Do you know the approximate date of the coming into use of the shortwave station?

The WITNESS: We are working hard to get at least one transmitter broadcasting to Europe this Fall. We are at the present time faced with priority difficulties, more particularly with respect to small parts, little things that may hold up our whole project. At the present time it is a matter of the cable to be used in the entire system, which is not available and it is holding up the whole thing.

Mrs. CASSELMAN: I suppose you are developing programs for it?

The WITNESS: We are gradually taking on men for our station and training them so as to get them familiarized with the international shortwave services. We have one man who at the present time I believe is down in New York taking a course, and we will have another one very shortly working on it. We are taking them on gradually so they will get familiar with our methods and international problems, with the idea that they will be ready to go ahead when the station is ready. As to the date, I cannot tell you that. I think I may say that it will be operating normally by January, 1945.

Mr. COLDWELL: I was talking with a gentleman the other day who had been in Belgium and France and he was telling me that some of the experiences he had had in connection with their underground. He said that they frequently get requests as to what is being done in the various countries and he was here looking around and he was going to do some broadcasting about what is happening in Canada. He told me that the people in Europe are most anxious to find out what is happening in all the countries all over the world, particularly the smaller countries—if I may call them such.

The WITNESS: Of course, OWI do that just now.

Mr. COLDWELL: And that is performing a very useful service, as I see it.

By Mr. Ross:

Q. What about that station at Vercheres, that is 7½ kilowatt station?—A. Yes, it is a 7½ kilowatt; it is not operating at full power just now.

Q. That has a pretty good coverage hasn't it?—A. It reaches out fairly well. We had reports that it was being received in New Zealand; however, you could not call that good service because it is not consistent service.

Q. I want to ask you another question about the completion of your C.B.C. program in so far as high power stations are concerned, more particularly shortwave. Have the corporation acquired all the high power stations in Canada that it needs?—A. No, we have not; we need some more. We set up a plan in 1936 which has been implemented, or the bulk of which has been implemented; there are still some improvements to be made in the power of stations so as to give better coverage.

Q. Where would those be, generally; I do not know whether you would have the list there with you or not?—A. We should increase the power in Vancouver; probably at some of the stations in the prairie provinces; probably more power for station CBM in Montreal; and we certainly should add something to the power of stations in the maritimes. For instance, in Montreal we have a 5 kilowatt station giving English programs; that one should be 50 kilowatts. Of course, as I said on previous occasions, the matter is being delayed until we can take care of the whole question of high power stations. It concerns four or five channels.

Q. Do the C.B.C. need any more high power stations in Ontario, for instance?—A. Station CJBC in Toronto is expected to go to 50 kilowatts some day.

Q. How many more high power stations would you require?—A. Well, there are the ones that I mentioned at the three principal points, Vancouver, Montreal and Toronto; and one in the maritimes—a station of 50 kilowatts as soon as possible.

Q. If you were to acquire more stations than you have at the present time, would you be able to use them?—A. Well, I couldn't say as to that. It would depend largely on whether the frequencies are available, to permit us to increase the power without disturbing other transmitters. That matter is being studied at the present time and we have not completed the study. It is a very very involved matter on the technical side alone, to say nothing of the financial side. We have to operate under the Havana Agreement and that complicates the problem of deciding the frequencies which may be used. I can assure you that it is no simple matter.

Q. Is it a part of your policy not to give any licences to private stations for frequency modulation at the present time?—A. No station is licensed for regular broadcasting with frequency modulation as yet. We expect that we will have frequency modulation in Canada after the war, but no policy in regard to it has been established.

Q. So that no stations are licensed to operate it at the present time?—A. No, not even the C.B.C.

Q. You are operating a frequency modulation station, are you not?—A. No.

Q. I thought you were operating an experimental station?—A. We have a few low power sets that we can use in case of emergency. When the war came on there was some danger that in Canada communications might be disrupted. We acquired for our own use quite a bit of equipment and material to take care of communications between our stations and our transmitters in case there was any interruption to the service of our lines. Some of this equipment is frequency modulated, but it is not in use. It is ready for use whenever we need it but we have no licences at the present time to operate regular broadcasting with frequency modulation in Canada.

Q. Do you think you will be taking action on that day some day soon?—A. That is a matter of production, market conditions and freezing. We certainly will go ahead as soon as we possibly can. We will use a part of that $100,000 to which I referred, which is a very small amount, for that sort of experimentation.

Q. What would be the cost of a frequency modulation station?—A. It would be about the same or a little cheaper than an ordinary station.

The CHAIRMAN: Is there any member who wants to deal with official revenues? There is a statement on page 147 which gives a short report on commercial revenues.

By Mr. Coldwell:

Q. In relation to commercial revenues I still think that advertising commissions as operated at the present time are either depriving the government of funds or the corporation of revenue; I can see no reason for the payment of a commission between government agencies and the corporation. I think that is a policy that should be reconsidered by both the government and the corporation.—A. As I said previously we do not come into the picture at all ourselves. It is a matter of sponsor and agencies. The government has decided that it would be well to give publicity work to agencies instead of setting up its own department. Whether it was wise or not I am not qualified to say.

Q. On the other hand, the Canadian people somewhere pay whether it is the one or the other. We will not argue which it is, whether it is the corporation or the government, but one way or the other they pay?—A. We do not pay. We do not pay commissions.

Q. You collect them?—A. In other words, if we did not handle commissions we would have no more money in our revenues. The fact that we pay commissions for other people does not affect our revenues at all.

By Mr. Boucher:

Q. Except in so far as it may affect the cost of your service?—A. No. We charge so much for the service; and those who use our services give a contract to agencies to produce their shows. That is their job. If a sponsor has his own organization to produce shows, all we do is sell our service; that is, the technical service.

Q. I appreciate that, but if a sponsor did not have to pay commission, or did not pay commission as he saw fit, he would get a cheaper service, and getting a cheaper service would indirectly assist the C.B.C.?—A. I think the question resolves itself in this manner—does it cost 15 per cent to handle and produce commercial shows?

Q. As a matter of fact, I think I agree with you, Dr. Frigon, that it is no concern of the C.B.C., but indirectly it is their concern in so far as it affects the efficiency and the economy of broadcasting. Everything figures in the picture.

Mr. COLDWELL: What I was getting at was if a program costs $1,000, and an advertising agency places that program the C.B.C. receives $1,000, and then the advertising agency is credited with $150.

The WITNESS: More from the sponsors.

Mr. COLDWELL: $150 more.

Mrs. CASSELMAN: From the sponsor.

Mr. COLDWELL: And if the sponsor happens to be the government, as is often the case just now, that $150 comes out of the public treasury, and it seems to me to be an unnecessary expenditure.

Mr. MARTIN: Have you considered that the advertising agency will place business not only in radio but with newspapers, magazines, and so on, and if you were to say with regard to advertising over the radio, "There will not be a commission paid," is it not quite conceivable that advertising companies would play favourites with agencies other than the radio?

Mr. COLDWELL: I think not.

Mr. MARTIN: Is there not this consideration, too, that the technique of advertising is a specialty, and that if you put your advertising in the hands of an expert you are going to get better results than if you do it yourself? Perhaps we politicians have found that out. Perhaps you have an advertising agency; I do not know. Those are considerations which should be borne in mind.

Mr. COLDWELL: That, of course, entirely undermines the argument of the newspapers that the two facilities are competititve.

Mr. MARTIN: What?

Mr. COLDWELL: Are not competitive.

Mr. MARTIN: Obviously the government has to have advertising agencies. They might say we cannot make anything if we are giving it to the radio and yet it might be very desirable there should be radio advertising.

Mr. BOUCHER: I think it is not a matter for this committee, anyway.

Mr. COLDWELL: No, but it is an interesting point, though.

The CHAIRMAN: I think an advertising agency would probably take the position that, "We want all of your business or none of it."

Mr. MARTIN: Certainly.

The CHAIRMAN: They are not going to let the government pick and choose whether they will give them newspaper advertising and not give them radio advertising. If there were a certain appropriation for advertising, your idea, Mr. Coldwell, would be to deal directly between the government and the corporation rather than through a third person, but I think you will find that advertising agencies will not do business that way.

Mr. COLDWELL: You can set up your own agency.

The CHAIRMAN: What would it profit you? It would cost you probably more money than to use experienced agencies that are already in operation.

Mr. COLDWELL: It might cost you less money, too.

The CHAIRMAN: I know, but these are dangerous and costly experiments.

The WITNESS: By the way, there is much more money spent on other media publicity than on radio.

By Mr. Ross:

Q. How many minutes of advertising material in an hour are allowed? You know what I mean. I do not know how to put it. I think some of these programs spoil the whole effect of their advertising by having them talk too much.—A. Roughly speaking, it is 10 per cent.

Q. Ten per cent of the time; that would be six minutes in an hour?—A. Yes. That is another difficult thing to apply because it is sometimes difficult to know when the advertising content starts and when it stops. It may be woven in so that you do not know where it starts.

Q. I do not object to that part of it. When Fibber McGee and Molly get talking and then ring in their little piece of advertising I do not object to that, but when the announcer talks for about five minutes to start with you feel like turning the radio off. I wondered how it was regulated.—A. Well, the opinion of some broadcasters, not all of them, but some of them is that they do not care what the public wants so long as they buy soap—not all of them; I want to be clear on that.

By Mr. Coldwell:

Q. Are we still continuing the soap programs? Are we still going to continue the soap programs after this year?—A. I hope so.

Q. I get more complaints about the soap programs than about any others.

Mrs. CASSELMAN: Not about the Lux program.

Mr. COLDWELL: Not about the Lux Radio Theatre.

The WITNESS: We get more demand for those shows than any others.

Mr. MARTIN: Your tastes are too highbrow. You are not in touch with the people.

Mr. COLDWELL: We will see in a couple of weeks.

The CHAIRMAN: Is there any discussion on new networks, page 277?

Mrs. CASSELMAN: Is that No. 4, or No. 3?

The CHAIRMAN: That is No. 6. Are there any further questions that anybody wishes to ask Dr. Frigon? We will try and dispose of him this morning. I hope it will not be necessary to recall him.

Mr. COLDWELL: You could recall him next week and by that time we might get some more questions thought up.

The CHAIRMAN: We have got to get this ended some time.

Mr. MARTIN: I am not suggesting that this committee should not have priority over other committees, but there are three committees sitting this mornig and I happen to be a member of all three. I am not saying that the Radio Committee should give in to the Banking and Commerce Committee. I am not suggesting that the committee of which you are chairman should take second place to any other.

The CHAIRMAN: We were here first.

Mr. MARTIN: I wonder if some arrangement could not be made with the chairmen of other committees.

The CHAIRMAN: We had a conference of the chairmen of committees with the whips earlier in the session and an arrangement was made tentatively and it was not entirely lived up to due to circumstances that nobody could control. However, I think our meetings have been well attended and have been held regularly every Wednesday. From now on it will not be necessary to have as many meetings.

Mrs. CASSELMAN: Are we getting towards the end of our business?

The CHAIRMAN: I think so. I intend to ask the agenda committee to meet this afternoon shortly before we adjourn and we will discuss what further representations need to be made before the committee.

Mr. COLDWELL: I agree with Mr. Martin. I am on the Banking and Commerce Committee but having stuck faithfully to this committee I feel I want to follow it through and yet, on the other hand, I want to be at the Banking and Commerce Committee.

Mrs. CASSELMAN: Could we drop one meeting next Wednesday and only meet at 3 o'clock?

The CHAIRMAN: I think that would be better. I shall not be able to be here next Wednesday and I thought we might have one meeting next week on either Thursday or Friday morning. However, we will make those arrangements later. Are we finished with Dr. Frigon?

Mr. COLDWELL: I think so.

The CHAIRMAN: How long would your statement take, Mr. McArthur?

Mr. MCARTHUR: About twenty minutes.

The CHAIRMAN: I think perhaps we might proceed with it now.

Mrs. CASSELMAN: Before this witness takes the stand I wonder if we should not express our appreciation to Dr. Frigon for the evidence and information he has given us and the manner in which he has answered our questions which were sometimes very pertinent and sometimes not so much so.

Mr. COLDWELL: They were never impertinent.

Mrs. CASSELMAN: I did not say impertinent.

The CHAIRMAN: I am sure Dr. Frigon will be glad to receive that expression of appreciation. It is tendered to him on behalf of the committee.

The WITNESS: I should like to tell you I have enjoyed appearing before the committee because it has been very nice and very friendly.

The CHAIRMAN: We will now have a statement on C.B.C. News Service by D. C. McArthur, Chief Editor.

D. C. MCARTHUR, Chief News Editor, *Canadian Broadcasting Corporation*, called.

The WITNESS: It might perhaps be useful if I outlined, in a general way, the organization and scope of our news service, and the way in which it operates.

When our bulletins first went on the air in January, 1941, the general manager made this public statement:

> The time has come to relieve The Canadian Press of this burden and to follow the example of the BBC and other leading broadcasters that select, edit and transmit their own news. The same characteristics of dependability, impartiality, and objective treatment that have characterized The Canadian Press service are to be maintained. Moreover, we still have free access to the full news service of The Canadian Press as well as to that of the British United Press, which is also a component of the CBC service . . . . . .
>
> CBC editors and news writers have been chosen for their experience and judgment in handling news, their enterprise, fairness, and their feeling

for radio. This last point is important,—a broadcast news bulletin is a kind of spoken essay.

CBC news editors have been told that political and controversial news must be given with absolute impartiality. Accuracy is the first consideration; speculative comment, editorializing, or tendentious treatment are excluded.

In accepting the responsibility for selecting, editing, and transmitting a national news service the CBC follows the excellent example of the BBC. Accuracy, dependability, enterprise, and interest will be our objectives.

The CBC news service was organized to give a uniform type of service to listeners in every part of Canada. Newsrooms were set up at Vancouver, Winnipeg, Toronto, Montreal and Halifax, so that bulletins could be broadcast at suitable times for the convenience of listeners in all time zones—a bulletin at breakfast time, at noon, at supper time, and a summary of the day's news in the evening. In addition, short bulletins are usually broadcast when our stations open, and again when they sign off at night. Altogether, our editors provide twenty-two bulletins in English each day except Sunday on the different regional networks, and the national news summary—which is carried by fifty Canadian radio stations—at 10.00 p.m. eastern daylight time each evening. In the regional bulletins, we are able to include a reasonable proportion of news of more local interest. The national summary, and bulletins on Sundays and national holidays, are prepared in the central newsroom at Toronto. Our Montreal newsroom supplies ten bulletins in French each week-day to the CBC French network, and five French bulletins on Sundays. This work is carried out by a staff of 26 radio news editors—4 in Vancouver, 3 in Winnipeg, 7 in Toronto, 7 French and 2 English editors in Montreal, and 3 in Halifax.

Each newsroom receives, on teletype printers, the same service that The Canadian Press lays down for its member newspapers at these points, plus the newspaper or radio wire service of the British United Press. Many thousands of words of press copy—as much as 200,000 words a day in the central newsroom at Toronto—must be carefully edited and summarized in a simple conversational style, into a few thousand words of radio news bulletin copy. We have always regarded our news, not as competitive with the newspapers, but complementary—radio having certain advantages of brevity and speed, while news coverage in full detail is properly left to the daily press. In certain other ways we have supplemented our news service to Canadian listeners; ways that are the more specialized function of radio—interviews by voice, eye witness accounts of important happenings, and most important of all, the overseas reports of our war correspondents with the Canadian forces in Italy and in the United Kingdom. As a special medium for these overseas reports, CBC news roundup was established last summer, shortly after the invasion of Sicily.

Through the world-wide connections of The Canadian Press and the British United Press, and through our own overseas staff of radio war correspondents, we feel that as far as coverage is concerned, Canadian listeners are receiving a service that is not surpassed in any other country.

The acting general manager, Dr. Frigon, has pointed out in his report that the C.B.C. news service has been regarded as a public trust, and one of its most important responsibilities is the presentation of political and controversial news with complete impartiality. The suggestion that C.B.C. news bulletins are deliberately designed to further special political interests is a matter of grave concern and a serious reflection on the personal and professional integrity of the members of our news staff.

There are, it seems to me, three things that must be considered in connection with these charges. The first is our policy with regard to handling political

news—is this policy sound? The second is the matter of our staff—have our editors the necessary competence and freedom from political bias to carry out this policy; and the third aspect of the problem is the actual bulletins—do they show any convincing evidence of bias?

When the Board of Governors decided, in the fall of 1940, to set up our own news service, I was asked to undertake the task of organizing a competent staff. I had originally been engaged by the C.B.C. to look after what we call our press and information service for Ontario; that is, to supply news stories and program information to newspapers and periodicals. When the war broke out I was given the additional responsibility of supervising the news, working as a liaison officer between C.B.C. and The Canadian Press. I had carried out this responsibility for a year before our own news was organized, and during that time I visited newsrooms of the N.B.C. and Columbia Broadcasting System in New York to study their methods of preparing news bulletins.

By Mr. Martin:

Q. You were a former newspaper man?—A. Yes.

I believe that consideration was given to the selection of a chief editor from among the managing editors of Canadian dailies; however, it was decided that since presentation of news over the air demanded a different approach and a different style, a more specialized knowledge of radio was needed for its supervision.

No pressure of any sort, either personal or political, was a factor in making appointments when our news staff was organized. I had the assistance of our C.B.C. regional directors and, in most cases, the advice of the regional superintendents of The Canadian Press in selecting our editors. My recommendations were submitted, through the general supervisor of programs, Mr. E. L. Bushnell, to the management for approval. We tried to find men with experience in handling news, whose approach to news was objective, and who were not actively aligned with any political organization. Writers were chosen from papers of varying political complexion and from The Canadian Press and British United Press, on the basis of their news experience and objective approach. A newsman does not necessarily share the politics of the paper which employs him. Enquiry was made as to whether they were active partisans of any political group or members of political organizations—otherwise their personal views were not considered a factor.

It is possible that some of our editors may be sympathetic to the C.C.F., the Social Credit, the Progressive-Conservative or the Liberal parties. I have never heard any of our staff express partisan political opinions, and I frankly do not know what their personal views may be. Such views, if they hold them, are a right that they share in common with other Canadians. My concern as chief editor, is to see that personal predilection is not a factor in the way political news is handled in our bulletins.

When the C.B.C. national news service began to operate in January, 1941, these were the senior editors in charge of our different newsrooms—Vancouver, J. N. Crandall, formerly a news editor for the British United Press; Winnipeg, W. H. Metcalfe, who had edited news on the Winnipeg Free Press; the central newsroom, Toronto, A. E. Powley, formerly telegraph editor of the Toronto Telegram, and with twenty years' news experience with Toronto papers, including the Mail and Empire and the Toronto Star; Montreal English newsroom, D. C. Brown, formerly with the Toronto Mail and Empire and the Edmonton Journal; senior French editor, Marcel Ouimet, who gained his news experience with Le Droit, Ottawa, and French papers in Paris, France; Halifax, Ian Sclanders, formerly with the Ottawa Journal and now editor of the Saint John Telegraph-Journal.

Like the newspapers and the press services, we have lost a number of competent members of our staff to the armed services and other special duties. We have, I think, been fortunate so far in securing competent replacements, although this problem has become increasingly difficult. Even when we do get competent new members of staff, it takes some time to familiarize them with our policy directives and to develop their news judgment; some sins of omission, or occasions when judgment is debatable, might reasonably be attributed to this factor.

Mr. Crandall joined the Royal Canadian Air Force. His place in Vancouver has been taken by his assistant, R. L. Elson, who had edited radio news for The Canadian Press. Mr. Powley is now in England, in charge of our London bureau, and his place in Toronto has been taken by Mr. W. H. Hogg, who was a radio editor for The Canadian Press, with many years of general news training. Mr. Brown is now with the War Information Board. Mr. Sclanders, who left our Halifax newsroom to return to newspaper work, was replaced by V. F. Segee, who had been a news writer with the British United Press.

In concluding these comments about our staff, I wish to put on record that no person has either been hired or fired from our news staff for political reasons. Some have resigned to take other positions, and some have joined the armed forces. When we take on new members of staff, they must work for a probationary period of three months before their appointment is confirmed, and a few have failed to show the necessary capacity for the position and were dropped before the probationary period was completed.

As chief editor, I maintain constant contact with the regional newsrooms through correspondence, through personal contact, and by having copies of regional bulletins mailed regularly to my office for critical review. We have tried to keep uniform standards of style and policy throughout the whole C.B.C. news service. In connection with the style in which the bulletins are rewritten from the original news dispatches, it has been C.B.C. policy to strive for a conversational style, not too personal or sensational in treatment, but somewhat more lively and descriptive than the style followed, for example, by the B.B.C. in its news bulletins.

As Dr. Frigon has told you, our basic policy directive with regard to political news is the following—

> Domestic political news must be treated with absolute impartiality and in controversial stories, both sides of the issue must be given equal emphasis.

From time to time, this has been re-emphasized in other directives. Some of these have been consolidated in our printed internal rules and regulations, others have been issued more recently for the guidance of our editors in their day-to-day work. Copies of these directives have been given to members of your Committee.

It is not of course possible to achieve an exact balance of political news in any single bulletin. Sometimes an attack is carried in a bulletin, and the reply to it may not come for some days. It may be argued that some political attacks are merely "playing politics", and do not deserve consideration in C.B.C. bulletins. But since "playing politics" is inherent in the democratic system, this accusation can be levelled at any party, and it would place C.B.C. editors in an impossible situation if they were asked to decide what news came in this category, and what did not. They would have to exercise a most undesirable type of political censorship over the news, presumably in the interests of the party in power in federal or provincial Governments. Our editors exercise no sort of political censorship over the news.

The amount of space that can be devoted to political news is always conditioned by other factors, such as new and important developments on the war

fronts. Our editors have to take the news as it comes. They have to be highly selective in summarizing for a short bulletin many thousands of words of news copy.

Since the news service was first formed, it has been our practice to leave the selection of news as far as possible to the judgment of the editors who are on duty. In so doing, we followed the practice of The Canadian Press when they prepared news bulletins for the C.B.C. It is felt that the person most capable of judging the relative values of the different news stories of the day, is the editor on duty who has all the news before him. Mr. Murray, Dr. Thomson and Dr. Frigon have all concurred in the necessity for protecting our editors, not from criticism or from constant supervision and direction, but from any interference or pressure in the handling of news. I might refer you to several of the directives of which you have copies, that make it clear that we have discouraged any attempts to supply news direct to our newsrooms from government channels, either provincial or federal, or any other sources except the recognized news services.

Dr. Frigon has outlined some of the difficulties that our editors face in making a fair and well-balanced summary of several thousand words of dispatches reporting an afternoon and evening sitting of the house. You have been informed that this has been made a full-time assignment for one of our senior men in whose judgment and impartiality we have complete confidence.

By Mr. Martin:

Q. Who is that?—A. W. H. Metcalfe. He is ordinarily senior editor in our Winnipeg news room. I do not wish to give the impression, and I know that Dr. Frigon did not wish to give the impression, that we consider our editors to be infallible. They make errors in judgment at times, just as other persons do; but I do not believe that a fair appraisal of their work, over a reasonable period of time, will show evidence of wilful distortion or false emphasis in the interests of any particular political group. I am convinced that the criticism that we received has been sincere and intended to be in the public interest. Nevertheless, it is a fact that we have not been receiving any serious amount of criticism from our listeners on this score. During our first few months of operation, we had quite a volume of critical comment from listeners who were inclined to doubt our impartiality. During the last two years, criticism of this type has been negligible.

During the month of March of this year, a survey of English-speaking listener opinion in all provinces was carried out by a well-known Canadian organization, that specializes in radio surveys, Elliott-Haynes. They included several questions in their regular poll, which is scientifically planned to get a cross-section of opinion that they consider to be within 1·3 per cent of complete accuracy for the whole country. They found that our national news bulletin has a following of 86 per cent of the adult listening audience, about half of whom listen regularly, the rest occasionally.

In response to the question "Do you think this newcast treats all political parties in a fair and equal manner?" it was found that 25 per cent of listeners had no opinion with regard to political news; 58 per cent considered that the different political parties were treated in a fair and equal manner, while only 17 per cent felt that the political news contained in the CBC national news summary was subject to bias. In other words, eliminating the 25 per cent who were not interested in political news, more than three to one of those who did listen critically, felt that it was being handled impartially.

By Mr. Coldwell:

Q. This survey was made after the suggestion had been made there was partiality? That was afterwards, was it not?—A. Yes, I think that criticism came up in February.

Mr. MARTIN: Would you say that was high or low?

Mr. COLDWELL: I would say if the suggestion were made that there was partiality the inclination of some people would be to say, "Yes, there is partiality", and it would tend towards giving a higher percentage.

Mr. MARTIN: Frankly I have not shared the view that these news broadcasts were political at all. I have shared the view they were doing an honest job.

The CHAIRMAN: Let us proceed with the statement.

Not infrequently, we receive criticism from different political interests in connection with the same items of news, and for exactly opposite reasons. During the Quebec conference last summer, we received criticism from some more enthusiastic Liberal supporters who felt that Mr. King's part in the conference had not been given sufficient emphasis in our bulletins. At the same time the *St. Catharines Standard* made this editorial comment, in connection with our reports of the Quebec conference:—

> What has really happened is that the CBC has become a pronounced, not even a subtle, mouthpiece to try and restore the fallen political fortunes of the Prime Minister . . . .
>
> It was not the announcer who read the script, and read it well, as he usually does. It was the editing behind the scenes, the orders from on high as to how broadcasts should be given.

A study of our bulletins would, I believe, show that such criticism is unjustified. There are no "orders from on high" as to how our news bulletins are to be handled, and never have been. It is only just to the present government, to say here that no instructions from government sources have ever been given to me as chief editor, as to how we should handle the news.

When we carried an item dealing with General McNaughton's return to Canada, with the statement that he made about his health, we received some criticism from government supporters for deliberately trying to embarrass the government; on the other hand, we were criticized editorially in the *Winnipeg Tribune* for having given the same story what it called "a twist" for the opposite reason. The *Tribune* made this statement:—

> For some time casual listeners have been gaining the impression that the CBC news is being coloured a trifle, "tinged" in favour of the Ottawa government.

The most serious and disturbing charge that has been directed at our bulletins is that in the national news summary our editors have deliberately slanted the news to further the interests of one political party. I had a careful survey made of the space in the national news summary that has been devoted to different party speakers, from the opening of parliament to the time this charge was published. Our editors do not apportion space to fit any formula, but take parliamentary copy as it comes and on the basis of what they conceive to be its news value; yet this survey shows that the space given to the different parties very closely approximates their relative strength in the house; the government, with the largest representation and the greater number of speakers, leading, with the Progressive Conservatives, C.C.F. and Social Credit parties in that order. It is true, of course, that wordage in itself is not a complete basis of comparison—a long item may be dull, a short one full of dynamite. I have made this comparison only in connection with the charge that we had used this important bulletin to publicize any one party to the exclusion of the others.

The fact that there is a fairly heavy preponderance of government news in our bulletins is, I believe, defensible on the grounds of public interest. No matter what party may be in power, statements by ministers and responsible heads of government departments will always have news value, apart from political considerations. However, opposition critics do take the stand that any

news which presents the government in a favourable light, is not without political significance; for that reason, and because it is sound democratic practice, we have tried at all times to give space in our bulletins to all important opposition criticism, as well as news of opposition party activities and policies.

It has been suggested that we have some sort of an "editorial board" which presumably makes decisions as to how we can further the interests of one political party, or ham-string someone else. No such board exists. Our editors are a group of ordinary hard-working, and I think very conscientious, Canadian newswriters. Critics who suggest that our news is weighted in the interest of any one party, through the deliberate action of individual editors, do not understand the way in which our newsrooms operate. No bulletin is the work of a single editor; two, and sometimes three, editors are concerned in its production. In the larger newsrooms like Toronto and Montreal, the editors change shifts regularly. It would be necessary for the whole staff to be party to any plan to further consistently the interests of any political group.

If our bulletins were used deliberately to promote any political interest, including those of the party in power, the dangers need no elaboration on my part. We have submitted to your committee copies of our directives dealing with political news. I am also prepared to submit statements from all of our senior editors, who are responsible for the handling of political news, to the effect that they are not members of, or active supporters of, any political party, or ever have been; and also that they have never, at any time, followed any instructions with regard to the handling of news, other than the directives which I have signed as chief editor. Since I am responsible for the operation of the news service, my own background may be relevant. I have never, at any time, been aligned with any political party or group, or worked actively in the interests of any party. Like most people, I take some interest in what is going on in the world; but I have never, either by conviction or by temperament, been inclined to strong partisan views or to crusade for a political cause; although as a believer in democracy, I can respect those who do take an active part in politics.

I realize that no matter how sound our directives, or how free from political influence our staff may claim to be, the proof of the matter is in the actual bulletins, reviewed over a period of at least several months. Our bulletins have been kept on file, exactly as they were read on the air, ever since the CBC news service began operation. If it is considered desirable, they can be carefully checked by a special committee, on which such experienced and impartial newsmen as the general manager of The Canadian Press and the general manager of the British United Press might perhaps be given a place.

Criticism from whatever source—from individual listeners, from supporters of different political parties, from organizations of one sort and another—has always been given the most careful consideration, and will always be welcomed. Individual criticisms are considered by the management in the light of our established policy of giving an accurate and impartial presentation of the news; such criticism has, at times, been justified and has proved a salutary antidote to carelessness or the exercise of bad judgment on the part of the CBC news editors. Other criticism—offered no doubt with complete sincerity—seems at times to have been coloured by the political views of the critic. And since few persons are free from some sort of political orientation, even the most unbiased presentation of political news is likely to prove unsatisfactory, at one time or another, to a certain proportion of listeners.

The CHAIRMAN: Thank you, Mr. McArthur. I think we will adjourn to meet at 3 o'clock. Any questions relative to this statement will be taken up at that time.

The committee adjourned at 1 o'clock p.m. to meet again at 3 o'clock p.m.

AFTERNOON SESSION

The committee resumed at 3 o'clock p.m.

The CHAIRMAN: We shall continue with the discussion of the submission which was made by Mr. McArthur this morning. Are there any questions or explanations required?

By Mr. Martin:

Q. With regard to the 17 per cent who expressed the view that the news broadcasts were not altogether neutral are you in a position to divide how that 17 per cent expressed themselves?—A. Yes, I have a copy of the survey available, Mr. Martin. The survey was based on personal interviews with about 5,500 people across Canada, and that was in one of these selected panels that the survey agencies work out to get what they consider to be an accurate cross section. The 17 per cent was made up of some 800 odd of the 5,500 total; and of these, 84 per cent thought that the news broadcasts favoured the Liberals; 5 per cent thought that the broadcasts favoured the Progressive-Conservatives; 8 per cent thought they favoured the C.C.F., and 3 per cent had no opinion, although apparently they thought they were biased. Then they break that down again by representatives of the three different parties.

By Mr. Casselman:

Q. Did you say that no one thought they favoured the Liberals?—A. 84 per cent of those who thought our news broadcasts were biased thought they favoured the government.

Q. I want to make sure of that.

Mr. MARTIN: That shows the Liberals have a vast majority of supporters in the country.

Mr. DIEFENBAKER: That shows 84 per cent are the other way, more than that.

Mr. COLDWELL: 84 per cent do not want to hear any further Liberal propaganda.

The WITNESS: If I may say so I think it is understandable that it should be that way because, as I pointed out in my submission, we inevitably carry a fairly heavy preponderance of government news. No matter what party is in power we would do that, because a good many of these ministerial or departmental statements are of public interest and have news value, but those who were most critical of the government would naturally feel that the bulletin was throwing its weight on the government's side.

Mr. COLDWELL: That is very interesting.

By Mr. Diefenbaker:

Q. Does that survey cover all over Canada, the 5,500 chosen people?—A. Chosen right across Canada; that is all English-speaking Canada, including English-speaking Quebec, all provinces. It says here:

> In compiling the information for this report a total of 5,540 adults were interviewed in English Canada. For the purposes of this analysis English Canada is divided into three major geographical zones, maritimes, central zone, including Ontario and English-speaking Quebec, and the western provinces.

By the Chairman:

Q. Are there many who give a voluntary statement with reference to the news broadcasts, whether favourable or critical?—A. Do you mean that we receive letters?

Q. Exactly, and other methods rather than this Elliott-Haynes method of getting information?—A. The only way of appraising listener opinion, apart from surveys of this type, would be our correspondence from listeners. I think all of it comes to my attention if it deals with the news and we have had very little critical correspondence during the past year or two. During our first year of operation we had quite a bit.

By Mr. Hanson (Skeena):

Q. Why was not French Canada consulted or asked to give their opinion?—A. They have their own bulletins in French. They could make a survey, but it would not apply to this particular bulletin which is in English. This survey refers only to our 10 o'clock bulletin, the national news summary, the one to which some criticism had been directed.

By Mr. Martin:

Q. That would not necessarily be with regard to news broadcasts of the work in parliament?—A. Well, it would be included. The question dealt with the treatment of Canadian domestic political news in general.

By Mr. Hanson (Skeena):

Q. Have you got a French opinion on that?—A. This is a survey as far as our English news is concerned and deals only with English speaking Canada.

Q. You said that French Canada also have bulletins?—A. They have their own bulletin from Montreal, where we have a French newsroom. They produce a full service of bulletins every day for the French network.

Q. You have not got their opinion?—A. We have not an opinion survey on that.

By Mr. Martin:

Q. Do these twenty-six radio news editors do any other work besides editing the news?—A. No, that takes their full time. They work in shifts. In the central newsroom in Toronto we open at 6 o'clock in the morning and we close at 2.30 in the morning.

By the Chairman:

Q. You say, Mr. McArthur, "The suggestion that C.B.C. news bulletins are deliberately designed to further special political interests is a matter of grave concern", etc. Where do those suggestions come from?—A. I was referring there to statements that were made in the House of Commons. I think it was on February 24th. A number of speakers at that time made fairly definite statements about our news service, and I had those in mind.

Q. But apart from that were there other suggestions?—A. No, not to my knowledge.

Q. I suppose you discounted those suggestions which came from the House of Commons to a certain extent?—A. I do not know whether I was in error, but I took them rather seriously at the time.

Mr. COLDWELL: It is quite apparent from the statement they were taken seriously.

The WITNESS: Some of them were carried in the press at that time, too.

Mr. COLDWELL: What else is there for this afternoon, Mr. Chairman?

The CHAIRMAN: There is nothing else I know of except a meeting of the agenda committee. If you are entirely satisfied with the statement of Mr. McArthur and you do not want further elucidation you are free to go for a swim.

By Mr. Ross:

Q. Is that Elliott-Haynes news service considered pretty reliable?—A. I believe it is considered so by most of the commercial companies which are interested in radio.

By Mr. Coldwell:

Q. Is that the service which the government uses to find out what the state of opinion is in the country?—A. The Elliott-Haynes people in addition to special jobs have a regular monthly service which is available to different clients, and I understand that some of the departments of the government, like the W.I.B. and the National War Finance Committee, make use of it for opinion surveys.

Mr. COLDWELL: If these reports are obtained by departments of the government I think they ought to be available to the members of the House of Commons regardless of party. That is something we should look into.

The WITNESS: I think I have seen some of them printed in the releases of the W.I.B. at times.

Mr. MARTIN: You are not suggesting you do not see them?

Mr. COLDWELL: I do not see them. I should like to see them.

Mr. ROSS: You have to be a subscriber before they are available.

Mr. COLDWELL: If the government subscribes then they ought to be available to the members of the House of Commons.

By Mr. Diefenbaker:

Q. Have you any idea how that 5,500 was distributed across this country, the numbers in each province?—A. No, I cannot tell you that, but I am sure Elliott-Haynes would have that information available.

By Mr. Martin:

Q. Do you use the Gallup poll in any way?—A. No, we have not. Elliott-Haynes claim that this particular survey is as accurate as the Gallup poll.

By the Chairman:

Q. I think it might be interesting to the committee if you would tell them what this news service costs including the rental for teletype machines?—A. I cannot give you complete figures, if you wish to include salaries and general overhead.

Q. What do you pay the British United Press per year?—A. We pay British United Press a fee of $25,000 a year.

Q. And the Canadian Press?—A. Canadian Press, $40,000 a year. We rent our teletype and line facilities to bring the news into our news rooms, from the railway telegraph companies, and I think the cost is approximately $20,000 a year.

Q. That is a cost of $85,000 per year for service which used to be supplied free of charge by the Canadian Press Association, is it not?—A. My recollection is that they were paid a fee. I think it was $20,000 for editorial service. Of course, the service of bulletins was not quite as extensive then, not as extensive as we give now.

Q. Do you consider that the increased cost to the corporation is money well spent in view of the fact we have what is generally recognized as a very much improved service?—A. That is a question which I would find it rather difficult to answer myself. I think the Canadian Press gave an excellent service. It was extremely dependable, and it is still with us a basic source of news. We had certain ideas with regard to the handling of news for radio, not with regard to its accuracy or anything of that sort, but in the matter of stylizing, and also in adapting it to radio by adding various other features that we handle in a specialized way ourselves, like eye-witness reports from our overseas correspondents bringing in the human voice, and things of that kind. It has also been much more convenient having the news handled from our own newsrooms in any time of crisis. For instance, if the invasion news should break

it would be very difficult to arrange our schedule of bulletins and revise them unless we had control of the news ourselves in our own newsrooms, and I think we have followed the examples of all other large networks in so doing.

By Mr. Martin:

Q. I do not follow that. I am not saying that is not the case. I remember when the general manager of the Canadian Press, Mr. Livesay, came before the Radio Committee a couple of years ago and offered that service. My recollection is he offered it gratuitously to the C.B.C. They were rather anxious and felt that they should be the source.—A. At that time they wrote it. Their men wrote it. They wrote it to suit certain specifications laid down by the C.B.C. in the matter of times. The bulletins had to be available for our announcers at certain times, and we also made certain style suggestions to them, but the actual selection and editing up to the time we started our own service was entirely the responsibility of The Canadian Press.

By Mrs. Casselman:

Q. When a news bulletin goes over a local station which is not a C.B.C. station, that is made up by the station themselves and they assume the responsibility?—A. That is entirely their responsibility. It may be based on a service they purchase from The Canadian Press or British United Press or perhaps it may be an arrangement with the local paper.

By Mr. Martin:

Q. Is Mr. Ouimet, who took part in the broadcast of the Prime Minister from the British House of Commons, still a member of the C.B.C. staff?—A. Mr. Marcel Ouimet?

Q. Yes.—A. It was not Mr. Ouimet. It was Mr. Pelletier. Mr. Pelletier is not a member of the C.B.C. staff. Mr. Marcel Ouimet is our war correspondent for the French network.

Q. I confused Ouimet with Pelletier.

The CHAIRMAN: I think it might be well to point out to the committee and keep this in mind that now we have a news service which costs probably much more than $100,000 a year when you take into consideration the cost of The Canadian Press and British United Press service, the teletype rental and the salaries which are paid to the editorial staff. You are all fully cognizant of this, that a great many American stations have a news service sponsored entirely by a commercial organization. The C.B.C. could carry out that policy and make a great deal of money by having some commercial organization sponsor the 10 o'clock news service particularly, but in order to carry out the policy of the corporation of having complete control and minimizing in that particular avenue the commercial activities, the corporation sees fit to spend the amount of money they do for a news service which is untinted by any commercial activities at all. I think we ought to bear that in mind. That is just one of the many reasons why it costs a lot of money to run the C.B.C.

Mr. MARTIN: Of course, Mr. Chairman, that could conceivably be a great danger. Mr. McArthur said here, of course, that he has not allowed, nor has any political influence of any sort from any quarter been exerted—and I am sure that Mr. McArthur would not lend himself to that sort of influence—but it is conceivable that kind of control could be dangerous. I mean to say that it depends upon many factors, upon people like Mr. McArthur and others maintaining that neutral position; but control of the news by any agency that belongs to the state in itself does not offer great dangers.

Mr. COLDWELL: If it is done like this it is much less dangerous than if it is organized by some private institution which has some particular slant on a

matter as in the United States. One reason that our news broadcasts are so popular across the line is that they are unsponsored.

The WITNESS: I think our greatest safeguard lies in the fact that the policy we have tried to follow has had the backing of the management and of the board in carrying it out. That is basic.

Mr. MARTIN: The point I have in mind is this: you have said that the present government has not done anything of that sort, but suppose a political authority in this country for one reason or another wished to assert itself, it would be very difficult for those editing the news and depending upon that source for their livelihood and so on to resist that pressure. I am sure you would resist it, but I am dealing with the principle now, and I am pointing out that the principle of a state controlled news agency—and that is what is happening here—is a principle that is open to considerable danger if proper safeguards are not maintained.

The WITNESS: I agree with you, sir, that there should be proper safeguards.

Mr. DIEFENBAKER: So far as safeguards are concerned, the only safeguard there is against that sort of thing is that the chief editor and those connected with him adopt an attitude of news-worthiness as to all the news that comes before them. You can say you have the support of those in authority; that scarcely covers the situation raised by Mr. Martin. You should be entirely independent of any authority in placing before the people what you believe is news-worthy, regardless of the consequences. I am not one of those who has criticized you in any way for permitting the viewpoint of any party to be given. I say, and I have said before, that I believe that the C.B.C. news editors, in so far as parliamentary news is concerned, have been entirely free from any suggestion of wavering in favour of one party as against another, and I think it only fair to say that to you while you are here. I have taken that stand; on the other hand I believe that to assure against a possibility arising such as was referred to by Mr. Martin the news section or the news division of the C.B.C. should be free from any control whatsoever.

The WITNESS: I would agree with that up to this point, sir, that in the actual operation of the news service, in the exercise of editorial judgment in choosing the news for the bulletin, such freedom should be permitted so long as the management has confidence in the calibre of the men who are doing the work; and also that the management has confidence that our editors are carrying out accepted and laid-down policies with regard to the news. But I do feel that on the over-all job they are doing we have to be responsible to someone; we are responsible to Mr. Bushnell as head of the program division and he, in turn, is responsible to the general manager. That is, responsibility for the over-all picture, not for the production of a particular bulletin. I think that is pretty well acepted in the operation of our news service now. We are not independent in the sense that we are running hog wild with our own show.

Mr. DIEFENBAKER: That is not what I mean. I mean that you should be in a position where, if at any time those in authority were to direct you to colour your news items in order to meet the wishes of any group, you should be in a position to resist that.

Mr. COLDWELL: I think that is safeguarded. I do not think any government in its own interest would dare to get the news coloured in favour of itself, because of public opinion.

Mr. MARTIN: There have been governments in other countries that did it.

Mr. COLDWELL: I know, but they were different countries with different sorts of government—not a democratic government.

Mr. MARTIN: Not the sort of government we have now?

Mr. COLDWELL: No, I mean democratic. I think this government is democratic—passably so.

Mrs. CASSELMAN: I can see a little difference between the idea of colouring news for party partisan reasons and for putting out the settled policy of the government, when something has been passed by statute. Then, if you support that, that is not a party matter. It may be government, but it is not party.

The WITNESS: It is a matter of reporting, in that case.

Mr. MARTIN: As all members of the committee know, we are not dealing with a situation that confronts us but what might be a situation conceivably. We would want the news over the radio to have the same freedom as the news in the press.

Mr. COLDWELL: We want more freedom than that.

Mr. MARTIN: I speak in this sense that no government or no political authority, theoretically or actually, tells any newspaper what it shall publish. That is the essence of democracy, and we want that to be maintained in the case of the dissemination of news over the radio. That is the sort of thing I have in mind in putting forth this hypothetical case to you, and it is not in any sense a reflection upon those who are so ably associated with you.

The WITNESS: I realize that, sir. I think it resolves itself in the long run (provided the basic policy is sound)—that like any other public enterprise this depends upon the integrity of the persons involved in it. I feel quite confident, as a matter of fact, that the members of our news staff—certainly most of the senior editors—would not continue their responsibility at all if they felt that pressure was being exerted on them.

Mr. MARTIN: I am sure of that. What about the weekly newspapers? You have a service of the weekly newspapers, have you not?

The WITNESS: It is my responsibility. We have a neighbourly news program which is put on in collaboration with the weekly newspapers, and that has been done in each of our regions. I think Mr. Bushnell mentioned that in his report on the program division.

Mr. COLDWELL: Mr. Chairman, I think we might adjourn.

(Agenda discussed off the record.)

The CHAIRMAN: If we are through with this discussion, that is all we had to bring before the committee this afternoon. I should like to have a meeting of the agenda committee after we adjourn, or we can take these matters up before the whole committee. Mr. McArthur is leaving with us a survey of the listener attitude toward the C.B.C. national news summary, and while it will not be printed in the record of proceedings it will be available to any members who wish to have it.

The committee adjourned to the call of the chair.

(Appendices H and I follow.)

APPENDIX H

RADIO CHAB STATION
MOOSE JAW
SASKATCHEWAN

May 20, 1944.

Mr. J. J. McCANN, M.P.,
Chairman, Special Committee on Radio Broadcasting,
House of Commons,
Ottawa, Ont.

Dear Mr. McCann:—I have noticed in perusing the proceedings of the Radio Committee that our station and the writer as Manager, have come in for considerable attention—firstly, because of an article written in my absence and without my knowledge in a staff paper intended only for circulation among our staff by a young member thereof—and secondly, as the result of quotations made by Mr. Sedgwick from a letter written by me to Mr. Bannerman at his request answering a number of questions asked in a circular sent by him to all members of the Canadian Association of Broadcasters.

I believe Mr. Coldwell, who brought the article to the attention of the Committee, can and I am sure would clear up to the Committee's entire satisfaction the incident of the so-called "editorial" if he were to read to the Committee my two letters to him in connection with the matter.

With regard to Dr. Frigon's evidence concerning CHAB given on May 10th, the transcription of which has just reached me, I do not believe Dr. Frigon has been given the full picture of our relationship with the CBC or he would not have made many of the statements he did. While I am not anxious to enter into controversy, I think it very likely a wrong impression has been created in the minds of the Committee as a result of his evidence, not only detrimental to our own station but private stations generally, tending to influence the members of the Committee wrongfully in their judgment.

I am quite confident I could adduce incontrovertible evidence to show the Committee that there is and has been no station in Canada less interested in or profiting from the mercenary angle of broadcasting than CHAB, which has accomplished more in the way of free and appropriate public service—has been a better all round friend to the CBC—or could have co-operated more fully or generously with the Corporation.

As quotations have been made from my letter to Mr. Bannerman, I am enclosing herewith a copy of the whole letter for the information of the Committee and would be glad to submit any further evidence the Committee may feel necessary to prove my statements in the previous paragraph, or our justification of service in the public interest.

We believe that the activities mentioned in my letter to Mr. Bannerman will go to show the impossibility of carrying more CBC programs than we do and still render the kind of local and area service we regard as our duty to render, rather than any mercenary motive in not carrying them. We would also welcome the opportunity of adducing evidence to prove our value to CBC.

I would greatly appreciate if you would bring this letter to the attention of the Committee and assure them of our sincere desire to help them in any way within our power in the best interests of Radio Broadcasting in Canada. I have also taken the liberty of writing Dr. Frigon as per enclosed copy.

Yours very sincerely,

RADIO STATION CHAB,
H. C. BUCHANAN,
Manager.

APPENDIX I

CANADIAN BROADCASTING CORPORATION

55 York Street,
Toronto, Ontario,
May 22, 1944.

Dr. J. J. McCann,
Chairman,
Special Committee on Radio Broadcasting,
House of Commons,
Ottawa, Ontario.

Dear Sir.—In the course of the proceedings of the Special Committee on Radio Broadcasting, attention was drawn to an accusation made against me by a Mr. John J. Fitzgerald, in a pamphlet entitled "Help—A Shrill Call from the Atlantic Charter", alleging that I am a Communist, or a Communist sympathizer. This is a very grave charge which, if correct, makes me liable to a criminal prosecution, and would also disable me from holding my responsible post, concerned with educational broadcasting, in the Canadian Broadcasting Corporation.

While appreciating the Committee's magnanimity in permitting Mr. Bushnell to testify that there is absolutely no foundation to these charges, I venture to take the liberty, in a matter so much affecting my personal integrity and reputation, to forward to you herewith a personal statement by myself, which I would be obliged if you would bring to the notice of the Committee, and cause to be entered on the Record of its proceedings.

If I am guilty of these charges, I should be in an internment camp, or at least discharged from the service of the CBC.

If, on the other hand, I am innocent, then considerable prejudice against me has already been created by the publicity given to these charges. I am sure that in these circumstances, the Committee will be willing to assist me, so far as is possible, to dispel the slur placed upon me and my family.

I would add that several of my colleagues in the Corporation have expressed to me their apprehension lest, if such charges can be brought against one employee on such flimsy foundations, no one else can feel safe in the discharge of his duties.

May I also respectfully call your attention to the fact that the discussion of the Committee on the charges against me do not appear, from the Minutes, to have terminated in any definite conclusion. But so long as the matter remains undetermined, some doubt of my innocence may remain, and I shall be left open to a possible repetition of the charges, which will affect not only my own good name, but—much more important—that of the CBC itself.

Under these circumstances, I hope the Committee will permit me to ask that, if there remains any doubt whether I have Communist sympathies, I be allowed to appear in person before the Committee; and that, in any case, an explicit decision on my guilt or innocence be reached, and recorded in the proceedings of the Committee, so that I can refer future detractors to this.

With great respect, and apologies for troubling you,

Yours sincerely,

RICHARD S. LAMBERT.

R. S. LAMBERT

(Statement accompanying Letter follows)

STATEMENT

May 20, 1944.

The Minutes of the Special Committee of the House of Commons on Radio Broadcasting, No. 6, May 3-10, 1944, contain several references to myself, touching not merely the performance of my duties as a member of the staff of the CBC, but also my activities as a private individual. In the course of these references I am described as "arrant leftist" and "one of the biggest real niggers in the woodpile", the only reason given being that I am chairman of the Writers', Artists', Broadcasters' and Musicians' Council. The general tenor of these references is to make it appear that I am of Communist sympathies, and have exercised some influence in this direction in the CBC. Since the Communist party is an illegal organization, this is a serious charge, which, if left upon the record unanswered, might be prejudicial to me in the future. I would therefore respectfully request the Committee's permission to lay before them the following statement, which I am prepared, if desired, to make upon oath:—

1. I am not, and have at no time been, a member of, or connected with, the Communist Party, here or elsewhere.

2. I have no sympathy with Communism or Marxism.

3. I have been in Canada between 5 and 6 years. In that time I have made no speech and written no article, expressing any belief in Communism or its varieties.

4. I am a member of no political party.

5. In 1940 I published two letters criticizing the Russian Government for its "appeasement" policy towards Germany. Such utterances are incompatible with being a Communist sympathizer.

6. In 1940 the Government of Manitoba distributed to its secondary schools, 11,000 copies of a pamphlet I wrote for the Canadian Association for Adult Education, entitled "Do We Deserve Democracy?", setting forth the fundamentals of British democracy for school children. This again is incompatible with Communist sympathies.

7. From 1941 to 1943 (while I was a free lance journalist), I was a member of the Civil Liberties Association of Toronto, of which Mr. B. K. Sandwell was chairman. This Council, after Russia went to war with Germany, endeavoured to secure the release of Communists from internment. Supporting Mr. Sandwell in this activity is not evidence of sympathy with Communism.

8. In September, 1943 I succeeded Mr. John Collingwood Reade as chairman of the Writers', Artists', Broadcasters' and Musicians' Council, an organization formed in 1942 for the express purpose of enabling its members to contribute to Canada's War Effort through their special skills. Mr. Raymond Davies had been secretary under Mr. Reade's chairmanship, but ceased to be secretary when I became chairman. He was succeeded by Mr. John Adaskin, and later by Mr. Frank Sutherland. I have never heard politics discussed at the meetings of this Council, and have not quizzed the political views of its members.

9. For 3¾ years (1939-43) I was on the air every Sunday, broadcasting my "Old Country Mail" talks. No complaint was made that I voiced any "Leftist" opinions. On the contrary my position throughout has been that of a patriotic Englishman desirous of serving my country.

10. My son is serving in the R.C.A.F. and my daughter in the Defence Ministry at Ottawa. These young people are liable to suffer prejudice through the allegation that their father is a Communist.

11. Mr. Bushnell has stated to the Special Committee on Radio Broadcasting that, so far as the C.B.C. is concerned, there is absolutely no foundation for these charges.

I would like to point out that the allegations against me are contained in a pamphlet written by a gentleman with whom I have had no previous acquaintance; and that they are based on a statement alleged to have been made to him by an unnamed person. I am given to understand that this person is Mr. Watson Kirkconnell, with whom likewise I am not acquainted. Thus a charge of Communism is made at hearsay twice removed; and the only reason adduced is, that I am chairman of an organization which, before I became chairman, had a Communist secretary.

In conclusion, may I respectfully place myself at the disposal of the Special Committe on Radio Broadcasting for questioning, if the members of the Committee are not fully satisfied as to the groundlessness of the allegations made against me in Mr. Fitzgerald's pamphlet.

Signed,

RICHARD S. LAMBERT.

SESSION 1944

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9

THURSDAY, JUNE 1, 1944
FRIDAY, JUNE 2, 1944

WITNESSES:

Mr. H. H. Hannam, president of the *Canadian Federation of Agriculture;* Lt.-Col. W. H. Brittain, vice-president of the *Canadian Association for Adult Education;* Mr. I. D. Carson, executive vice-president and N. R. Perry, chairman of the Legislative Committee *Periodical Press Association,* C. V. Charters, Managing Director, *Canadian Weekly Newspapers Association of Canada.*

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1944

MINUTES OF PROCEEDINGS

THURSDAY, June 1, 1944.

(18)

The Special Committee on Radio Broadcasting met at 4.15 o'clock, the Chairman, Mr. J. J. McCann, presiding.

Members present: Messrs. Boucher, Hansell, Hanson (*Skeena*), Hazen, LaFlèche, Laflamme, Martin, McCann, Picard, Rennie, Ross (*St. Paul's*), Tripp, Veniot—13.

The following corrections were made in the minutes of evidence of Wednesday, May 24:—

(*a*) at page 399, 3rd line from bottom, the word "not" after the word "does" is deleted;

(*b*) at page 401, 15th line from bottom, the words "it is my responsibility" should read "it is *not* my responsibility".

The Chairman tabled and filed with the clerk an additional statement from Mr. D. C. McArthur, chief news editor, respecting directives on the handling of political news.

As requested by Mr. Diefenbaker, a return with respect to *licensing of private broadcasting stations*, accompanied by Orders in Council, P.C. 3076, 3435, 4215, by chap. 24, an Act respecting Broadcasting and by chap. 50, an Act respecting Radio in Canada, were tabled as prepared by the Department of Transport.

On motion of Mr. Hanson,—

Ordered,—That the foregoing be printed as an appendix, excepting the two Acts. (*See appendix J to evidence.*)

Statements from senior news service of the C.B.C. in the form of affidavits were received by the chairman from Mr. McArthur, tabled and filed with the clerk.

Mr. H. H. Hannam, president of the Canadian Federation of Agriculture, and Lt.-Col. W. H. Brittain, vice-president of the Canadian Association for Adult Education, were heard, examined and retired.

Copies of a letter to Dr. Brittain from Dr. Sideny Smith, president of the Canadian Association for Adult Education, together with a statement by Commissioner C. J. Durr of the Federal Communications Commission, Washington, D.C., were distributed by Mr. Hannam.

Mr. I. D. Carson, Executive Vice-President of the Periodical Press Association and Mr. N. R. Perry, Chairman af the Legislative Committee of the P.P.A., made statements and were retired.

Mr. Carson tabled for distribution, copies of:

1. An address by himself entitled "The Press and the People".

2. A report on the Periodical Press Association 25th Annual Meeting held on May 11, 1944.

Mr. C. V. Charters, managing director of the Canadian Weekly Newspapers Association of Canada, was in attendance.

At 6.15 the Committee adjourned until 11 a.m., June 2.

FRIDAY, June 2, 1944.

(19)

The Special Committee on Radio Broadcasting met at 11 o'clock. The Chairman, Mr. J. J. McCann, presided.

Members present: Messrs. Boucher, Hansell, Hanson (*Skeena*), LaFlèche, Matthews, McCann, Picard, Rennie, Ross (*St. Paul's*), Tripp and Veniot—11.

Mr. I. D. Carson, being recalled, made a supplementary statement on radio licence fees and was examined.

Mr. R. N. Perry was also recalled and answered questions.

Mr. C. V. Charters, managing director of the Canadian Weekly Newspapers Association of Canada, was called and heard.

Witnesses were retired.

At 1.10 o'clock, the Committee adjourned at the call of the Chair.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

June 1, 1944.

The Special Committee on Radio Broadcasting met this day at 4 o'clock p.m. The Chairman, Dr. J. J. McCann, presided.

The CHAIRMAN: We will proceed with the business of the meeting. There is a note here from Mr. McArthur who gave evidence at the last meeting of the committee with reference to a slight change in the minutes and proceedings of evidence, No. 8. We will have that corrected. I have also received from Mr. McArthur statements from the news editors to which he referred in his submission. There are a number of statutory declarations here of certain members of that staff and the nature of them is as follows:—

> In the matter of C.B.C. national news service. I, James Kinloch, of the C.B.C. national news service of the Canadian Broadcasting Corporation in the city of Winnipeg do solemnly declare that (1) I am not a member of any political organization or an active supporter of any political party. I have never worked in any way for any political organization.
>
> (2) I have never followed instructions with regard to the handling of Canadian political and controversial news, other than the directives in C.B.C. internal rules and regulations (news) or directives signed by the chief editor.

That declaration is sworn at the city of Winnipeg. All the declarations are of a similar type to that, and they will be filed with the clerk.

We have here a return which was asked for by Mr. Diefenbaker having to do with the licensing of private broadcasting stations. I think it might be well for future reference that this be incorporated in the minutes and proceedings because it comes from the proper authorities and it outlines here in detail certain memoranda to the Minister of Munitions and Supply, and certain orders in council which have to do with the authority which is given to the Minister of Munitions and Supply having to do with the licensing of private broadcasting stations.

Mr. BOUCHER: Does it give the information Mr. Diefenbaker asked for?

The CHAIRMAN: It gives the information except to the extent as to why the application of certain people in Prince Albert for a private station there was not granted. It does not give that information, but I spoke to the minister, Mr. Howe, and he said if Mr. Diefenbaker wished to question him in that particular regard he will be here. Mr. Diefenbaker not being here the minister is not here at present, but if you wish to question him on that he can be sent for.

Mr. BOUCHER: I suppose the evidence filed is in the nature of explaining why that information should not or will not be given before the committee?

The CHAIRMAN: No, the evidence filed here shows the set-up over which there was a controversy as to whom the authority belonged for granting or recommending the granting of licences to these private stations.

Mr. BOUCHER: But the other day we also discussed the fact that the C.B.C. had given a report to the minister.

The CHAIRMAN: Exactly.

Mr. BOUCHER: And I think it was fairly generally agreed at that meeting of the committee that report should be tabled.

The CHAIRMAN: The report was not mentioned. The report was not asked for at all. That is my recollection. Mr. Diefenbaker says:—

> While that is going on, there is a question I should like to ask arising out of the list of stations, the details of which were given here this morning. It is a question that will take only a minute or two. I asked it previously but did not get an answer from the minister. It had to do with the question as to whether or not any licences had been issued or were about to be issued in reference to the establishment of certain new stations in Saskatchewan, Manitoba or Alberta. I asked the minister—I have not the page here—and he said the matter would be answered by Dr. Frigon. Have any applications been received for the establishment of stations in those provinces?—A. You refer to the French language stations?
>
> Q. Or any other stations.—A. There have been four applications submitted to the corporation lately. They were discussed on Monday at the last meeting of the board and the report is going to the minister with proper recommendation. It is up to him to decide, as the C.B.C. is only advisory to the minister.

Mr. BOUCHER: Did he not also ask for the report to be tabled which was going to the minister?

The CHAIRMAN: I think not. That was not my understanding.

Mr. BOUCHER: As my recollection goes—and in his absence I am raising the point—he did urge that the report be tabled, and I understood it was going to be tabled.

The CHAIRMAN: No. The report was a confidential report from the Board of Governors of the C.B.C. to the minister upon which the minister acted. We have tabled here to-day the regulations and extracts from the statutes with reference to the licensing of the private broadcasting stations as well as a copy of Orders in Council 3076 of July 8, 1940, 3435 of July 25, 1940, and 4215 of June 11, 1941, all having to do with the matter of that authority.

Mr. BOUCHER: I do not like to press the point because I do not like to speak for Mr. Diefenbaker in his absence, but my recollection was that he felt that the C.B.C. had given a report to the Minister of Munitions and Supply and that he would like to have that report disclosed to this committee.

Mr. TRIPP: I think, Mr. Chairman, the question of tabling documents such as that has been decided on previous occasions, and I think the decision has always been that if it were of a confidential nature it was not produced.

Mr. BOUCHER: Confidential nature as between a minister and his department is a different thing.

Mr. TRIPP: That is what this is.

Mr. BOUCHER: The C.B.C. is not a department of Munitions and Supply.

Mr. TRIPP: The chairman has just said it was a confidential statement from the C.B.C. to the Minister of Munitions and Supply. What is the difference?

The CHAIRMAN: Mr. Boucher, do you wish to question the Minister of Munitions and Supply with reference to the matter which Mr. Diefenbaker brought up, that is, the granting of a licence to an applicant for a station in Prince Albert?

Mr. BOUCHER: No, I do not want to; I would rather leave that to Mr. Diefenbaker himself to decide, but I felt that in Mr. Diefenbaker's absence I had a fairly clear recollection of him wanting to have the report tabled, but if

the committee decides otherwise why I prefer to leave it to him to press or drop the point. As I recall it his first request was that this report be tabled, and that being in controversy he questioned the right of the C.B.C. to give a report to the Minister of Munitions and Supply and doubted that there was authority for the Minister of Munitions and Supply to have any say in the matter. The question of the authority is answered but the question of the report is not.

The CHAIRMAN: It is not my recollection that the report was asked for. The minutes of proceedings were shown to the minister. What we are tabling here today is his answer, but he is quite willing to be interrogated with reference to it if it is the wish of Mr. Diefenbaker to do so.

Mr. BOUCHER: I would prefer to leave that to Mr. Diefenbaker.

The CHAIRMAN: Perhaps that would be better. Is it the wish of the committee that this be recorded in the minutes and proceedings? We have tabled here with it two Acts respecting radio in Canada.

Mr. HANSON *(Skeena)*: I so move.

The CHAIRMAN: It is moved by Mr. Hanson that this report from the department be printed. (See appendix J).

Mr. HANSON *(Skeena)*: It would be a good thing to have for future reference.

The CHAIRMAN: Mr. McArthur of the C.B.C., Toronto, chief editor of the national news service, has also written to the effect that different directives that had been issued to the news staff in connection with the handling of political news did not come up for discussion when he was on the stand, and there are some points he thought it might be better to bring to the attention of the committee. He has given here certain explanatory notes with reference to those directives. Will we put that in the correspondence?. I think if it is here for anybody to see it will be sufficient.

We have a representative of the Federation of Agriculture, and the Canadian Association for Adult Education. Mr. Hannam, who is president of the Federation of Agriculture, desires to make a presentation.

Mr. H. H. HANNAM, President, Canadian Federation of Agriculture, called:

The WITNESS: Mr. Chairman and gentlemen, I wish first on behalf of our two organizations to thank your committee for giving us the opportunity of a presentation and more particularly when so near to the close of your sittings.

Dr. W. H. Brittain, Vice-President of Macdonald University is here, and following the reading of this statement he will be glad to speak briefly in support of the brief. He will speak as Vice-President of the Canadian Association for Adult Education.

I am speaking to you as President of the Canadian Federation of Agriculture, an organization which embraces within its membership approximately half of the farmers of Canada. We therefore feel that we come before your committee today representing a very substantial portion of Canada's radio listeners.

1. *We believe that the principle of publicly-owned national radio, responsible to the parliament of the day as envisaged in the establishment of the C.B.C. is fundamentally sound.*

That statement is very much the same as the one made by Mr. Brockington in 1939 when he said that it is of paramount importance to have a single national authority to control, for purposes of coordination, broadcasting in the public interests.

(*a*) Radio, since it reaches so intimately into our lives and thought, must be treated as a "public utility". It cannot be left in the hands of any group of private interests or individuals; it must be administered in the interests of the whole country, and it must be responsible through parliament, to the people.

(*b*) In Canada, with the problem of distances and barriers, national publicly-owned radio is one of the most important instruments for achieving national unity.

(*c*) National radio, since it does not have to compete on a commercial basis for mass audiences, can and does provide programs for special sections of the population; it is in a position to meet the needs and desire of both majority and minority groups.

(*d*) National radio, as constituted in the C.B.C., provides an important safeguard for freedom of speech—one of the fundamentals of our democracy.

2. *We believe that the constitution and organization of the C.B.C. is fundamentally sound, and that any weaknesses that may have developed have have been merely faults of management and direction, which can be corrected.*

(*a*) The principle of a strong independent Board of Governors, responsible to the people through the Parliament of the day, is the only satisfactory one. The board should assume responsibility for the establishment and administration of policy, for the engagement and training of employees fitted in every way to carry it out, and should also give firm support to these employees in the performance of their duties. To the extent that the board accepts this responsibility, the C.B.C. makes an effective contribution to the interests of the people. When it fails to do so, the whole functioning of the C.B.C. is weakened. Just as public ownership and control of national networks saves the C.B.C. from becoming too commercialized—so independence from "party" influence preserves the C.B.C. from suspicion of being propagandist and strengthens its prestige in the eyes of the public

(*b*) The chief executive officer of the C.B.C. must regard his responsibility as being to the members of the Board of Governors, and to no one else.

(*c*) The principle of money for the operation of the C.B.C. coming directly from the people served by the C.B.C. is a sound one, and safeguards against the necessity of depending on commercial revenue which may at times work to the detriment of public service.

3. *In our experience, the staff members have proved themselves able and efficient, and conscious of their responsibility to the people as a whole.*

(*a*) They have been faithful to their trust as far as maintaining free discussion, of a non-partisan nature, with fair representation of all points of view and all sections of the population.

(*b*) To carry out this trust, they must receive the wholehearted support of the management and the Board of Governors against any attmpts at interference with unbiased presentation of news and non-partisan discussion of public affairs and current topics.

In other words, success in a commission of this kind depends on no interference from within or without. Then we come to the fourth point, which is a feature that we wish to emphasize.

4. *We feel that the C.B.C. has done a fine job in the way of national education for citizenship, and special services of the people of Canada.*

(*a*) Has based program-planning on the special needs and interests of various sections of the population.

(*b*) In putting on programs, has co-operated with the people's organizations, as only a people's radio could.

(*c*) Has given maximum opportunity for direct participation on the part of the people, in expressing their desires and in taking part in programs, and expressing their views regarding the topics discussed over the air.

That refers directly to the forum type of program which we always speak of as a two-way program; that is, the broadcast is only a part of it, and the other and important part is the group answers that come back from the people to the offices and to the central authority, if desirable.

(*d*) Has preserved freedom of expression on current issues, has given unbiased news, has covered topics on a non-partisan basis, with all points of view representing fair balance.

(*e*) By developing a high degree of citizen participation, has promoted a better understanding of co-operation in national policies for forwarding the war effort.

Through outstanding educational programs, it has liberated and canalized a tremendous amount of voluntary effort on the part of individuals and groups of citizens in the war effort and in developing, formulating and carrying out national policies.

5. *The proof of the foregoing is in the splendid response to two educational programs.*

The C.B.C. has co-operated with the Canadian Federation of Agriculture and the Canadian Association for Adult Education in the Farm Radio Forum and the program "Of Things to Come". The first of these has had a longer history and it is now possible to appraise with some confidence the advantages of this type of organization as a medium of education. These may be briefly summarized as follows:

(1) It contacts the largest possible number of farmers at a time of year when they are difficult to reach by other means. In fact, it reaches many individuals and groups that are not reached at all by other means, particularly people in isolated or remote communities.

In other words, it bridges thousands of miles across half a continent in giving small communities, no matter where they are, a chance to discuss the same subject at the same time on the same evening.

(2) It does so at a time of year when generally they have the most leisure for study and discussion.

(3) It does so at a much lower cost than could be done by any other means.

(4) It is more effective than pamphlets or meetings alone because:—

(*a*) The program is carefully and skilfully prepared by personnel capable of bringing out all the relevant facts.

(*b*) The people actually participate and do not simply listen to others.

(*c*) It is a combination of study, listening and informed discussion. Hence its effect is more lasting.

(5) It provides a real basis for the maintenance of study groups, furnishes the stimulus provided by social contact and thus promotes community effort.

(6) By providing a program in which all members of the family can participate, it increases the solidarity of the real unit of rural life—the farm family, and thus increases the possibility of united action.

(7) It furnishes a useful outlet for those who are vaguely dissatisfied with things, want something to be done and are likely to agitate for unsound measures because of the lack of proper information.

There is the advantage gained from group thinking and by group decisions. That is the benefit there.

(8) It promotes a truly national outlook and renders possible a higher degree of national solidarity among our farmers by encouraging thought and study on the same national farm problems.

(9) It provides a medium for the rural citizen to perform the duties of a citizen, through associating himself with his neighbours and with his government in action projects necessary in war and peace.

The Farm Forum has in the season just finished had an organized listening audience of 1,502 registered groups with a membership of 18,000.
That is an organized body of people. It should be emphasized that this represents only a fraction of the total listeners—most of whom do not take the trouble to register.

We do not know what the fraction is, but perhaps it is a small fraction of the total listeners.

The second program in which this co-operation has been effective is known as the Citizens Forum. It differs from the Farm Forum in that it is not organized around an occupational group, but has been directed more particularly to the needs of town and city people. The Citizens Forum deals with the citizen as a citizen—and was planned in response to widespread interest in post-war problems. Many of the things already said about the Farm Forum program apply with equal force to this program. Here, too, national unity is being promoted as people realize they share the same national problems. Social solidarity is being increased as neighbourhood groups include those who live in close proximity but have few other bonds of interest, and wise action on community issues is encouraged as people discuss and plan together. In its first year it has proved to be an exceedingly popular program—ranking with some of the best on the air in rating—and having as well 1,500 civilian groups, including over 15,000 people. In addition to the civilian groups, there has been a large number of groups active at various military centres.

Parallel to these two programs has been one on the French network which, in its first year, has met with an enthusiastic response. In co-operation with the Concil Superieur de la Co-operation de Quebec, a weekly broadcast "Preparons l'Avenir" was put on.

Throughout Quebec 733 registered groups were organized to listen to and discuss this program. Some 20,000 copies of supplementary literature were distributed and a great new constituency was developed to be served by national radio.

Conclusion

Radio is a force of great potency for good or ill in the life of this country. The original constitution of the C.B.C. insures that radio be safeguarded for public education and entertainment, rather than for propaganda or for private profit.

Already remarkable progress has been made in the development of national radio—but as a powerful modern weapon for education, especially, it is still in its infancy.

No opportunity should be lost for developing a policy designed to stimulate the maximum degree of participation and co-operation so that national radio may fulfil its function to the utmost.

The CHAIRMAN: Thank you, Mr. Hannam. It is Dr. Brittain who is to speak next, is it?

The WITNESS: Yes, Dr. Brittain.

The CHAIRMAN: Then, Dr. Brittain, would you just follow Mr. Hannam. Then we can have the discussion.

Dr. W. H. BRITTAIN, Vice-President, Canadian Association for Adult Education, called:

The WITNESS: Mr. Chairman and members of the Radio Committee of the House of Commons, these brief remarks I will make will be merely supplementary to the presentation that has been made by Mr. Hannam. However, on behalf of President Sidney Smith, who is not able to be here to-day, I should like to express his deep regret at his inability to be present. For your informa-

tion I have had duplicated and filed a letter which he wrote to me and which he asked me to bring to your attention. I will not read this letter in detail, but merely make the remark that he subscribes without reservation to the principle of a publicly-owned national radio system responsible to the parliament of the day. He goes on to endorse the testimony in the joint brief. He emphasizes strongly the need in our democracy for a type of program which contemplates co-operation with listeners who are thereby encouraged to establish study groups, and otherwise to participate in programs having to do with the present and future welfare of Canada. He emphasizes the fact that this two-way type of program is much better than that which provides merely for didactic or authoritative declarations with respect to public welfare. The letter of Dr. Smith is before you and you will have it for perusal.

I should like to preface my own remarks by saying that when we had this opportunity of co-operating with the C.B.C. in this particular program, our main interest was as a great experiment in methods of educating adult citizens. We have been familiar for a great many years with various other techniques in that regard, and the use of these techniques and their value has not been in any way diminished by these new ones of radio and film. These new techniques are now with us. The exact place that they are destined to play in the educational process is not a matter of common agreement. The best method by which they can be used and the proper method of integrating them with these other older methods still requires to be explored. Therefore when we had this opportunity we welcomed it first of all as an opportunity to carry on what is, in effect, a piece of fundamental or basic research work in this particular field of education. We welcomed the opportunity to prepare for the support of this program a great deal of the basic material upon which it has been built. We welcomed the opportunity of carrying out training courses for leaders who would carry on the discussion with the small groups; and, above all we welcomed the opportunity of co-operating with our government in explaining to the citizens of Canada, and particularly to the rural citizens, what was expected of them in this particular crisis. I would not wish to over-emphasize or exaggerate what has been done, but I think I can say quite truthfully that the results of this particular program, which has been carried on now over some four years, have greatly exceeded our expectations. We believe that it owes its peculiar value to the fact that it consists of four distinct elements, firstly, that of study based upon study material carefully prepared by those competent to do so, secondly, to listening to carefully prepared broadcasts, thirdly, subsequent discussion based on both the broadcast and the study material and, finally, the actual planning of a program of action based upon opinions arrived at as a result of this process.

I do not want to under-estimate the value of the broadcast itself, because that is performing, as Mr. Hannam has so well said, a most important service throughout the whole of Canada, and particularly in the remote districts where, through the magic of radio, the people of those isolated sections can hear authorities on various lines that they could not hope to see in the flesh. This certainly is the best and cheapest way in which this information can be brought to our people; but is the opinion of the groups which I represent, that other elements are of more importance than the actual broadcast. These group contacts has to an extent at least, stimulated revival of the old neighbourhood life which is fast dying out in the country. It has given an opportunity for discussing practical problems of every-day concern and of planning joint projects which are of deep concern to the individual but which could only be solved by group effort. This has brought a new and dynamic force into our rural life, but what I would like to emphasize with the greatest force and emphasis is this: the tremendous amount of voluntary support that has

been brought to this program and to the projects associated with it. When I tell you that the people in the country, far from complaining of the cost of the licence fee, have been willing to pay also family fees for being members of the farm forums, that they support with their own money the distribution of material and, in addition, defray their organizational expenses, you will see that this is a matter which is not without significance.

I, perhaps, might be excused at this point, because I know it best, to speak particularly of the program in the province of Quebec among the English speaking farmers. I should like to give a picture to this committee of what this means to the people of that province. You will understand that this is a small community, about equal in number to the rural population of Prince Edward Island, scattered over a territory twice the size of Texas, with no opportunity for them to speak with one voice on matters of common interest, no opportunities to get together and plan jointly for things that are of concern to them or to express their will to service in the present crisis. The preparatory work for that particular program was conducted largely at Macdonald College and one of the things done was to bring in selected groups of farmers to take courses in leadership training. We discussed the things they asked to be discussed, the things they were interested in, and through this practical means they learned the technique of handling discussion groups. They carried out this leadership training course and then they themselves went back to the district and organized the district into groups of selected people who would act as leaders and try to pass on to others what we had tried to do with the smaller and more concentrated groups following the broadcasts district rallies were held at strategic points to plan for the following season's program. One such series has just been completed, a series of several well attended rallies throughout the rural districts, rallies where various groups came together to discuss future action. At those particular rallies we also were able to bring them, in many cases, people they would themselves be unable to secure—people like Dr. Kenneth Taylor, of the W.P.T.B., Peter Nadeau of the Dairy Control Board, and Mr. Haythorne who were thus of National Selective Service, able to give our people some idea of the things that they should know in connection with their respective fields.

It might be of interest to this committee to know—because I know that in many cases people have the idea that these things simply end in talk and discussion—a few only of the actual action projects which have grown out of this movement and which it can be easily seen could never have happened without the radio program and the activities associated with it. I could go on and give almost without end examples, but I am confining myself to a few of the most prominent which have come to our attention during the past year.

In view of the needs of the situation as depicted by our government officials, a great deal of work has gone into the planning of new crops that are required in this crisis such as flax, sugar beets and canning peas. Group purchasing of feed, not only at a saving of money but also overcoming shortages; group purchase of garden seeds and subsequently planning of victory gardens from a nutritional point of view. There has also been reported by a number of our groups; activities in connection with Red Cross, Russian Relief etc. Victory Loan financial drives have been supported by most groups. There are numerous examples of several groups combining to put on a program to raise funds for the Red Cross. Farm forums in a large number of places have sponsored rural circuits of the National Film Board. These films play an important role disseminating information about Canada's war effort, in announcing food production goals, in suggesting new production practices; through the medium of farm forums farmers in Quebec are able to get information on all the many questions of production and interpretation of regulations, which you will realize in these times is of some importance. In fact one of the most important jobs

done by the Farm Forum office is to forward all inquiries not directly within its scope to the proper authorities. This has been a great service because so often people simply do not know from whom they should inquire.

The Provincial Farm Forum office at Macdonald College has been able to distribute literature to all its eighty-five farm forums and the 584 registered and fee-paying families. Much of this literature was distributed at a time when it had a topical interest. I would like to give one striking example. After one broadcast on the business of farming we had 670 requests from the Quebec office for the booklet on farm bookkeeping. Now, that booklet has been in existence for many years but these people knew nothing about it. They were stimulated—interest was stimulated in this particular subject, and the people were undoubtedly stimulated to do something about it.

Literature from the Wartime Prices and Trade Board—as many as 2,000 copies have been distributed.

Laws, orders in council and acts of parliament have been sent to all groups regarding such matters as maple sugar regulations, egg grading regulations, the Veterans' Land Act, together with an explanatory booklet and Act regarding co-operatives and the regulations concerning credit unions, information regarding feed prices, etc.

Mr. HANSON: I am sorry, I cannot follow you; would you speak a little slower?

Dr. BRITTAIN: Now, there are a large number of little local efforts that may not seem very important to you but are rather important to the people in the country in addition to these larger problems. Visiting a community in Nova Scotia a little while ago people told me of five or six different things that the Farm Forum has done that could not have been done in any other way. Last year when conditions were such that the weeds got ahead of them and the matter could not be handled on an individualistic basis, it was decided to hold a meeting of the Farm Forum; as a result local labour was mobilized, the assistance of local high school pupils secured, and as a result they caught up with the weeds. In the same community the winter roads got blocked and by similar means they opened up the roads. One of our forums has formed a committee to assist in the settlement of veterans of the war. In another there has been formed a recreational committee to provide recreation for youths. The purchase of a cooperative creamery has been a project effected by another. There is the organization of a mutual fire insurance company by still other forums. There is the organization of one cooperative creamery with bilingual membership and directorate. There is the installation of electricity in one of the schools for the benefit of students and to permit evening classes and films for adults at night. There is a program under way for the cooperative purchase of creameries in certain sections, credit unions, and cooperative cheese factories and the like. These are but a few of the projects reported.

Farm Forum members are as appreciative of the service rendered them as they are reticent about reporting their activities. Glenday Road Forum puts it this way: "Many of us like to read and study, but due to shortage of help we just have to be content with briefs and digests. Many others will have to learn to read and study. To me this is the biggest job for our forums. We need to know our neighbours locally, nationally and internationally. It would cost a great deal to travel and contact the people that we enjoy hearing on the radio. The Fourth Night gives us a very good idea of how similar all our problems are."

Those are a few examples I have taken from the reports that have come to us. To sum up briefly I would like to say that we have attempted in the Canadian Association of Adult Education to apply the experience gained in the Farm Radio Forum to this program of the Citizens Forum. We have used the same technique in the broad field of citizenship. I think you will agree that

what has been done in that field is really pitifully small. Possibly the weakest part of our war effort has been our failure to mobilize completely all the voluntary bodies who are only waiting for leadership and are willing and anxious to serve. We have in this country done a magnificent short time job in such individual matters as victory loan drives. We have been superb in many of our individual programs; but in working out a carefully integrated long-range, coordinated program in order to enable the citizens to do their full part in this crisis, we have not, perhaps, done as much as we might.

I might point out that the broadcast alone is apt to be very ephemeral in its effect. It is easy to turn off the radio. Some of the speeches that are given would be of benefit if people would only listen to them. We can spend hundreds of thousands of dollars on pamphlets beautifully and efficiently prepared, but they are not going to do very much good if people do not read them, study them and act upon them. We have very wonderful documentary films of which the same thing might be said, but here we have a technique which integrates all these things, and the sum total of the impact of all these different methods is very much greater than you would expect if you take the isolated effort of any one of them alone, or their combined effect if carried out as isolated, unintegrated efforts.

In conclusion I would like to pay very strong tribute to the staff of the C.B.C. and to thank them through Dr. Frigon for being permitted to cooperate with them in this work. I also wish to emphasize the fact that nobody who has had the experience of this program can doubt for a moment that the people of the country as a whole are behind the C.B.C.

The CHAIRMAN: Does any member wish to question Dr. Brittain?

Mr. HANSON: Is there any particular reason why the two organizations have presented the same brief? In other words, are they affiliated one with the other; do they have an affinity?

Mr. BRITTAIN: We are not affiliated one with the other but we have a common interest in adult education. It will be obvious from what has been said of the farm radio programs that this was regarded by the Canadian Association of Adult Education primarily as an experiment in the education of adults, and because these particular adults were rural citizens, it follows that the Canadian Federation of Agriculture had a special interest in them.

Mr. TRIPP: I would like to ask Mr. Hannam if he feels that the farmers of this country are properly represented on the Board of Governors.

Mr. HANNAM: I would say that they have not been. At the present time there is one man on the Board of Governors, Mr. W. J. Parker, who is an excellent representative of the farmers of Canada and who is one of the most recent appointments. We have been asking for the appointment of someone to represent agriculture for quite a long while. Even at that, considering the size of the Board of Governors, one representative of agriculture is small indeed.

Mr. TRIPP: I just asked that question because we have had members of the committee advocating that the farmers should receive greater representation than they have now.

Mr. HANSON: I wish to refer to No. 2 on the first page:—

> We believe that the constitution and organization of the C.B.C. is fundamentally sound, and that any weaknesses that may have developed have been merely faults of management and direction, which can be corrected.

Have you any reference to any weaknesses which you would suggest to the committee in that connection?

Mr. HANNAM: We think that publicly owned national radio has been the subject of criticism that was not warranted, that is, that the criticism in the

public mind appears to be against the set-up of the C.B.C. or against the staff of the C.B.C. doing their job, when largely it was a matter of not good enough direction or management; and that those weaknesses in direction and management became magnified in the public mind and did more harm to the set-up of national radio than we think they should have done.

Mr. HANSON: You have not reference to any special things?

Mr. HANNAM: No.

Mr. BOUCHER: You have not any reference to any grievances as to direction or management that you would like to bring before the committee?

Mr. HANNAM: No.

Mr. BOUCHER: You have no suggestions on behalf of agriculture to bring before the committee?

Mr. HANNAM: No, we have no intention of doing that.

Mr. HANSELL: Might I call the attention of Mr. Hannam to clause (*a*) in the first page of his brief in which he says:—

> Radio, since it reaches so intimately into our lives and thought, must be treated as a "public utility".

and so on and so forth. The clause seems to carry an inference with it that you would desire that all radio and all radio stations be publicly owned. Is that correct?

Mr. HANNAM: No, not at all. We do not suggest or even imply that. You see, when we say that we believe the organization and set-up of the C.B.C. is fundamentally sound we mean publicly owned national radio, and then public control of radio on a national basis such as it is at the present time.

Mr. BOUCHER: You do not give any opinion as to the relative places, positions, or activities of privately owned stations and publicly owned stations?

Mr. HANNAM: No, I do not think it is our place to give views on that. That is, we are not radio experts. We believe in the principle of national co-ordination of all radio in the interests of the people, and whether it is a large percentage publicly owned or a large percentage privately owned we do not think is the most important thing. The most important thing is how it is co-ordinated and directed in the interests of the people.

Mr. BOUCHER: I might say I took it from your brief you were speaking almost entirely of national control of radio whether it be publicly owned or privately owned or publicly operated or privately operated?

Mr. HANNAM: Right.

Mr. BOUCHER: And I take it from you now that you do not, on behalf of the Federation of Agriculture, wish to express any desires or opinions in that regard? Is that correct?

Mr. HANNAM: That is right.

Mr. HANSELL: I think perhaps Dr. Sidney Smith's letter might throw some light on that. I fancy. Mr Smith is a man who watches his words very carefully. In the second paragraph he says:—

> As president of the Canadian Association for Adult Education I subscribe without reservation to the principle of a publicly owned national radio system responsible to the parliament of the day.

The little term "a" may have in it a wealth of truth. We have a publicly-owned national radio system today that is responsible to parliament. While I am referring to the letter might I point out the last sentence of Dr. Smith's letter?

> In broadcasting panel discussions which are designed to stimulate thinking on the part of citizens, care should be exercised constantly, to the end that varying points of view may be fairly presented.

I am just going to ask one question here. It may seem a bit philosophical but I notice in the brief the term "non-partisan" is used quite often. Generally speaking that means non-political or inter-political. You would not suggest, would you, that all topics outside of party politics are non-partisan? What I mean to say is you may have certain topics of discussion which may be political and yet non-partisan, and yet you may have other topics of discussion which are entirely apart from any party, apart from any politics whatsoever. They may be discussions of certain types of philisophy, certain matters relative to certain ways of life which may not be political in any way. Would you not agree with that? As an illustration might I suggest that here you have two programs you refer to. One is "Farm Forum" and the other is the series "Of Things to Come". In "Farm Forum" you are dealing with agricultural questions. I do not think you can say you are dealing with philosophies of life. You are dealing with a sort of agricultural science, certain factual things. You are suggesting matters to people who are interested in agriculture, but in a program similar to "Of Things to Come", while that may be non-partisan, too, you may deal with things concerning the future that have not anything whatsoever to do with politics and yet may be a very forceful medium of propaganda for those philisophies. I think there are two distinct principles involved there. You would not call "Farm Forum" a program of propaganda.

Mr. HANSON (*Skeena*): A program of education.

Mr. HANSELL: It is a program of education. You could say though that a program similar to "Of Things to Come" might be a very potent propagandist. I do not know if I require an answer to that or not.

Mr. BOUCHER: I take it, Dr. Brittain and Mr. Hannam, that your stand is that in so far as agriculture is concerned you are satisfied with the deal you have got with the C.B.C., and that you do not want to go further and make any criticisms or recommendations or suggestions so far as programs, so far as coverage, or so far as favoritism is concerned? Is that correct?

Mr. HANNAM: That is correct. We are here to support it to-day. I think we should say in answer to this comment that we are in favour of the discussion of all subjects which are of vital interest to the nation. We think they can be discussed on the air.

Mr. BOUCHER: Do you think we have an adequate discussion of all subjects on the air?

Mr. HANNAM: I do not know about that, but I do think we should be able to discuss all subjects, whether they happen to be recommended by one party or another. After all, that is freedom of speech and freedom of discussion, and as long as national radio does not give party bias, or does not unfairly discriminate against one group or section of the people, I do not see any reason why we could be charged with being propagandists.

Mr. BOUCHER: My point of view was that in your presentation, to me at least, the inference was all was well?

Mr. HANNAM: Yes.

Mr. BOUCHER: And that you do not see fit to make any recommendations. Now, in case it should be interpreted that agriculture is fully satisfied with its lot and is adequately served by radio, and that agriculture feels that the C.B.C. has been fair, has been equitable, has been sufficiently educational, sufficiently cultural, sufficiently non-partisan, I would not want it to appear that you created an inference which your brief might create otherwise?

Mr. HANNAM: You mean we are perfectly satisfied with it.

Mr. BOUCHER: I might say this is the first time I have ever heard anyone come before this committee who was perfectly satisfied with everything that is going on.

Mr. HANNAM: I do not know whether you might interpret our statement in that way. We are supporting the general set-up of national radio; as far as we know in our work over three or four years with the employees of the C.B.C. they have done a fine, efficient job and they have developed, in co-operation with our two organizations, programs which we think a great deal of. We are not saying that perfection has been reached. We say that radio is in its infancy and that we expect great developments of it in the future, but we defend the job it has done up to the present time.

Mr. HANSON (*Skeena*): You are, of course, speaking for the Canadian Federation of Agriculture which does not take in all farmers? For instance, when Mr. Boucher mentioned about coverage I think you will find there are many farmers in this country who are not satisfied with the coverage yet, but you are speaking as far as this organization is concerned?

Mr. HANNAM: That is quite right.

Hon. Mr. LAFLÈCHE: That is where the slight imperfection exists.

The CHAIRMAN: Mr. Hannam, I suppose you have noted this year as in other years that there has been some propaganda and some desire on behalf of certain people for a change with reference to management. I take it what you want to do on behalf of the Federation of Agriculture and the Association for Adult Education is to reaffirm your belief in the principles that have been established already with reference to nationally owned radio, and further, the control of privately owned stations because if you follow Mr. Sidney Smith you see here, as would have appeared had Mr. Hansell gone a little further, that he says:—

> As president of the Canadian Association for Adult Education, I subscribe without reservation to the principle of a publicly owned national radio system responsible to the parliament of the day. This principle involves vesting in the Board of Governors the control of all C.B.C. broadcasting stations and general regulator powers with respect to broadcasting in Canada.

That is what Mr. Sidney Smith had in mind. I have not any doubt about it at all. If the Federation of Agriculture are in accordance with the views of the president of the Canadian Association for Adult Education then they are here to endorse those principles?

Mr. HANNAM: That is right.

Mr. BOUCHER: Your statement went a little further than that. He says "control of all C.B.C. stations".

The CHAIRMAN: I read it exactly as it is.

Mr. BOUCHER: You asked this man if he wanted further control than there is now of private stations.

The CHAIRMAN: No, no.

> This principle involves vesting in the Board of Governors the control of all C.B.C. broadcasting stations and general regulatory powers with respect to broadcasting in Canada,

which means private and publicly owned.

Dr. BRITTAIN: That is the primary purpose of our being here, to do just exactly what you said.

The CHAIRMAN: That is what we want to have on the record.

Mr. TRIPP: Then, Mr. Hannam, may I ask what you mean by clause (*b*) of page 2?

Mr. HANNAM: That is the way it stands now.

Mr. TRIPP: Your final clause is "and to no one else".

Mr. HANNAM: Well, the Board of Governors is responsible to the parliament of the day, and then the chief executive officer takes his instructions from the Board of Governors and not from anybody else in government or from any other public officer.

Mr. TRIPP: For instance, some times we call the General Manager of the C.B.C. before this parliamentary committee, and during the course of our questioning and his submission we submit certain ideas to him. Would you suggest that is a wrong procedure?

Mr. HANNAM: Your committee is part of the parliament of the day, is it not?

Mr. TRIPP: But you do not mention that. You said "to no one else." You say, "The chief executive officer of the C.B.C. must regard his responsibility as being to the members of the Board of Governors, and to no one else.

Hon. Mr. LAFLÈCHE: He reports back to the Board, Mr. Chairman, I suppose.

Mr. HANSELL: I suppose you mean in respect to his general work. He has to be responsible to some one for his administration.

Mr. HANNAM: We were not implying anything there.

Mr. BOUCHER: Mr. Hannam, there is another thing I wish to mention. This committee has had some discussion as to the rights of private broadcasting stations for having greater power facilities and greater coverage and for the right to have a national chain along with the C.B.C. having a national chain. Do you wish to express any viewpoint on any of those matters?

Mr. HANNAM: No, I think not.

Mr. BOUCHER: You would not say that your presentation had any inference on the stand of agriculture on any of those?

Mr. HANNAM: No, I would not.

Mr. TRIPP: May I ask Dr. Brittain to give us a little more explanation as to how this forum "Of Things to Come" is organized and who takes part in the discussions and so on.

Dr. BRITTAIN: Co-operation with the C.B.C. was organized first at a conference held last fall at Macdonald College. That was attended by representatives from all parts of Canada, business men, educationists, some members of the armed forces, certain members of public bodies like the War Information Board and so on. Provincial committees were set up and those committees functioned in each province. Every province has a provincial committee and it is up to those provincial committees to organize their area? They have a provincial secretary and in most cases I believe it is financed by individual contributions of members. In a few cases prominent business men and business organizations do make fairly large contributions, but for the most part they have been made by the people themselves who support a provincial office and a provincial secretary who keeps in touch with the individual groups. The provincial committees, therefore, are the ones who organize their own areas in any way they see fit. Meetings are ordinarily called at various centres. In Quebec most of these have been in Montreal, and we have organized a National planning committee which meets next week, a national planning committee again, to which various organizations from the provincial areas have been asked to send representatives.

Mr. TRIPP: From what particular groups of people do you select participants in this forum?

Dr. BRITTAIN: Mr. Harry Avison is here, and he can correct me in this. He has more connection with the Citizen's Forum than I have. They ask school organizations such as the Home and School Organization, service clubs, Canadian

clubs; they ask the Y.M.C.A., Teachers' Federation and all the people in Canada who are in the business of adult education. Departments of education are included. Does that answer the question, Mr. Tripp?

Mr. TRIPP: I am not sure that I am discussing the proper forum. Are labour and industry included? Is that the program you originated in your Farm Forum?

Dr. BRITTAIN: No.

Mr. HANSELL: I think you refer to "Things to Come."

Dr. BRITTAIN: Citizens Forums are organized around the program "Of Things to Come."

The CHAIRMAN: You are only one branch of that?

Dr. BRITTAIN: That is correct.

The CHAIRMAN: But there are other branches of it?

Dr. BRITTAIN: Oh, yes.

The CHAIRMAN: You are speaking only for the branch with which you are particularly connected?

Dr. BRITTAIN: We are only speaking for our particular connection.

Mr. HANSON: I should like to have an explanation of the Canadian Federation of Agriculture. How many would you figure belong to that organization and how is it composed?

Mr. HANNAM: How many farmers?

Mr. HANSON: How many farmers or members would you say belong to the federation and how is it made up? Is it by provinces? I should like an explanation.

Mr. HANNAM: The Federation of Agriculture is a federation of all farm organizations in Canada; perhaps I should not say all, but the great majority are in.

Mr. HANSON: Such as farmers' institutes and so forth?

Mr. HANNAM: Yes. But in it we have made provision for accepting into membership of the organization all bona fide farmers, and we have a federation in each of the nine provinces. Then we link them together in a board of twenty-five directors for Canada. We have all branches of agriculture and all provinces represented in it. We have not direct membership in the majority of cases, but the organization that those people belong to is a member and it pays an organization fee; and included in those organizations, after making allowance for overlapping, we have 348,000 farmers.

Mr. RENNIE: What is the proportion in the province of Ontario of actual farmers that belong to the federation, Mr. Hannam?

Mr. HANNAM: We consider a moderate calculation to be 75,000 farmers in Ontario affiliated with the Ontario Federation of Agriculture. How many regular bona fide farmers there are depends on what you call a farmer; that is, how large a lot one has to have in order to be a farmer. But I think 150,000 is a pretty fair estimate.

Mr. RENNIE: Farmers are those who till the soil, I would say.

Mr. HANNAM: You mean on a large scale. But you see, the Bureau of Statistics figures down to either one or two acres as a farm. I think possibly there are 150,000 regular farmers in Ontario and, roughly, we feel that we have half of those.

Mr. RENNIE: What is the membership fee?

Mr. HANNAM: It varies, depending on the individual organization. Members may be in various organizations such as the French farmers' union in

Quebec, or the United Farmers of Alberta. Then we have federations of agriculture in each province. Some of them have individual members and the membership fee is all the way, I suppose, from a small fee to several dollars. But in the Canadian Federation of Agriculture—you may be interested in this—we have asked our organizations this year to send to the national office an amount equal to 10 cents per organized farmer in each organization in each province.

Mr. BOUCHER: Mr. Hannam, I take it that, in the main, the Federation of Agriculture is a union of farm clubs rather than composed of membership of farmers?

Mr. HANNAM: That is right.

Mr. BOUCHER: Although both are encompassed in the organization?

Mr. HANNAM: That is right. We have a combination of a federation organization and individual members, because we have individual membership in many of the county federations of agriculture in this province, for example.

Mr. RENNIE: What connection has the Milk Producers Association with the Federation of Agriculture in the province of Ontario?

Mr. HANNAM: Well, it is in two ways. In fact, the farmers who are milk producers are in in three ways. In the first place, the milk producers around a local market are members of the Ontario Milk Producers' Association, which is a member of the Ontario Federation. But then the Ontario Milk Producers are again members of the Dairy Farmers of Canada, which is our national organization of dairy farmers; and then the Dairy Farmers of Canada is in the Canadian Federation. Again all of these farmers out around this city are members of the Carleton County Federation of Agriculture, so they are in in three ways.

Mr. BOUCHER: That is the best club there is, Mr. Hannam.

Mr. HANNAM: Oh, yes. It is good.

Mr. RENNIE: Do they have very much to do with the direction of the policy of the Federation of Agriculture?

Mr. HANNAM: The Federation of Agriculture is thoroughly democratic. I do not see how it could be organized in any way that it would be more so. That is, it works from the counties and the locals and the provincial organizations into the policy for the Ontario Federation; and then these nine provinces come together again to establish policies for the Canadian Federation.

Mr. HANSON: Have you, offhand, the name of the directors of the federation from British Columbia?

Mr. HANNAM: From British Columbia?

Mr. HANSON: Yes.

Mr. HANNAM: Alex. Mercer, of the Fraser Valley Milk Producers; Percy French, president of the British Columbia Federation of Agriculture.

Mr. HANSON: I know him.

Mr. HANNAM: And the third, Leslie Gilmore of the Fruit Growers Association.

Hon. Mr. LAFLÈCHE: Mr. Chairman, may I ask a question of Mr. Hannam, not intending to gild the lily of his presentation or to brush any of the gilt from it. Mr. Hannam, when you spoke a moment ago, you, I think, very properly came out strongly for free discussion on the air. Of course, I am sure you had in mind that there are the proprieties to observe and all that.

Mr. HANNAM: That is right.

Hon. Mr. LAFLÈCHE: But do you grant that, in time of war, one must be particularly careful?

Mr. HANNAM: Yes, absolutely.

Hon. Mr. LAFLÈCHE: Because of the danger of creating influences unfavourable to the country in the eyes of the enemy or anything of that kind?

Mr. HANNAM: I think that should be considered in conformity with the rules of censorship that are decided to be in the national interests and in the interests of the United Nations.

Hon. Mr. LAFLÈCHE: The Defence of Canada regulations.

Mr. HANNAM: Yes.

Hon. Mr. LAFLÈCHE: Thank you.

The CHAIRMAN: Is there anything further relative to the matter under discussion?

Mr. HANSELL: May I ask just one question in respect to the relationship between the Association for Adult Education and the corporation? Has the corporation asked your association to arrange programs or just how do you come into the picture?

Dr. BRITTAIN: We have a national radio committee, and on this radio committee there are two representatives of the Canadian Association for Adult Education, two representatives of the Canadian Federation of Agriculture and two representatives of the Canadian Broadcasting Corporation.

Mr. HANNAM: I think perhaps I might say that these two national programs are, if not largely at least to some extent a development that started right out in the farming communities, in both the Bruce peninsula in Ontario and the eastern townships in Quebec; without the one province knowing what the other one was doing, they had used the local radio to be the spark plug for group discussions in those communities. We did it in Ontario with the Wingham station in the first place. That was so successful in a small way as a local program—and the same thing happened in the eastern townships in Quebec—we were prompted to get together and suggest to the C.B.C. that there were possibilities in it on a much wider scale.

The CHAIRMAN: Is there anything further? If not, may I thank both Mr. Hannam and Dr. Brittain for their presentations.

We have here representatives of the Periodical Press Association, and I believe they would like to make a presentation. We might hear them now. Is Mr. Carson here?

Mr. MARTIN: While we are waiting, Mr. Chairman, may I make a correction in the record?

The CHAIRMAN: Yes.

Mr. MARTIN: At page 399, at the bottom of the page, I am reported as saying, "But control of the news by any agency that belongs to the state in itself does not offer great dangers." What I did say was that it does offer great dangers. The word "not" should be out.

The CHAIRMAN: It will be noted as it is already printed.

Mr. MARTIN: Thank you, Mr. Chairman.

The CHAIRMAN: Order, please.

Mr. I. D. CARSON, Executive Vice-President, *Periodical Press Association.*—called.

The CHAIRMAN: Will you proceed, Mr. Carson?

The WITNESS: Mr. Chairman, I suppose we may best conserve your time if I read this brief and the members make notes and ask questions? If we have not the answers, we will get them. First I would say that I am executive vice-president of the Periodical Press Association of Canada and Mr. N. Roy Perry is a past president and now chairman of our legislative committee. I am accompanied by him and Mr. Clarence V. Charters, Managing Director of the Canadian Weekly Newspapers Association of Canada.

By Mr. Boucher:

Q. Would you explain what the Periodical Press Association is as an organization?—A. The Periodical Press Association is one of the three associations of publishers in Canada, all of which for some sixty-eight years operated as the Canadian Press Association Incorporated. In 1919 the work became so varied and so heavy that the Canadian Press Association divided into three groups, the Canadian Daily Newspapers Association, the Canadian Weekly Newspapers Association, and the periodicals and magazines, first known as the Canadian National Newspapers and Periodicals Association and now called Periodical Press Association. Being apt to fall into the same difficulties as before we, in turn, organized in 1919 three different associations; the agricultural press; the business newspapers and the magazine publishers of Canada; so we all work together as a federation in the Periodical Press Association. I am Executive Vice-President and General Manager of the Periodical Press Association and manager of each one of the three affiliates. Mr. Charters is my opposite number in the weekly newspaper field, being Managing Director of the Weekly Newspaper Association, which was the weekly section of the old Canadian Press Association.

By Mr. Martin:

Q. You cover both English and French?—A. Yes, we cover both English and French. We are happy to have growth in Quebec and to have some very outstanding French language publications in the association.

Mr. Chairman, I would like to extend, first of all, our thanks for your courtesy in enabling us to appear before this committee following the postponements which were made necessary by some illness and our intervening annual meetings; and I would like to say how very much we appreciate the unfailing courtesy and helpfulness of Mr. Plouffe, the clerk of this committee, who has been most courteous over the telephone and in his correspondence with us. We deeply appreciate his help.

This brief is addressed to the chairman and members of this committee, and it is simply an outline of the ideas and suggestions and the thinking of many publishers in Canada as to the effect of the C.B.C. radio network expansion on the publishing economy of Canada:—

Despite government assurances to the contrary, many Canadian publishers are deeply concerned with the formidable and ever-mounting encroachment upon the commercial revenues of the press of Canada by the publicly-owned government-subsidized, tax-free body—The Canadian Broadcasting Corporation. In the light of your present investigations it seems fitting that certain views of these publishers should be placed briefly before you.

The Periodical Press Association in submitting this brief speaks for the leading publications among the national newspapers, magazines and periodicals of Canada, comprising general and class magazines, farm papers, financial and management papers and business newspapers serving the fields of retail and wholesale commerce, merchandising, transportation, lumbering, mining, engineering, manufacturing and the technical industries. These periodicals are published across Canada from the maritimes to the Pacific coast and constitute the national media regularly read by Canadians in all walks of life.

The press of Canada comprises some 1,400 publications, of which 91 are daily newspapers; some 884 are weekly newspapers; 7 are week-end newspapers; some 414 are generally described as periodicals. Newspapers of all kinds regularly issue a total of about 5,500,000 copies per issue and periodicals close to 6,000,000 copies per issue.

In all its branches, the press of Canada renders a vital service to all the people of Canada, to all branches of government and to all the institutions that

make up our economic, social and political structure. The press is vital as an agency by which the people may be informed, instructed, inspired and activated. In wartime, these functions of the press are even more sweepingly essential than in times of peace.

Freedom of the press is an integral part of freedom of speech. It is one of the freedoms of democracy which we, as a people now engaged in an all-out effort, are trying to maintain. The press can not be "free" if it is bound by economic handicaps. It must be free to sustain itself by a wise and experienced gathering of its legitimate revenues and by their well-regulated allocation to the formidable and ever-growing costs of editorial, mechanical and distribution performance.

In the up-building of the press, its aim to serve the public and to aid in the development of business enterprise has created a peculiar economic situation. The press must rely upon the revenues from its secondary function, Advertising, to perform its primary function, which is the publication of news, opinion, information and entertainment. Indeed, advertising revenues are vital if the press is to survive.

Canadian publishers, noting the growth of radio broadcasting in the United States, fully realized that radio would, in time, find its true level in Canada. Publishers were, however, particularly concerned that the introduction of radio broadcasting as a business competitor should be instituted upon sound economic lines that would be fair to broadcasters and certainly fair to the established press of Canada.

Meetings with the then responsible minister, Honourable C. D. Howe, and continuing conferences with the then General Manager of the C.B.C., led ultimately to the following definite statements of government policy, here set down in chronological order.

The General Manager of the C.B.C. stated, on January 8, 1939, in a memorandum to publishers:—

> The C.B.C., in attempting to exercise a public conscience, hopes to carry out its duties in intimate alliance with the Publishing Industry of Canada. Once the extensive construction and development stages have been passed, the financial burden should tend to ease and it might be possible to do away entirely with commercial programs.

The Chairman of the Board of Governors of the C.B.C., L. W. Brockington, K.C., in a national network address delivered from Winnipeg, February 3, 1939, stated:—

> The total commercial revenue from all local stations controlled by us and from our networks for the current fiscal year will be less than $400,000. Beyond the figure of $500,000 of commercial revenue from network and local stations it is not the desire, nor the intention of the Corporation to go, and that only until we are self-supporting from other sources.

The then responsible minister of the crown, Honourable C. D. Howe, stated on the floor of the house, as reported in *Hansard* at page 276, for Tuesday, February 8, 1938:—

> It is not the desire or intention of the Corporation at anytime to obtain a revenue of over $500,000 from commercial sources, for reasons that are obvious.

Publishers were somewhat reassured by those statements.

This statement was made in the house some three weeks after a joint committee made up of all branches of publishing, of which the three of us are members, presented a long and careful letter to Mr. Howe in the desire for more information following a meeting we had had with him. We were concerned whether this income was net or gross. We thought it was gross.

A maximum income of $500,000 was further defined by the then general manager, Major Gladstone Murray, when appearing as a witness before the Special Committee on Radio Broadcasting on Friday, March 17, 1939. He stated, as reported in the minutes of evidence No. 8, at page 165:—

> In appearing before the Committee last year I indicated that we expected to take in a net commercial revenue of $500,000 and that this would involve a gross commercial revenue of approximately $700,000. It is calculated that our pross and net commercial incomes will be within these limits.

When Mr. Howe and Mr. Brockington made their public pronouncements in February, 1938, returns for the C.B.C. fiscal year ending March 31, 1938, were beginning to take shape, indicating that revenue from the sale of advertising time would fall within the $400,000 limit stated by Mr. Brockington. The actual figure for the completed fiscal year was later given as $355,919.65.

By Mr. Martin:

Q. Is there anything which indicates whether Mr. Howe was talking about a gross or a net figure?—A. No. I think it later came out when Mr. Gladstone Murray spoke as he did before the committee. When we think of the publishing business, of so much money being taken from advertising, we think of it coming out of the pockets of the advertisers and we think of it as gross, meeting our expenses out of whatever that sum is.

When the C.B.C. General Manager appeared before the special committee on March 17, 1939, the fiscal year then drawing to a close as of March 31, 1939, also indicated that commercial advertising revenue would be within the limits set. The actual figure was $584,611.32 gross, (Annual Report 1939).

In 1940, however, the commercial revenue exceeded $700,000 gross and has been steadily climbing ever since. The revenue from commercial advertising for the six years 1939-1943 was annually reported as follows:—

Year ending March 31st	Commercial Revenue	Reported as
1938	$ 355,919 65	....
1939	584,611 32	Gross
1940	700,867 92	Gross
1941	895,066 39	Gross
1942	1,057,664 31	Net(?)**
1943	1,243,553 08	Net
	2,489,224 01	Gross

** As the net commercial revenue for 1943 was reported as only $186,000 more than for 1942, it may be assumed that the gross for 1942 was not less than $2,100,000. This raises the question as to whether similar figures for years preceding 1942, although listed as "gross" in the annual reports, are not really "net", there being no offsetting items of expenditure for Agency or Private Station charges. Otherwise, the gross increase from 1941 to 1942 and 1943 is startlingly great.

Statements of government policy were based on the carefully considered assumption that a gross of $700,000 of revenue drawn from the advertising appropriations of Canadian advertisers and from American advertisers doing business in this market, would meet the requirements of the C.B.C. and would more than meet subsequent requirements after major key network stations were established.

Despite assurances of the government and the C.B.C. that the invasion of advertising appropriations, otherwise normally marked for expenditure through established Canadian publishing and printing channels, would be thus limited, the C.B.C. has continued aggressively to make steadily growing inroads upon these appropriations. As a result, the money withdrawn from advertising appropria-

tions has exceeded the promised maximum of $700,000 gross per annum by a total presumably in excess of $2,342,822.63 in the fiscal years 1940-1943 inclusive:—

Fiscal Year ending March 31st	Excess over $700,000 Annual Maximum	Reported as
1940	$ 867 92	Gross
1941	195,066 39	Gross
1942	357,664 31	Net (?)
1943	1,789,224 01	Gross
*Total	$2,342,822 63	

* These are the annual revenue figures of the previous table, cash reduced by $700,000.

The annual reports of the Canadian Broadcasting Corporation, particularly as issued for the fiscal years ending March 31, 1942 and 1943, do not appear designed to give publishers or the general public a clear, understandable picture of the trend in the commercial operations of the Corporation—information to which publishers feel they have some colour of right in view of past assurances so frankly placed on record.

In the printed Minutes of Proceedings and Evidence No. 3 of this Special Committee on Radio Broadcasting, for Wednesday, March 29, 1944, there appears as Appendix "C", at Page 137, a statement of gross billings for the twelve months ended March 31, 1943. Instead of a presumed overall commercial revenue of $1,243,553.08 as noted in the annual report for 1943, the gross total is given as $2,489,224.01 over twice the net revenue and almost exactly three and one-half times the $700,000 annual gross revenue from commercial sources beyond which it was "not the desire nor the intention of the corporation to go".

In the light of statements of government policy clearly voiced by a Minister of the Crown and other responsible officials in 1938, subsequent developments have presented, particularly since 1940, the incredible spectacle of assurances forgotten or ignored. To publishers this does not auger well for the hope of fair competition between a free, independent and self-sustaining press and a publicly-owned government-subsidized, tax-free C.B.C.

We feel, Mr. Chairman, in view of all the meetings that were held, and of the joint committee we set up and of the steps we took to kill adverse comment in the papers of the country at that time, and of the steps we took to support the proposed increase in the licence fee, with which we were thoroughly in accord, that if it were intended to go so definitely beyond the presumed gross from year to year that, as we had been working together so carefully for so long, we might have been taken into confidence as to the plans or progressive intention.

It is interesting to note the mounting operating surplus of the C.B.C. Functioning as an instrumentality of government, at liberty to build an unlimited "back-log" of surplus funds and undisturbed by the necessity of meeting tax imposts of any kind, the operating surplus of the corporation stood, as of March 31, 1943, at $1,061,786.41.

The press of Canada can all the more fully appreciate the formidable competitive position enjoyed by a government-subsidized radio monopoly in further studying the financial report of the C.B.C. It is observed that in addition to the setting up of a reserve for renewals of $400,000 and a capital surplus of $494,377.17, a disbursement from surplus funds of $1,250,000 represents repayment in full of government loans.

These figures must present a gratifying picture to the C.B.C. management and to their mentors in the government of the day. To the press of Canada the picture is not so happy or so reassuring as to the future of a self-sustaining democratic enterprise—the maintenance of an independent and economically-sound free press in this country.

Publishers find themselves unable to look upon the growing operating surplus of their principal competitor without bracketing that surplus of $1,061,786.41 with the repayment of government loans from surplus of $1,250,000. This produces a total of $2,311,786.41 for comparison with the cumulative excess revenue of at least $2,342,822.63 obtained from advertising —in addition to heavy subsidies derived from licence fees levied on radio set owners by act of parliament.

To publishers, a further comparison appears even more significant. It seems probable that adding the actual gross billings for the fiscal year ended March 31, 1942, would produce a cumulative excess revenue total more in keeping with these figures:—

Fiscal Year ending March 31st	Excess over $700,000 Annual Maximum
1940	$ 867 92
1941	195,066 39
1942	1,400,000 00*
1943	1,789,224 01
Estimated total	$3,385,158 32

Compare this estimated total with the following "Surplus" items:—

Fiscal Year ending March 31st	Excess over $700,000 Annual Maximum
Operating surplus	$1,061,786 41
Reserve for renewals	400,000 00
Repayment of loans	1,250,000 00
†Capital surplus	494,377 16
Total	$3,206,163 57

* Estimate.

† In view of the fact that no capital was ever invested in the corporation (See quotation from annual report below) it would seem to be a logical deduction that capital surplus of $494,377.16 must have been originally withdrawn from surplus account which was accumulated out of surplus advertising revenues. Annual report (1943) page 27, par. 7, states:—

"There is, strictly speaking, no capital investment, so that provision must be made for capital as well as current expenditures out of current revenue. The only assistance received has come from the loans to which reference has been made, and which have been repaid from the surplus of income over expenditures".

By Mr. Boucher:

Q. Do I take it there you infer that the cumulative excess revenue is almost identical with the 1943 gross receipts from advertisements?—A. The point we are making there is that the cumulative excess revenue over and above $700,000 a year is totalling there $3,385,000 from which must have been produced the operating surplus, reserve for renewals, repayment of loans and the capital surplus because it has been stated in the blue book reports that all the money that comes from licence fees has been ploughed back into programs and the service of the public, and therefore these surpluses have been built up as the paragraph at the bottom of the page says:—

> There is, strictly speaking no capital investment, so that provision must be made for capital as well as current expenditures out of current revenue. The only assistance received has come from the loans to which reference has been made, and which have been repaid from the surplus of income over expenditures.

The point we are making there is that out of excess advertising revenue have come all the surpluses of the C.B.C.

Whatever the true excess figure as of March 31, 1943, it has, of course, been greatly augmented by further excess commercial revenues received during the fiscal year ended March 31, 1944. A reply to questions tabled in the House on March 16, 1944, reported revenue from commercial broadcasting as $1,135,500, presumably for the first nine months of the past fiscal year, April 1 to December 31, 1943. If, as in the case of the published revenue figures for the twelve months ended March 31, 1943, this total is again net—gross billings less commissions and payments to private stations—the true gross receipts chargeable against national advertising appropriations are approximately double that figure and for the full year will undoubtedly exceed the gross take for 1943. This may well produce a cumulative excess revenue for the five years 1940-1944 of $5,000,000.

This means $5,000,000 in five years over and above the $700,000 yearly gross which publishers were assured would represent the top figure required by the corporation from Canadian advertisers.

Publishers recall that the corporation persistently requested the co-operation of all Canadian publishers through the help of a joint committee on press-radio relations. This co-operation was particularly requested in the building up of the C.B.C. operation and in securing wide public recognition of its program activities. It was clearly presented to the publishers that it was to be the declared policy of the C.B.C. to refrain from embarking upon an all-out campaign of unlimited competition with the established press of Canada. And, furthermore, if licence fees could be wisely increased, it would not be necessary to obtain more than the stated maximum of $700,000 gross of commercial income per annum—and perhaps only that amount for a few years until essential installations were completed.

The accumulated surpluses and repayments of loans to date bear out the accuracy of such statements for they prove conclusively, we contend, that the continued increment being piled up from excess advertising revenues is going steadily beyond the maximum set and is not necessary for the operation of the C.B.C.

If publishers appear to look askance at the steadily mounting surpluses of the C.B.C., it may be well to ask where all this additional advertising money comes from. Unfortunately for the press of Canada, it is not "additional" money. It comes from the appropriations of established advertisers.

Under the income tax regulations, overall advertising expenditures are pegged. Within fairly definite limits, to which advertisers are held by income tax inspectors, all of the advertising money must be found for all types of media employed by the advertiser. This is to say that every increase in advertising expenditures for network broadcasting must be offset, very largely, by a corresponding decrease in the use of newspapers and periodicals.

Wartime restrictions and reductions in the use of print paper, the inability to acquire new equipment to facilitate printing and publishing operations, the complete stoppage in the establishment of new publications to serve growing communities or new fields of technical and industrial activity, have cut down and are holding down normal development in our field.

The natural expansion of readership is frozen, paper is not available for normal circulation growth. And what is particularly grievous to the press of Canada is that heavy taxation makes unlikely the normal process of building a "back-log" of surplus funds with which to meet the demands for more efficient new and replacement equipment and for other businesslike purposes in preparing for post-war demands upon the working press of Canada.

The publication of the annual report of the C.B.C. for the fiscal year ended March 31, 1943, was delayed unwisely, we believe, until March, 1944. A belated study of that report with particular reference to "Promotion and Information

Service" (Pages 19-22) clearly demonstrates that, unlike the publishing industry and its customers, the advertisers, the C.B.C. as a government body enjoys unlimited privileges in the use of paper and in the expenditure of its surplus funds for promotion, direct mail and other selling activities.

Now, since January 1, 1944, the C.B.C. has brought into being a second broadcasting chain known as the Dominion Network, with some 25 stations hooked up with CJBC (formerly CBY Toronto), as an additional outlet for broadcast advertising.

It is reported that the affiliated and heretofore "independent" stations must be prepared to sacrifice any portion of their evening hours from 8 to 11 p.m., for sale by the C.B.C. to prospective network advertisers. It is further reported that the Dominion Network charge for advertising time is based on $1,300 per hour.

Following this new development to its ultimate conclusion, the sale of three evening hours, seven nights a week, at $1,300 per hour, would take out of existing advertising budgets for time alone a further potential $1,419,600 per annum.

While it seems unlikely that the new network will ever develop such a volume of advertising, it is known that C.B.C. salesmen have been vigorously attempting to sell this new medium, both in Canada and in United States advertising centres.

Already, the sale of time on the new Dominion Network has resulted in the cancellation of substantial advertising schedules previously lodged with representative Canadian publications.

Further inroads may be expected so long as government policy and the selling plans of the C.B.C. continue to reflect so complete a disregard of former assurances to the press of Canada. That is the thing that is worrying the publishers particularly.

If the government claims that this ever-mounting surplus is necessary to the C.B.C., to extend its advertising-selling facilities and to establish this new network, with its formidable advertising-selling program, it means that:—

1. It is claiming a right denied the press of setting up reasonable surpluses for future expansion in the public service;
2. It is paying for its expansion at the expense of the press, despite assurances to the contrary;
3. It is breaking faith with the press;
4. It is dealing a severe blow to the kind of forthright enterprise that has built and developed Canada.

These are the considered opinions of many Canadian publishers. They are presented in the belief that the press of Canada is faced with a serious threat to its capacity to maintain a sound, self-sustaining economy, so essential to the continuance of a free and independent press. Our publishers ask no favours; they want no subventions. A subsidized press can never be a free press. We do ask equality of opportunity as our democratic right.

We believe the time has come for the government to reaffirm its position in relation to commercial revenues of the C.B.C. It appears to many publishers that the corporation has far exceeded its "Bill of Incorporation" by its present degree of competition with the press of Canada.

We have not any panacea or any particular plan to offer. We have nothing to say about private or public ownership of networks.

If the corporation is to be allowed to continue the expansion of its commercial revenues without limit, the licence fee of private radio set owners should

be abolished—publishers might well feel under present circumstances that this move could be publicly advocated in the public interest—and the corporation made subject to the same taxes and restrictions which affect the press of Canada.

Of course, it is not practical in any such plan as is now operating to abolish the licence fee. When we were asked as a group if we were in favour of increasing the licence fee to increase the service to the public, we said we were and would support it editorially throughout the country. We said we would very readily support a $3 fee. It was finally found more expedient to make it $2.50, and we supported that fee. We do feel that if there is to be unlimited growth in the drive for advertising revenue, which comes out of the one pocket available to support the press in all its phases in this country, then it raises the question as to whether or not the licence fee should be continued in fairness to the public. We would rather see, I think I may say this very definitely, the licence fee continued and the amount of advertising revenue limited, so that there is an adequate amount for the C.B.C. to carry on its programs but at the same time a minimum of invasion of that field of revenue by means of which the press lives, moves and has its being.

On behalf of the officers and members of the Periodical Press Association, the foregoing expression of their views and suggestions is herewith respectfully submitted.

The CHAIRMAN: Thank you, Mr. Carson.

Hon. Mr. LAFLÈCHE: Mr. Chairman, this is a very fine presentation but it is impossible even to attempt to take up the many points raised in it. At the moment may I point out to Mr. Carson, with my compliments for his excellent presentation, that on pages 7 and 8 he, I think mistakenly, addresses himself to "the government". He mentions "government policy", "if the government claims", and "the time has come for the government to reaffirm its position". I am sure Mr. Carson will not mind if I remind him that he is now addressing a special committee of the House of Commons on radio broadcasting, a body which has, I may assure him, a very great deal to do with these matters and upon whose recommendations the present practice has been built up and has been maintained. I think my memory is correct there. I am sure you will not mind my bringing that to your attention now.

The WITNESS: Not at all.

Hon. Mr. LAFLÈCHE: Also, Mr. Carson has brought to our attention the effects of C.B.C. operations and has not mentioned the operations of privately owned broadcasting stations which, I am certain, if it is a matter of objection with the press of Canada, for which I hold a very high regard, he should have included. He should have brought into the picture the effect of operations of privately-owned broadcasting stations which outnumber by about eight to one, or seven to one at least, the number of stations operated by the C.B.C.

Mr. PERRY: May I speak to the Minister on that point, Mr. Chairman?

The CHAIRMAN: Yes.

Mr. PERRY: We must say that we had no undertaking with the privately-owned stations; you can call it an undertaking or an assurance. Our discussions on radio were entirely with "government" as represented by a minister of the crown—so we think we are fairly close to being right in saying "government"—and the manager of the C.B.C. who, we believe, was asked to continue the discussions with us by his minister. The matter of competition from private radio stations, we feel, does not enter into this discussion. They are not government subsidized. They do not share in any way in the licence fee. They pay taxes and never at any time have we asked anything of them or have they come to us. Mr. Howe, without a request, definitely went on the floor of the house and made this undertaking to the press of Canada that the revenues would be limited to $500,000. There was never at any time any such discussion

with the private radio stations or probable private radio groups or chains. So I submit, Mr. Chairman, that we are quite within the discussion which brought us here in referring only to the discussions between the press radio committee, the government and the C.B.C.

The CHAIRMAN: Just a minute. Will it be convenient for you gentlemen to be here to-morrow?

Mr. CARSON: Yes.

The CHAIRMAN: Well, the committee will stand adjourned until 11 o'clock to-morrow morning in this room, and we will continue then with this discussion, if it is satisfactory to you.

The WITNESS: May I say one word there?

Hon. Mr. LAFLÈCHE: We are seeking all the assistance and the knowledge these gentlemen can give us, and I want to hear them.

The WITNESS: So that this will not be lost, in answer to General LaFlèche, may I say that we have not concerned ourselves with the private stations, the local stations, because we are only concerned with national, over-all advertising in our media. We do not carry local or restricted advertising.

Hon. Mr. LAFLÈCHE: You do not take into account the fact that privately-owned stations benefit from the commercial advertising of the C.B.C., and you have not yet brought into the argument the wishes of the advertisers. It is a vast problem itself, as you know perfectly well. May I say again, Mr. Chairman, that as far as I am concerned, I want to hear what these gentlemen have to say, and I expect to get a good deal of good information from them.

The CHAIRMAN: The committee will stand adjourned until 11 o'clock to-morrow morning.

The committee adjourned at 6.20 p.m. to meet again at 11 a.m. on Friday, June 2.

HOUSE OF COMMONS,
June 2, 1944.

The Special Committee on Radio Broadcasting met this day at 11 o'clock a.m. The Chairman, Dr. J. J. McCann, presided.

The CHAIRMAN: Gentlemen, last night when we adjourned we had just finished the statement by Mr. Carson. Mr. Carson has a few further observations to make at this time. I should like to call on Mr. Carson to give them to the committee now.

I. D. CARSON, recalled:

The WITNESS: Mr. Chairman and gentlemen: In view of the reports in the press this morning, and I believe a similar report over the C.B.C. last night, in connection with its news service, I should like to make a very brief statement emphasizing the fact that we did not yesterday and we do not to-day advocate any increase of the existing licence fee as imposed on the radio set owner, that fee being $2.50.

I believe a transcript of my evidence yesterday will show that I said something like this—we were talking about the early discussions which we had held with the government through the responsible minister and others. When we were asked if we were in favour of increasing the licence fee to increase the service to the public we said we were and would very readily support a $3 fee which at that time was suggested as a possibility. The press was being asked if they would favour an increase of the $2 fee if it would mean increased

service to the public and we said that we were in favour of an increase in the fee at that time if it meant an increase to the Canadian people of the service of the corporation. It was finally found more expedient to make the fee $2.50, and that lesser increase we also supported.

These discussions go back to what was happening in 1938 when many matters of corporation policy were still in the making. A study of licence fees being exacted in other countries revealed that annual fees as high as $5 or even $7.50 were then currently being imposed. It seemed to us not at all out of line with such figures to contemplate at that time a licence fee in Canada of $3 per annum for the purpose of better serving the Canadian people by extending and improving the facilities and programs of the Canadian Broadcasting Corporation.

I think a transcript of evidence will show that what was said about the licence fee of $2.50 now in force was along this line, that we now feel that, if there is to be an unlimited growth in the drive for advertising revenue which comes out of the one pocket available to support the press in all its phases in this country, then it raises the question as to whether or not the licence fee should be continued in fairness to the public. We would rather see the present licence fee continued and the amount of advertising revenue limited so that there is an adequate amount for the C.B.C. to carry on its programs, but at the same time a minimum of invasion of that field of revenue by means of which the press lives, moves and has its being.

In support of that view I should like to read to you a letter which is a joint letter representing all phases of the press, and which was addressed to the Hon. C. D. Howe, the then responsible minister, following a meeting which about twenty-five of us representing all sides of the press had with Mr. Howe in his office on January 14, 1938. We retired from that meeting after our discussions with him, and under date of January 15th, the next day, 1938, we addressed this letter to Mr. Howe which I think gives you a very interesting and very useful picture of what was in the mind of the publishers of this country at that time.

The greatly accelerated activity in recent months of the Canadian Broadcasting Corporation in the sale of the best family-listening hours to international advertisers broadcasting foreign programs is definite evidence of the departure by the corporation from that policy for which it was established.

The Parliament of Canada, in response to the virtually unanimous demand of the Canadian public, as represented by press, educational, religious, labour, patriotic, philanthropic and business organizations, set up a public corporation to protect Canadians against a growing infiltration of ideas and propaganda controlled by foreign agencies. The corporation undertook to provide offsetting educational and cultural Canadian broadcasts. There was no confusion in the public or parliamentary mind. It was unmistakably clear that the public desired to support its own corportion with its own private or public funds as required.

To-day, without consulting the public on an issue that might well have been submitted to national consideration and ballot, on its own initiative the Canadian Broadcasting Corporation has abandoned its statutory purpose and policy by selling the Canadian public's best listening hours for the extension of foreign broadcasts. This departure from policy is obviously necessitated by the corporation's undue over-expansion—too ambitious a program, the cost of which activities is in excess of the revenue provided by licence fees. The money that should have been used for Canadian purposes has thus been diverted to provide facilities that cannot be maintained except through uncontemplated revenues. These facilities which would not have been created by private enterprise are now placed at the disposal of foreign broadcasters at what we regard as uneconomic rates, capital, plant, time and audience considered.

The original purpose of the Canadian Broadcasting Corporation is its only justification for existence. The people of Canada may accept foreign programs but their desire for an alternative constructive radio service of completely Canadian, non-commercial character has not diminished. The present policy of the Canadian Broadcasting Corporation precludes the provision of Canadian broadcasts at times when Canadian families are best able to listen to them.

Public service radio is expensive in Canada. It may require licence fees more in keeping with the fees charged in other countries which provide public radio, for example, New Zealand ($7.50) and South Africa ($5.00). The Canadian listening public unquestionably indicated its willingness to meet the cost of Canadian radio. If parliament decides to fix inadequate licence fees then parliament should provide the additional necessary funds.

The effect of the present method of sale of commercial programs by the Canadian Broadcasting Corporation is not the imposition of a tax upon those who receive its broadcasts but is a direct invasion of the revenues of a more valuable national service, the press of Canada. The press of Canada has been privately established as an effective public service maintaining a very high standard. To create a less efficient national influence which is dependent upon the press in many circumstances, at the expense of the press, was not, nor is it now, the intention of the people of Canada. The press of Canada asks no privileges, neither is it prepared to bear the losses occasioned by a public corporation which plans to recover the cost of what we regard as over-expansion, expenditures in excess of normal revenues, through the diversion of press revenues and whose services are sold on an uneconomic basis amounting to a substantial public subsidy. This Canadian public opinion, we believe, will reject. The national problems of Canada which disturb all good Canadians demand the united effort of all national agencies for their proper solution.

The press of Canada has always done its part in all lines of public service. It can continue this public service if the government will ensure fair competition with other competing agencies. We submit, however, that the Canadian Broadcasting Corporation as now being operated is a subsidized organization to the extent of approximately $2,000,000 a year, the revenue from licence fees—in other words, governmental or publicly owned enterprise in competition with private business.

The foregoing submission was signed on behalf of the committee which discussed this matter in detail with Mr. Howe the day before, its personnel being representatives of the Canadian Daily Newspapers Association, representatives of the Canadian Weekly Newspapers Association, including Mr. Charters, and representatives of the, as it was then called, Canadian National Newspapers and Periodicals Association, now the Periodical Press Association, which included myself and other representatives.

That was a statement of the feeling of publishers on January 15, 1938. Subsequent to that letter being presented to Mr. Howe, the then responsible minister, he made a statement in the house on February 8th, some three weeks later, which is to be found at page 2 of the brief where it says:—

> It is not the desire or intention of the corporation at any time to obtain a revenue of over $500,000 from commercial sources, for reasons which are obvious,

the obvious reasons being the lack of desire to have a commercialized broadcasting corporation in this country not able to utilize the hours of the clock in which to provide alternative programs for Canadian listeners to those programs which otherwise can be so readily heard over American broadcasting stations. So that the question of an increase of fee from the then existing $2 fee was a matter of discussion and consideration in 1938, and not at the present time. I should like to make this statement to indicate again clearly that we have

made no suggestions that the current fee should be increased. We do say if there is to be unlimited and ever-increasing revenues from the one pocket out of which we also live then one might consider whether or not the fees might not be reduced or abolished altogether.

By the Chairman:

Q. Mr. Carson, conversely is it not your idea that if the revenue from commercial advertising is to be kept down within the limits that you state were set out as the intention of the organization back in 1938, that it would be necessary to increase the fee?—A. Not now.

Q. Yes, now.—A. No, sir.

By Mr. Boucher:

Q. Mr. Carson, if I might ask a few questions, I have considered this very carefully and it seems to me you have presented to us two alternatives, and I wonder if I am right. The first impression I got was the very opposite to that announced over the radio and in the press, that you recommended the abolition of the fee. The second alternative I thought was the limitation of a certain type of commercial advertising, and in analyzing the type of commercial advertising you wanted to limit I looked at it this way. It seemed to me you had not brought in a submission wanting to limit the advertising being done by the local stations, but that your objection was directed almost entirely against advertising on the national network, or what we might call national or international advertising, and that you felt that not only was there a breach of faith, or a misunderstanding on your part of the extent to which the C.B.C. would go into this type of national advertising, namely that you understood they would not go into it to the extent of more than $700,000 or $500,000 whereas they have gone into it to the extent of three times that amount, but you also felt that if a corporation owned by the people of Canada as a nationally-owned corporation was, over its national network, to give national or international advertising and get revenue from that, they were drawing from a source of revenue that the press of Canada would ordinarily draw from to the detriment of the press of Canada in that regard. You felt that if they could do that they should be put on a competitive basis by the abolition of the licence fee, and by the subjection of radio to the taxation encumbrances that the press, and what we might call private enterprise, have, and that in the concluding statement you made you said that you would prefer, from the point of view of the best financial interests of the people you represent, that national or international network advertising be reduced to the limit that was represented to you as their aim in 1938. Am I correct in my assumption? —A. That is a correct statement, as I understand it.

Q. I take it then you do not object in any way to any degree of advertising that is being done by the local stations, whether they be private stations or C.B.C. stations, that it is mostly network advertising you are objecting to?—A. I can answer that by saying that while national media of all kinds in Canada, being national, are distributed from coast to coast and do give local coverage obviously as they go to localities, the advertising which is carried in national media is naturally national advertising and not local advertising. Now, I would say that the local station is a direct competitor of the local newspaper, but the local station is not a direct competitor in that sense of the national publication. It is the national hook-up, coast to coast advertising program on a national network, which takes money out of the same appropriation from which moneys are found for national advertising in national media. Had we not broken up quite so abruptly last night that was a point I should like to have developed a little further in answer to the minister because we have not

attempted to bring together any figures here dealing with the local aspect of advertising. That is outside our whole field. We are carrying the kind of advertising which one finds in the large national media in the United States; we are carrying the kind of advertising which finds its parallel in the network programs such as the Charlie McCarthy program and the Fibber McGee and Molly program, programs which are giving a sales message to people everywhere in all corners of the national market to which national media also go.

Q. I take it also that your position is, with regard to the local stations, whether they be private or government-owned that that source of revenue to the C.B.C. is not objectionable as long as it does not exceed a certain limit, but that you feel now during wartime taxation and scarcity that the press of Canada, being subject to taxes and subject to limitations of paper and essential commodities, has not got the facilities of expansion, of building up reserves, that the nationally owned corporation has and that it is taking advantage of its privileges unduly in that regard, and that your complaint is mostly a complaint against the post-war set-up you will find yourselves in by virtue of that very thing. Is that right?—A. Yes, that is so, because the local station is one with which we are not in competition. That can only be answered by those media which have a local problem, local newspapers and where they buy daily newspapers or weekly newspapers, but that lies outside of our field entirely. When the advertiser plans his marketing activity for the coming season or the coming year he has to consider very definitely his wholesalers, his dealers, his agents, his representatives, and his consumers, the ultimate consuming public. He uses his local medium, the daily newspaper or weekly newspaper, to strengthen his distribution, his representation, and his public acceptance in the localities where it is necessary for him to spot that kind of advertising support, but once he has reached the point in his distribution, in his marketing operation where he has a story to tell to Cape Breton and to Vancouver Island, and to all the country between, then he turns to the national medium, which is the type of publication in which we are interested and with which we are concerned, in order to tell a uniform story about his goods and services to people all over Canada. So he, in breaking up his advertising appropriation, says, "Well, I want to get this national story across. Here is national radio. Let us see what we can do there". So when the national advertiser begins to tell his story to the people of Canada the national network facilities of the corporation, and the national distributing facilities of the national press engage his attention, and he allocates his money accordingly, but so far as the local station and local advertiser is concerned that lies entirely outside our province and outside the limits of our economic problem.

Q. I am glad to hear you say that, because it seems to me that the press of Canada must accept radio as an inevitable competitor so far as local advertising is concerned, and I think that as a committee we would be very foolish to look upon it otherwise; but I do believe, and I trust you are with me, that radio must have certain liberties in using advertising but it cannot go beyond certain limits either. It must have its limitations. Those limitations I would say should be more in national advertising over the network hook-up than over the local stations because the radio, as the press, must serve the public and are servants of the public?—A. That is quite correct. In the brief we pointed out that when we first, as publishers, were contemplating the growth of radio broadcasting in Canada we realized that radio broadcasting would find its true level and that true level would be determined as in all other human endeavour on the merits of the service rendered. It will find its proper place in the scheme of things. There has never been any thought in the minds of anyone with whom I have talked to consider any program of stultifying the radio as a means of communication, of information and of entertainment. It has its own place in the scheme of things, the things we are fighting for; and we are fighting for freedom of

enterprise and freedom of speech in this country, and we certainly could not look ourselves in the mirror if we were to attempt a program of embattled effort against another mode of expression.

Q. Then with regard to the international attitude or the network chain, I think you will agree with me that there is a requirement in Canada for certain national advertising and also for programs that can be procured by the C.B.C. through sponsors, commercial sponsors, that we otherwise could not procure. My individual feeling is that we should not eliminate network advertising in order to get such programs as Fibber McGee and Mollie and Charlie McCarthy, and we would not otherwise get them except by commercial advertising. We must be very careful to see that too much of that is not heard, or too much of the wrong nature?—A. I think the press of Canada, and certainly our section of it, have always felt that we should be temperate in all things, and temperance does not mean prohibition.

By Mr. Picard:

Q. I do not know whether this has been stated before the committee, but I was wondering what type of papers the Periodical Press Association covers. It is stated in the second paragraph that they speak for the leading publications among the national newspapers, magazines and periodicals. That is a wide field. Now, what exactly is the Periodical Press Association? How many members are there?—A. I have here—I turned them over with the brief—two small folders and those folders list the 114 current members of the Periodical Press Association and describe them in some detail.

Q. You are speaking just for them?—A. For the Periodical Press Association.

Q. Out of those 1,400—you say the membership in Canada comprises 1,400 publications—how many of those would be in that list?—A. One hundred and fourteen.

Q. One hundred and fourteen out of the 1,400; they are not daily newspapers?—A. No.

Q. Weekly newspapers?—A. No, except that the *Financial Post* and *Saturday Night* are published weekly; but we do not think of them as newspapers in the usual sense.

Q. You are not speaking at all for the dailies or weeklies except for those two that you are mentioning there?—A. No.

Q. And then you said just a moment ago that private interests such as yours everywhere were looking after freedom of enterprise, yet if we were to carry through your suggestion, we would be curtailing the facilities of the C.B.C. Would you consider a curtailment of the services of the C.B.C's freedom of enterprise, curtailing the activities of an important government body filling a national need like the C.B.C.?—A. We feel that in the curtailment of broadcasting Canadian freedom is not involved.

Q. But if you want to be consistent you must recognize that you must have money to carry on these programs and that unless you get it in the way of taxes from the people you would have to charge higher fees, you have got to get it somewhere for the C.B.C.—A. Yes, that is true.

Q. On the other hand there is your statement which you state is based on the fact that at one time the minister, or the chairman of the corporation, fixed an amount of $500,000; do you not think it is logical that if the C.B.C. is going to give service to the public of Canada and carry on their educational services and improve Canadian culture generally that they should have more rather than be limited to that amount; that would not go far enough to carry on a program of any large nature, would it?—A. That is a possibility, we grow as we go along. But in view of the fact that we were so completely brought

into the picture back in 1938 and subsequently, and having in mind the statement that was made by the minister at that time that it was never the intention of the corporation to obtain revenue—

Q. Do you think that a minister, or for that matter any government, could tie down the policy of the C.B.C. for any period of time?—A. No, I do not think so. I do not think that that could go on indefinitely. But we do feel that we might in turn be brought into the picture and kept advised of developments.

Q. If you carry on your idea of being deprived, don't you think the advertisers throughout the country should be given freedom to advertise where they want to, if they feel that the service which they need in advertising their goods or services on a national basis can be better served through the C.B.C. or through a network or through local stations, do do not think that they should be permitted to do that, carrying on your idea of freedom of enterprise?—A. Yes, that is true. There is a very definite feeling among the publishers, however, if we approach them from that angle, that the rates at which national radio advertising is sold are too low, that it would not be economically possible for the corporation if it were not free from all forms of taxation to sell its services at the price at which it is selling them.

Q. Are there any newspapers in the association or any others that you may know of that have gone out of business or seen their earnings lowered substantially by the fact that the C.B.C. was doing this.—A. We have very definitely lost recently extensive advertising.

Q. That may be true, you have lost advertising; but is there any company that is in the red, that has lost money, has lost revenue, made a net loss on account of the fact that the C.B.C. is taking advertising?—A. There have been some very low spots in the history of our publications in the last five years.

Q. In the last five years; since 1938 you mean?—A. Yes.

Q. But would you be ready to tell the committee that these publications listed in your pamphlet are not in good financial status anymore? If we had before us just as freely available as the statements we received from the C.B.C. your profit and loss accounts would we not see that 99·9 per cent of these publications are making substantial money?—A. I think Mr. Perry of our legislative committee could answer that question better than I could.

Mr. N. R. PERRY recalled.

Mr. PERRY: It happens, Mr. Chairman, that in these days with the restrictions placed upon us in the use of paper and in other ways—

Mr. PICARD: Would you speak a little louder, please?

Mr. PERRY: Yes. —and machinery and equipment and extra space—as the Wartime Prices and Trade Board regulations have restricted our activities very considerably, and if it were not for the fact that there are certain types of advertising which are practically prohibited—

Mr. PICARD: Are they not also prohibited on the radio?

Mr. PERRY: I am talking about certain types of advertising such as direct mail, display and other types which consume large quantities of paper, which were prohibited under the printing order issued by the Wartime Prices and Trade Board. The publication field is under orders of the Printing and Publishing Administrator to accept a good deal of the advertising which previously went to other forms of media; we have lots of business now, we have more business than we can carry. If you were to look at our financial statements, however, you would find that our surpluses are all being taken pretty well by Mr. Fraser Elliott.

Mr. PICARD: That applies to every trade and every industry.

Mr. PERRY: But it does not apply to the C.B.C., if I may say so.

Mr. PICARD: No, but the C.B.C. are filling a need in a different field.

Mr. PERRY: We are filling a very essential field. We have been told many times by the minister and others, including the Prime Minister, about the importance of the work that the press is doing.

Mr. PICARD: That is recognized.

Mr. PERRY: As a result of these expressions we probably have been anesthetized, if I may use the term which Mr. Curtin used yesterday—I think probably hynotized would be a better word—we have been told to go ahead and do our war work. During the time that we were doing that and while we are restricted we expected that our government competitor, the C.B.C., would live up to the spirit of existing circumstances and not go out and take away our business which we are going to need badly in the post-war period. We are going to need it in order to meet Canadian competition but I personally happen to know something about the plans, the post-war plans, of United States publishers who are talking about immense circulation in the post-war period to combat national radio in the United States. They are making plans for new types of production equipment which will produce circulations of national productions from five to millions of copies after the war, and that circulation is going to overflow into Canada. Now, the publishers in United States are not restricted nearly as much, we don't think, as we are in Canada.

Mr. PICARD: But after the war you do not expect to be in any worse position than they are, when these restrictions on paper, materials and so on are lifted?

Mr. PERRY: Right now though many of the publishers would like to be able to keep some of their surplus to have ready to invest in new types of equipment which is going to be necessary to meet the United States competition.

Mr. PICARD: That opens a discussion into another field entirely.

Mr. HANSON (*Skeena*): That applies to everybody, to every individual.

Mr. PERRY: Have I entirely answered your question?

Mr. PICARD: Do you not agree that there is a field for the newspapers and a field for radio in connection with national advertising?

Mr. PERRY: We firmly believe that.

Mr. PICARD: And do you not agree that the United States networks are providing even more keen competition there than is supplied by the C.B.C. here in Canada?

Mr. PERRY: I know that in the United States the networks are getting much more competition from the publishers than they have had in Canada since we were given the assurance by the minister that there would be a limit on the volume of commercial revenue of the corporation.

Mr. PICARD: Even if the minister gave that, do you think it would be sound; I mean, no matter whether it be a Liberal or Conservative, no minister would go and say we would limit that for all time to $500,000; do you think it would be sound that a minister could limit it over a period of time?

Mr. PERRY: It sounded good at the time.

Mr. PICARD: I mean, as to the economic problem for the government, do you think it is sound? And further than that, if we had private enterprise in radio it probably would have been worse for the newspapers and periodicals than it is with the C.B.C.; don't you think a public service needs money with which to carry on?

Mr. PERRY: We say at the top of page 8 of our brief: We believe the time has come for the government to reaffirm its position in relation to the commercial business of the C.B.C.

Mr. PICARD: You feel that the government should set a limit to it?

Mr. PERRY: We feel that the government should not have gone beyond the limits they had set, that ceiling, in view of all the discussions back in the 1938 period.

Mr. PICARD: Do you not think that would be limiting a field of activity which is necessary in the life of Canada?

Mr. PERRY: Of course, the limitation was by agreements.

Mr. PICARD: I mean that the government are not bound by this letter which says it was not the intention of one minister whoever it was at the time—

Mr. BOUCHER: You mean that minister might tie the C.B.C. down at that time but he would have no right to commit a successor.

Mr. PICARD: Yes, that he should not have the right to tie the C.B.C. in Canada up, the radio industry of Canada, for all time.

Mr. PERRY: Previous to this undertaking on the part of the minister and the chairman of the board and the then general manager of the C.B.C. there had been a great deal—as many of you will remember—much criticism of the C.B.C. in the press of Canada. It was felt that this government-owned corporation subsidized by licence fees and favoured by lack of taxes was not exactly the competition which one expects in a free enterprise country; so the plea from the C.B.C. to the press was, don't oppose us, we are trying to do something which is in the interests of the citizens of Canada; to which we agreed. Following which they said, we are not trying to put the press out of business or take revenues away from the press beyond a certain amount needed for necessary expansion at that time and that after the new stations were equipped and established even that amount would not be required. As a result of that, and that definite request for co-operation on the part of the press, the criticism largely stopped and you will find since very little criticism about the C.B.C. apart from certain of their program regulations. The establishment of the new Dominion network which applied an entirely different set of principles to the C.B.C. than those which were applied to the publishing industry. We have been prevented from starting new publications; we are prevented from buying any new presses; we are restricted in the amount of space we can occupy; and we are certainly cut down greatly in paper.

Mr. PICARD: Do you not think the C.B.C. has been affected the same way because they have not been able to take all the advantages of the Havana agreement and extend their operations because of the lack of machinery of one kind or another; they have not been able to give service to parts of the country where it is needed because they did not think this was the proper time. Do you not think that they have also curtailed their activities considerably more than they would have in ordinary peace time and had they been free to go ahead?

Mr. HANSON (*Skeena*): They would not have the revenue which they have now had the corporation been able to go ahead and do what the people of Canada expected them to do in the way of providing adequate coverage. There are lots of places in Canada even to-day where the coverage is not yet adequate, so if they happened to have a surplus of money they could use it to provide facilities that would ensure more adequate coverage to parts of Canada where it is urgently needed.

Mr. PERRY: I am certainly not in a position to argue that point. At the time this extra $500,000 was required we were told about the adequate plan of new stations to cover all parts of Canada.

Mr. HANSON (*Skeena*): But they are not all covered yet.

Mr. PERRY: There must have been something very faulty in the plans.

Mr. PICARD: I think it is almost an axiom of radio that you may erect a plant and expect it to give a certain performance and then find because of

conditions which you could not possibly determine that it will not perform up to the standards to which you might have expected it would. And now, you said a moment ago that you felt that radio should not put the press out of business; that was one of my first questions, has any paper been put out of business just because of the fact that radio took a little more national advertising than you would have liked?

Mr. PERRY: I think I should answer that, sir, by stating that everybody has more business than they need just now but these are very unusual times, and that we are talking to-day with the post-war period in mind, not the present situation.

Mr. PICARD: The basis of your argument is freedom of private enterprise; on that basis do you not think the advertiser should be regarded as being free to employ whatever media he wants, if he feels that the radio can best serve his needs he should use radio or if he prefers to use the newspaper or any other form of advertising he should be free to use it; if he prefers to use the radio I do not think we could curtail the activities of the radio corporation in that respect, could we?

Mr. BOUCHER: Do you not feel, Mr. Picard, that we should curtail the use by private sponsors of a government-owned and a government-operated, tax-free, licence sustained medium such as the C.B.C. and make the relationship of that media more equitable and more in line with the cost of commercial private enterprise media in advertising and in business?

Mr. PICARD: But that does not necessarily mean limitation. I think the freedom should apply in such a way that the advertiser should be free to choose whatever media he wishes to use.

Mr. BOUCHER: To do that you would be advocating untrammelled freedom of any nature, to any extent, in any quantity and of any quality.

Mr. PICARD: But the limitation of their powers, the limitation as to the medium they seek, I think should lie with them. I would like to ask just another question and I will be through. Do you feel that you would be better off as a press, your association representing some one hundred and fourteen publications, if you operated under the American system; if we had three or four private networks with very little or no control of advertising, such as they have in the United States; do you think you would get less, or more competition that way than having a government-owned broadcasting system?

Mr. PERRY: I would answer that hypothetically only; actually the status of the C.B.C. and its importance as an educational factor in Canada has been approved by our type of publication as well as every type of publication; but as a purely hypothetical situation, where a line of business has to enter into competition with another active commercial competitor the commercial competitor should be on the same basis. The Wartime Prices and Trade Board and our various government regulations call for fairness between types of business which have to compete; but to us it is not fair that the press of Canada has to compete with a commercial competitor which does not pay taxes and which has $3,000,000 in subsidies in the form of licence fees on which to conduct its business where we have to supply all our own capital and pay plenty of taxes.

Mr. PICARD: You feel that the C.B.C. is just a government business; do you not think that it is filling a national need far beyond its commercial activity?

Mr. PERRY: I do.

Mr. PICARD: And that that aspect of its activities alone would warrant its getting subsidies to a large extent, I mean through licence fees and so on. Quite apart from the business aspect of it, do you not think that the C.B.C. is performing a service entirely different from that of business?

Mr. PERRY: We did at one time but since then we are rather fearful that the C.B.C. is becoming more of a commercial competitor than a national service.

Mr. PICARD: Do you not think the C.B.C. is contributing more in the way of real service to the Canadian public than even was expected of them at one time?

Mr. PERRY: No, I do not think so.

Mr. PICARD: Just before closing I just want to tell you, without in any way detracting from the services rendered by the periodical press and so on, that I do not think the activities of the C.B.C. should be curtailed, even in the commercial field, because I think the C.B.C. is performing a duty far beyond its mere business activity in building up the national life of Canada. That is my point.

Mr. PERRY: Well, I am sure, Mr. Chairman, that your committee in its deliberations following these representations will arrive at certain conclusions one way or another. We are here merely to present a brief on the situation as we see it; I would like very much, sir, to suggest that Mr. Charters, of the Canadian Weekly Newspapers' Association of Canada be given an opportunity of saying a few words.

The CHAIRMAN: We will hear Mr. Charters now.

Mr. HANSELL: Will Mr. Charters be able to answer questions on the brief?

The CHAIRMAN: I thought perhaps we would have them all together and then we can come back to the brief.

Mr. C. V. CHARTERS, called.

Mr. CHARTERS: I am bringing no new material, just an angle I attach to the brief. I would like to introduce myself as the Managing Director of the Canadian Weekly Newspapers' Association representing close on to 600 weekly newspapers throughout Canada, and I was a member of the committee representing what we call the newspaper joint committee which waited upon the Hon. Mr. Howe, the minister responsible for the C.B.C. back in 1938.

Mr. BOUCHER: Are we to understand that these 600 weekly newspapers which you represent, and the 114 periodicals which Mr. Perry represents, mean 714 of the total of 1,400 to which reference was made?

Mr. CHARTERS: Yes. And as a member of that committee we were given an assurance, an undertaking or a commitment—whatever you would like to call it—by Mr. Howe; and that is the only point on which I wish to elaborate at this time. Mr. Howe, we considered, placed a ceiling of $500,000 . Now, perhaps you would say that might go on indefinitely; I do not think that anyone was silly enough to think that; but I do think that when such an undertaking or commitment was given then we, as the press of Canada (or representing the weekly group), should have been called in when that ceiliig was going to be punctured, obliterated—whatever you might like to call it. Certainly, if you violated a price ceiling of the Wartime Prices and Trade Board, you would be committing an indictable offence and you could be sent to jail or made to pay a heavy fine—we are not suggesting that the minister should be taken in that way. But yesterday we heard Mr. Curtin say, very pointedly that "the pledged word of governments is the moral conscience of the world"; and as we see it there has been a breaking of faith, there has been a change of conditions, and we recognize that; and certainly when we were given such a definite assurance by the minister we think we should have been called into consultation if and when the picture is changed; and as Mr. Perry and Mr. Carson so well said the setting up of the second network has aggravated the situation. As it worked out, because of war conditions, none of us was seriously affected in the matter of revenue. We have lost some national advertising, substantial accounts possibly,

to radio but there has been other advertising taking the place of that. But, as Mr. Perry has so well said we are concerned about the future. If there is not to be a ceiling why should we continue to have a tax-free corporation subsidized or assisted by licence fees; if that continues then it seems to us that there should be a ceiling. Now what that ceiling should be I am not prepared to say, but certainly there should be a reconsideration of the whole matter. The weekly press has been able to stand on its own feet against fair competition but it does object to being handicapped in its operations. We recognize radio as complementary to the press, and we hope to continue in co-operation with it, and without, we hope, being discriminated against in any way.

In view of the misleading reports, the mis-statements that when out from this committee yesterday I just want to dissociate myself from any idea of suggesting a $3 licence fee as reported in the newspapers this morning; and as Mr. Carson said this morning, it was never said by him; and I think it is unfortunate that this has gone out.

Now, I would like you to assume yourselves for a moment that my good friend Mr. Weir has started a weekly newspaper in the county of Peel or York, operating at his nice farm or some such place in Ontario, and that he has a weekly newspaper there and that I go out and enter into competition with him. I am given the advantages of tax-freedom and I am given the advantages of an operational—shall we say $2.50—subsidy from everybody in the community, everybody must subscribe. I think you will see from that very homely illustration that I would have advantage in competition with him. That is definitely what we complain about. We do not want the restriction of free enterprise, we are contending for it all the time; but we do feel that if the C.B.C. is to be given that advantage in a field in which we are all agreed it is definitely in competition, then we should be given some consideration—I am strong for the C.B.C. being given a free hand—but if there is no ceiling then I say rub out the licence fee entirely.

I believe in Canadian-owned radio. I am all for it, but I contend that it does not necessarily follow that we must have a fee; and if you are going to compete on a commercial basis then I think we should just fold up our papers and go home. But if you are not going to compete on a strictly commercial basis, and if you are going to have it sustained on the basis which has been referred to, then I think we have a right to expect that we will have some protection, as Mr. Carson very properly said. We are not asking for a subsidy; we would not accept one under any consideration. We do feel we ought to be on an equal footing. That was the principle which was approved by the Hon. Mr. Howe when he gave us this undertaking in 1938. We have heard no good reason why it should be abandoned at this time, and it has been abandoned. We have not been told why; we have not been taken into confidence in any way, and we think we are entitled to a statement in regard to that matter. We would be glad to sit in and confer with the powers that be on it.

Mr. HANSELL: Mr. Chairman, following up Mr. Picard's questions it will be noted in the brief on page 3 that there is an account of commercial revenues that have accrued to the C.B.C. in the past few years. During 1943 it reaches the gross amount of about $2,500,000. On page 6, the fifth paragraph, the brief states:—

> Unfortunately for the press of Canada it is not "additional" money. It comes from the appropriations of established national advertisers.

Can I conclude from that that the amount of commercial revenue accruing to the C.B.C. amounts to an actual loss of revenue that should have accrued to the press of Canada?

Mr. CARSON: If I might answer that question, in normal times that would be so. With the restrictions upon us now, the fact that we cannot use the paper that we would like to use, and we have cut down our issues because of the paper

shortage, we are not able to provide a channel for national advertising as large as the flow, and therefore some of that current has had to be diverted into other channels, and a good deal of it has been diverted into the radio broadcasting channel. There is nothing that can be done about it at the moment because we are all under the necessary wraps of wartime restrictions. But the thing that is concerning us more than anything else is that under the present method of acquiring funds for the operation of a very necessary and very desirable broadcasting activity in Canada the two sources are the licence fee from the individual set owner, and the advertiser who is interested in the national market. I may not say it very correctly but this is what is in our minds; we think the broadcasting corporation is enjoying two subsidies, a subsidy derived from the public through the fees, and a subsidy derived from the press through advertising money diverted into that channel.

Now, it is undoubtedly true, and has been so stated in the annual reports, that every penny that is received now from the licence fees is ploughed back into programs and into the service of the public. Therefore, all the expansion of the corporation, all its money for growth and development—and while loans may be obtained as a temporary measure to provide the necessary working capital we see that the loans provided so far, $1,250,000, have been repaid out of operating surplus—all the moneys for the growth of the C.B.C. chain operations have come out of potential funds of advertising by which the press lives. The burden is carried, aside from the very light burden of $2.50 on the shoulders of the individual, by the press of Canada. That is the thing that, looking into the future, into the post-war era, is disturbing us because we see ourselves in a time when we, too, must expand carrying an additional burden of reduced revenues to provide the substance of the expansion funds of the corporation.

By Mr. Hansell:

Q. Take a case of supposition. Suppose there were no C.B.C. and no licence fees and that radio in Canada was carried on similarly to the way it is carried on in the United States. Would your case not be just the same?—A. No, for two reasons. It would be naturally assumed that one group would not idly sit by while another group enjoyed all the privileges of organizing, developing and operating a radio network. There would be competition as between network and network, and such networks would have to conform to the same very definite restrictions which are placed upon all private enterprise in the matter of taxation and in other ways, and it would be impossible, we believe, for private networks to operate successfully in this country at the present rate structure at which time is sold. We believe it would be necessary to increase the cost of broadcasting advertising in this country per quarter-hour, per half-hour, per hour of program which in itself is a brake on allocation of funds away from other channels of distribution of advertising money.

By Mr. Boucher:

Q. In effect, you admit that if the C.B.C. did not have a compulsory licence fee and exemption from taxation they could not do the commercial advertising they are now doing for the rates they are now doing it for?—A. We think that to be true.

Mr. HANSELL: Now, Mr. Chairman, a good deal has been said about the corporation being tax-free. That is so, but is it not also true that the corporation is a government corporation in the sense it is a public utility, and even though the C.B.C. were taxed as private corporations are would that make any material difference? It might make some little difference to the corporation but would it not be simply taking it out of one treasury and putting it into another?

Mr. ROSS: There would be municipal taxes which would be quite considerable.

The WITNESS: I was just going to say there are no municipal taxes.

By Mr. Hansell:

Q. Is this not the picture that it is not competition based on taxes or no taxes but competition as to whether advertisers can sell more by radio than by the press?

Mr. PERRY: Mr. Chairman, if I might come in for a moment, in the sale of an advertising contract, the relative values depend upon price. If a magazine campaign with a million circulation could be conducted annually say for $50,000 a year, and here Mr. Weir will have to correct me on some of his figures, if under the present circumstances a suitable fifteen minute program per day can be run for about $50,000 a year why there would be an even choice. If it were necessary for radio to charge $100,000 a year where it now charges $50,000, and which it might have to do under a private enterprise system, why then the chances would be very much in favour of the magazine plan getting acceptance. I think Mr. Charters' illustration was quite good because if he were to be allowed to start a weekly paper in competition with an established weekly, and where the subscribers would be hauled into court if they did not send in their subscriptions, and they would be free from municipal taxation and free from Fraser Elliott, he could sell advertising space for half as much as the privately owned publication which had done a great deal over the years to look after the interests of that community. So that the question of relative cost must come into any consideration of that sort.

Mr. BOUCHER: Would you attempt to compare the value of radio advertising with that of newspaper advertising for the same matter in the same area?

Mr. PERRY: Well, when you get into that business of your own and advertising a national product by Mr. Weir will put up the case for radio and we will present the case for magazines and the weeklies will do the same as will the dailies, and then we will, in a free enterprise country, give you the right to make up your mind as to which is the best for your particular operation.

Mr. BOUCHER: In other words, you would not venture an opinion?

Mr. PERRY: Well, if I did it would be a rather prejudiced opinion.

Mr. HANSON (*Skeena*): Mr. Chairman, coming back to that letter in 1938 after which Mr. Howe set a maximum revenue of $500,000, one of the witnesses mentioned that at that time they were in favour of maintaining the $2.50 licence fee or even $3. To-day one of the witnesses says he would suggest that we should cut off the licence fee. How would that affect this $500,000 if the licence fee were cut off absolutely? How would it affect it if this corporation owned by the Canadian people is allowed to take commercial business only up to a net revenue of $500,000 as you mentioned? How would that affect you?

Mr. PERRY: I cannot see how that construction can be placed on any of our presentations. In the first place the corporation is not limited to the $500,000.

Mr. HANSON (*Skeena*): I understand that is what you are asking for. You say that the corporation have broken that promise which was given in 1938. Is that not what you are asking for, that they should not go beyond that?

Mr. CARSON: I think I might say that what we intended to convey there in that reference in the brief was that if revenues from commercial broadcasting were to go on growing so admirably, as the annual reports show—and as I feel their report for the year ending March 31, 1944, will continue to show—it was a question in our minds with that very marked growth of revenue if it was advisable to maintain, if it was necessary to maintain so high a licence fee, or whether it could be eliminated entirely. There was no question there in that event of limiting the amount that the corporation would receive

from advertising. It is assuming the sky is the limit, but if they are to go on increasing their revenues from advertising, from commercial broadcasting, growing and growing to increasing figures, it puzzles us that they would continue to need such licence fee money as a subsidy with the marked and unfettered growth of other revenues.

Mr. PICARD: A moment ago Mr. Carson stated it would be impossible for the private networks to operate in Canada on the same basis as the C.B.C. They would have to increase the costs of broadcasting. That statement is exactly in opposition to what the private stations have come here to tell us. They have been here for two days or for a day and a half trying to demonstrate to us that the establishment of a private network, mutual network, would not change the basis of operation, that they could get along and survive on the same rates as are prevailing now, and that they would welcome competition with the publicly owned system, that they could stand on the same basis as now.

Mr. BOUCHER: I do not think that is quite right. He said they would lose for a time and they might eventually survive.

Mr. PICARD: He said at first during the installation of their system they would probably lose but eventually they would make money. They would not go into that to lose money. When I asked him, "You are not going there to lose money," he said, "Of course not, if we are in business it is to make a profit", so after a while he expected they would make a profit even though they could not charge more than the C.B.C. and survive. That is in opposition with what this witness is saying.

The WITNESS: What I meant to convey was that if there were no subsidies, if there were no supported or subsidized radio in Canada, and all broadcasting networks were on exactly the same basis, it would be necessary, in our opinion, knowing something of advertising costs, to increase the rates now prevailing, and that does not assume that a private network would have to trim its sails to meet the competition of a publicly owned network.

Mr. PICARD: If they are willing to build a network and to operate it, and with the idea of making a profit on the same basis it means they have expectations it can be done on that basis. There is just one word in connection with what the gentleman from the weekly press stated. He said, "We are not subsidized". May I ask him if the very large amount of government advertising since the war started has not been equivalent to a sort of subsidy to the weekly press? If you open nine out of ten weekly newspapers now half of their pages are carrying government ads from different sources or different departments. That is a disguised form of subsidy, if I may say so.

Mr. CHARTERS: I certainly would not agree with that. Advertising is placed in the weekly newspapers on exactly the same commercial basis as any other advertising is placed, at the same rates. The other media is used and the Canadian Broadcasting Corporation receives the same advertising in a greater percentage than the weekly newspapers.

Mr. PICARD: I do not mean it is entirely a subsidy. You give your space for it.

Mr. CHARTERS: Definitely; we give value for it.

Mr. PICARD: It is added revenue to the weekly press which they did not have before.

Mr. CHARTERS: It is taking the place of some of the advertising which we lost because of the war. In other words, we are being utilized to do a war job, but it is true that the Canadian Broadcasting Corporation—

Mr. PICARD: And on a profitable basis, if I may say so. You are getting all that advertising which you did not get before, and in many weeklies on a much higher scale than those ads that have been taken from you.

Mr. CHARTERS: That would be true in some papers. In some weeklies it would be true also that national advertising, even including that of the government, is less to-day than it was pre-war because they have lost such advertising accounts as the large motor car companies, and a number of other accounts I could name.

Mr. PICARD: They do not go on the radio. It is because there are no motor cars made that they do not advertise them.

Mr. CHARTERS: But the government owned radio is paid for the advertising the same as the weekly newspapers. I do not agree with that word "subsidy".

Mr. PICARD: A disguised subsidy—let us say added revenue.

Mr. CHARTERS: It is added revenue for the C.B.C.

Mr. PICARD: For the weekly newspapers.

Mr. CHARTERS: That cannot be used to offset the subsidy of the C.B.C. because the C.B.C. also receives all the patronage—

Mr. PICARD: I mean it compensates for the loss you may have made by losing certain advertisers.

Mr. CHARTERS: The C.B.C. gets the government patronage the same as the weekly newspapers.

Mr. BOUCHER: It is added revenue to the newspapers only in so far as it has increased the advertising over what they would have had from private sources had the government not taken their space.

Mr. PICARD: Yes, but on the other hand the space that is gone is not gone because the radio took it away from them. It is because the firms that were advertising, such as General Motors, are not making cars, or frigidaires, and they do not need to advertise.

Mr. BOUCHER: And because the government wants to advertise.

Mr. TRIPP: Mr. Chairman, I have only got a few minutes to sit here, and as I will not be here next week I should like to make a very brief statement. I have listened to rather involved questions and statements with whereases, wherefores and leading questions. I would take it from the witness' statement to-day that receipts by the newspapers from advertising have increased, possibly not to the same extent as the receipts of the C.B.C. have increased, but they have increased and they are doing fairly well. I also come down to the matter of taxes. I should like to suggest to one of the witnesses that instead of referring to Fraser Elliott he should refer to the war demands. I think that possibly it might sound a little better.

Mr. PERRY: That is not the way he signs the notices that go out.

Mr. TRIPP: But on the other hand I would like to make this statement to the committee, Mr. Chairman, that I believe the newspapers through these taxes are discriminated against to a certain extent and are placed in a rather invidious position as far as the C.B.C. is concerned; and I think that the amount of money received by the C.B.C. in advertising which really comes into competition with the newspapers should be taxed by the Department of Finance in the same manner as the newspapers are taxed. I think that is only fair and reasonable, and I think that that would place the newspapers in a favourable position and remove any apparent injustice of the kind the witnesses have presented in their brief.

Mr. HANSELL: There were just three questions I would like to ask. One is perhaps a question which you will not be able to answer. Are the advertisers themselves behind you in your submission?

Mr. PERRY: The answer to that, Mr. Chairman, is no; we have not discussed the question with them in any way; it is purely a matter of the economic situation which exists between the press and the commercial competitor owned by the government.

Mr. HANSELL: In the brief you used the term "government" quite often where I think perhaps the term "corporation" should have been used. I do not know whether that point has ever been settled, whether a corporation or an arm of the government is entirely a separate institution; but, however, it is your case that you feel that the government in business is taking certain revenues that should accrue to private enterprise?

Mr. PERRY: That is the $64 question. I do not know anything about the associations of the questioner. We believe in private enterprise. We believe that the people will not produce or service without profit, that if you are working in a Russian munitions factory, on a Canadian farm, or in a Canadian factory or anywhere else. The profit motive, to give you my personal opinion, is a very necessary part of human endeavour. When governments enter into competition with private enterprise they establish a position which is not equitable and which could only be made reasonable by the government taking over all business.

Mr. PICARD: That statement of the witness opens up a very wide field, if I may just put this in—

Mr. TRIPP: I suppose the witness wants to say that no matter what the source the earnings come from they should be taxed indiscriminately by the Finance Department; is that it?

The CHAIRMAN: Order, let us finish the statement, please.

Hon. Mr. LAFLÈCHE: What about the fighting men themselves, they are fighting without any thought of profit and they are undertaking the greatest task of all.

Mr. PERRY: And their position is commended.

The CHAIRMAN: Order, please; Mr. Hansell.

Mr. HANSELL: I do not want to get into an involved discussion of the relative merits of private and public enterprise. As a matter of fact I believe with the witnesses in private enterprise and individual initiative, I believe in that. I wanted to ask whether the witness felt that by reason of the fact that the C.B.C. is a government corporation that it is receiving revenues that should go to private enterprise. However, that question has been answered. Now, one other matter that I wanted to bring up, and I want to ask this frankly; do you feel, after all you are starting a race between yourselves and modern development and progress in the field of advertising, is not your case similar to that of the railroads—the railroads would not like me for saying this—

The CHAIRMAN: You mean, transportation.

Mr. HANSELL: Yes, transportation facilities; that the time might very reasonably come when the airplane will supersede other forms of passenger service. Do you not feel that your business is somewhat similarly placed; television is imminent and will eventually come; it does seem to me that rather than retard advertising on the air that will have the effect of drawing more advertising in that direction and eventually, in the long run, advertising of newspapers will be almost negligible.

Mr. PERRY: Well, I really feel distressed.

Mr. HANSELL: Is that your answer?

Mr. PERRY: No, that is just my attitude. I am very sorry we have created the impression that the press in any of its activities has lost any of its virility. We have our post-war plans which are plans for expansion and not plans for retraction.

The CHAIRMAN: And, are they competitive plans?

Mr. PERRY: And they are competitive with our other competitors in the field of advertising in Canada, and also to compete with the advertising which will come in from the United States. Now, we do not think that the question

of obsolescence is going to put the publishers' business right out entirely or even move it back into the stage-coach class—to continue the transportation metaphor. We believe that for considered opinion, reading for instruction and entertainment, that we will have always reading as long as people can read. During recent years in the United States where they have not been in the war as long as we have they have not been under restrictions even yet as great as those which affect us, there has been a very large increase in the circulation of periodicals during the last five years so that the whole trend has been upwards. We are held back now by war conditions, but as soon as it is all over we are going to start travelling ahead to beat the band; but in the meantime we do not like to be undermined by a government corporation which is not in the same position as we are in regard to its methods of production and distribution.

Mr. HANSELL: Well, Mr. Chairman, I think these gentlemen may have a case, but we will have to consider it in due course. In respect to the confusion that existed yesterday, particularly in respect to this matter of the broadcasting licence fee, might I make this observation that I can quite understand how the press and the news would get that impression. You turn to the brief on page 6, the third paragraph, the paragraph begins: "publishers recall that the corporation persistently requested the co-operation—"; then, "this co-operation was particularly requested—"; and "it was clearly presented to the publishers that it was to be—"; and then "and, furthermore, if licence fees could be wisely increased—". I think that had read "and furthermore if licence fees could have been increased"; that the confusion of the press report and statement over the air would not have risen. Is that not right? I think that is where the confusion arose. As a matter of fact, when you read this I was going to ask you a question but then on a second reading of the paragraph I could see the context clear in my mind, that in the past these licence fees might have been increased. I feel this quite confidently.

Mr. CARSON: It was a parenthetical remark that threw the reporter off; he probably thought we were discussing the present when we were discussing the past.

Mr. HANSELL: I wanted to make that one observation.

Hon. Mr. LAFLÈCHE: By the way, one has the impression that it was the claim of Mr. Carson in that same paragraph referred to by Mr. Hansell that there was going to be all-out, open and unlimited competition on the part of the C.B.C. I would like to point out to Mr. Carson that it was very definitely stated before this committee that no such thing was ever intended, that is to say, there would be no unlimited, all-out, open competition by the C.B.C. Perhaps Mr. Carson did not see the published report of the committee.

The WITNESS: On that point we naturally went by the curve of commercial advertising revenue as reported in the annual reports and as mentioned in the House for the first nine months of the last fiscal year; and, considering the curve of advertising revenue in the public field it seemed to us that certainly very aggressive efforts were being made, and it has come back to us that aggressive efforts were being made to advertisers to develop an increasing volume of revenue from commercial broadcasting. In my thirty years' experience in selling I think it is definite that any salesman who is going out to get business, must go out and get business. It seemed to us that the selling organization of the corporation was to be commended certainly for an aggressive and active program of selling, and as these figures revealed this position to us, that the upward curve of commercial broadcasting revenue was certainly continuous, the result of hard-hitting effort. Now, if you are going to get just so much advertising and then stop, as we have had to do because of the paper shortage, because we are turning down advertising all the time, you cannot carry out that kind of a sales program. It seemed to us, out of our experience in advertising selling, that there was a

definite advantage enjoyed by the corporation and certainly splendid work has been done in the radio selling field to bring in the gross revenue to date. I do not know what it is. You will probably get the figure before your meetings are over. But it has gone ahead from a gross of $700,000 and up to probably somewhere in the neighbourhood of $3,000,000 for the last fiscal year.

By the Chairman:

Q. Are you suggesting that all the advertising that the C.B.C. gets comes as a result of solicitation? Isn't it natural that a considerable part of it comes through ordinary channels of advertising who allocate it to a media which they desire to have handle their work?—A. To some degree that is true, it is happening with us. People are coming to us because they cannot get paper for direct mail or other purposes and asking for space.

Q. Out of an ordinary budget of say $50,000 that a firm would have for some nationally-known products, what proportion would you say of that would go to radio advertising, and what amount for periodical and press advertising?—A. I do not think that could be answered generally, sir. There are so many factors concerned in the marketing problem of the advertiser and the amount of goods he makes, where they are sold and to whom they are sold that it requires a very skilled and competent study of his market needs to determine how he is going to allocate that money, and he does not always allocate year after year in the same way. I do not think it is possible to answer that question.

Q. Who are the other competitiors in advertising besides radio?—A. Well, in the general sense, the other competitors are outdoor advertising—

Q. By that you mean bill posters?—A. Yes, and then the street-car cards, another form of public display, and direct mail.

Q. Would you suggest that those people who are your competitors should be limited as you wish to limit radio in the gross amount of advertising they should take a year?—A. I think we suggest that the government should not also go into the outdoor advertising business and into the direct mail business because they are practically under the same restrictions that are imposed upon us. We are all on a common basis of selling approach—

Q. That does not answer my question. You are suggesting here, now, that there should be a limitation to the gross amount of fees collected by the broadcasting corporation for advertising purposes. Would you suggest that other competitors should have the amount that they would receive in a year also limited?—A. Not so long as they are operating all the way on a private enterprise basis.

Q. Why do you suppose people advertise on the radio at all; is it not because they get results that they cannot obtain through the ordinary channels of advertising and that they reach a different field, a field that you people are not reaching. May I just say, first, that you are catering to another faculty which the people have. People are getting lazy. It is much easier for a fellow to sit down on a chair half asleep and listen to the news than it is to read it, and in doing that he is exercising the faculty of hearing, whereas you people have been catering so far to his faculty of sight entirely. Is that not a factor in it?—A. Oh, there is a factor there. Then there is this to it; we think that it would be an admirable service rendered to the people of Canada and to the parliament of Canada if there were more friends of *Hansard*. We think that there should be more reading of the transactions of parliament. We think that people ought to be better informed than they are. It is true that people take the easiest way to acquire information.

The CHAIRMAN: They give them that information both through the press and through the radio, cater to the two faculties.

Hon. Mr. LAFLÈCHE: I think everybody who has studied it will agree that for very serious study, to get a real comprehension of the thoughts set out, one can do better reading than listening. I think that the press will keep up in the race by evolving its own publications, but in regard to the question I first put to Mr. Carson I recall some weeks ago looking up the percentages of revenue accruing from commercial advertising throughout the years, and as I recall it has remained very much within the same percentages as it was at the beginning. The corporation's business has increased very much, of course. So has other business increased. The percentage of commercial revenue, as I recall it, is a little bit greater but not much more than it was when they started out.

The WITNESS: You mentioned 24 per cent.

Hon. Mr. LAFLÈCHE: It has gone up beyond that but it is still relatively within the same brackets. May I ask a question of Mr. Carson, Mr. Chairman? Did I gather correctly yesterday—and I could not find this out because the report has not yet reached me as it has not been published—did you mention yesterday that when the general manager wanted to increase his revenues or needed revenues from commercial advertising that he would see the minister and the minister would tell him what to do? Did you say anything like that?

The WITNESS: I do not recall.

Hon. Mr. LAFLÈCHE: It was brought to my attention last evening by a gentleman who had heard it but was not sure. I put the question very fairly to you. If there was any thought like that in your mind let me dispose of it right away.

The WITNESS: The clerk very kindly sent me the transcript this morning to go over. I went over it and returned it before this hearing, and there was nothing of the kind in it.

Hon. Mr. LAFLÈCHE: In case some such surmise had been made may I correct it?

The WITNESS: Yes, thank you.

Hon. Mr. LAFLÈCHE: The C.B.C. is run as a separate corporation.

Mr. CHARTERS: Mr. Chairman, the only point that I wished to make before adjournment was to reiterate what you said a moment ago, namely, that the C.B.C. increase in advertising has been because of the conditions that we find ourselves in, because they could not get the press space, because they could not get on billboards, or what have you. We are restricted but the radio is not restricted, and that is the point we wish to make. We are not objecting to fair competition on a strictly commercial basis, but we think we are handicapped in the fact that radio is not subject to the same regulations.

The CHAIRMAN: May I ask you this, are you a little fearful that when the competition becomes more normal that some of the business which has been deviated to the broadcasting corporation will not be returned to press advertising?

Mr. CHARTERS: I would go so far as to say we will be handicapped as a result of that.

Mr. PICARD: Can I put in a word? A moment ago when we were talking about public and private enterprise and we entered on a discussion it brought to my mind this point, that the profits of periodicals go to individuals while the profits of the C.B.C., if there are any made out of advertising, go to the people of Canada in the way of added services in the fields of culture and education, but if we enter the field of private and public enterprise we would enter on a very broad question and there might be arguments on the other side.

Hon. Mr. LAFLÈCHE: In all fairness it should be remembered that all radio has a limitation also. The limitation is in the number of hours available for those who wish to go on the air. That is an ever present limitation, whereas the shortage of paper will disappear as the war ends.

Mr. CARSON: There is always the possibility, of course, of starting another chain which opens up another twenty-four hours a day for sale.

The CHAIRMAN: Gentlemen, thank you for your presentation. I do not think it will be necessary for you to appear before the committee again. The meeting stands adjourned now to the call of the Chair.

The committee adjourned at 1.05 p.m. to meet again at the call of the Chair.

APPENDIX J

DEPARTMENT OF TRANSPORT
MEMORANDUM TO THE MINISTER OF MUNITIONS AND SUPPLY

A. *Licensing of Private Broadcasting Stations*

1. Section 24 (1) of the Canadian Broadcasting Act, 1936, provides as follows:

> 24. (1) The Minister shall, before dealing with any application for licence to establish a new private station or for increase in power, change of channel, or change of location of any existing private station, or making any regulations or changes in regulations governing the activities of private stations, refer such application or regulation to the Corporation, and the Corporation shall make such recommendations to the Minister as it may deem fit. The approval of the Governor in Council shall be obtained before any licence for any new private station is issued.

2. The Minister named in The Canadian Broadcasting Act is the Minister of Transport.

3. Under the Radio Act, 1938, the Minister of Transport is named as the licensing authority for all radio stations, including broadcasting stations, in Canada.

4. By Order in Council P.C. 3076 of the 8th July, 1940, made under the authority of the Public Service Re-Arrangement and Transfer of Duties Act and the War Measures Act, the control and supervision, inter alia, of the Radio Services of the Department of Transport were transferred to the Minister of Munitions and Supply, and also the duties, powers and functions vested in the Minister of Transport under The Canadian Broadcasting Act, 1936, with respect to broadcasting. Copy of P.C. 3076 is attached hereto marked "A".

5. There was some doubt as to whether P.C. 3076 transferred to the Minister of Munitions and Supply the functions of the Minister of Transport under The Radio Act, 1938, and to remove this doubt Order in Council P.C. 3435 of the 25th July, 1940, was passed amending P.C. 3076 to specifically cover the transfer to the Minister of Munitions and Supply of the duties, powers and functions vested in the Minister of Transport under the Radio Act. P.C. 3435 is the important Order in Council referable to this matter, and a copy is attached hereto marked "B".

6. Under paragraph 1 of Order in Council P.C. 4215 of the 11th June, 1941, the powers, duties and functions vested (by Order in Council P.C. 3076) in the Minister of Munitions and Supply under The Canadian Broadcasting Act, 1936, with respect to broadcasting, were transferred to the Minister of National War Services. Copy of P.C. 4215 is attached hereto marked "C".

7. Order in Council P.C. 4215 did not transfer to the Minister of National War Services the licensing functions of the Minister of Munitions and Supply vested in him under The Radio Act, 1938, and Order in Council P.C. 3435. These licensing functions which are referred to in Section 24 (1) of The Canadian Broadcasting Act consequently remain with the Minister of Munitions and Supply who licenses all broadcasting stations. The approval of the Governor in Council is, however, required before a licence is issued for any new private broadcasting station.

8. The legal position of the Minister of Munitions and Supply as the licensing authority under The Radio Act, 1938, for all radio broadcasting stations in Canada is undoubted.

9. The procedure usually followed by an applicant for a private broadcasting licence is to make application to the Controller of Radio of the Department of Transport who sends it to a technical committee composed of representatives of the Department of Transport and the Canadian Broadcasting Corporation. The application then goes to the Board of Governors of the Canadian Broadcasting Corporation which makes its recommendation to the Minister of Munitions and Supply through the Minister of National War Services. The Minister of Munitions and Supply, if he considers it advisable, then recommends the application to the Governor in Council for approval. On the granting of such approval the licence is issued by the Minister of Munitions and Supply pursuant to the provisions of The Radio Act, 1938, and Regulations.

10. Copies of The Radio Act, 1938, and The Canadian Broadcasting Act, 1936 herewith.

(Filed with the clerk).

W. J. MATTHEWS,
Counsel.

May 26, 1944.

B—Copy of

P.C. 3076

Privy Council

AT THE GOVERNMENT HOUSE AT OTTAWA

MONDAY, the 8th day of July, 1940.

PRESENT:

HIS EXCELLENCY
THE GOVERNOR GENERAL IN COUNCIL—

Whereas The Department of Munitions and Supply Act, Chapter 3 of the Statutes of 1939 (Second Session), provides for the establishment of a Department of the Government of Canada to be called the Department of Munitions and Supply over which the Minister of Munitions and Supply for the time being appointed by the Governor General by Commission under the Great Seal of Canada shall preside;

And whereas under and by virtue of Section 6 of The Department of Transport Act, 1936, Chapter 34 of the Statutes of 1936, the duties, powers and functions formerly vested in the Minister of Marine, and with respect to civil aviation in the Minister of National Defence, by any Act, order or regulation were vested in the Minister of Transport;

And whereas such duties, powers and functions vested in the Minister of Transport, as aforesaid, include the control and supervision of the Civil Aviation, Meteorological and Radio Services of the Department of Transport;

And whereas certain duties, powers and functions are vested in the Minister of Transport with respect to Trans-Canada Air Lines under The Trans-Canada Air Lines Act, 1937, Chapter 43 of the Statutes of 1937, and with respect to broadcasting under the provisions of The Canadian Broadcasting Act, 1936, Chapter 24 of the Statutes of 1936;

And whereas it is deemed expedient to transfer the duties, powers and functions vested in the Minister of Transport under The Department of Transport Act, 1936, with respect to the Civil Aviation, Meteorological and Radio Services of the Department of Transport and the control and supervision of such services, and the duties, powers and functions vested in the said Minister under The Canadian Broadcasting Act, 1936, with respect to broadcasting, and under The Trans-Canada Air Lines Act, 1937, with respect to Trans-Canada Air Lines, to the Minister of Munitions and Supply;

And whereas it is deemed expedient that the Deputy Minister of Transport shall be the Deputy of the Minister of Munitions and Supply with respect to the services proposed to be transferred to such Minister, and that the Deputy Minister of Transport and the appropriate officers of the Department of Transport shall, in respect of such services, have and exercise the respective powers and duties which they now have and exercise;

Now, therefore His Excellency the Governor General in Council, on the recommendation of the Prime Minister and under and by virtue of the provisions of the Public Service Re-Arrangement and Transfer of Duties Act, Chapter 165 of the Revised Statutes of 1927, and the War Measures Act, Chapter 206 of the Revised Statutes of 1927, is pleased to order:—

(1) That the duties, powers and functions vested in the Minister of Transport under The Department of Transport Act, 1936, with respect to the Civil Aviation, Meteorological and Radio Services of the Department of Transport and the control or supervision of such services, and the duties, powers, and functions vested in the said Minister under The Canadian Broadcasting Act, 1936, with respect to broadcasting, and under The Trans-Canada Air Lines Act, 1937, with respect to Trans-Canada Air Lines, be and they are hereby transferred to the Minister of Munitions and Supply.

(2) That, notwithstanding the provisions of Section 3 of the Public Service Re-Arrangement and Transfer of Duties Act, the Deputy Minister of Transport shall be the Deputy of the Minister of Munitions and Supply with respect to the powers, duties, functions, control or supervision of the services transferred to the Minister of Munitions and Supply under paragraph (1) hereof, and the Deputy Minister of Transport and the appropriate officers of the Department of Transport shall, in relation thereto, have and may exercise the respective powers and duties which, prior to the date hereof, belonged to or were exercisable by them in respect of the duties, powers, functions, control or supervision hereby transferred.

(Sgd.) A. D. P. HEENEY,
Clerk of the Privy Council.

P. C. 3435

AT THE GOVERNMENT HOUSE AT OTTAWA

THURSDAY, the 25th day of July, 1940.

PRESENT:

HIS EXCELLENCY
THE GOVERNOR GENERAL IN COUNCIL—

Whereas by Order in Council (P.C. 3076), dated the 8th July, 1940, made under and by virtue of the Public Service Re-arrangement and Transfer of Duties Act, and the War Measures Act, Chapters 165 and 206, respectively, of the Revised Statutes of 1927, it was provided, inter alia, that the duties, powers and functions vested in the Minister of Transport under the Department of Transport

Act, 1936, with respect to the Civil Aviation, Meteorological and Radio Services of the Department of Transport and the control or supervision of such services should be transferred to the Minister of Munitions and Supply, and that, notwithstanding the provisions of Section 3 of the Public Service Re-arrangement and Transfer of Duties Act, the Deputy Minister of Transport should be the Deputy of the Minister of Munitions and Supply with respect to the powers, duties, functions, control or supervision of the services so transferred, and that the Deputy Minister of Transport and the appropriate officers of the Department of Transport should, in relation thereto, have and exercise the respective powers and duties which, prior to the date of the said Order in Council (P.C. 3076), belonged to or were exercisable by them in respect to the duties, powers, functions, control or supervision thereby transferred;

And whereas the Minister of Munitions and Supply reports that with respect to the above-mentioned Radio Services of the Department of Transport, certain duties, powers and functions are vested in the Minister of Transport under the Radio Act, 1938, which correspond in many respects to the duties, powers and functions formerly vested in the Minister of Marine under the Radiotelegraph Act, Chapter 195 of the Revised Statutes of 1927 and the Department of Marine Act, Chapter 31 of the Statutes of 1930, and which were vested in the Minister of Transport under the Department of Transport Act, 1936;

That, for the purpose of removing doubt, it is deemed expedient to include in the duties, powers and functions transferred to the Minister of Munitions and Supply under the said Order in Council (P. C. 3076) the duties, powers and functions vested in the Minister of Transport under the Radio Act, 1938;

Therefore His Excellency the Governor General in Council, on the recommendation of the Minister of Munitions and Supply (with the concurrence of the Minister of Transport), and under and by virtue of the provisions of the Public Service Re-arrangement and Transfer of Duties Act and the War Measures Act, is pleased to amend Order in Council (P. C. 3076) dated the 8th July, 1940, and it is hereby amended to include in the duties, powers and functions transferred thereunder to the Minister of Munitions and Supply the duties, powers and functions vested in the Minister of Transport under the Radio Act, 1938.

Sgd. H. W. Lothrop,
Asst. Clerk of the Privy Council.

D—II—Copy of P.C. 4215—Privy Council

AT THE GOVERNMENT HOUSE AT OTTAWA

Wednesday, the 11th day of June, 1941.

PRESENT:

His Excellency
The Governor General in Council:

Whereas the Department of National War Services Act 1940 (4 George VI, Chapter 22, Section 5, sub-section d), provides that the Minister may, with the consent of the Governor in Council "co-ordinate the existing public information services of the Government and originate or employ other means in order that the same may be used in the most efficient way for the obtaining of the utmost aid from the people of Canada in the national emergency which has arisen";

And whereas, in the interests of the war effort it is expedient to provide for the more effective co-ordination of radio broadcasting, film activities, and the promotion of tourist business in Canada, with other public information services of the government;

And whereas, for this purpose it is expedient to transfer to the Minister of National War Services the powers, duties and functions vested in the Minister of Munitions and Supply with respect to broadcasting, in the Minister of Trade and Commerce with respect to film activities, and in the Minister of Transport with respect to the promotion of tourist business in Canada, and to transfer the control and supervision of the Canadian Travel Bureau to the Department of National War Services;

Therefore His Excellency the Governor General in Council, on the recommendation of the Right Honourable W. L. Mackenzie King, the Prime Minister, and under and by virtue of the provisions of the Public Service Re-Arrangement and Transfer of Duties Act (Revised Statutes of Canada, 1927, Chapter 165) and of the War Measures Act (Revised Statutes of Canada, 1927, Chapter 206), is pleased to order as follows:

1—The powers, duties and functions vested (by Order in Council P.C. 3076, 8th July, 1940) in the Minister of Munitions and Supply under The Canadian Broadcasting Act, 1936, with respect to broadcasting, are hereby transferred to the Minister of National War Services.

2—The powers, duties and functions of the Ministers of Trade and Commerce, with respect to film activities, under the National Film Act, 1939, are hereby transferred to the Minister of National War Services.

3—The powers, duties and functions of the Minister of Transport, with respect to the promotion of tourist business in Canada, are hereby transferred to the Minister of National War Services, and, to that end, the control and supervision of that branch of the Department of Transport known as The Canadian Travel Bureau, is hereby transferred to the Department of National War Services.

A. D. P. HEENEY,
Clerk of the Privy Council.

SESSION 1944

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 10

WEDNESDAY, JUNE 14, 1944

WITNESSES:

Dr. Augustin Frigon, Acting General Manager, and

Mr. Harry Bramah, Assistant to the Treasurer, Canadian Broadcasting Corporation.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1944

MINUTES OF PROCEEDINGS

WEDNESDAY, June 14, 1944.

The Special Committee on Radio Broadcasting met at 11 o'clock. Mr. J. J. McCann, the Chairman, was in the chair.

Members present: Mrs. Casselman, Messrs. Boucher, Douglas (*Queens*), Hansell, Hanson (*Skeena*), Isnor, LaFlèche, Laflamme, Martin, McCann, Picard, Rennie, and Ross (*St. Paul's*)—13.

At the request of Mr. I. D. Carson of the Periodical Press Association, the following corrections were allowed in the evidence of June 2, 1944, viz.—

At page 425, line 28, "January 8, 1939" should read "January 8, 1938"; and at line 37, "1939" should read "1938".

The Chairman informed the Committee that Mrs. Eugène Durocher, wife of the late Mr. Durocher, had acknowledged the Committee's expression of sympathy.

The Chairman read:

1. A night letter sent to Mr. John J. Fitzgerald, Toronto, in reply to a telephone message received on Friday, June 10.
2. Extracts of a letter dated May 31, 1944, to himself from H. C. Buchanan, CHAB, Moose Jaw, Sask.

Mr. Buchanan's letter, a coverage survey and a map were filed with the clerk.

In this respect, Dr. Frigon was recalled and made a brief statement and was retired.

Copies of notes of C.B.C's special operations on "D" Day were tabled and distributed.

Referring to Mr. Fitzgerald's request to appear before the Committee, it was agreed to leave the matter in abeyance in case a definite request is made by Mr. Fitzgerald.

On motion of Mr. Ross,—

Resolved,—That a representative of the Canadian Association of Broadcasters be given an opportunity to reappear before the Committee.

Mr. H. Bramah, assistant to the treasurer was called. He presented a tentative financial statement up to March 31, 1944, was examined and retired. He was assisted by Mr. S. Schnobb, accountant.

The Committee discussed the matter of C.B.C. News' commentators over C.B.C. national networks.

By leave, Mr. T. J. O'Neill, M.P., addressed the Committee regarding station CFJC, Kamloops, B.C.

At 1.10 o'clock, the Committee adjourned at the call of the Chair.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

June 14, 1944.

The Select Committee on Radio Broadcasting met this day at 11 o'clock a.m. The Chairman, Mr. J. J. McCann, presided.

The CHAIRMAN: Order, please.

Gentlemen, we shall proceed with the business of the meeting and there are a few communications which I wish to bring to your attention; one from the Periodical Press Association that appeared here sometime ago, and they wish to have a couple of corrections with reference to the evidence; they are minor corrections relating to dates. We will see that they are made.

A letter of sympathy was sent to the family of the late Mr. Durocher, who was a member of the committee, and an acknowledgment has been received from Madame Eugene Durocher.

With reference to the matter of the appearance of Mr. John J. Fitzgerald before the committee; he telephoned on Friday afternoon and wanted to know when he could appear before the committee. I did not receive the telephone message personally, but I sent him the following night letter:—

> Your telephone received: Committee on Radio feel that your charges have been sufficiently answered by Lambert and Bushnell: think that nothing would be gained by your appearance before Committee stop See evidence No. 8 if copies desired wire.

Do you remember the controversy which was by correspondence over the pamphlet which Mr. Fitzgerald has sent to members of the committee attacking Mr. Lambert who was the head of the Writers', Artists' Broadcasters' and Musicians' Council. I think the committee thought that the matter had been cleared up and it would not be necessary for Mr. Fitzgerald to appear before the committee.

Mr. HANSELL: Mr. Chairman, I was not here when that particular thing was discussed but I did read the evidence, and I would suggest that I do not think Mr. Fitzgerald's attack was only against Mr. Lambert; as a matter of fact if I recollect the pamphlet correctly Mr. Lambert was merely mentioned; I think his criticism was really in respect to some of the programs in general and that there was the possibility that communistic views might be actually creeping into the operations of the C.B.C. The criticism is somewhat along that line and Mr. Lambert was mentioned.

The CHAIRMAN: You will remember, Mr. Hansell, that there was a complete denial of that by Mr. Bushnell.

Mr. HANSELL: I read Mr. Lambert's letter and I recall Mr. Bushnell denying the allegations; I am quite satisfied with Mr. Lambert's letter and I must say that I read the pamphlet to which Mr. Lambert referred and I can see nothing in there whatever, I thought it was rather a good pamphlet. But I think perhaps we might discuss the matter as to whether we want to call on Mr. Fitzgerald at some future time; I do not mean to discuss it now, perhaps if it went to the agenda committee. I have no particular views with regard to the discussion which went on, it was on May 24th, with respect to the matter. I am only wondering whether Mr. Fitzgerald is alone in his complaint. I do not

believe he is. If it were made to appear that he did not have a chance to appear before this committee, he might have some argument, as a result, to the effect that we didn't want to hear his side of the story. I do not want to have anyone come here, anymore than anyone else, and wash a lot of dirty linen, I have no desire for that at all; I only want to serve the best interests of radio.

Mr. MARTIN: Who is this fellow?

Mr. HANSELL: I do not know him, I understand he is in the lumber business.

The CHAIRMAN: He is vice-president of the J. J. McFadden Lumber Company of Blind River. If you look at page 310 of the record down near the bottom of the page and read that paragraph there and the subsequent paragraphs starting with Mr. Bushnell—

(Extracts of evidence read.)

Now the question to be determined; there is nothing to be gained in my judgment by rehashing the matter now; do the committee agree with the wire which I sent to Mr. Fitzgerald or do you want to have him before the committee?

Mr. BOUCHER: There is another aspect to it, and I assure you that I am not leaning towards Mr. Fitzgerald in any way or sympathetic with him either, whether he is right or whether he is wrong, whether he can be convinced or whether he cannot; we are sitting here as a committee representing a very important function in Canadian life, broadcasting; and I think we should measure very carefully in this regard, would it be more advantageous to the welfare of the Canadian Broadcasting Corporation to take the stand enunciated in your letter and say we do not want to hear him, or would it be more advantageous to let him appear so he can state his case.

The CHAIRMAN: Let me correct that; I did not say we did not want to hear him, what I said was, "that nothing would be gained by your appearance before the committee".

Mr. BOUCHER: I did not mean that you should take what I said in that way; the fact is there can be and there may be repercussions against us not hearing him which would be more to the detriment of the C.B.C. than if we did hear him even though we do not sympathize with what he says. That is what is in my mind.

Mr. HANSELL: You did not get an answer?

The CHAIRMAN: No.

Mr. BOUCHER: I think we should consider the matter very carefully in that light because he is probably a man of some influence and with some contacts and he can rightly or wrongly stir up considerable public opinion against this committee and against the C.B.C. if we do not check it at this stage.

Mr. MARTIN: Is not this the situation, Mr. Boucher, that the chairman called Mr. Fitzgerald's attention to the evidence and stated to him that after reading that evidence he, Mr. Fitzgerald, wished to make further representations he could do so. The chairman has not closed the matter, he has not expressed any opinion, he is giving Mr. Fitzgerald every opportunity.

Mr. BOUCHER: He is in effect expressing an opinion; that nothing further can be gained by hearing him.

Mr. MARTIN: Not necessarily.

Mr. BOUCHER: But he goes a little further than you suggest.

The CHAIRMAN: But, Mr. Boucher, in fairness to myself, that is based upon the evidence before the committee as recorded here.

Mr. BOUCHER: May I again say, Mr. Chairman, that I am not in any way casting any reflection on your telegram, I just suggest that we should look this matter over very carefully.

Mr. ISNOR: What is the date of the telephone message, Mr. Chairman?

The CHAIRMAN: Friday last.

Mr. ISNOR: So he makes the request after having read the minutes of evidence; I am inclined to agree with Mr. Boucher that we should perhaps hear him.

The CHAIRMAN: There is some question as to whether he has the minutes or not.

Mr. ISNOR: They were not printed before that?

The CHAIRMAN: Yes, they were printed about a month ago.

Mr. BOUCHER: I only raised the point because of the possible public repercussions against this committee if we do not hear him. I do not know whether they will be justified or not, probably it is not a matter of whether they are or not; but if there are repercussions to the detriment of the committee or to the detriment of the C.B.C. we should be the last people to allow anything of that kind to happen.

Mr. HANSELL: The position amounts to this too, if Mr. Fitzgerald does come before us he is either going to prove his point or we are going to disprove it, one thing or the other; it amounts to this, we are interested in radio in general and our particular interest is the C.B.C.; it is a matter of wits against wits. When it comes to a thing of that kind he would have to be a pretty good witness to put anything over on this committee. We may not know everything about radio; as a matter of fact, I think that is one thing where the committee may be a little bit lacking, myself included of course, we are not radio men; but when it comes to a matter of this kind which would apply to any other field possibly just as well, then I think it is going to take a pretty good witness to put anything over on us. Might I say this, Mr. Chairman, I have read of course Mr. Bushnell's statement and the others in respect to their employees not holding political views. I do not think that is really an important thing. You cannot very well say that a man cannot hold any political views, that is part of our democratic way of life. I do not think it is a matter of belonging to one or another of the political parties. If there is anything in this at all, as I see it, it is that there is a type of communistic philosophy apart from political parties, a type of communistic philosophy that is beginning to percolate the thinking of our country. The objection seems to be that the C.B.C. is a very good medium over which that type of philosophy can be put and that if we are not very careful that is exactly what is going to be done. Now, Mr. Matthews brought out a point the other day, I think it was well taken. He said: "We have no objection to free speech. If those of a communistic outlook want to put over propaganda let them hire radio stations or hire a hall to do it". Let us be very careful lest through the very subtle method these geniuses seep through our Canadian institutions and destroy our faith in our democratic way of life. I would go so far as to say this; this is not only a thing which might concern the Canadian Radio Broadcasting Corporation, I think it is a thing that seriously concerns our universities and our whole educational system. I was not born yesterday, and I have read enough to know that those who held the philosophy along time before I was born were attempting to find their way into the intelligentsia of England years ago and they have done their work pretty well, and I am afraid there is a danger now —I must say that in respect to the C.B.C.—there is a danger that we have got to watch in all our Canadian institutions. Might I suggest—

The CHAIRMAN: If you will turn to page 374 and 375 I think you will see there that the matter was pretty well finally disposed of, beginning at the bottom of page 374.

Mr. HANSELL: Yes, I have read that over too, the concensus of the opinion of the committee is recorded on the pages to which you refer.

The CHAIRMAN: The matter was finished.

Mr. HANSELL: That it would not do any good to have Mr. Fitzgerald here?

The CHAIRMAN: No.

Mr. HANSELL: We have a agenda committee, haven't we?

The CHAIRMAN: Yes.

Mr. HANSELL: Could we not just leave it in the hands of the agenda committee for the time being.

Mr. ROSS: In my opinion, if you leave this matter in the air it will be generally unsatisfactory. If you had Mr. Fitzgerald here, what harm would he do; he would either be able to prove his point or he would fail.

The CHAIRMAN: You made the statement (page 375) that you thought it was a complete reply to the whole situation.

Mr. ROSS: Pardon?

The CHAIRMAN: You say there, "I think this is a pretty complete reply to the situation." I will take your final word.

Mr. HANSELL: As far as Mr. Lambert's reply is concerned, I think it is a complete reply as far as he is concerned.

Mr. BOUCHER: Mr. Chairman, I do not think we are quite on the point. I would like to see it through, because I personally feel that while we have every reason to put the very strongest possible reliance upon the opinion of Mr. Bushnell, it really is not a matter of which is right or which is wrong so far as I am concerned that we are dealing with, rather which is best for the people of Canada.

The CHAIRMAN: The question boils down to this, I think, Mr. Boucher; is this the place to hear that controversy?

Mr. BOUCHER: It may be that too, I think we should discuss that point.

The CHAIRMAN: Should it go before the board of governors of the Canadian Broadcasting Corporation, or is it a matter which should go before a parliamentary committee.

Mr. BOUCHER: If you were to ask me, I would say that it being in effect a definite charge against the board of governors or the radio commissioners accusing the personnel of the broadcasting corporation of certain political leanings or opinions, I would say we would not be fair to them to ask them to hear it, and I think that we should hear it rather than they in that case—just to bolster up my argument, because I feel this way about it, and I may be entirely too apprehensive; I feel first that Mr. Fitzgerald is barking up the wrong tree, quite frankly; but I feel that if we allow him to continue to bark he may do a lot of damage to radio, and I feel that we as a committee should eliminate that damage as best we can; I am just wondering if the best way would be to hear him.

The CHAIRMAN: Well, what is your wish in the matter?

Mr. HANSELL: Well, I do not know whether this is merely a controversy between one man and the C.B.C. altogether. The C.B.C. have been receiving complaints from other sources, and I think that Mr. Lambert perhaps is not the only person that he made complaints of, or about whom complaints have been made by a number of people. If I may, I would like to give an illustration off the record.

(Statement continued off the record.)

Mr. MARTIN: What is the point of that?

Mr. HANSELL: My point is that perhaps it would be very difficult to get the evidence that will really prove a point.

Mr. MARTIN: I do not think that Dr. McCann has precluded Mr. Fitzgerald from coming here. If Mr. Fitzgerald is not satisfied I think he should have the right to come to this committee. I do not believe that any action of the chairman has precluded his coming here. He has said he does not think much would be served by his coming, but he has not said that he cannot come. He has referred him to the evidence given by Mr. Bushnell. He has had no comment on that evidence. If Mr. Fitzgerald says that in the light of the evidence given before this committee he does wish to say something further, then I think we might reconsider the matter.

Mr. ISNOR: I do not think there is very much to your argument there.

The CHAIRMAN: I think probably the final disposition we might make at the present time is that if Mr. Fitzgerald, after having received the message which has been sent to him, still presses to appear before the committee the matter might be decided then in the light of anything he might have to say.

Mr. ISNOR: I think we should forward the evidence to him, and if he still wishes to appear before the committee we, in fairness, along the lines as advocated by Mr. Boucher, should give him the opportunity to come here.

Mr. MARTIN: That is exactly what I said.

Mr. ISNOR: We should permit him to appear before the committee.

The CHAIRMAN: There is a difference between giving him an opportunity to come before the committee and subpoenaing him to come before the committee.

Mr. ISNOR: Give him the opportunity.

The CHAIRMAN: He still has the opportunity if he insists upon it.

Mr. ISNOR: If I had received that wire I should take it for granted that I was not a particularly welcome witness, if I followed it correctly.

Mr. BOUCHER: That was my interpretation.

Hon. Mr. LAFLÈCHE: That was the feeling of the committee at the last meeting, the unanimous opinion of the committee, as I recall it.

Mr. BOUCHER: That may be.

Hon. Mr. LAFLÈCHE: I think we had in mind these thoughts, first, that it was not a matter of direct concern to this committee. I think that is what this committee believed. I am not speaking for myself but as I recall the opinion of the committee. Secondly, if Mr. Fitzgerald were invited to appear before the committee other persons would have to be given the same opportunity. Very probably other persons would have to be given the same opportunity. It does follow if one person is attacked by a witness before this committee it is pretty hard to prevent such person coming here whereas if indeed it is—and I am not giving my opinion yet—really a matter between two persons outside of the C.B.C. I just wonder whether this is the proper place to air their differences as between themselves.

Mr. BOUCHER: Mr. Minister, I think what you say is worth consideration but I do not think that is quite the case. As I take it from what was said at the last meeting of the committee on May 24th it would appear from the evidence, and I think probably was the case, that the committee on that day felt that they should not bother hearing Mr. Fitzgerald. Possibly we were wrong.

Hon. Mr. LAFLÈCHE: Quite possible.

Mr. BOUCHER: We should be the very first to admit that we are, but I am apprehensive of leaving the situation as it is now and letting Mr. Fitzgerald have any mantle to hide under and say that we did not want to hear him and that we closed the door to him. I have always felt even if a man is a fanatic that if he has a kick you are better to approach him than ignore him or shut the door in his face.

Mr. MARTIN: I do not think you are helping the situation a bit. You are suggesting in one breath that you should help him and in the other breath you are suggesting that he is a fanatic. I know Mr. Fitzgerald, and he is no such thing.

Mr. BOUCHER: I am not suggesting that he is a fanatic, or that we should help him. I am suggesting that we should do what is best for the C.B.C. I do not think it is best for the C.B.C. to leave the matter in the air as it is now.

Mr. RENNIE: I do not think it is a matter of leaving it in the air. I think the chairman's suggestion was a very reasonable one, that we leave it in abeyance until we hear from Mr. Fitzgerald. Then, having held a meeting, the whole matter could be reopened and discussed, but I think we are wasting a lot of time this morning on whether or not we are going to have Mr. Fitzgerald. I think we should get down to the business of the meeting. That leaves an opening for Mr. Fitzgerald. He has an opportunity to come here if he wishes, and if he is not satisfied with the reply of the chairman no doubt he is quite anxious to correspond or wire to the chairman again.

Mr. ROSS: I think the chairman said in his wire—I am not sure as my recollection of your wire is not quite firm in my mind—that the committee had decided they would not hear him or did not want to hear him.

The CHAIRMAN: No, no, let me read it again.

> Your telephone message received. Committee on radio feel that your charges have been sufficiently answered by Lambert and Bushnell stop think nothing would be gained by your appearance before committee stop see evidence No. 8 if copies desired wire

Mr. RENNIE: I think that is quite a fair reply.

The CHAIRMAN: If he has seen the evidence and read it and is satisfied with the answer to the charges that he made then the matter would be closed as far as he is concerned. If he is not satisfied he can communicate with us further.

Mr. RENNIE: I think that is very fair.

The CHAIRMAN: The next order of business has to do with a further letter from private radio station, CHAB, at Moose Jaw. This is a letter of many many pages with documents attached to it. I think it might be filed with the clerk and will be available for members to see if they so desire.

Hon. Mr. LAFLÈCHE: What is the gist of the contents?

The CHAIRMAN: If you turn to page 403 you will see Mr. Buchanan's first letter which is appendix "H". I shall read you part of this further communication of May 31st.

> Dear Dr. McCANN:
>
> While we have not yet received a reply from the committee to my letter of May 20th we feel that as a station we have been unwittingly drawn into the evidence before and deliberations of the committee to our detriment, and in justice to CHAB and the people we have the honour to serve, there are certain aspects of the evidence concerning our station which should be clarified. We trust, therefore, that the committee will extend to us the courtesy of considering the following submissions.
>
> With respect to the mercenary imputations against us, to clarify this may I first trace briefly the history of our station and its predecessor 10-AB which received its licence in 1922, and was giving non-commercial community service to Moose Jaw long before the Aird Committee was appointed.

Mr. RENNIE: Where is that?

The CHAIRMAN: This is a letter I am reading, but the former letter was the one I referred to.

> The man who was mainly responsible for 10-AB, and later CHAB, is now the president of the company which operates CHAB. For over ten years he laboured without remuneration to keep 10-AB on the air, in company with many more Moose Jaw and southern Saskatchewan citizens, forming the Moose Jaw Radio Association financed by the membership fees of its members. All those who staffed the station, together with the talent, gave their services without remuneration. Our present program director was one of those, as was the writer who was also secretary of the association.
>
> When it was found the station could no longer operate non-commercially, it was taken over by its present owners, all residents of Moose Jaw, to develop as a community station to serve southern and particularly southwestern Saskatchewan. Commencing with a power of 25 watts, it is now 1000 watts with the latest and most modern equipment, and we now have our application in for an increase in power to 10,000 watts to enable us to put a proper technical signal throughout this whole area.
>
> Commencing commercial operations in 1935, we had a very difficult and strenuous struggle We lost money heavily the first few years but gradually overcame our difficulties. It was not, however, until last year that we made sufficient to cover small depreciation but no interest on money invested, because we developed along public service lines rather than in an endeavour to make quick profits, and ploughed back everything we reasonably could to improve our programs and services. For the confidential information of the committee and Dr. Frigon, to whom I am taking the liberty of forwarding a copy of this letter, I attach hereto a statement of our revenue from 1936 to 1943.
>
> With respect to our relations with the C.B.C., they have always been most friendly, at least so far as we were concerned. We have the highest regard for Mr. Weir and Mr. Bushnell. The corporation enabled us to overcome many obstacles we otherwise probably could not have overcome, and assisted us with their national network to give better service, for which we are and have been most grateful. In return, we gave them our complete loyalty, even to the point evidently of irritating them sometimes with honest, and we believed sound and helpful criticisms and suggestions when we felt their policy or regulations were unjust to the people in our area. Many times we have absorbed criticisms from the public as to C.B.C. which would otherwise have reacted against the corporation. We would like the committee to note particularly that each and every criticism or suggestion in my letter to Mr. Bannerman, and placed in evidence by Mr. Sedgwick, had already been taken up with competent officials of the C.B.C.—some of them many times, otherwise I would not have mentioned them in my letter to Mr. Bannerman. In this connection we would refer to our letters last fall to Mr. Radford, dated September 29 and October 2, re Homer Rodeheaver; our letters to him of October 8th and 14th re victory loan and a personal letter to him dated December 31st; also two letters to Mr. Weir last fall re the dominion network, dated November 18 and December 2. I am sure the C.B.C. officials involved will agree that our various criticisms and suggestions were in the interests of our people. Notwithstanding our pleas, both written and verbal, we got nowhere.

With all deference to Dr. Frigon, I cannot believe he had the whole picture before him or he would not have thought it unfair that I used the word "cavalierly" nor would he had advised the committee, to use his own words, "he was told that the only solution to his difficulties that we could see is for him to drop out of the network". Dr. Frigon knows that any station giving the service we do must of necessity have a leaven a good commercial network programs, otherwise we could not compete with other stations who have. The C.B.C. has control of all network broadcasting in Canada—there are no private networks permissible, therefore to suggest that we leave the network is truly an invitation for us to cease operation. We contend that a station which has shown the desire to contribute to the public good that we have, and accomplished as much as we have, should be encouraged in every way to give better service and certainly not be invited to leave the network and destroy itself because it seeks to give better service.

Every member of the committee realizes, I am sure, that in a democracy the general acceptance and popularity of a public service institution with the public is the best test of its worth. I am attaching hereto a mail survey of southern Saskatchewan including census divisions 1 to 8 inclusive made for our station by Elliott-Haynes Limited, during the present month and last month—also a map showing graphically the popularity of CHAB with the listening public.

A study of this survey by both the committee and the C.B.C. would, we respectfully suggest, be greatly in the public interest. I have prepared some condensed figures which follow, and which I think specially worthy of study, having in mind the vastness of the area—400 miles from east to west; the fact that CBK is in the centre of the province with a power of 50,000 watts, while the other stations involved have only 1,000 watts power each and outside a relatively few miles circumference of Regina and Moose Jaw, cannot put as good a technical signal into the area as CBK, and that CHAB must meet the keen competition of two very fine stations in Regina.

Then he includes figures with reference to the survey.

Hon. Mr. LAFLÈCHE: Does he make any particular request?

The CHAIRMAN: No, he does not.

Mr. HANSELL: He does not want to appear before the committee?

The CHAIRMAN: No. I think the whole thing is a matter that does come before the Board of Governors and Dr. Frigon has a copy of this letter. Is there anything in the complaint, Dr. Frigon, that should be brought before the committee?

Dr. FRIGON: I do not really think so. I am very sorry for Mr. Buchanan. We did not bring his name before the committee. His own representative brought it before the committee.

The CHAIRMAN: Mr. Sedgwick.

Dr. FRIGON: You will find on page 220 that in Mr. Sedgwick's evidence he says with reference to Mr. Buchanan's letter:

> I have a letter from Mr. Carson Buchanan of that station which sets out, I think, without any bitterness, fairly the attitude of a small local station to this whole question of regulation and control and its inflexibility, and that is all I want to do.

Then he supports his whole case by reading Mr. Buchanan's letter, and in that letter Mr. Buchanan opposes our regulations generally and insists on the fact that his duty is mostly to the local community and not to the network. I had

to answer Mr. Sedgwick's brief by simply stating the case of Mr. Buchanan as we know it. It is too bad that his name was brought before the committee. We did not want to bring it but Mr. Buchanan was used as a proning ground to submit the case of private enterprise and we had to use this case as an example of what is the attitude of private enterprise. We had no interest to single out Mr. Buchanan, and I am glad to hear him say in this letter that if he were to drop out of the network his station could not exist. That is quite an admission. If he wants to be on a network he should at least accept our regulations, which are made in the interests of the public, not of Mr. Buchanan or any particular private station. That is the whole case. If he has any complaint to register he should write to his principals, the C.A.B., or Mr. Sedgwick. I would suppose that Mr. Sedgwick brought this letter before you with the consent of Mr. Buchanan. I would not think that Mr. Sedgwick would use his case as a test case without consulting him. I do not think there should be any complaint coming from Mr. Buchanan in respect to the C.B.C. or to my own evidence.

Mr. ISNOR: Dr. Frigon, what Mr. Buchanan said about the necessity of the network applies to all small stations, does it not?

Dr. FRIGON: That is what we contend. On the one hand Mr. Buchanan admits he has to be on the network to live and yet he opposes the regulations; he wants to be free to use his station as he pleases, take our sustainers or refuse them as he chooses, play recordings or not. We have a duty to perform. We want such matters to be regulated, and when we ask him not to play recordings during certain periods of the day he should simply understand it is in the interests of the public, and he should not insist that his duty is towards his own people in Moose Jaw only. Our network is a national network and we think that across the country, we need on that network certain regulations. This also applies to stations individually to make sure that the public receive the best possible service. I am very sorry for Mr. Buchanan but we are not responsible for his being in trouble.

Hon. Mr. LAFLÈCHE: How many hours of the day does Mr. Buchanan's station take up by reason of your network?

Dr. FRIGON: I submitted statistics on that. It is on page 276. On Sundays the time reserved for our own programs is from 3 to 5 in the afternoon and from 10 to 12.30 a.m. at night. That is E.D.T.

Hon. Mr. LAFLÈCHE: That means as a member of the network he must accept the programs you send out during those hours?

Dr. FRIGON: During those periods. During the week it is from 4 to 4.30 p.m. in the afternoon, from 9.30 to 11 p.m. at night, and from 1 a.m. to 1.30 a.m. That is all E.D.T. During those periods he must accept our programs, and I would say that the majority of them are commercials which bring him revenue.

Hon. Mr. LAFLÈCHE: I was going to ask that question.

Dr. FRIGON: Out of 19½ hours reserved time during a week CHAB only used 14 hours. Again I say I am sorry Mr. Buchanan was dragged into this because other stations might have been taken as an example, but my submission was based exclusively on what there is in the proceedings, not on other things that we know about Mr. Buchanan or the relations we have had with him in the past. I had to answer Mr. Sedgwick's brief, and that is what I did.

Mr. MARTIN: Mr. Buchanan is not a former employee of the C.B.C.?

Dr. FRIGON: No.

The CHAIRMAN: The final disposition is that the correspondence and survey are filed with the clerk and may be seen by any member of the committee who is interested.

Dr. FRIGON: I might add that there are no bad feelings between Mr. Buchanan and ourselves. I am to meet the western broadcasters in Calgary on the 4th and he has answered that he will be very pleased to be there, so that we are still friends.

The CHAIRMAN: The next order of business, Mrs. Casselman, and gentlemen, is the report of the treasurer.

Mr. ROSS: Mr. Chairman, before we go any further I do not know what the program is but I think we should have the private broadcasters back again. That is Mr. Bannerman and Mr. Sedgwick. I think also we should have somebody from the Department of Transport before us before we finish our meetings. I suppose that is for the steering committee to take care of.

Mr. ISNOR: What would be the purpose of having them back?

Mr. ROSS: There are a lot of things that are in the air that have been said before the committee, and I think it would be wise to have them back again. That is my own feeling in the matter.

Mr. ISNOR: I was wondering if there was any particular purpose.

Mr. ROSS: Pardon?

Mr. ISNOR: They have been here and presented their case. I was wondering as to whether there was any particular purpose.

Mr. ROSS: There have been some answers to their case and so on, and I think they should have an opportunity to come back.

Mr. HANSELL: We are not in a position to question him either, I think Mr. Sedgwick made a request to come back, did he not? I read his letter the other day in the evidence and it seems to me that he wants to come back again.

Mr. HANSON (*Skeena*): What is his idea, is it a question of coverage?

Mr. ROSS: Yes, it is a question of coverage and related matters. Now, Mr. Chairman, there is one word, just before you go to another phase of the morning's hearing, which I would like to bring to the attention of the committee for a moment. This brings up the question of the use of Mr. Elmore Philpott of the facilities of the Canadian Broadcasting Corporation for the purpose of expressing his own views.

The CHAIRMAN: Is Mr. Sedgwick's letter on the record?

Mr. HANSELL: Yes, of May 24th at page 373. The tenor of the letter is that he wants to come back again.

The CHAIRMAN: He says:

> I should be delighted to present myself before your committee again and indeed would prefer to answer questions in person rather than to merely make written replies to written questions, as I think the former method would be much more satisfactory to the members of the committee and to myself.

What is the wish of the committee? Do you want to prolong the sittings and have Mr. Sedgwick back here again or are we finished?

Mr. HANSELL: Well, I will tell you my reaction; I think he should come back, for this reason (and I have no objection to it) that whenever evidence is given by someone outside of the corporation the officials of the corporation come along next and put in further evidence, give their reactions to the evidence that has already been given. I have no objection to that at all but here is a case where Mr. Sedgwick has not been given an opportunity of doing the same thing.

The CHAIRMAN: Somebody has got to be last.

Mr. HANSELL: I know that, I know you cannot keep it up forever; but it seems to me that he gave rather long and complete evidence, pretty nearly all day, and we finished the day with just a question or two and have not had a real opportunity of examining with him the evidence that he gave.

The CHAIRMAN: The position at that time, Mr. Hansell, was that he could not come back before the next week.

Mr. HANSELL: Yes, I know.

Mrs. CASSELMAN: Are there matters which should be taken up with him? Do any members of the committee feel that they would like to ask him questions?

Mr. ROSS: Yes.

The CHAIRMAN: Mr. Ross believes there are.

Mr. ROSS: I have read over his evidence and some of the statements which have been made since and I think his executive should have a chance of coming back.

Hon. Mr. LAFLÈCHE: Then the officials would have an opportunity of answering that, surely.

Mr. ROSS: Yes, questions could be asked.

Mr. HANSELL: That is all right with me too.

Hon. Mr. LAFLÈCHE: That is all right with me if you want to do it that way.

Mr. ROSS: You just cannot leave Mr. Sedgwick's evidence there like it is without questioning him on it. I do not think he had sufficient time to be heard.

Mr. BOUCHER: It seems to me that there is considerable to be put in here yet. I am not convinced that our committee has yet before it all the facts which would enable us to arrive at adequate or proper conclusions in respect to the matters before us. I think it is only fair and I think he should be allowed to come back because the impression created in my mind and I believe in the minds of others here who were present when he made his previous appearance was that he was given an opportunity of discussing that evidence with the committee.

Mr. MARTIN: Have you had such a request from Mr. Sedgwick; has he stated a desire to come back?

The CHAIRMAN: If you will turn to page 373 you will see Mr. Sedgwick's letter, that is the communication we are talking about.

Mr. HANSELL: I think when we closed with Mr. Sedgwick's presentation there was the general feeling that he would be back again. The only argument at that time was that he could not come back the next week. Why were we talking about the next week if he was not to come back? That would indicate that he was expected to come back sometime.

Mr. ROSS: I have a distinct recollection of such a request being made.

Mr. HANSELL: I think we should have him back here again. What do we have to complete now, Mr. Chairman, anyway?

The CHAIRMAN: Well, as far as I know at the present time the other matters as far as the evidence goes would have been the presentation of the treasurer's report and the discussion on that.

Mr. BOUCHER: Are we not also to have a statement from Dr. Frigon, the statement he was to make about the periodical press?

Mr. HANSELL: That will most likely complete the day, will it not?

The CHAIRMAN: Let us clear these things up as we go along; what is the wish of the committee with reference to recalling the representatives of the Canadian Association of Broadcasters?

Mr. ROSS: If you want a motion I would be glad to move to the effect that he be asked to return.

Mr. HANSELL: I will second that motion.

The CHAIRMAN: It has been moved by Mr. Ross, seconded by Mr. Hansell, that the representatives of the Canadian Association of Broadcasters be requested to re-appear before the committee again.

Mrs. CASSELMAN: May I be permitted to amend that by adding the words; may have the opportunity of re-appearing before this committeee if he so desires; will you accept that amendment?

The CHAIRMAN: Have you any communication with you, Mr. Ross?

Mr. ROSS: I would like to have them back.

Mrs. CASSELMAN: That is all right then, I will withdraw my amendment.

Hon. Mr. LAFLÈCHE: With the condition that the C.B.C. officials may have an opportunity of making a reply.

Mr. HANSELL: I think that goes without saying.

Mr. MARTIN: That is understood.

The CHAIRMAN: Are you ready for the question?

Motion agreed to.

Well, we will try to make arrangements, I think probably we will get in touch with him and see if he can be here for Friday morning; would that be satisfactory?

Some Hon. MEMBERS: Make it next week.

The CHAIRMAN: We shall now proceed with Mr. Bramah.

Mr. ROSS: I just want to bring one matter up before we go any further. This relates to the question of controversial broadcasting by Mr. Elmore Philpott, in connection with the week-end review of the news. I have here an editorial from the Toronto *Telegram* which I think should be brought to the attention of the committee. It comments very favourably on most of the broadcasting, but in the centre of it it comments, and I would like to bring that to the attention of the committee, and I do not think that this kind of thing should be allowed on a public broadcasting system such as ours. I will just read it:

> Mr. Churchill, according to Mr. Philpott, was moving with the current which was against the longings of all humanity. He had proposed a world executive council which was not a parliament of man or anything like it, but more like an old-fashioned poker game. "Surely," said Mr. Philpott, "the inference is that even within the framework of a nebulous new order he foresees a renewal of the international poker game of power politics, and is looking around for British-held poker chips, even Spanish poker chips of fascist colour."

This was his comment on Mr. Churchill's speech. I do not think, sir, that Mr. Philpott has any right to use the time of the C.B.C. to comment on international politics at this time and give only one side of it.

Mr. MARTIN: It may be as bad as the *Telegram's* comments on the inadequate introduction of the Prime Minister of Canada on a recent occasion.

Mr. ROSS: Of course, they can do what they like in their own paper, but I do not think they have the right to use public money, the money of the people of Canada which pays for the radio, and public time, to give only one side of a controversial matter of this kind.

Mr. HANSELL: Now, Mr. Chairman, that is the whole thing that we have been discussing in connection with the Fitzgerald affair, and it is very hard to know how to deal with it. I have heard Mr. Philpott on the radio a number of times and some of his comments I enjoy.

Mr. ROSS: So do I.

Mr. HANSELL: But I will say this, that there is just enough in it to help to mould the thinking of our people along certain lines. I must confess that I am at a loss to know what to suggest. We cannot be putting everybody off the air. It is hard to satisfy 12,000,000 people. But this is the kind of thing just the same that many of our people are objecting to.

Mr. MARTIN: I would say that Mr. Churchill would be the last to condemn that sort of thing. I mean, where are we going to draw the line? Mr. Philpott is obviously wrong there; I mean that we are engaged now in a struggle to preserve that very right.

Mr. HANSELL: I know. The nearest suggestion I would have would be, we know Mr. Philpott's views; he is a journalist, he writes, writes for certain papers, and some of his material is acceptable too. My only suggestion, whether it is worth anything or not, is that alongside of Mr. Philpott at some other time there should be someone who takes the opposite view; I do not mean in the form of a debate, but instead of having one man who seems to be more or less a chief commentator, let us have other men with opposite views on sometimes.

The CHAIRMAN: They change every Sunday night for the month.

Mr. HANSELL: They probably do, but I heard Mr. Philpott every night for over a month.

Hon. Mr. LAFLÈCHE: Mr. Chairman, I have been away from the city for a few days. I heard something about this particular broadcast. I was told that Mr. Philpott had been quoting a great deal rather than giving his own comments, he had been quoting from I think some British newspapers. If we are going to discuss this matter I would like to know whether he expressed his own opinions or whether he was repeating those that he had obtained from some newspapers.

Mr. ROSS: I listen to his broadcasts and I like very much a great deal of what I hear. Then I saw this comment in the Toronto *Telegram*, which I think is very fair. The *Telegram* says: "through the courtesy of that organization (the C.B.C.) we have since been furnished with the script of Mr. Philpott's remarks of last Sunday. His summing up of the war news was excellent, and his reference to the coming invasion was almost prophetic. These portions of his address were all that a broadcast sponsored by the national system should be.

> But sandwiched in between the war news and the comments on the coming invasion was a review of international politics, and it was this section which had given rise to criticism. In it he said that there have, for months past, been two currents in world affairs moving in opposite directions. The deeper and more powerful current, springing from the depths of longing of all humanity for a world system of law and order based on decency, was reflected in the recent meeting of the Prime Ministers of the British Commonwealth, but no sooner was this meeting over than Mr. Churchill made a speech which "revived all of the fears of people, throughout the world, who see that there is also in progress a surface backwash to power politics."

Now, that is the thing I object to. Mr. Philpott has his own views and so on and he is entitled to them; I will even go so far as to say that he is entitled to put them in his own paper, but I do not think he is entitled to put those views over the radio in Canada. We have rules and regulations against controversial broadcasting, and I think that certainly we should not have controversial broadcasting of this kind from such commentators which may do serious injury.

Mr. MARTIN: Mr. Chairman, it seems to me that you cannot draw a line on this sort of thing. Either you are going to be allowed to exercise the right of free speech or you are not. If you start to draw lines you may cause more trouble than you will obtain by way of advantage to offset. There are things

said about the constituted authorities in this country that are much more dangerous than the sort of thing to which reference has been made. The fact is that while there are men who may give expression to these views in the way of commentaries, there are other persons engaged by the radio corporation who take another viewpoint. I heard one by a man, I think by the name of Fraser, from New Brunswick—

Mr. ISNOR: No, he is from Nova Scotia.

Mr. MARTIN: And there is Professor Stewart of Halifax and so on. I do not think we are going to lose anything by giving men the right to express within the lines of decency what they believe. I think that is a healthy thing and I do not think it would hurt anybody. The only way you could get it out is by competition in the open market.

Mr. BOUCHER: A good deal has been said about freedom of speech. Freedom of speech must be measured by the yardstick of the place, the provision and the present need under which it is given. If Elmore Philpott were an ordinary individual broadcasting philosophy or economics for some concern, for some private enterprise or some club, it would be a different thing; but in this particular case he is broadcasting on behalf of the Canadian people through the Canadian people's machine at the Canadian people's expense information of international importance to Canadians and coupling with that a comment of his own or perhaps a quotation from somebody in a very strategic position—

Mrs. CASSELMAN: And at a time very critical in the war.

Mr. BOUCHER: Yes. Now, that is far from freedom of speech, it is a different problem altogether.

Mrs. CASSELMAN: As long as people understand that they are his own views, I think that is all that is needed. With every broadcast of the kind you will recall there is always the accompanying statement: the views expressed by the commentator are his own and not those of the C.B.C.

Mr. BOUCHER: I agree with you on that to a degree but I do not think that that is sufficient in this case with the people paying for the information and the set-up being what it is, I do not think he should be allowed to interject his own views even if he says those views are my own views; but I do think that it is necessary that we should emphasize the fact that it is not part and parcel of the general scheme.

Mr. PICARD: Don't you think he should be invited to give his own views on natural events and things of that kind so long as he stays within the limits prescribed by the Defence of Canada regulations and so on? That outside of that he be given freedom of expression whether he is being sponsored by a commercial organization or whether he is being presented by the corporation itself. If a man has any value as a commentator, I think that is the yardstick which should be applied. In Mr. Philpott's case, he is a man who has a following and is considered good by a large number of people. I do not think that the corporation could step in and say well now, we are negotiating a treaty with Japan and you cannot say a word about Mr. Hirohito; or, you cannot comment in any way on Mr. Churchill's actions because it might affect this or that. So long as it does not contravene the Defence of Canada regulations we should give the right to anyone to express their views in this country. Every man is entitled to his own views and he is entitled to an opportunity to express them. In this case he is not there representing the Canadian Broadcasting Corporation, he is there because the broadcasting corporation want to give the public a service, the views of prominent men on questions of current interest. And under the heading of freedom of expression, I think that should be allowed. Is that not really what it all boils down to; whether or not this man is contravening or infringing the Defence of Canada regulations?

Mr. HANSELL: I do not think that is the point.

Mr. Ross: The way I look at these broadcasts which are being heard nowadays, they are the medium of putting in people's minds something is liable to be against any unity in the British Empire just by the fact that he is talking about power politics. I do not think it is the kind of thing that should go over the radio. I think we ought to be most careful about that. I do not see why a man cannot be asked to be careful about these things.

Hon. Mr. LAFLÈCHE: There is always a place for prudence.

Mr. Ross: Exactly.

Hon. Mr. LAFLÈCHE: Whether that applies here or not, I do not know about the broadcast, I have not read the script so I could not say.

Mr. Ross: I have here the broadcast and also read into the record the comments of the Toronto *Telegram,* and I think it is very fair as an editorial and that is why I brought it down here into the Radio Committee. I think we have got to be most careful in this country and in the corporation in connection with the broadcasts.

Mr. HANSELL: Hear, hear.

The CHAIRMAN: Now I think Mr. Ross' purpose has been served and we will now direct our attention to the report of the corporation and proceed with the treasurer's report. We will hear Mr. Bramah.

Mr. H. BRAMAH, called.

STATEMENT BY THE ASSISTANT TO THE TREASURER

Mr. Chairman, Mrs. Casselman, and Gentlemen: I have been asked to present the financial statements as at the 31st March, 1944, copies of which have been handed to you. I have prepared for the public records a tentative balance sheet and income and expenditure statement for the past fiscal year and will deal exclusively with these figures. I stress the word "tentative" because they are not the final figures. They await the Auditor's certificate and have not yet been presented to the Board of Governors of the Corporation or to Parliament. I consider these figures are within what the mathematicians call the toleration of error.

May I refer you now to Statement 3, Income and Expenditures under the heading of "Income".

Licence Fees	$3,787,886 51
The amount reported by the Department of Transport after paying seller's commissions, etc. is	$4,018,062 88
From which has been deducted departmental costs for collecting	230,176 37
Leaving a net amount due the C.B.C. of	$3,787,886 51

(An increase of $86,196.27 over last year.)

By Mr. Boucher:

Q. Pardon me, you say there: "from which has been deducted departmental costs for collecting". That does not mean the commissions paid to the canvassers?—A. No, an additional amount of $306,131.85 was taken off. That does not show on there, that has been taken off before we get the figures from the Department of Transport.

Q. What is that figure again?—A. $306,131.85; that is the vendors' commissions. In addition to that the departmental costs are as stated $230,176.37.

By Mr. Hansell:

Q. What is involved in that departmental cost for collecting?—A. The Department of Transport costs, there are quite a number of items.

Q. The item of $230,176.37—A. I haven't got a breakdown for this year but I can give you last year's figures; it principally consists of salaries, cost of living bonus, unemployment insurance, furnishing stationery and postage, rental of equipment, salaries of staffs in various other locations, contributions by the dominion to the superannuation fund—figures such as those.

Q. That is in addition to the vendors' commissions?—A. Right.

Hon. Mr. LAFLÈCHE: That is administrative overhead, evidently.

The WITNESS: Right.

By Mr. Hansell:

Q. What did you say was the amount of the vendors' collections?—A. $306,131.85.

Mr. BOUCHER: In other words the total cost of collecting the licence fees of $4,018,062.88—

Mr. HANSELL: It is over half a million.

Mr. BOUCHER: —is $536,308.22.

The WITNESS: That is correct.

Hon. Mr. LAFLECHE: Are we to question Mr. Bramah now on this in all respects; if so my question would be, how do these figures compare with previous years as to the cost of collection?

The WITNESS: I can give you those, sir: 1941-42 the total was $477,017.22—those were made up of vendors' commissions, of $279,540.70 and administrative costs of $197,476.52. In 1942-43 the total was $520,000—shall I give the actual or round figures?

By Hon. Mr. LaFlèche:

Q. Actual figures.—A. $520,327.57; of which the vendors' commissions were $296,989.50 and the administrative cost of $223,338.07. In 1943-44 those are the figures I mentioned a few moments ago, totalling $536,308.22.

Mr. RENNIE: Would you mind giving me the figure for the previous year again?

The WITNESS: The figure for 1941-42 was $520,327.57; an increase of something like $16,000 this year.

Hon. Mr. LAFLÈCHE: Here is a net increase of $86,196.27 to the C.B.C.?

The WITNESS: Right.

Hon. Mr. LAFLÈCHE: Thank you.

The WITNESS:

Commercial Broadcasting			$1,421,598 59
Gross Billings.....		$2,930,367 00	
Less:			
Agency Commissions	$518,372 84		
Payments to private stations.	990,395 57		
		1,508,768 41	
Amount due the C.B.C.....		$1,421,598 59	

By Mr. Boucher:

Q. That makes agency fees roughly 30 per cent of commercial revenue, does it not?—A. No, I do not think so.

The CHAIRMAN: It is about 16 per cent, one-sixth.

Mr. BOUCHER: Oh, yes, I see.

The WITNESS: This is an increase of $178,045.51 over last year.

Miscellaneous	$ 22,248 62

This item consists of:

Interest on investments	$12,500 00
Rental of dwellings at transmitters	6,695 37
Sundry	3,053 25
	$22,248 62

By Mr. Hanson (Skeena):

Q. Investments—that is all bonds?—A. That is Dominion of Canada bonds.

By Hon. Mr. LaFlèche:

Q. Half a million dollars, if I recall?—A. That is right.

Q. May I ask where are shown on this statement receipts from the sale of pamphlets and speeches that have been published by the C.B.C.?—A. It is in sundries. It is not a very large item. Miscellaneous revenue shows a decrease of $2,777.65 as against last year.

By Mr. Boucher:

Q. Can you give any explanation of the reason for that decrease?—A. Yes. that was due to the interest that we earn on the moneys handed over by the Department of Finance which we deposit in the Royal Bank of Canada and earn interest at the rate of ½ of 1 per cent. This year we did not get the money as we used to do in previous years. Therefore we lost the interest this year.

Expenditures	$ 4,925,658.32

Each figure shown can be broken down by location or object of expenditure if necessary.

Depreciation	$ 217,223.82

The rates of depreciation have been reduced by one-half as compared with those shown on the financial statements in previous years.

The chairman has suggested I give you a breakdown of the expenditure account of $4,925,658.32. That consists of expenditures on programs, $2,716,376.60; station networks or wire lines, $849,504.03; engineering department, $927,867.13; administration, $206,177.14; commercial department, $116,561.64; press and information, $109,171.78, making up the total of $4,925,658.32.

As to the reduction in the rates of depreciation I should mention this is in accordance with a resolution passed at the Board of Governors meeting held in Ottawa, March 27, 1944.

Hon. Mr. LAFLÈCHE: Would it be possible to explain the underlying reasons for the change in the depreciation rates?

By Mr. Isnor:

Q. Would it be because of criticism that you were far exceeding the percentage depreciation as shown in business firms and private concerns?—A. In a way, Mr. Isnor, that was taken into consideration, and then the fact was taken into consideration we had written off quite a substantial proportion of our assets at that year, and it was figured that the plant was in very good condition at the present time. I think you mentioned in Hansard on February 25th, Mr. Isnor, and I quote your own words here:

> In the eyes of the average business man the write-off for depreciation by the corporation appears to be altogether too large. In ordinary business we are allowed to write off 2½ per cent or 5 per cent on property and 10 per cent on fixtures, but the Canadian Broadcasting Corporation have, I understand, written off as much as 50 per cent. These are matters which could very well be considered by the committee being set up.

I think in view of those remarks the board may have taken that into consideration when they passed the resolution to reduce the rates of depreciation.

Q. I am very pleased they have taken that stand because I think it will meet with the general approval of the business public who will feel that you are conducting your business along more businesslike lines.

By Mr. Hansell:

Q. Would it be likely that your depreciation charges would be greater than ordinary business by reason of the fact that a great deal of equipment in radio gradually becomes obsolete? Is there anything in that?—A. Yes, there is something in that but nowadays we cannot get the equipment we want and we have to make up considerable of our own.

By the Chairman:

Q. Do you think that 10 per cent is enough? There is an awful drop between writing it all off in two years as you have been doing formerly with some of it and writing it off in ten years.—A. There was nothing written off in two years.

Q. You say some as high as 50 per cent?—A. That is over a period of years.

Hon. Mr. LAFLÈCHE: All depreciation rates, I submit, should be calculated over a certain range which is estimated necessarily.

The WITNESS: That is correct.

By Hon. Mr. LaFlèche:

Q. I presume that is what you are doing?—A. That is what we are trying to do.

Q. You think these rates now are appropriate?—A. I think so.

By Mr. Isnor:

Q. They are in keeping with income tax regulations?—A. That does not enter into it as far as we are concerned.

Q. No, except in its relation to the public; if they find that you are taking advantage of your situation to write off 20 per cent while they are subject to income tax regulations and are only permitted to write off 10 per cent there is going to be a feeling that you are taking advantage of your position.

Mrs. CASSELMAN: You should abide by the rules whether you have to or not.

The WITNESS: There are many firms that do write off 20 per cent.

By the Chairman:

Q. In view of the fact that you have a type of equipment which may become obsolete in a very few years with new developments in radio do you think it is good business practice to write that off at 10 per cent per year which takes ten years to write it down entirely?

Mr. ISNOR: You are dealing with equipment. They use the same principle in buildings. Their depreciation write-off on their buildings was higher than that which was allowed.

The CHAIRMAN: The depreciation for income tax purposes is 2½ per cent on one type of building and 5 per cent on another type.

Mr. BOUCHER: Mr. Chairman, I do not think that the treasurer would be in a position to say what is a good write-off for depreciation. He really does what the Board of Governors direct him to do.

Dr. FRIGON: May I offer an explanation? When we bought these plants it was the practice in the United States to depreciate equipment at the rates we adopted then because the big factor then was obsolescence, not equipment wearing out. Now we know the plant will last much longer than we might have expected at the time, and if we kept on depreciating as we did at the first we would soon have a plant which would be worth nothing at all.

By Mr. Boucher:

Q. Could you in any way show us in rough figures or rough percentages to what extent your buildings have been depreciated through the years?—A. You mean a particular building?

Q. To what extent the assets have been depreciated; what percentage of their value has already been written off in depreciation?—A. It is on the balance sheet there. Total fixed assets are $2,750,000 roughly and the reserve for depreciation is $2,035,000, so we have written them down to $714,000 which is not the price of one good transmitter.

By Mr. Rennie:

Q. Mr. Chairman, would it be fair to say that the basis for depreciation is governed in any way by the volume of business?—A. No, it has nothing to do with the volume of business, not in the least.

By Hon. Mr. LaFlèche:

Q. It is to make up for wear and tear?—A. That is it.

Balance Sheet (Assets) (Statement 1)

Cash in banks, etc. $539,394.28

(This figure represents actual moneys held on deposit as certified by the various banks as at the 31st March, 1944)

By the Chairman:

Q. Is it necessary for your business purposes to carry that much cash?—A. Yes, sir.

By Mr. Isnor:

Q. That is double what you carried last year?—A. That is possible.

By Hon. Mr. LaFlèche:

Q. What page is that?—A. That is on statement 1, assets.

Accounts Receivable $502,175.75

This represents mainly amounts due from private broadcasters or agencies for commercial programs, and the dominion government on account of the short wave station. With very few exceptions all accounts are considered collectable. The reserve of $5,000 set up for bad debts is considered sufficient to cover any losses of this nature.

By Mr. Isnor:

Q. Why has that increased to such an extent, something like $150,000 over last year?—A. I think if I remember correctly $115,000 of that is due by the government on account of the short wave station.

By Hon. Mr. LaFlèche:

Q. On that point, are the bills paid with reasonable promptness?—A. Yes, sir.

By The Chairman:

Q. You have got accounts receivable of half a million dollars which are owed to you mostly by the private broadcasters?—A. Right.

Q. Then you owe them— —A. Agencies.

Q. Do you deal through the same agencies or do you deal directly with the private broadcasting stations when you pay them for commercial advertising?—A. The private broadcasting stations, we pay them money; they do not owe us anything.

Q. On balance you owe them a lot of money. You owe them approximately $400,000. If you take into consideration payments to private broadcasting stations, $990,000— —A. Right.

Q. And they owe you $502,000?—A. No, that is a different thing altogether. That is by agencies.

Q. You said at first it was private broadcasting stations?—A. I do not think so.

Q. All right, go ahead.

By Hon. Mr. LaFlèche:

Q. I see a $5,000 reserve for bad debts. What was the similar reserve in previous years?—A. The same amount; it has been carried for several years, and it has been sufficient to cover any losses we have had of that nature.

By Mr. Rennie:

Q. Where are these losses liable to occur?—A. A few small firms that broadcast over local stations have not got sufficient funds by the time we get around to them. Sometimes they give us cheques when there are not sufficient funds at the bank. It is very small.

Q. Is that the only place?—A. That is the only place.

Hon. Mr. LaFlèche: $5,000 is not great. It is very small, in my opinion, although in government circles it is very rarely that one contemplates that there will be any bad debts, but I know you are running as a business and if you can get away with $5,000 in losses each year you are doing very well, I suggest.

By Mr. Isnor:

Q. Does that mean $5,000 in losses for the year closing March 31, 1944? —A. No, we have not lost $5,000. We have brought it back. We have losses during the year and we have set an amount aside to bring that back to $5,000.

By Mr. Hanson (Skeena):

Q. What were the actual losses for the year?—A. This particular year I think we have lost something like $2,000.

By Mr. Isnor:

Q. You have written off $2,000?—A. Right, so that $2,000 will show us an expense this year which would bring that amount back to $5,000.

Q. Do you remember what you wrote off in 1943?—A. Not just off hand. It is rather strange you should bring that question up but $1,823 of that is Dominion of Canada. That is the half of 1 per cent they did not pay us.

Hon. Mr LAFLÈCHE: I suggest you must have been wrong then?

By Mr. Isnor:

Q. Does that mean you show in your bills receivable an item for that dispute?—A. That they should have paid to us.

Q. You felt they should have paid?—A. If they had given us the money to put in our own account we would have earned interest of ½ of 1 per cent on the money. We did not get the money and therefore we set up an amount. They did not pay us so we wrote it off.

Mr. BOUCHER: Can I get your retainer to sue them?

Mr. HANSON (*Skeena*): There was no actual loss, anyway. It was just a disputed account.

By Hon. Mr. LaFlèche:

Q. Therefore your losses from the trade are extremely small, negligible.—A. They are negligible.

Q. But when there is a contemplated loss what steps do you take before writing off the amount?—A. We would give it to lawyers for collection in the first place.

Q. You go right after it?—A. Oh, absolutely.

By Mrs. Casselman:

Q. A business transaction?—A. A business transaction.

By Mr. Boucher:

Q. In that regard have you any particulars as to how much you have paid for lawyers or collectors to collect? I presume it is very insignificant?—A. Yes.

The CHAIRMAN: It is getting near 1 o'clock. Proceed, please.

The WITNESS:

Department of Finance.. .. .. $67,886.51

This is the balance due the C.B.C. on account of licence fees collected.

By Hon. Mr. LaFlèche:

Q. There is always a balance at the end of each month?—A. Yes, always a balance.

Investments.. .. .. $497,500.00

The investments consist of two Dominion of Canada bonds of $250,000 each (actual cost $497,500) earning interest at the rate of 2 per cent and 3 per cent respectively and mature 1946 and 1951 respectively.

By Mr. Isnor:

Q. Who decides on the term, the Board of Governors?—A. The Board of Governors.

Q. As to the type?—A. Yes.
Q. They chose the shorter term?—A. They chose the two as stated there.

Fixed Assets.. .. .. $2,749,806.35

Since last year these assets have been increased by $133,169.49 as follows:

Cariboo district..	$50,000.00
Montreal studios..	15,000.00
Toronto studios..	13,500.00
Sackville Transmitter..	11,000.00
Overseas unit..	9,000.00
Sundries under $9,000..	34,669.49

During the year $4,617.11 was written off for equipment grown obsolete.

International Short Wave Station, Sackville... $229,921.85

This is the cost of the project up to 31st March, 1944, which is carried on the corporation's balance sheet as an asset and a liability as directed by P.C. 156/8855 dated 17th November, 1943.

By Hon. Mr. LaFlèche:

Q. That is really a contra item until it is settled?—A. That is a contra account because the Dominion of Canada pay for the total cost. It is not really an asset of the corporation.

Deferred Charges.. .. .. $197,245.10

These are based on sound accounting principles and represent inventories of expendable stores, stationery, etc., on hand and prepaid charges.

Balance Sheet (Liabilities) (Statement 2)

Accounts Payable.. .. .. $446,536.06

This item represents amounts due to creditors as at 31st March, 1944. We continue to pay all bills as soon as accounts certified for payment reach head office and the majority have been paid in full during the months of April and May, 1944.

Security Deposited by Contractors.. .. .. $25,488

This represents a certified cheque deposited by Cook & Leitch, contractors, as security for the satisfactory completion of the international short wave building. It represents 10 per cent of the original contract.

Proprietary Accounts

The corporation's operating surplus has been increased by $88,851.58 the tentative operating surplus for the fiscal year under review.

In conclusion I would add that a full and elaborate accounting system is installed at Ottawa, and if any further breakdowns are required they are readily available.

I thank you, Mr. Chairman, for the privilege extended to me and I hope I have not been too "technical" in my presentation.

By Hon. Mr. LaFlèche:

Q. May I ask who are the auditors?—A. The Auditor General.
Q. I knew but I wanted it on the record.

By Mr. Hanson (Skeena):

Q. That security deposit of $25,488 is deposited by Cook and Leitch; they are the contractors for the Sackville station?—A. Correct.

By Hon. Mr. LaFlèche:

Q. I see your administration charges are a trifle under 4 per cent of your net income?—A. Around 4 or 5.

Q. Have you compared that with other business concerns?—A. Somewhat similar.

By the Chairman:

Q. What principally would account for the difference in the operating surplus for the year ending 1944 and that of the year ending 1943? It was $88,000 this last year and $230,000 the year before?—A. Just that we spent more on programs.

Q. That is the principal item?—A. Yes.

Q. And that is a matter of policy of the corporation that having the money it will be plowed back into programs?—A. That is it.

By Mr. Hansell:

Q. What is the total income? Is that stated here, or do we have to add licence fees, commercial broadcasting— —A. The total income is shown on statement 3, $5,231,733.72.

Q. Oh, yes, I see.

By Mr. Isnor:

Q. Does that answer Mr. Hansell's question? Licence fees are shown as $3,787,886.51. That does not represent the gross amount?—A. It does not represent the gross amount. That represents money we have received from the Department of Finance.

Q. Plus their— —A. Plus their charges, of course.

Q. That is another half a million dollars?—A. Right.

By the Chairman:

Q. That is not CBC income?—A. We do not receive it.

Mr. ISNOR: Mr. Hansell wanted to know the full amount.

Mr. HANSELL: I was asking if you added those three together, and it is added on the statement there.

By Hon. Mr. LaFlèche:

Q. Perhaps this is not a fair question. I do not see that you purchased any new victory bonds this year. Did your cash position allow that?—A. No, it was not thought—in fact, the question never arose. The $500,000 cash in the bank we actually required for working capital to carry along with.

Q. I do not think $500,000 cash balance is too great. I recall seeing something about this each month.—A. You do see it. You get a statement every month.

Q. You do not get your money unless I sign your requisition?—A. That is right.

The CHAIRMAN: Are there any further questions with reference to the financial statement?

Hon. Mr. LAFLÈCHE: What was your surplus 1942-1943?

The CHAIRMAN: $230,000.

The WITNESS: $230,261.56.

By Hon. Mr. LaFlèche:

Q. It went up by $15,000?—A. No, it is $88,000 this year.

The CHAIRMAN: It has gone down.

Hon. Mr. LAFLÈCHE: On your balance sheet you show a surplus there.

The CHAIRMAN: Net operating surplus.

Hon. Mr. LAFLÈCHE: I am not speaking of the net operating surplus. I am speaking of the balance sheet surplus.

The WITNESS: What do you mean by balance sheet surplus?

By Hon. Mr. LaFlèche:

Q. On your balance sheet, statement 2.—A. It would be $2,045,015.15.

Q. What was it last year?—A. It would be the difference of the $88,851.58 added on.

Mr. ISNOR: $1,956,163.57.

By Mr. Hansell:

Q. Would it be proper to say this, that on the basis of statement 2 and statement 3 in the event you had spent an additional $88,851 you would have gone in the red?—A. If we had spent it on operations we would have gone in the red.

Mr. HANSON (*Skeena*): It looks like 1 o'clock to me.

The CHAIRMAN: Are you finished with this financial statement?

By Mr. Isnor:

Q. You answered Dr. McCann by stating that the difference in the net operating surplus of $150,000 less this year than last year, roughly speaking, was caused because of the increased expenditure on programs?—A. Yes.

Q. On my figuring you have spent something like $387,000 more on programs this year than last year?—A. Yes, but, of course, we got additional revenue, too. It is spread over various operating expenditures.

The CHAIRMAN: Is asked him what was the largest item that entered into it, Mr. Isnor.

The WITNESS: I think that was the question.

Mr. ISNOR: Roughly speaking you spent $387,000 more on programs this year.

The CHAIRMAN: Does that end the questioning? Although it is 1 o'clock, as a matter of courtesy we have a member of the house here, Mr. T. J. O'Neill of Kamloops. He is desirous of having an opportunity to appear before the committee with respect to an application that has been made to the corporation by station CFJC Kamloops for extension of their facilities. If Mr. O'Neill will not be too long we will hear him now.

Mr. O'NEILL: Mr. Chairman, Mrs. Casselman and gentlemen: First of all I want to express to you my appreciation for being given this opportunity, and I want to apologize to the clerk of the committee. The clerk phoned me about 11 o'clock and advised me your committee was meeting here this morning. At the time I had certain other engagements that had to be cancelled or I would not be able to appear here. I told the clerk I did not know whether I would be able to get here or not, but I was able to cancel those engagements.

My submission, Mr. Chairman, is going to be very brief. It is this: CFJC endeavoured without success to have their power increased, and when they could not get a power increase then they made arrangements with the Marconi people, I believe it is, for a different transmitter that would give them greater coverage. Then they took up with the C.B.C. the possibility of using their old transmitter to cover the second C.B.C. network. They were refused that on the ground it was contrary to policy to permit any single individual to have two radio broadcasting stations in the same town, or probably at all. All

this second station would do would be to take care of the C.B.C's second network. When that was refused then CFJC tried to make arrangements with the C.B.C. to lease or sell the reconditioned transmission equipment to the C.B.C. so that it might be operated as a radio broadcasting station licensed in the name of the C.B.C. CFJC undertook that they would lease a given space at and on its transmission site in north Kamloops to house this equipment. CFJC undertook to supply capable and efficient operators, announcers, etc., to maintain operation.

> That CFJC will provide suitable studio accommodation for live talent pickups etc., or for the mechanical reproduction of sound etc., upon the request of the C.B.C.
>
> That CFJC will provide any and all additional services, as and when required by the C.B.C.
>
> That CFJC will not be held financially responsible for the maintenance of the transmitter or tube, etc., replacement costs, unless so stipulated separately.
>
> That the owners of CFJC be given tangible assurance that such an arrangement would not be terminated to their detriment.

Or in other words, Mr. Chairman, CFJC is ready and qualified to enter into any sort of an agreement that will be agreeable to the C.B.C. in order that they may be able to give coverage, proper coverage, to the people of the interior of British Columbia whom they are trying to serve. CFJC I may say is not to the best of my knowledge infringing on the rights of any other radio station nor are they asking for anything that would be to the detriment of any other radio station. With those circumstances I think, Mr. Chairman, that probably some further consideration might be given to their case.

Then there is also the question of the channels; CFJC had to change their channel from 880 to 910. Well then they asked to be given the use of channel 730 and that was refused. I am not criticizing the refusal but it does seem that some better explanation should be given for the refusal. It seems that the only other stations that are using 730 is a station in Montreal and the other station is in Mexico. Then there is a 30 kilocycle station in Preston, B.C., a booster station that is using 730; but it seems to me with my, of course, limited knowledge of radio that the grounds for this refusal are not very sound, and these stations that are using 730 are so far away, one in Mexico and the other in Montreal; and the station at Kamloops is after all only a 1000 kilowatt, it is not a powerful station; if it were a 50,000 watt station or something of that sort I can understand the objection. Without his new station we cannot give the coverage to the interior of British Columbia that we want to, and they are ready to provide the most modern and up to date equipment in order to reach out through and give service to the Caribou country. Therefore, I cannot see that we are doing any harm to the other stations that are using channel 730.

Now, I know Mr. Chairman that you have a busy committee here the same as the other committees; and I know that the members have many other things to do and it is past your usual hour for adjournment; and I think that I will leave it at that. At any time in the future that the committee may wish to have a discussion on this if you will let me know I will be only too pleased to give you any further information which I may have.

Thank you very much.

The CHAIRMAN: Well then, Mr. O'Neill having brought this matter to the attention of the committee and to the attention of the board of governors I think the board of governors will take cognizance of Mr. O'Neill's representations. It is not primarily a matter of the committee to deal with; I suggest it is for the governing body of the organization.

Hon. Mr. LAFLÈCHE: Has any thought been given to how long we are going to sit, Mr. Chairman?

The CHAIRMAN: We had anticipated, Mr. Minister, that we might be able to be through to-day, but in view of the motion that was carried recalling a representative of the Canadian Association of Broadcasters here, it is not definite now just what number of sittings we might have.

Hon. Mr. LAFLÈCHE: Without wishing in any possible way to urge members of the committee to expedite their hearings, in so far as any purpose I might mention may be considered, I should like to say it would be very helpful if we were to come to a reasonably early conclusion because there are questions to be considered in relation to the C.B.C. as a whole and before coming to a final decision as far as I am concerned I should very much like to know what this committee has in mind.

The CHAIRMAN: I agree with the minister. I think our objective should be to attempt to finish up as far as the evidence and questioning goes at another sitting. Then we might have two or three sittings of the committee with the idea of reviewing the evidence and formulating a report. Even if we carry out that program the very earliest we could finish would be by the end of the month or some time early in July. As all members of this committee are also on other committees I think it would be in the interests of everybody to attempt to conclude the business of the committee as soon as possible. I do not think we can meet again until early next week when we will have a meeting on either Tuesday or Wednesday. I think perhaps Wednesday suits the members of the committee better, or does it? We will see what day Mr. Sedgwick can appear here. Then, in addition to the questioning of Mr. Sedgwick there will be a statement by the acting general manager, Dr. Frigon, which is in essence a reply to the Periodical Press.

Hon. Mr. LAFLÈCHE: And then perhaps to Mr. Sedgwick.

The CHAIRMAN: Exactly, and such other matters as Dr. Frigon may choose to deal with.

Mrs. CASSELMAN: If Mr. Sedgwick cannot come in the morning we can sit in the afternoon. Would you think of that so as to suit his convenience?

The CHAIRMAN: We will try and conclude with him in one day.

Mr. HANSELL: Could we sit more than once a week?

The CHAIRMAN: We could sit to-morrow or Friday if we had Mr. Sedgwick. I am told that Mr. Sedgwick is in Ottawa. We will try and get in touch with him and if it suits his convenience to be here to-morrow or Friday we may call a meeting then.

Mrs. CASSELMAN: Someone objected to Friday morning.

Dr. FRIGON: There is a very important meeting next Friday and Saturday to discuss things to come for the next year, and we would like very much to be there.

The CHAIRMAN: Would to-morrow morning be convenient.

Dr. FRIGON: To-morrow morning would be convenient.

Mrs. CASSELMAN: There is Social Security to-morrow morning.

The CHAIRMAN: We are up against that difficulty every day.

Mr. HANSELL: I was meaning particularly next week. There is no reason why we should sit only one day in the week.

The CHAIRMAN: We will try and have Mr. Sedgwick here for either Tuesday or Wednesday, most likely Wednesday, but should he not be able to come on Wednesday and can come on Tuesday we will have it on Tuesday. The meeting stands adjourned.

The committee adjourned at 1.10 o'clock p.m. to meet again at the call of the chair.

SESSION 1944

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 11

WEDNESDAY, JUNE 21, 1944

WITNESS:

The Canadian Association of Broadcasters, Toronto, represented by Mr. Joseph Sedgwick, K.C., General Counsel.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1944

MINUTES OF PROCEEDINGS

WEDNESDAY, June 21, 1944.

(21)

The Special Committee on Radio Broadcasting met at 11 o'clock. Mr. J. J. McCann, the Chairman, presided.

Members present.—Mrs. Casselman (*Edmonton-East*), Messrs. Bertrand (*Prescott*), Coldwell, Diefenbaker, Hansell, Hanson (*Skeena*), Isnor, LaFlèche, Laflamme, Martin, McCann, Picard, Rennie, Ross (*St. Paul's*), Tripp, and Veniot—(16).

In attendance: Dr. Augustin Frigon, acting general manager of the CBC and Glen Bannerman, president of the Canadian Association of Broadcasters.

The Chairman read a letter addressed to him on June 20, 1944, by Norman S. Dowd, executive secretary of the Canadian Congress of Labour, requesting an appearance.

At the last meeting, the assistant to the CBC Treasurer presented a financial statement with a tentative balance sheet and a statement on income and expenditures up to March 31, 1944.

Ordered,—That the above be printed in this day's evidence. (*See Appendix K to the evidence*).

Mr. Joseph Sedgwick, K.C., legal counsel to the Canadian Association of Broadcasters was called, questioned and retired.

At 12.55 o'clock, the Committee deliberated in camera.

A letter from Mr. P. N. R. Morrison dated June 16, 1944, addressed to the Chairman relative to station C.F.C.N., of Calgary, was read.

On motion of Mr. Hanson (*Skeena*),

Resolved,—That Mr. Morrison's communication be referred to the Canadian Broadcasting Corporation.

The Chairman also read and filed a letter from Mr. Lewis Duncan, K.C., Toronto, dated June 19, addressed to the Clerk of the Committee concerning Mr. R. S. Lambert and Mr. J. J. Fitzgerald. A telegram from Mr. J. J. Fitzgerald dated June 21 was also read and filed.

On motion of Mr. Coldwell,

Resolved,—That Mr. Fitzgerald be notified of the Committee's decision not to subpoena him.

Referring to the request to appear from the Canadian Congress of Labour, the Committee agreed that they be advised to forward their representations in writing by Monday, June 26 and if so, that copies be sent to the Clerk for distribution to the members of the Committee.

It was further agreed that no new business be entertained by the Committee after this date.

The following were filed for distribution to the members of the Committee for perusal before questioning:—

1. A statement by Dr. Frigon, CBC acting general manager.
2. A statement by Mr. E. A. Weir, CBC commercial manager.

At 1.25, the Committee adjourned until Wednesday, June 28, at 11 o'clock.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
JUNE 21, 1944.

The Special Committee on Radio Broadcasting met this day at 11 o'clock a.m. The Chairman, Dr. J. J. McCann, presided.

The CHAIRMAN: Mrs. Casselman and gentlemen: We have a communication here dated June 20th from the Canadian Congress of Labour addressed to myself as chairman, which reads as follows:—

> The Canadian Congress of Labour would like to have the opportunity to place before your committee a brief memorandum dealing with the question of radio broadcasting. It would be appreciated if you would let us know whether the committee will be willing to receive representations from the Congress, and if so, what time would suit the convenience of the committee.

What is your wish with reference to that?

Mr. ISNOR: By whom is that signed?

The CHAIRMAN: Signed by Norman S. Dowd, Executive Secretary.

Mr. COLDWELL: I was going to ask you when we may expect to get down to the report, how many more sessions you expect to have? Have you any idea, Mr. Chairman?

The CHAIRMAN: It would appear that the sessions are more prolonged now than we had anticipated a few weeks ago. The Canadian Association of Broadcasters, on motion of Mr. Ross at the last meeting, are here to-day to make further representations. There are some statements to be made by Dr. Frigon, the Acting General Manager, and one by Mr. Weir that can either be read or put on the record.

There are a couple of other matters which I want to bring before the committee but I think it should be done in camera. We will take the twenty minutes before 1 o'clock to take those matters up. At the end of that time we will have a more definite idea as to how many more sittings we are likely to need.

Mr. COLDWELL: I was thinking that the Congress of Labour people are in this city. Their headquarters are here. We could probably arrange to hear them at a very early date. I think they should be heard. I would so move.

Mr. TRIPP: Just before that is decided, where is this going to lead us to, Mr. Chairman? If you allow the Congress of Labour to come in here then we will have how many more representatives from how many more groups of people? Before we finish with the matter we will be here for a long time.

Mr. BERTRAND: Would it not be better for us to wait until we hear what the chairman has to tell us in camera? Then we would be in a better position to decide more intelligently.

The CHAIRMAN: Probably. The other matter to be brought up at the present time has to do with the statement made at the last meeting by Mr. Bramah, the assistant treasurer. We omitted printing three statements, and I would suggest that they be included in the next minutes and proceedings.

(*See Appendix K.*)

It was resolved at the last meeting on motion of Mr. Ross, seconded by Mr. Hansell, that a representative of the Canadian Association of Broadcasters be given the opportunity to reappear before the committee. Is it your wish to hear whatever presentation they may wish to bring before the committee, or was it Mr. Ross' intention to have a representative of the C.A.B. here for questioning?

Mr. Ross: I think they have something to say.

The CHAIRMAN: They have a presentation to make?

Mr. Ross: I do not know whether they have or not.

Mr. COLDWELL: Mr. Chairman, I think it is alright to have them here so that we can ask any questions and bring out any facts, but if we are going to have a brief presented and then a statement by the corporation regarding the criticisms made by this organization, and then come back with another brief and the same thing occur, it is going to be interminable. I think we should confine it more or less to questions.

JOSEPH SEDGWICK, Legal Representative of the Canadian Association of Broadcasters, recalled.

The WITNESS: May I say a word? If I may say so, I have no brief and no presentation. As I understand the motion it was that we be requested—that is as it is reported—to reappear, and I came merely to answer questions.

Mr. COLDWELL: That is fine.

The CHAIRMAN: It was not put exactly that way.

The WITNESS: It is at page 470.

The CHAIRMAN: As I understand it it was that you be given an opportunity to reappear.

Mr. Ross: That they be requested.

The WITNESS: What it says, and this is what I had in mind, is:—

> That the representatives of the Canadian Association of Broadcasters be requested to reappear before the committee again.

That is at the top of page 470.

The CHAIRMAN: What the clerk has given to me shows that the motion was to this effect:—

> Resolved that a representative of the Canadian Association of Broadcasters be given an opportunity to reappear before the committee.

The WITNESS: That is right. I read the letter and read the report, and I presumed that the report of the motion as found in the proceedings governed.

By Mr. Isnor:

Q. I think you were rather anxious to come back?—A. Not disinclined, Mr. Isnor.

The CHAIRMAN: Let us get the matter straight. I may have been in error. Quoting from page 470 I said:—

> The CHAIRMAN: It has been moved by Mr. Ross, seconded by Mr. Hansell, that the representatives of the Canadian Association of Broadcasters be requested to reappear both before the committee again.
>
> Mrs. CASSELMAN: May I be permitted to amend that by adding the words; may have the opportunity of reappearing before this committee if he so desires; will you accept that amendment?
>
> The CHAIRMAN: Have you any communication with you, Mr. Ross?
>
> Mr. Ross: I would like to have them back.
>
> Mrs. CASSELMAN: That is alright then, I will withdraw my amendment.

So it stands there. Mr. Sedgwick, if you have representations to make, let us proceed.

The WITNESS: No, as I have said, in the light of what was said by the committee I did not prepare any further material; I came down to answer questions. I cannot guarantee to answer all the questions that may be asked but I shall try.

The CHAIRMAN: We shall proceed on that line. Mr. Ross was the gentleman who brought the matter before the committee. Mr. Ross, have you some questions you wish to ask Mr. Sedgwick?

Mr. Ross: Mr. Chairman, I did not know they were going to be heard so soon. As a matter of fact, I think I must compliment the chairman on the promptness in getting these men back here. I really did not know they were coming here today so that I have not got anything in sequence, but I suppose we can start without much trouble.

Mr. HANSELL: I was one of those who thought that Mr. Sedgwick should come back for the reason that his brief was interrupted when he gave it, and the result was he did not get through until it was almost time to close. I had one or two questions in mind at that time. I have looked through the evidence, and there are one or two questions I should like to ask to clear up some points in my mind.

By Mr. Hansell:

Q. On page 200, Mr. Sedgwick, you were speaking in respect to political broadcasting, and you were saying that regulations governing political broadcasting should be as a result of conferences with the C.B.C., representatives of political parties and your organizations. Did you mean in respect to the white paper which was issued or with respect to political broadcasts during election campaigns?—A. I thought as to both, both as to the white paper, which I take it is the policy, and as to the practice during campaigns, that as to both policy and practice it would be advisable if there were conferences between the stations and the corporation both before any policy was enunciated and before any practices were adopted. I think at page 200 I mentioned that there may be some difficulties in carrying out the precise policy there set down.

Q. There is a little difference between political campaigns and the white paper. Things may change over the years between elections. What may be true during a period of a number of years may not hold for an election campaign?—A. That is quite true. It was not with a view to making specific objections to the white paper that I said what I did say. It was rather to illustrate what I thought was a defective policy or a defective practice in making regulations of that kind without consultation.

Q. To go on—I do not want to interrupt anyone else if they want to ask any questions—I was just scanning through the evidence, and later on you mentioned the matter of announcing prices over the radio?—A. Yes. Can you refer me to the page?

Q. It is page 219. When Dr. Frigon replied later he indicated that there may be abuses of such a practice, that it would conflict with the newspapers. He made several other observations. I am wondering if you have anything you would like to say in respect to that. Do you think there would be abuses of the practice?—A. Well, all practices are capable of abuse, and I could see no objection to price mention, if it were granted, being restricted in some reasonable way. I think I said in the course of my presentation that no broadcaster would want to see commercial announcements a mere list of prices, although it is a fact that in the United States (where price mention is permitted) it has not been abused, and I think we might well take that as a fair precedent. Of course, as to the argument that the newspapers might resent it, we have always feared

it was newspaper opposition that was the reason for the regulation, and we have always felt that in operating one medium of entertainment and of advertising you should do so with reference to that medium primarily, and not with reference to whatever objections may be made by competing media. The fact that newspapers would like radio advertising to be free of price mention seems to me as weak an argument, if I may say so with deference, as it would be for radio to object to the kind of advertising that appears in the newspapers.

By Mr. Coldwell:

Q. Is there not an objection which is rather more valid, that perhaps a big store in the city might advertise two or three teasers at very low prices to bring customers to the store? They can afford to do it whereas the smaller merchant, the country merchant, cannot do it?—A. That is "loss leaders."

Q. I said teasers—bait.—A. Of course, it is, but it applies equally to all forms of advertising.

Q. Except that the radio goes into every home and the newspaper only touches a very small percentage of homes in many parts of Canada?—A. They say they go into every home. I suppose it is possible of abuse, as is every human institution. I think the radio stations and the advertisers could be depended upon to keep that kind of advertising just as ethical as is the other type of advertising that is on the air today.

By Mr. Isnor:

Q. You mentioned the United States permitting this?—A. Yes.

Q. As a business man I have listened to them on many occasions, and I think we are certainly in a very much more preferred position in not having price mention over the air. I have listened to firms both in New York and in Boston stressing price. I do not think it adds anything, and it would not add to the C.B.C. standard to have price mention permitted over their chain.—A. I think I said, Mr. Isnor, that in the United States, as my recollection is, none of the networks carry price mention. I do not think any of the networks carry it. It has always been felt that price mention was not for network broadcasting, that the networks were advertising well known products, the sale of which did not depend on their price, but that price mention was available to the local advertiser and to the person who deals with him.

Mr. ISNOR: Then the question usually arises; if the private stations are permitted to carry price announcement then the same privilege would have to be extended to the networks; that would be a bad policy for the C.B.C. to adopt.

The WITNESS: That would be a question of policy. I am not discussing the question of what policy the networks or private stations should follow. I was discussing the question of regulations. In some centres—I should say this to the committee—a station might not be interested in mentioning the price. I have discussed it with the stations. Some stations do no care about it and if they had permission to do it would not do it. Some of the stations, however, particularly some of the stations on the prairies, feel that it would be helpful; and all I suggest is that they should be permitted to make their own decisions, just that the station should make up its own mind as to what advertising it will carry. For many years in my own home town one newspaper there would not carry tobacco advertising, that was part of its policy.

Mr. TRIPP: This has been a matter of controversy for many years in many parts of the country. I think if we want to keep away from trouble we should keep away from allowing broadcasters to mention price.

Mr. BERTRAND: Can you tell us how many private stations are demanding the right to put prices in advertising?

The WITNESS: No, sir; because I could not say that without quoting the names of the stations individually; and then I think we would have this result;

some of the stations would say "we think we should be permitted to mention price although at the present time we are indifferent as to whether we do it or not". Other stations, and particularly stations situated close to the border, feel that in fairness to their advertisers and to their public they should have the same rights as the advertising on the adjacent stations with whom they compete for audience.

Mr. BERTRAND: But, Mr. Chairman, I think that Mr. Sedgwick would admit that if a change should be made giving permission for prices to be quoted on programs that we ought first to know if there is a very important demand, or is it the desire of only a few.

The WITNESS: It is not the expression of a few, I think it was unanimous on the part of the stations, that they were all in favour of the price mention regulation being rescinded; but that is not to say that all the stations would care to avail themselves of the privilege if they had it.

Mr. ISNOR: Did I understand you to say that some of them located close to the border advocated that?

The WITNESS: They have for years.

Mr. ISNOR: I would say that that strikes me funny. For them to decide to compete with prices on the American side.

The WITNESS: Not in normal times, frequently they can compete.

Mr. ISNOR: Whether the times were normal or otherwise, that strikes me as being funny.

The WITNESS: Take the Sault Michigan and the Sault on the Ontario side, where they are separated only by the St. Marie river and where in normal times the citizens of the one travel freely to the other without any hindrance; in normal times I think that it may have some effect.

By Mr. Hansell:

Q. Let us get at this from another angle; I fancy that you are perhaps arguing on behalf of the station and the advertiser. Have you any comments to make in respect to public reaction to price mention? Have your stations had any pressure brought on them from the public, apart from advertisers?—A. Well, several of the stations conducted surveys. I have in mind one in Hamilton particularly, and while I have not the figures before me the general public feeling was that they should be permitted to mention prices just as newspapers do. We have from time to time had complaints from the public about the fact that certain things have been mentioned on the air by local merchants but no prices mentioned. I think it would have been very much more interesting if they had known the prices, and the fact that the article was mentioned but not the price left them with the feeling that they had been deprived of something which they might have had an opportunity of purchasing advantageously; after all, that is what people are interested in mostly at the present time, price. Of course, you can always get that indirectly by reference to the article and its quality; but the one thing about the whole proposition which you cannot falsify is price. You can say what you like about an article but when it comes right down to saving time and getting directly to your point, well when you give a price of say $1.95, that is the end of it.

Mrs. CASSELMAN: Which would mean nothing unless you have quality.

The WITNESS: And that of course you must decide when you inspect.

By Mr. Tripp:

Q. There is another angle to this thing too; there are two reasons why the privilege of advertising over the radio is restricted, one is the cost and the other is the time element; any person I think has the privilege of using newspaper

advertising but not every person has the privilege of using the radio. If the radio is restricted those who have the privilege of its use have an advantage over those to whom it is not available. I do not think there should be any distinction and certainly there should be no handicap to the merchant who is not priveleged to use radio.—A. With great respect, I do not think that is generally so. I thought that most independent stations maintain salesmen who try to persuade merchants, particularly local merchants, to use radio and they have not been completely successful; as to the cost, I think the cost per person reached is probably less than the newspaper; at least, radio people say so.

Q. You take radio in the city of Regina or Moose Jaw, that naturally covers the city and also a large area adjacent. The merchants from smaller towns in these areas, the smaller merchants in these areas outside of the cities do not have the privilege of using the radio.—A. Well, they have the privilege sir. I think it is fair to say that unless a local merchant has a somewhat general distribution he would not be interested in radio, and it may well be that he would not be interested in newspaper advertising either; and of course, a similar objection applies to any other form of advertising. One could say that the magazines were closed to the local merchants; one could say that generally speaking bill boards are closed to them; that street-car advertising is closed to them. But I suppose it is true to say that a man must have some general distribution before any general scheme of advertising appeals to him.

Q. It would limit what went out to most people who are in the country.—A. I don't think so, sir. I think most stations have the time for advertisers who care to buy it. They employ salesmen who try to sell time so they must have it for sale.

By Mr. Hansell:

Q. I think we were particularly interested in the submission you made in respect to a second network being operated by private stations. On page 234 you referred to the submission you made to Mr. Brockington; then you went on to talk concerning a separate tribunal or board of commissioners. And now, there is one thing I would like to get straightened in my mind and it is this; in your statement you speak of cooperating with the CBC and at the same time you speak in terms of competition with the CBC. I would like to correlate both of them; in what way could a second network be a competitive network and at the same time be able to cooperate?—A. Well, sir, in so far as the second network is concerned, if that network was as I have suggested a station mutual network owned and operated by the stations that are part of it, that network as such would not cooperate with the CBC, it would compete with them as the major networks of the United States compete; shall we say about the same as Columbia competes with Mutual, Blue and the NBC. And in my submission I think it would make for better broadcasting in Canada if we did have competition between networks rather than the control of both networks by one authority; to which I added as my memory is, that that had been the experience elsewhere, that competition, particularly in the entertainment business makes for better entertainment.

Mr. COLDWELL: Is the government in Australia entirely against that?

The WITNESS: No sir.

Mr. COLDWELL: I have just had the very latest information, not more than two weeks ago.

The WITNESS: I have studied carefully the last report of the Australian commission on radio broadcasting. It is true that there was some divergence of opinion; but the system in Australia, as you know sir, is on the one hand a post office system which is not commercial in any sense and has no commercial revenue whatsoever, and competing with it or supplementing it, whichever you like, is a purely commercial system which exists on commercial programs and

which is dependent on advertising revenue for its subsistence. And I heard from Mr. Dooley, secretary of the ABC, or of the Association of Broadcasting Stations, within the last month or so but I did not know that there had been any change.

Mr. COLDWELL: I do not think there has been any change yet, but I think the government is committed to a change.

The WITNESS: Well, it was committed sir some six years ago, and in the last report the government members on the committee at the conclusion mentioned that the government was committed to making a change and for that reason they did not concur in the report. That was a year or so ago and I do not think any change is contemplated.

M. COLDWELL: Well, it looks forward to one.

The WITNESS: Of course, I cannot say what is in the minds of men.

Mr. COLDWELL: No.

The WITNESS: Nothing has been done yet.

Mr. DIEFFENBAKER: Have you anything to say as to whether the quality of the programs will be improved by competition as between privately-owned and publicly-owned national networks?

The WITNESS: I can only say that it is universal experience that competition does improve quality because you compete for audience, and notwithstanding what has been said of the low taste of audiences I think that over the years audiences prefer the better programs. Their taste is being appreciated; and if there were competitive networks they would compete for revenue; they would compete for artists and they would compete first and foremost for audiences and out of this competition I think would emerge new program ideas, better programs and better entertainment for all the public.

Mr. HANSELL: You mention on page 235, toward the bottom of the page, in answer to a question by Mr. Boucher, that there could be an exchange of programs if there were two networks, one handled by your organization and one by the C.B.C. Mr. Boucher said, "My thought was that, even though you had a private station network on occasion and to suit the convenience of both some of the C.B.C. programs might well be fed to the private stations?" And your reply is, "That there might be a program exchange?". Then Mr. Boucher says, "Yes". Then you continue, "Oh, certainly. There would be no reason why that could not be done. There are occasions in the United States—though they are rare—when one network carries the programs of another. Here it could be done."

Mr. MARTIN: It is being done now.

M. HANSELL: Yes, but we do not have two networks; we have two networks both operated by the C.B.C.

The WITNESS: Program exchange, Mr. Hansell, would be rare. If you had competing networks it would result that each would stand on its own feet. That would be the cardinal virtue of having two competing networks; and only on great occasions, such as a very important speech by the Prime Minister, shall we say, or by the President of the United States or something of that kind, would all the networks carry the same program. They would not carry as routine the same program or exchange the same routine programs, nor would it be desirable that they should.

Mr. COLDWELL: I suppose, Mr. Sedgwick, if this were done, you would anticipate that the C.B.C. would compete with its own stations across the country, owning them absolutely, and the private stations would be expected to look after themselves using a private network of private stations. They couldn't have it both ways.

The WITNESS: Well it is quite possible they might, sir. The C.B.C. in its general set-up is not unlike the N.B.C.; in fact, I think we should say that in many respects it was patterned on it, and the National Broadcasting Company in the United States has both wholly-owned stations and affiliated stations that for the mutual advantage of the network and the stations are affiliated as a matter of contract. I for my part can see no reason why that system could not exist here. You see, you cannot make an accurate comparison between the C.B.C. and the Australian Broadcasting Corporation because there is there a sharp line of cleavage between the commercial and the non-commercial radio.

Mr. COLDWELL: That is right.

The WITNESS: There has been a melding in Canada.

Mr. COLDWELL: What I am thinking of, if these private stations want to organize networks to compete with the C.B.C. then logically it would follow that the C.B.C. should have its own network and its own stations, its own outlets, and that the private stations would be expected to be fed by the private competing organizations. In other words, you would have a publicly-owned system competing with a privately-owned system and I do not think it would be fair to expect the C.B.C. to maintain lines of communication, originate programs or divert any of its revenue to private stations.

The WITNESS: We would not expect it to deprive itself of any of its revenue, nor does it now.

Mr. COLDWELL: Oh, I think so.

The WITNESS: No, not the C.B.C. The stations may get the advantage of the sustaining programs fed to them but so far as the moneys they are paid, or the sums that are paid by the C.B.C. to the private stations, the C.B.C. is at no time anything but a trustee for that money. The advertiser buys each station on the network and pays so much for it, and a percentage of the amount the advertiser pays for each station is paid by the C. B. C. to that station.

Mr. COLDWELL: I know.

The WITNESS: And I do not think it is an unfair arrangement either to the C.B.C. or the advertiser. It is a fair arrangement and it is not unlike the arrangement that obtains between the United States networks and their affiliates. It is very similar. It may be different in its arithmetic but it is similar in its principle. But the C.B.C. at the present time are using no public money or no advertiser's money in the way indicated, they merely hold that money in trusteeship for the private stations.

Mr. COLDWELL: But the C.B.C. maintain lines of distribution and some of its revenues to the private station would compensate them for services being rendered.

The WITNESS: That is debatable, sir. It is true that the C.B.C. in the past has been giving service to certain affiliates—certain sustaining services.

Mr. COLDWELL: Yes.

The WITNESS: At the same time, if you have a network operation and you sell a station on your network shall we say for $100 and of that you get $50 and you give the station $50, what they get in exchange for the $50 that you have kept is the sustaining service, in addition to what the network sells commercially. And the difference between the United States networks' operations and the C.B.C. is simply this—that under the American system an affiliate station may or may not accept a sustaining program whereas under the C.B.C. system, the affiliate stations are compelled to accept a certain number of sustaining programs, so that it may be stated that the burden on the Canadian affiliates is a little heavier than the burden on the affiliate of the American network, but there is a parallel in principle.

Mr. COLDWELL: But the point I wanted to make though was that if we had a private chain here that was competing with a nationally-owned system, it would be in a different position entirely from the United States with a system of privately-owned networks. The objection is similar but there is a difference.

The WITNESS: You think something similar to the Australian system may be the eventually desirable one?

By Mr. Coldwell:

Q. No, I think if there is going to be competition then the C.B.C. has the right to compete for revenue as well as for radio audience.—A. It would, sir, if the second network should be completely operated by privately owned stations. It would compete for revenue although I must say I have never really thought of a government operation such as the C.B.C. being primarily interested in revenue.

Q. I have not either, but the commercial broadcasting stations are primarily interested in revenue?—A. That is quite true.

By Mr. Isnor:

Q. Mr. Sedgwich, following Mr. Coldwell's point a little further is it not fair to say that if it were not for the sustaining programs provided by the C.B.C. to the private stations the operating costs of the private stations would greatly increase?—A. As to some stations, yes, and as to some stations, no.

Q. Of the great majority of stations?—A. I really must not answer that, sir. My offhand opinion is "no", that if they did not have C.B.C. sustaining programs their costs would not greatly increase because while they would fill these periods themselves they would do so, sometimes with recorded music, sometimes with local talent. I do not think it would make a great difference to their costs The C.B.C. programs that get an audience for the private stations are for the most part their commecial programs, not their sustaining programs. I am not minimizing the C.B.C. sustaining programs. Some of them are excellent, but I think all surveys will show that the C.B.C. programs that really get an audience are the commercial programs, and if the stations did not have C.B.C. sustainers and had to fill those periods themselves I do not think it would materially alter their costs.

Q. If you are correct why is it that practically all the private stations are so anxious to have the sustaining programs of the C.B.C?—A. If I may put it differently, Mr. Isnor, the stations would like a network affiliation because a network affiliation does provide them with sustaining programs. As I have said often no one station can afford to provide itself with really top drawer entertainment, but it can be done if the cost is divided amongst a number of stations. If the stations were permitted to link together by mean of network lines they could arrange the trading of sustaining programs between themselves without a great deal of difficulty.

Q. I am not arguing against it. There is just one more question. You would like to be placed in the same position, or a similar position as is the C.P.R. with relation to the Canadian National Railway?—A. Yes, similar, competing with each other and both subject to a dominant regulatory body.

Q. With a view to giving more efficient service, greater coverage to all sections of Canada?—A. Yes, and so that the problems of each road would be approached by an impartial judicial body rather than having the problems of the C.P.R. determined by the C.N.R.

By Mr. Coldwell:

Q. Like the C.P.R. in times of depression would you come to the government and ask for a $60,000,000 loan without interest in order to get on relief like somebody else?—A. I must not answer that question because I do not know whether or not the C.P.R. did that.

Q. They did.—A. Well, we will not.

By Mr. Bertrand:

Q. Do you really expect that the privately owned station network could provide programs itself without being fed sustaining programs by the C.B.C.? —A. Unquestionably, sir; of that there can be no doubt.

By Mr. Diefenbaker:

Q. What would be the advantage of setting up the privately owned system in competition with a government owned system? I notice in reading your evidence you invariably refer to the C.B.C. a sa national or state monopoly and yet you have to-day 75 or 76 private stations. I cannot quite follow the stand you take. You say there will be advantages if you set up a competing private system.—A. I think so, Mr. Diefenbaker. I probably should take the last part of your question or statement first. When I have referred to the C.B.C. as a state monopoly I have had in mind the fact that it has a monopoly of lines which make network broadcasting possible, and of network broadcasting. I think it is agreed everywhere that in large geographical areas network broadcasting is the foundation of broadcasting, for the reason I just gave, that no one station can alone afford the cost of the best programs. It must be divided amongst a number of stations by means of lines. We say that the C.B.C. is a partial monopoly, and as to the important feature of broadcasting it is a complete monopoly if it cares to become one. As to the advantage that would accrue from having the C.B.C. control of lines released so as to permit independent stations to link themselves together by temporary or permanent lines, as they saw fit, I can only say what I have said before, that I think the advantage that would accrue is the advantage that always accrues from a competitive system as opposed to a monopolistic one, that I think these two networks would be on their toes each to outdo the other, and that is a desirable thing in the entertainment world.

Q. Take the field of television. In the United States considerable development is taking place in connection with that phase. Suppose you had in Canada a private ownership group of stations competing with the C.B.C. what would say with respect to the development of television at an earlier date than will be the case under the C.B.C. as at present constituted?—A. As to the development of television we must go behind this question of competition. As I told the committee, this year I think, and certainly last year, in 1938 or 1939 Mr. Brockington announced as the policy of the C.B.C. that they would not permit private interests to participate in the development of television and facsimile and the new phases of the radio art. Before we consider the advantages of a competing television network private stations must first be given permission to experiment with television, to set up experimental stations, to do what is being done in the United States to-day, to see what they can do with it.

Q. Have you private stations in Canada to-day who would undertake television experiments if the opportunity was given to them?—A. Oh, I have not the slightest doubt they would, but not the smaller stations; they could not afford it.

By Mr. Martin:

Q. Let us clearly understand this. You are not precluded now from experimenting in television?—A. Oh, yes, we cannot get a licence as I understand it.

Q. Let us clearly understand this. I do not think you have stated the situation correctly, surely. If, for instance, CFRB in Toronto had the money to instal the necessary equipment, and so on, you say that it could not do so? —A. I know of no change in the attitude which was set out by Mr. Brockington in 1939—that no licences would be granted to private interests for television stations.

Q. That is another matter.—A. We could not erect a station without a licence to erect it. We could not have a frequency.

Q. Could you not carry on experiments?—A. We must have an assigned frequency before we can do anything with television. If it should be said that private stations who are willing to spend their money on experiments should be given licences then I think I may assure this committee that the larger stations would be very anxious indeed, to spend some money.

Mr. DIEFENBAKER: I for one cannot see any reason why this privilege should not be given to private corporations. After all, we want the best possible service in Canada. Television to-day is beyond the experimental stage. The fact that private corporations have been refused an opportunity is, I think, a very good argument for the establishment of a national controlling regulatory body removed from the control of the C.B.C. It just means this, that if the C.B.C. in so far as this phase of the matter is concerned, refuses to make any advance, take any steps, private companies which are willing to do so are denied the opportunity.

By Mr. Martin:

Q. Have you Mr. Brockington's statement on that?—A. I read it as part of my brief. I think I could find it. However, undoubtedly he said it, and no one has ever retracted it.

Mr. COLDWELL: Of course, with regard to this question of monopoly, radio by its very nature is a monopoly. Once you give a radio wave to a station no one else can use that wave.

Mr. BERTRAND: And it cannot be otherwise.

Mr. COLDWELL: It is a monopoly.

The WITNESS: No one else can use that wave in that immediate locality. It is a partial monopoly. It is like giving a licence to a man to run a truck on the highway. You only issue so many trucking licences for a certain stretch of highway. Radio is not dissimilar.

By Mr. Martin:

Q. Assuming that Mr. Brockington has stated the policy, and that it was along the lines mentioned by you, what is the situation at the moment in so far as what the private agencies would be prepared to do with regard to the development of television in Canada?—A. I have not canvassed that, Mr. Martin, for the excellent reason that at the moment if they apply for a licence none is granted. I suppose, to take the matter logically, if it could now be said that experimental licences will be granted, the stations would have to canvass their own facilities and decide whether or not they cared to apply. I believe a great number have applied for licences for television and frequency modulation, and so on, but I do not think any licences have been granted. Of course, if a licence is granted and the station does nothing with it when it should do something then it could be revoked.

By Mr. Coldwell:

Q. Could they get the equipment to do it now?—A. That may be a difficulty at the moment but that is a situation that may change almost over night.

By Mr. Hansell:

Q. Apropos of Mr. Dienfenbaker's observation I think we have got to look at these things in the light of what is in the best interests of the public. On page 237 in the paragraph marked No. 3 in the process of your presentation you say:—

> That as a corollary to paragraphs 1 and 2 the power to pass regulations applicable to private stations should be taken from the corporation and committed to an impartial and judicial body.

In what way do you believe that such a step would be in the public interest?—A. Well, I think it is an illogical system to have a corporation that is operating a network and that is producing programs for network dissemination, at the same time making regulations as to how private stations, some of them connected with its network and some of them not connected with it in any way, should operate. I think the function of operation and the function of regulation should be separated. If the C.B.C. controlled all radio outlets in the country, and if there were no stations other than those owned and operated by the C.B.C. then, of course, the present system would be logical and proper, but so long as we have some wholly-owned and wholly-operated C.B.C. stations, some stations that are merely affiliated with the C.B.C. for program purposes, and some stations that have no affiliation whatsoever with the C.B.C., and that take no C.B.C. programs except as a courtesy to the corporation, then I think that the function of operation, which is the C.B.C's. primary function, should not be mixed with the function of control, and that the business of passing regulations—and there need not be many regulations—should be left to some body which would make regulations that would have equal application to C.B.C. stations and to private stations, and that that body should act judicially. It should hear representations from both sides, make up its mind, and then see that the regulations were observed by all stations.

Mr. COLDWELL: That cuts at the very root of the whole Radio Act and everything parliament has done.

Mr. DIEFENBAKER: What it means in effect is this; you say that the body that is set up with judicial powers should not be composed of membership of the litigants.

The WITNESS: That is right.

Mr. DIEFENBAKER: In other words, that no semi-judicial body should be both cop and competitor, judge and litigant all at once.

Mr. MARTIN: From one point of view the case as stated by Mr. Diefenbaker sounds reasonable. I think it all depends upon what is the policy of the government of the day. What do we intend to do with radio in this country? If the intention is—and I am not now expressing what I think should be the situation at the moment—that there shall be the present measure of competition between the C.B.C. and the private broadcasting stations and no more then I do not think you can make out a good case for a regulatory body. If the intention is particularly for the state to take over more control of radio then I do not think you can make out a good case. If the intention is other than was stated five or six years ago, that there should be real competition between the C.B.C. and the private broadcasting stations, then I think you have established unequivocally a good case for a judicial body. The difficulty which you raise, Mr. Sedgwick, seems to me to be present because there is not a clear understanding as to what the ultimate position of radio is going to be in this country.

The WITNESS: That is right, Mr. Martin. I could not put it as well. It is true that radio policy in this country was founded on the Aird report and the original Act was designed to implement the Aird report, but we have travelled a long way from that. No one would suggest that the present system of broadcasting in Canada is the system that the Aird report envisaged. I quite agree with what Mr. Martin has said that we probably need to clarify our thinking. I have argued for a greater measure of competition which, as Mr. Martin has said, does really involve—if not a lesser measure of control at least a different method of control. I think that is what you have in mind, is it not?

By the Chairman:

Q. Is it not a fact, Mr. Sedgwick, that no political party in Canada since the introduction of the Broadcasting Act in 1932 has enunciated any other policy than a nationally owned and nationally controlled system?—A. So far as I am aware, since 1932 no political party has enunciated a policy. I do not know of a specific enunciation.

Mr. MARTIN: The Act in 1936 is along the lines indicated by Dr. McCann.

By the Chairman:

Q. Every radio committee that has investigated radio broadcasting in Canada throughout the years has reaffirmed the principle as I have stated.—A. That is right; the radio committee has.

Mr. HANSELL: It has reaffirmed the principle of a national radio corporation. I do not think there is any objection to having the corporation. I wonder if Mr. Coldwell would mind throwing some light on a remark he made in respect to this thing cutting at the heart of the purpose of the corporation. I did not quite get that.

Mr. COLDWELL: I think the idea of the original Act was that there should be one dominant system in Canada which would be nationally owned. If we set up another authority the proposal is to place the C.B.C. on the same level as a station, any other station, any other group of stations in the country which would mean that the very root of the Act, the very heart of the Act is taken away because you then place the C.B.C. not as the dominant nationally owned system, but merely as one of several systems applying for privileges from a national authority. It is entirely different.

The CHAIRMAN: And it admits of the principle that radio is not a natural monopoly which it is. It is generally admitted that radio is a natural monopoly and that by virtue of that very fact it can only have one control.

Mr. COLDWELL: That is right.

Mr. DIEFENBAKER: I cannot follow that at all. The fact that one litigant before a court—

The CHAIRMAN: If you will excuse me a minute, Mr. Diefenbaker, the man who laid that down was the leader of the Conservative party, R. B. Bennett.

Mr. ROSS: This is what he said when he laid it down in his speech in the House of Commons. He said this—

The CHAIRMAN: Mr. Diefenbaker has the floor.

Mr. DIEFENBAKER: I cannot follow that. What that amounts to is this, that because one party to a dispute—supposing disputes arise between the 76 stations and the central authority—is to have a greater monopoly or greater control than any of the 76 individual stations, because of that fact there will not be equality before the law. You cannot have equality before the law when a litigant is, in fact, the judge. Suppose there are matters to be decided as

between the 76 stations and the central authority, the C.B.C. The C.B.C. is in the position, no matter how fair they desire to be, that regardless of the equities they must necessarily uphold the institution that they represent.

The CHAIRMAN: Do you admit this, Mr. Diefenbaker—which has been generally admitted, I think—that private stations exist to-day as a matter of privilege, not as a matter of right. Do you admit that?

Mr. COLDWELL: That is right.

The CHAIRMAN: If that is the fact can they be litigants? Are they not subject to regulations which will be made by those who have given them the privilege not forever, but probably only temporarily?

Mr. DIEFENBAKER: No, I do not accept that. Any person, whether he is in a position of having a qualified right or a complete right, so long as he has that qualified right has, as I see it, a right of equal access to the same principles.

Mr. COLDWELL: I think Mr. Diefenbaker's argument that there should be equality, as it were, before the law falls down in this particular respect that the litigants in this case are not on an equal footing under the law. The law specifically states there shall be one dominant radio corporation in Canada, and the privately owned stations, as you have well said, Mr. Chairman, are given the privilege of operating subject to the regulations laid down by the regulatory body which is set up by parliament, and which is the C.B.C.

Mrs. CASSELMAN: As to any law other than the Radio Broadcasting Act, for instance, the law of contract or something of that kind, then the private stations would have the same rights under those laws against the C.B.C. as anyone else, would they not?

Mr. MARTIN: As a matter of course.

Mrs. CASSELMAN: That is, in the matter of a real legal dispute as to access to the courts of the country.

The WITNESS: I am not sure of that, Mrs. Casselman. The C.B.C. legal advisors have argued otherwise.

By Mrs. Casselman:

Q. But when it is a matter of contract?—A. They have argued they are not subject to the usual laws of contract—in the Gooderham and Worts case.

By Mr. Coldwell:

Q. And that is probably true?—A. That may be so. It may be it is an emanation of the Crown.

Mr. MARTIN: Their position is no different than that of a private litigant in so far as the Crown is concerned.

The WITNESS: I took Mrs. Casselman to mean that as to the construction of our contracts or as to our relations with the C.B.C., we have ordinary rights of access to the courts which can decide between us and the C.B.C., and I am by no means sure that is the position. I also say, Mr. Coldwell, if I may interject this, that I am not sure either that radio will continue to be a natural monopoly. It is said that the introduction of television and facsimile would permit as many as a couple of hundred stations in the Ottawa district.

Mr. COLDWELL: That would be regrettable.

The WITNESS: That may be. There would be such a din.

By Mr. Coldwell:

Q. None of them would make a living; you would have cut-throat competition and it would destroy those that are established?—A. It may be the same question that has faced the press, a question of economics and not regulation in their operation.

By Mrs. Casselman:

Q. That would be very much in the future and can be dealt with when the time arises?—A. Not far in the future; frequency modulation is held up only by the fact that the manufacturers are busy making other things. There is nothing impractical about it, nor is anything impractical about television at the present time.

By Mr. Coldwell:

Q. Do you not think that is a very good argument for maintaining the situation as it is, that we would be likely to have two or three hundred radio stations and none of them could survive under cut-throat competition?—A. That seems to me an argument for a judicial and impartial body because the situation would then be similar to that which faces the railways. There would be not merely the question of giving a licence when there were ten applicants and only one licence, but there would be the question of giving licences sufficient to serve the public interest, which was, of course, one of the questions that the Board of Railway Commissioners had to deal with in earlier times so as not to permit over-construction of railways. I do not think they were too successful but at least that was one of their functions.

Mr. TRIPP: Mr. Chairman, unless the committee or the House sees fit to change section 22 of the Act which gives the power of regulation to the corporation I think that the present argument is more or less out of order.

The CHAIRMAN: No, it is within the competence of the committee to recommend to the government that the Act or the regulations be changed.

Mr. TRIPP: Is that what we are doing to-day? Are we discussing the regulations which were laid down by the Act?

The CHAIRMAN: Not necessarily, but they have been referred to.

Mr. TRIPP: Because these regulations, as I say, have given the corporation power . . .

The CHAIRMAN: What I mean is that if the committee after deliberation decided there were regulations which in their opinion ought to be changed it could so recommend.

Mr. TRIPP: Is that what we are doing right now? Are we discussing the possibility or advisability of changing the regulations?

The CHAIRMAN: Not specifically; as you know any member who wants to clarify any position with reference to the representations made by the Canadian Association of Broadcasters has the opportunity now of questioning Mr. Sedgwick.

By Mr. Picard:

Q. I should like to know exactly what Mr. Sedgwick meant by the idea of two hundred stations in a limited area? Do you mean that when we have television the present number of stations will not be sufficient to cover the country?—A. I mean that technically frequency modulation and television are different to A.M. broadcasting which is what we have to-day, standard band broadcasting.

Q. Do you mean it would necessitate more stations?—A. Not necessitate but permit many more. Frequency modulation ends sharply at the end of its signal, as does television, so therefore you can have stations like sardines in a box. The limits of one just touch the limits of the other. You can have many more stations.

By the Chairman:

Q. One quivers and the other is clear-cut?—A. That is right.

By Mr. Hansell:

Q. Might I make this observation? Could not a little of the policy you want be brought about by setting up a joint committee of your association and the C.B.C. to deal with matters of regulation and other things, technical development and so forth? What would your ideas be along that line? Has that ever been suggested at all?—A. The Canadian Association of Broadcasters did suggest that some years ago, particularly on the technical side, that is, as to the allocation of frequencies and as to power and as to developments in the radio art. Certainly on the technical side I think it would be an excellent thing if there were a joint committee to which all these matters could be referred, a committee representative of both the corporation and the private stations. On the regulation side I think it would be a good idea, but there is no provision for that in the Act, of course, and if any such committee should be set up the representatives of the private stations on such a committee would be merely consulted. They would have no power, as the Act stands at present, or as I understand it.

By the Chairman:

Q. Have you not that privilege in part, at least, when you appear before the parliamentary committee?—A. It is difficult for me to say, Dr. McCann. I suppose we have, except that I could not weary the parliamentary committee by complaining about each regulation. Then, what happens to a regulation that may be passed a month from now, shall we say?

Mr. MARTIN: You could not weary any one.

The WITNESS: That is very kind of you, Mr. Martin. I sometimes think I do.

By the Chairman:

Q. Mr. Sedgwick, do you think if there had been an overall committee which would have regulated both the C.B.C. and the private stations that throughout the years you would have received any better or any more liberal treatment than you have from the governing body of the C.B.C.?—A. I cannot answer that. I really cannot.

Q. Is that your complaint that you have not received liberal treatment?—A. It is not a question of liberality. I am not sure that justice is always liberal. I think that an impartial tribunal would have dealt with matters differently.

Q. Then you infer they have not been impartial?—A. I do not think it is possible for the corporation to be impartial in view of the dual functions that are committed to it. I do not think they can be impartial. I do not say they are deliberately unfair, but I do not think they can be impartial. I think Mr. Diefenbaker stated the reasons why that is almost impossible.

By Mr. Coldwell:

Q. Do you not think that a judicial body with the present Act would act very much the same as the corporation has acted?—A. It might; I cannot tell.

Mr. DIEFENBAKER: That is scarcely, I submit, a very proper question to answer. The whole principle on which justice is secured is, as I said a while ago, that you separate the positions of persons being cop and competitor, judge and litigant at the same time, human nature being what it is.

Mr. COLDWELL: Under the Act they are not competing organizations. It is specifically laid down there shall be one dominant organization and the other interests are given a privilege. They exist by privilege.

Mr. DIEFENBAKER: No matter whether it exits by privilege or not, during the time of its existence it is, in fact, a competitor. It cannot be anything else.

Mr. PICARD: Do you not think also that there is a difference because of the fact that the people who are on the radio corporation are not defending their dividends or their own profits? They are operating for the benefit of the public. Whatever they make will be turned back to the public in the way of educational programs, and so on, while the other people who are there, and it is a normal desire, are there for profit only. While you say that the radio corporation should not be independent they have nothing to gain by being unjust to other people; they are not getting more dividends. It all goes back to the people of Canada so that I think it is very easy for them to look at the matter in a disinterested way, easier than it would be for the private stations, because no matter how much the C.B.C. makes they will not get any more in their own pockets or by way of salaries.

Mr. DIEFENBAKER: Would you say they could look at it as disinterestedly as a judicial body?

Mr. PICARD: I do not say they would not. I really think they can do that because it is not their own profits. It is not their own dividends. It is not their own money that comes in there. They know very well they will not get higher salaries from the people. Many of them probably could get higher salaries if they wanted to enter the field of private competition and get their salaries from private sources.

By Mr. Martin:

Q. Coming back to this matter of television, Dr. Frigon told us some weeks ago that the development of television involved the expenditure of very large sums of money, almost prohibitive at the present time. Then he related the extent of the progress in the United States. If the cost of experimenting with television at the moment and for some time to come is prohibitive in that country I think it is very desirable that Canada should make real progress in television and I am not altogether satisfied with the completeness of your answer earlier to me with regard to what can be done at the moment by the groups you represent in the development of television. I know that this country does not want to be caught short because one body or another has not been financially able to prosecute its researches into the field of television. Can you give us a more complete statement than you have given us this morning?—A. I can only say this, that before any private interest in Canada will want to spend a dollar on television, or can spend it, they must be licensed.

Q. You have told us that, but let us assume that. You must have a licence in respect to a frequency?—A. That is right.

Q. But surely there are plans, or surely if you want a licence it would be possible to have plans. You would say to the corporation, "Here, we want a frequency; we can do this; here is what we are prepared to do". Has the problem ever gone to that extent?—A. No; to prepare plans of that kind would cost thousands of dollars, and at the moment there is a definite statement by the corporation that under no circumstances will we be given licences to experiment in television. Surely that must be rescinded before we can be expected to spend thousands of dollars in preparing plans as to what we would do were we permitted to do it.

Mr. Ross: Mr. Chairman, my recollection is from a return made to the House of Commons, which I think Mr. Sedgwick knows of, that there have been applications for licences for television which have not been granted.

The WITNESS: Yes, a great many of them.

Mr. Ross: I am pretty sure there are a great many of them. The point Mr. Martin is bringing up is that if these people applied for licences for television and F.M., surely they must have some idea as to what their possibilities are in connection with the accomplishment of what they are after. I think that answers to a certain extent what Mr. Martin is talking about.

The WITNESS: Mr. Martin, suppose a station were given a licence. I do not say that station would go out and spend a million dollars. It would not. It would probably instal quite humble television experimental broadcasting facilities at the outset and let its engineers play around with it and see what could be done and expand the broadcasting facilities as sets became available and as sets got into the hands of the public. For instance, one Toronto station did operate an experimental frequency modulation station, a very small one, but there were only five sets in the Toronto area they had to broadcast to, and the station owned the five sets also, but it was useful to the station to do that. They learned something about it.

By Mr. Martin:

Q. It may be that no private group, assuming they could get a licence, could do the job, and it may be that the Canadian Broadcasting Corporation is the best agency by which television in this country can be developed?—A. All that may be as you say, but my information is that the private interests are not only willing but anxious to spend money on the new developments of broadcasting if they are given licences that will permit them to do so.

By Mr. Coldwell:

Q. Are those private interests the operators and owners now?—A. Yes, people now interested in the operation of radio stations.

Q. They must have a fairly large revenue from the stations?—A. No, but some people presently interested in the operation of stations also have other radio interests. There is a station operated by the Marconi Company in Canada. I should say that station is in a peculiarly good position to experiment with such things as television and frequency modulation. CFRB in Toronto was operated by the Rogers Majestic people, and it is quite possible, while there is no connection between them at the moment, that there may be a connection between the station and the manufacturer. Sometimes it is a healthy thing that there should be.

Q. The Marconi people are experimenting with television outside of Canada?—A. Yes.

Q. So that the results of their experiments outside of Canada would be available in Canada?—A. They may or they may not be. I know nothing about their patent structure.

Q. There would not be any real necessity for their having licences here to experiment?—A. They are not experimenting with the broadcasting of television because they have no frequencies on which to do it.

Q. Not here?—A. No, sir.

Q. They may have somewhere else?—A. I should not like to think as a Canadian that we in Canada will do nothing but will wait until somebody else does everything and then appropriate the value of what they have done.

Q. I am not taking that position at all; I am just trying to find out why it is that the radio stations want television if it is a huge expense? Why should they duplicate their expenses?—A. They want to participate in it because they may have to do that or go out of business. If when new sets become available, sets that combine television and F.M. are put on the market, it may well be that a few years from now standard band broadcasting will cease to be important just as silent talkies are no longer important. Sound made the silent talkie obsolete within a period of a few months. Television and other allied

developments may do the same thing to radio. The people who are in the radio business want to stay in it, and if staying in it means erecting different kinds of broadcasting towers and different kinds of studios, they want to do that.

By Mr. Hansell:

Q. I do not want to hurry the questioning along. There is another subject I should like to ask one question on. That is in respect to the increase of power to several stations. Dr. Frigon pointed that out on page 268 and gave the number of stations, some twenty odd, that had been granted an increase in power, but he also stated that the stations were not able to implement those increases. Have you any comment to make on that?—A. As to the increases you will notice all those increases were to a maximum of 1,000 watts. As to whether or not those stations have been able to implement the permission I really cannot say. Some of them are new stations which I think will be in operation shortly. You will see there are eight new stations. I understand they will be in operation shortly. I believe some of the other stations have taken advantage of the power increases, but I cannot say they all have or how many of them have. No doubt they will be taking advantage of the increases as the equipment become available. It does become available from time to time. You pick up some here and some there, and as Dr. Frigon says they are getting ahead with their own CJBC from 1,000 to 5,000 by making the stuff themselves. I should imagine that all the stations on this list are doing what they can to go up to the present power that has been granted them.

By Mr. Coldwell:

Q. I was going to ask you another question that I have asked before in former years. We get financial statements as to the C.B.C. which place the C.B.C., of course, in a position where all its financial business is known. We have never had any statement of the private broadcasting stations.—A. No.

Q. We have never had that placed before us. I think if we are going to have competition we should know the basis of the competition and have the balance sheets of the radio stations here as well as of the C.B.C.—A. There is this comment to be made—

Q. I should like to see the statement of CFRB.—A. I see it. I am a shareholder. There is this distinction, that the C.B.C. is owned by the people of Canada and you and I and practically every person in Canada contributes $2.50 to the support of it. The people of Canada do not contribute to the support of the private stations either directly or indirectly.

Q. But the people of Canada give each of the private stations a monopoly of their wave and we should know what is being done with that monopoly?—A. Then I can only say that there is a provision in an order in council which authorizes the minister to ask for information such as you have indicated. To what extent he has availed himself of the power I do not know but I certainly do not think information of that kind, as to private operations, should be made public, although I can see no objection to it being available to government officers as in fact it is. They have complete information. All these stations pay excess profits and income tax, and so on, and while it may not be a matter for the public press as to what they make it is not hidden from the collectors of revenue.

By Mr. Tripp:

Q. Probably the witness can answer this question. Under the present laws of excess profits and income tax is it true that the privately owned stations are making large sums of money?—A. I always dislike general statements, and I do not know what is "large". I think I may say this—that in common with industry generally radio stations are reasonably profitable to-day. How long that will continue we cannot say, but as to keeping large sums of money I think I may assure the committee they are not doing so because very

few of them had a high profit base, and as they are subject to the excess profits tax which I think takes 100 per cent over a certain base they are not retaining much money. They cannot retain much money under the present taxation system, None of us can, I am afraid.

Q. The implication is sometimes made that private stations are making and retaining large sums of money under present conditions?—A. No. In view of the precarious nature of their business which may necessitate completely new equipment and a complete change-over at very short notice I think some of them are not managing to keep sufficient for adequate reserves. However, I think for the most part they are operated profitably.

By Mr. Coldwell:

Q. Twenty per cent of the excess profits tax will be refundable.—A. Is it 20 or 10?

Q. Twenty.—A. I suppose it will be credited against future taxes rather than refunded.

Q. It is refundable.—A. Yes, I know it is refundable.

By Mr. Isnor:

Q. Mr. Sedgwick, I was rather interested in regard to that letter you presented written by Mr. Bannerman. Is that the name?—A. You mean Mr. Buchanan?

Q. Yes.—A. Probably I should not have read that.

Q. Did you have Mr. Buchanan's permission to present that letter?—A. Yes, indeed. I am cautious about matters of that kind. He may have regretted later he gave it to me. I do not know, but he certainly did give it to me.

Q. I am quite sure with your reputation you would be careful. There was some doubt in the minds of others as to whether he had given that.

Mr. COLDWELL: I saw Mr. Buchanan a couple of weeks ago in Moose Jaw. He told me he had written the letter and he rather regretted having written it but he said that he had given you permission to do what you liked with it.

The WITNESS: Further than that, I said I proposed reading it and would do so either anonymously or mentioning its source. He gave me permission to do so, and I do not regret reading it; speaking seriously, I think it was a sensible letter, and I do not think Mr. Buchanan need be in any way ashamed of it.

By Mr. Hansell:

Q. Mr. Sedgwick, there is just one other question. Maybe it does not amount to much, but there has been considerable criticism in the committee at one time and another of the soap programs. Would you care to comment on what the attitude of the association is on that?—A. I do not think the association has an attitude. I do not like calling them soap programs. They should be called daytime dramatic serials.

Mr. COLDWELL: I do not know a name that would describe them.

The WITNESS: Let me say, as Mr. Hansell has asked the question, so much is said in criticism of these programs that the word of praise to which they are entitled should be stated. This is to be said, that until the serial programs were put on the air in the daytime, radio stations had no daytime audience, practically none. Radio listening is a habit. In order to get people to listen habitually day after day the producers of the daytime dramatic serials adopted the same tactics as were adopted many years earlier by the magazine publishers, that is, they serialized their story instead of putting it all in one issue so that it will keep people anxious to get the next issue. Whether you like the soap programs or not is, of course, a matter of individual taste. The fact

is that they have contributed to good radio broadcasting in a way that most people do not readily appreciate because they have created audiences. The result now is—

Mr. MARTIN: They have made some people soap conscious.

The WITNESS: Of course, they have made us all cleaner, I suppose, but apart altogether from that they have created audiences and the result now is that sandwiched between these programs there are educational and sometimes political and other broadcasts which command quite a tremendous audience that they could not have got for themselves. That is a fact. The serializing of these stories has created a daytime audience which is available for all those who want to get the ear of the public. It is available for the government in its war-time programs. It is available for those who have a political or economic message. It is available for what we might think is a better program, good music, and so on. The mere fact these programs have built up an audience makes that audience available for all these other programs which we might admire while we decry the soap program itself.

Mr. COLDWELL: I cannot understand that because I have been in a good many homes lately. Of course, I dislike these programs. I think many of them are depressing and thoroughly bad from that point of view. I have made it a practice over the last two or three years, as a matter of fact, to ask people, "How do you like the soap programs?" I have had replies like this, "Well, I turn it off; when I come in at noon to have my lunch I have got to sit and listen to these soap programs if the radio is on because I want to get the program afterwards." I have all kinds of people tell me they dislike them and want to get rid of them, can we not do something about it on the radio committee. That is exactly the opposite to what you say. I presume there have been surveys?

The WITNESS: Yes, the people who sponsor these programs, and who on this continent spend millions of dollars in radio entertainment, are wrong as to some part of their expenditures but they are not constantly wrong, and unless they had a large audience they would not continue. I may say to you, Mr. Coldwell, that the same people who put on some of the soap operas are also responsible for the Lux Radio Theatre which is one of the—

Mr. COLDWELL: That is quite different.

The WITNESS: It is the same people, and if they found they could get an equally large audience for a broadcast of chamber music they would put that on. The reason they put on the kind of programs they do sponsor is because those programs command a large audience. Of course, they sponsor all kinds of programs, serials, the Lux Radio Theatre, all kinds. Their surveys, which we must take as being accurate because they are checked and cross-checked, indicate that while some people may dislike these programs many people like them and listen to them regularly. Of course, Mr. Coldwell, it is axiomatic in the show business that if everybody is praising your entertainment something must be wrong with it. It is only the knocks and the boosts that make you know that you are right. Anything that satisfies everybody is wrong. Unanimity is a bad frame of mind.

The CHAIRMAN: I think we will have to break off here. Are there any further questions?

Mr. Ross: I want to ask a question if I may. It will just take a minute.

The CHAIRMAN: All right, go ahead.

Mr. Ross: I asked Mr. Bannerman a question in connection with another network. I asked him if he feared competition from another network. He said:—

> If it became a straight race for audience we might have to lower the level of some of our programs. In other words, it would be a question of straight competition between the two of us.

What I want to ask Mr. Sedgwick is, does he think they would have to lower the level of their programs?

The WITNESS: I do not think so. If Mr. Bannerman said that he could not have meant it.

Mr. Ross: Not Mr. Bannerman, it was Mr. Bushnell. What I want to ask is if they did have a mutual system would it increase the level of the private station programs?

The WITNESS: I think it would increase the level of both. As I have said and reiterated I think competition in entertainment makes for better entertainment.

Mr. COLDWELL: Yet you have just said the soap programs are popular and you would not say they raise the level of entertainment.

Mrs. CASSELMAN: Do you put the soap programs higher or lower in the level?

The WITNESS: Of course, they are carried on the C.B.C. and the private stations. They are network programs. I do not know whether they are higher or lower but they are a type of entertainment that appeals to a great mass of our people. I do not listen to them, Mrs. Casselman, but on the other hand I do not read the comic pages and probably I am wrong.

Mr. MARTIN: You definitely are.

The WITNESS: But I am well aware that thousands of reputable citizens like both and I dislike setting myself up as an arbiter of taste, whereas voting goes on every day as to these programs. It goes on by the simple practice of turning your thumb and forefinger; people vote on the programs that way. These elections are polled and the polls that are given by the people interested and by the people not interested indicate the programs are popular. I believe in democracy and that means what the people want they are to have within limits. I take it what they want they are getting.

By Mr. Coldwell:

Q. Might they not have the radio on so that they can listen to the next program? When they telephone you they simply ask you what station you are listening to and what program?—A. That may happen rarely but only rarely. That would be discovered by the surveys.

By Mr. Isnor:

Q. Mr. Sedgwick, is it not true if you did not have the soap programs and their revenue you could not provide other programs?—A. That is quite true. So far as independent operators are concerned all programs are made possible by the advertiser's dollar, Mr. Toscanini's program as well as the soap program.

The CHAIRMAN: Order, please; if we are not through with Mr. Sedgwick it will be necessary to make arrangements for him to return. I am very sorry but we will have to break off here in the questioning as there are a couple of matters I want to bring before the committee. Is it the desire of the committee that Mr. Sedgwick should reappear or are we finished with him?

Mr. COLDWELL: Finished.

The WITNESS: May I thank you, sir, and all of you.

The CHAIRMAN: If the audience will kindly withdraw I should like the committee to stay for a moment.

(Whereupon the committee proceeded to sit in camera.)

The CHAIRMAN: We will adjourn until next Wednesday.

The committee adjourned at 1.25 o'clock p.m., to meet again on Wesdnesday, June 28, 1944, at 11 o'clock a.m.

APPENDIX K

CANADIAN BROADCASTING CORPORATION TENTATIVE BALANCE SHEET, MARCH 31, 1944

Statement 1

Assets

Current			
Cash in Bank, Petty Cash and Treasurer's Cashiers' Funds		$539,394.28	
Accounts Receivable	$502,175.75		
Less Reserve for Bad Debts	5,000.00		
		497,175.75	
Accrued Bank Interest		143.70	
Department of Finance		67,886.51	
Investments			
Dominion of Canada Bonds—			
Par value $500,000.00—Actual Cost	$497,500.00		
(Market Value $510,812.50)			
Accrued Interest Receivable	3,630.14		
		501,130.14	
			$1,605,730.38
Fixed			
Real Estate, Buildings, Technical Equipment, Studio and Office Furnishings, Library of Records, etc.		2,749,806.35	
Less Reserve for Depreciation November 2, 1936, to March 31, 1944		2,035,742.62	
		714,063.73	
Add International Short Wave Station, Sackville, N.B. (See Contra Account — Dominion Government)		229,921.85	
			943,985.58
Deferred			
Inventories			
Expendables	$129,525.17		
Stationery and Printing	41,585.58		
Publications	3,381.14		
		174,491.89	
Prepaid Charges		22,753.21	
			197,245.10
			$2,746,961.06

Statement 2

Liabilities

Current			
Accounts Payable			$ 446,536.06
Security Deposited by Contractors			25,488.00
Dominion Government			
International Short Wave Station, Sackville, N.B. (See Contra Account)			229,921.85
Proprietary Accounts			
Reserve for Renewals and Replacements	$400,000.00		
Capital Surplus	494,377.16		
Operating Surplus			
Balance April 1, 1943	$1,061,786.41		
Operating Surplus 1943-44	88,851.58		
		$1,150,637.99	
			$2,045,015.15
			$2,746,961.06

Ottawa, Ontario, 29th May, 1944.

HARRY BALDWIN, C.A.,
Treasurer

Statement 3

CANADIAN BROADCASTING CORPORATION TENTATIVE INCOME AND EXPENDITURES, APRIL 1, 1943, to MARCH 31, 1944

Income

Licence Fees	$3,787,886.51	
Commercial Broadcasting	1,421,598.59	
Miscellaneous	22,248.62	
		$5,231,733.72

Expenditures

Programmes	$2,716,376.60	
Station Networks (Wire Lines)	849,504.03	
Engineering	927,867.13	
Administration	206,177.14	
Commercial Department	116,561.64	
Press and Information	109,171.78	
	$4,925,658.32	

Depreciation

2½% on Buildings	$ 19,252.27		
10% on Equipment	197,971.55	$ 217,223.82	$5,142,882.14
Net Operating Surplus			$ 88,851.58

HARRY BALDWIN, C.A.,
Treasurer

Ottawa, Ontario, May 29th, 1944.

SESSION 1944

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 12

WEDNESDAY, JUNE 28, 1944

WITNESS:

Dr. Augustin Frigon, Acting General Manager of the Canadian Broadcasting Corporation.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1944

MINUTES OF PROCEEDINGS

WEDNESDAY, June 28, 1944.

(22)

The Special Committee on Radio Broadcasting met at 11 o'clock. Mr. J. J. McCann, the chairman, presided.

Members present: Messrs. Bertrand (*Prescott*), Mrs. Casselman (*Edmonton East*), Coldwell, Douglas (*Queen's*), Hansell, Hanson, (*Skeena*), Isnor, LaFlèche, McCann, Mullins, Picard, Rennie, Ross (*St. Paul's*) and Tripp—(14).

As directed by the Committee on June 21, the Chairman sent the following telegram to Mr. John J. Fitzgerald:

> Your wire of June 21 received STOP Matter brought before Radio Committee this morning STOP Instructed to inform you Committee's decision is not to subpoena you as a witness.

The Chairman read into the record a resolution received from the Board of Trade of Chatham, Ont.

Ordered,—That the memorandum submitted by the Canadian Congress of Labour be printed in to-day's evidence. (*See appendix L*).

Dr. Frigon was recalled and read two prepared statements:—

1. In reply to the Periodical Press Association, whose representatives appeared before the Committee on June 1 and 2, 1944.

2. In reply to the Canadian Association of Broadcasting whose representative reappeared on June 21, 1944.

Ordered,—That a prepared statement of the CBC Commercial manager be printed as tabled in this day's evidence. (*See appendix M*).

The Committee adjourned at 1.10 o'clock at the call of the Chair.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

June 28, 1944.

The Special Committee on Radio Broadcasting met this day at 11 o'clock a.m. The Chairman, Dr. J. J. McCann, presided.

The CHAIRMAN: Mrs. Casselman, Mr. Minister and gentlemen: There are a couple of items of correspondence which I think I ought to bring before the committee. One is a letter from the Chatham Board of Trade.

The following resolution was passed by the Chatham (Ont.) Board of Trade, June 6, 1944:—

> Whereas a special parliamentary committee on radio broadcasting is now sitting in Ottawa, appointed from the floor of the house, and whereas among others interviewed regarding radio broadcasting, Mr. I. D. Carson, executive vice-president of the Periodical Press Association addressed the Commons radio committee, setting forth the view of the printing and publishing interests of the dominion, claiming that the setting up by the Canadian Broadcasting Corporation of the Dominion network, had resulted in the cancellation of substantial advertising schedules, previously lodged with representative Canadian publications, owing to the sale of time on this net set-up. Mr. Carson urged that the C.B.C. discontinue commercial programs because of this loss of business to the printing and publishing interests, and that the loss of revenue to the C.B.C. be made up by increasing the radio receiving set licence fee from $2.50 to $3. Be it resolved, therefore, that this body is definitely opposed to such a move in the interests of the printing and publishing firms, and that on behalf of the radio owners of Chatham and vicinity, this body recommends to the special parliamentary committee on radio broadcasting, that should any change be made, the C.B.C. should be permitted to expand its present sale of commercial time to the advertiser, to the extent of permitting a reduction in the present radio receiving set licence fee, and preferably its abolishment.

The next communication is the representation made by the Canadian Congress of Labour of which you have a copy at the present time. Do you wish me to read that or merely to have it printed?

Hon. Mr. LAFLÈCHE: Have it incorporated in the minutes.

The CHAIRMAN: The gist of the memorandum is commending the policy of the Canadian Broadcasting Corporation and making a plea that employees of the corporation be given the right to join a union. That will be incorporated in the minutes, too, as an appendix. (*See Appendix L.*)

Hon. Mr. LAFLÈCHE: What was the last one, please?

The CHAIRMAN: From the Canadian Congress of Labour. We are incorporating it in the minutes of proceedings.

Mr. HANSON: I might say, Mr. Chairman, in connection with the first communication, that I have had several of such resolutions sent to me from boards of trade and different institutions in British Columbia. I thought it would not be necessary to bother reading them. They pretty well disapprove of Mr. Carson's statement, which he denied anyway, did he not?

The CHAIRMAN: Yes, he did, but the reason I read this one was to put on the record the other point of view with reference to commercial advertising.

We have two statements by Dr. Frigon and a statement by Mr. Weir. Those have been distributed to the members of the committee, but I think it might be well if Dr. Frigon would read his statements. They are not very long. He can make any explanation as he goes along.

Dr. AUGUSTIN FRIGON, Acting General Manager of the Canadian Broadcasting Corporation, recalled.

The WITNESS: I should like first of all to submit a few notes on the submission made by the Periodical Press Association.

> No matter what we do, no matter what we say, we will always be criticized by a certain portion of the press. The actual amount of advertisers' money which flows our way does not seem to be of very great importance to our critics. It is the principle of an organization, owned by the public, making commercial revenues which is opposed more or less violently according to the temper of the publishers interested. Even during the Air Commission, when many thought the question was mostly whether we should have a Canadian B.B.C., the same group of persons opposed any possible organization of public service radio. In Great Britain the B.B.C. won an uphill fight against publishers who opposed the B.B.C., not because it was getting advertising revenues but on the ground that the B.B.C. was issuing too many publications of its own deriving a revenue therefrom.
>
> No matter what the public interest may be, no matter how much we restrict our commercial activities, *some* of those who make their money by selling advertisements in the printed form are opposed to us, and they even go so far as to suggest that we should curtail our service to the public so that certain commercial interests should be protected. *Some* do not want any one else to receive advertisers' money even if it is in the interest of the public; *some* seem to want it all for themselves.
>
> Throughout the whole P.B.A. brief, we are said to be part of the government. It was even stated, if I remember correctly, that we took orders from the minister. I deny this emphatically; the management and the staff of the C.B.C. take orders from no one else but our Board of Governors. With all due respect to the minister to whom we report, and to those to whom we have reported in the past, and recognizing that our relations with them have been extremely satisfactory, I believe I can say that the minister has no authority to commit the C.B.C. I believe I am right in saying that our Board of Governors is responsible to Parliament through the minister. It is the minister who keeps the Governor-in-Council informed of what is going on and if, some day, our board, our general manager, or our assistant general manager were to commit certain actions which could be considered detrimental to the interests of the public, the council would have the right to make any changes they might wish on the membership of the board and could request the board to take action against its high officials and, if necessary, recommend their dismissal.
>
> As I see it, the main points of contention, as submitted by Mr. Carson, are as follows:—
>
> The Periodical Press Association complain that we are in unfair competition with them because we are supported by licence fees paid by listeners and that thereby we are in a privileged position to get advertising accounts away from their members. They claim that the creation of a second network will increase our commercial earning power. They also state that our general manager and the minister to whom we were

reporting in 1938 have stated that we did not intend to accept more than $500,000 gross commercial revenues. The rest of the submission was in the way of arguments which I propose to deal with later on.

The fact that we receive money from listeners to help us carry on our work and discharge our duties towards the Canadian public would indeed place us in a very favourable position if it was not for one important factor. The only way competition with periodicals could operate would be for us to cut our rates to a point where it would be more attractive for advertisers to buy radio networks than to use periodicals. Things do not work that way however because our rates are not set by us on a competitive basis but are imposed by the conditions of the trade in Canada. In other words, the 46 private stations on our networks, out of 80 all told, decide through their own competitive rates what we shall charge for network time. Those rates, I might say, are those generally accepted throughout the North American continent. They are based on market conditions as they exist in the regions served by the station and ultimately they are governed more or less by the per capita cost of advertising. In other words, whether we are subsidized by the public, whether we pay taxes or not, our returns from broadcasting activities covering a certain number of programs are bound to remain the same. If our licence fee revenues should decrease, if we had to pay taxes as suggested, it would simply mean that our service to the public would be reduced. No one single periodical would benefit by the fact that our total revenues would be reduced. The only way we could overcome any important cut in our revenues would be for us to take on more commercials by accepting many programs which we now refuse; this is decidedly not what Mr. Carson had in mind.

Referring to the second point, that is, the creation of the second network, I would like to point out that not a single radio station was added to Canadian broadcasting on account of this decision. Within certain limits, it may even be said that the periods which will be sold for network operation were used locally by broadcasting stations for commercial purposes. The only thing the C.B.C. has to gain financially in running the Dominion network is to be permitted to sell its stations at Watrous and Sackville at a somewhat higher rate and to transfer commercial programs to its other network, thus making room for more sustainers. That in no sense has increased the commercial competition of the C.B.C. to anyone.

The second network was organized for two purposes—the most important being to give better service to the Canadian public; the second, to satisfy an ever-increasing number of advertisers who were demanding more time on the air. This second network will bring very little revenue to the C.B.C. because it is composed at present of 23 private stations and 1 C.B.C. station. Mr. Carson knows very well that private enterprise has been asking for the privilege of running that network on a strictly commercial basis. Maybe he could tell us whether he would prefer that, rather than have the C.B.C. operate the network itself. On the one hand you have private broadcasters demanding a network so as to be permitted to make more revenue, and on the other you have the Periodical Press Association criticizing the fact that we have organized a new C.B.C. network thereby depriving them of advertising revenue which they claim rightly belongs to them. I believe our solution is a very happy middle course.

I cannot really understand why Mr. Carson has based his estimates of the potential revenue of the Dominion network on the card rate of $1,300 per hour. He knows very well that that is not the amount that is actually collected for one hour's use of the network. Once you have deducted commissions, frequency discounts and regional discounts, that figure is cut by more than one-third for evening hours. Besides not many programs run steadily all year long.

As for the third point, to which I propose to come back later on, it is evident that our business has increased as any other advertising business in Canada; and if we are getting more commercial revenues now, it is largely because we are receiving our share of the increase in advertising budgets. On a percentage basis, I am positive that our increase is well below that which has been enjoyed by other advertising media. Furthermore, we cannot possibly stop progress and if advertisers go more for radio broadcasting than for the printed word, it is all to the benefit of Canadian listeners.

With reference to the mention of a third network, this is impossible at the present time, because there are no stations available for such a network. Besides, it is doubtful whether it would be possible to maintain a third network from coast to coast under the present conditions of the Canadian market.

As I explained here before, we must have on our networks the best American sustaining programs, which means that we must also carry the best commercial American programs. That is in the interest of the public and it is a responsibility which we cannot avoid. This results in a much welcome revenue, although it may not be our desire to increase our income through that source. Indeed if we were the greedy people that some persons think we are, we could easily double our present commercial revenues.

It is quite a compliment to be told by a successful publisher that we are good salesmen, but I can assure him that we do not abuse our superiority in that field. However, he should not put such ideas into our head—we may have difficulties in restraining those who look after our commercial business.

It is true that parts of advertising budgets come our way, but I am told that upwards to 75 per cent of the biggest advertising appropriations in Canada go to the press and only 20 per cent of these budgets to radio.

Further, we cannot help it if advertisers consider that radio is a better and cheaper advertising medium than the printed word and if the public insists on listening to their programs.

It was said that we have broken faith with the publishing industry. It is evidently forgotten that we do not carry spot advertising and local spot business, that we have never conducted a campaign against newspapers or periodicals; on the contrary we frequently advise our listeners to read newspapers. In this respect it would be interesting to find out who broke faith with whom.

Mr. Carson said that a promise was made some years ago that it was not the desire nor the intention of the Corporation to go beyond the figure of $500,000 for commercial revenues.

I know statements were made but, at the time, no definition was given of what that figure should represent. I do not recall that there was any request for a definite indication of what was to be called gross commercial revenue. At the beginning we used to report as gross revenues monies collected by us, less the direct cost of running our commercial department. Later on we gave, on the revenue side of our financial statement, the total amount received by us and on the expenditure side the cost of running the commercial department. This was done because we found that it was impossible to segregate from our total expenditures all the charges which could be made against our commercial activities. This change in accounting practice did not mean that our business had increased by that much. This year, at the request of the committee, I gave a breakdown, including the share belonging to private stations on our network and other charges. This goes to show that financial statements have to be interpreted in their true light with all facts available and a perfect comprehension of the

business involved. As a matter of fact, if we were to charge against our commercial revenues the expenditures which rightly belong to our commercial activities we would show a rather heavy deficit.

It appears that what periodicals are afraid of is that we may increase our commercial revenue indefinitely. It is not possible to indicate clearly what will be the actual ceiling in dollars and cents which we will attain. This depends a good deal on the general economy of our country and indeed on the purchasing value of the dollar. If revenues expressed in dollars and cents increase for everyone in Canada it is evident that our own business will be subject to the same economic trend. Again, if there is much more money spent on advertising, I do not see how with our small share of the business we should not benefit by the overall policy; I can say, however, that so far as the C.B.C. is concerned, we have a number of self-imposed restrictions, which I have mentioned here before, and which limit the total number of commercials we may carry.

There is also the fact that we will always insist on having a certain number of sustainers even on private stations who are part of our network and during the best hours of the day. This is a very effective self-imposed limitation.

Our friends seem to forget that network broadcasting has to meet the competition of what is known as "national spot broadcasting". In other words, when it becomes less costly to an advertiser to distribute records to broadcasting stations across the country than to lease wire line facilities to connect a station to the network he uses the first method. Even if network operation was to stop entirely in Canada, periodicals would have to face the competition, which they had before, of the same program being repeated on all stations through recordings. This method is used every day to a large extent and we have never heard of any protest against it.

These are factors which make it impossible for us to increase our commercial revenue indefinitely and which guarantee to all concerned that we, the C.B.C., will never be in a position to compete commercially to any extent with printed publicity media.

It is therefore quite meaningless to advance that the C.B.C. was built with money which belongs to periodicals. That is a superiority complex which reveals great ambition on the part of those who support the claim but which does not add anything to their claim.

I said before that the amount of money involved does not seem to be the matter in question. You were told that we should pay taxes, that we should limit our commercial activities, that if we do have commercial revenues, licence fees should be abolished. We may meet all requirements by taking as many commercials as we wish, provided we pay taxes.

Periodicals do not care whether we receive a subsidy voted by the House out of public money provided by all the taxes paid into the treasury, whether such taxes come from Aklavik or Toronto; but they do not like the idea of listeners supporting their own national radio system through their own contribution to it. I suppose there would be no objection to our increasing our rates so that we would be less efficiently competitive.

It was stated that local stations are in direct competition with local newspapers, and that networks really compete with periodicals who draw a good deal of their revenue from national advertising accounts. Would that mean that the C.B.C. is free to compete without restrictions with newspapers? Would it also mean that we must refrain from carrying such programs as Charlie McCarthy, Metropolitan Opera, Lux Theatre, Jack Benny, Fibber McGee and Molly, Bob Hope, etc.? Even if in doing so we would deprive the Canadian people of those programs?

Other broadcasters may compete furiously against other advertising media and there would be no protest forthcoming. As a matter of fact the revenues of the combined operations of privately-owned stations are much greater than our own commercial revenue.

The U.S. Broadcasting industry last year built up a total revenue of some $300,000,000. On a pro rata basis the Canadian broadcasting industry could very well take in some $30,000,000, I suppose. You can see that the C.B.C. is decidedly not overdoing it.

We were told of the important service rendered the population by periodicals. According to statistics contained in a brochure which was before the committee, and which was published by the Periodical Press Association, the combined circulation of all publications belonging to the Agricultural Press Association, the Business Newspapers Association and the Magazine Publishers' Association (in other words, I take it the people which Mr. Carson represented) is supposed to be 2,442,461. If you consider that many of these are trade papers with limited interest to the general public, and also that many homes take none of these publications, whereas others may receive many of them; and if you further consider the circulation of one of the magazines mentioned, that is MacLean's at 270,086, you come to the conclusion that the number of homes which receive any of the publications listed must be well below the 2,000,000 mark.

Official figures released by the Dominion Bureau of Statistics indicate that on July 2nd, 1941, there were 2,000,712 radio homes in Canada. These are getting a 16-hour per day service generally from many stations; all are served by the C.B.C. and for that service listeners pay $2.50 per year or 0·7c. (seven-tenths of a cent) per day. To this of course must be added the contribution of the listeners to the cost of commercial programs through the publicity portion of the price he has to pay for the goods he purchases. It would be interesting to compare that contribution with the $2.50 per year paid to the C.B.C. Subscription to one newspaper will cost, I suppose, an average of $8.00 per year.

It is evident that owners of periodicals operate their publications for profit; but there are some unfortunate people who are satisfied with a just remuneration for their work and, I dare say, that this applies to those who work for periodicals so that their owners may make a profit, unless all of them are conducted on a profit-sharing basis. Although it cannot be denied that some motive is necessary to urge a man to give all he can to his everyday endeavour, I submit that uncurtailed monetary gain may not necessarily be that motive. We are fortunate there are still some people built that way, otherwise periodicals would find it hard at times to find good writers for their publications. General LaFlèche very rightly pointed to the case of the soldier who is protecting our very life and our property while we are here debating whether Canadian citizens should pay seven-tenths of a cent per day to sustain a national radio system.

It was suggested that we should take our place in the scheme of things. Why should not that formula apply to periodicals which sooner or later will have to admit that radio broadcasting is a very important competitor to the printed word and that 79 privately-owned stations in Canada make their living out of the business? We are not expected to control the choice of advertisers and advertising agencies in that respect, even to protect the newspapers and periodicals.

A good deal was said about the fact that periodicals were restricted in the expansion of their plants because of war measures. I can assure you that this applies to the C.B.C. just as well, and such projects as the equipment of an elaborate shortwave receiving station and other similar plans

had to be left aside by us for the duration. This also applies to very greatly needed C.B.C. headquarters in Toronto and Montreal. Plans and specifications were completed four years ago for the Montreal building and preliminary studies have been made for the Toronto building. Yet we were not permitted to proceed with the projects. The same applies to all types of equipment which we badly need, including that of the important international shortwave radio station which we are now building for the government of Canada.

We are again accused of running our business on a sound financial basis. It is amazing how certain people angrily demand a balanced budget from public enterprise, and are the first to criticize if the financial operations of such services show a surplus. I have met the same situation in other services I had the honour to administer and where, I am pround to say, business was run as it is at the C.B.C. I can assure you that it is difficult at times to resist the temptation to run into a deficit; this is the simplest thing in the world to do.

I have tried to establish before this committee that the very nature of our business makes it impossible for us to make a profit in the ordinary sense of the word. But if the fact that every year we spend less money on current expenditures than we receive during the corresponding fiscal year results in our being accused of making a profit, then we have to plead guilty to making a profit for Canadian listeners, using mostly their own money. Or we may put it this way. If the fact that a man decides to spend $1,000 in one year to do a certain job and only spends $900, means that he has made a $100 profit, then we do make a profit.

Mr. Carson speaks of "Government subsidized radio monopoly" and goes on to analyze our surplus items. I am very sorry to admit that most of his nice figures unfortunately do not represent cash investment or liquid reserve of any sort. They are simply book entries, which means that according to usual financial practice our physical assets and small reserves are worth just what the balance sheet says. Mr. Carson will understand what I mean.

May I repeat here that the only real assets we have are represented by real estate and equipment we own, totalling $798,118; liquid assets in the form of a cash reserve of some $500,000 to take care of any emergency which may occur at any time in a business which fortunately has been very stable in the past, but may become erratic on very short notice; $50,000 actually appropriated to specific improvements to our plants and $100,000 reserve to be used in adjusting the salaries of employees coming back from the armed forces. We also have a $200,000 working capital which may vary from month to month according to the state of our bank account.

All this is a very moderate financial situation for a business with an annual budget of $5,500,000. I do not want to take too much of your time discussing this matter of surpluses. I feel that I have already covered the point very thoroughly both last year and this year, and it is sufficient for me, I believe, to refer you to pages 59-61 of last year's parliamentary committee and pages 281-282 of this year's proceedings.

I might add here that since I wrote this brief I have made a suggestion to the auditor general that in our annual financial report instead of stating we have a reserve for depreciation, which is not a real reserve, this figure should be called deduction for depreciation and absolescence which it is the real fact. We have no cash reserve, and we have no funded reserve for depreciation. I might also add that the $50,000 actually appropriated to specific improvements is to be used very shortly in building a frequency modulation station on an experimental basis to introduce the system in Canada.

Apparently some people believe that we should not have paid off our indebtedness to the government so quickly. I can assure you that we would much rather have kept the money for our own use; but there is a war to be won and we were told that if we would clear our debt as quickly as possible it would help. I hardly think any true Canadian can hold against us the fact that we did our very best to help our government.

It has been suggested that we should be taxed. We are in the very happy position of opposing taxation in the name of the Canadian public rather than for the benefit of those connected with the C.B.C. Whatever amount we might have to pay in taxes would simply mean that we had that much less money to provide service. What would it mean for parliament to impose a licence fee on all listeners only to take back part of it for general use in government administration? This would be the most stricking example of indirect taxation and it would unquestionably be money obtained under false pretense. In other words, the listeners would be taxed $2.50 to sustain a national radio service and then part of this amount would be used to build grain elevators or other buildings somewhere in Canada.

I have only tried to deal here with the general ground covered by Mr. Carson.

Radio broadcasting is here to stay and it will continue to be used in part for advertising purposes. Many papers understand the situation and have the privilege of running a broadcasting station in parallel with their papers. We claim that we are not overdoing it and we know that we are restricting our commercial activities to the very minimum required for us to discharge our duty towards the listening public.

If you wish to know more about this question, our Commercial Manager, Mr. E. A. Weir, is here this morning and he has extremely interesting figures and facts which we would like you very much to know about. I hope you will hear him.

The CHAIRMAN: Is it the wish of the committee to ask any questions or discuss that statement?

By Mr. Coldwell:

Q. I should like to ask a few questions. I am sorry I was not here when Mr. Carson appeared before the committee or I would have asked him the same questions which I will now ask the general manager. Is Mr. Carson a member of the firm of Taylor, Pierce and Carson?—A. No, he is a periodical publisher.

Q. Then, I have not seen the gentleman. I thought perhaps he was connected with that radio broadcasting group, but since the matter of periodicals and newspapers has been raised by Mr. Carson it seems to me that this committee should consider the whole situation regarding the ownership of radio stations by newspapers in this country. There are several groups who own both newspapers and quite a number of radio stations. I heard over the air last night or this morning that Mr. Roy Thompson of Kirkland Lake has bought four newspapers in this province, and I understand he controls several radio stations. Do you happen to know how many he controls, Dr. Frigon?—A. There has been a change in ownership lately. He has parted from partnership with his associate, Mr. Cook. I do not know really where he is standing at the present time, but he owns and operates a number of radio stations.

Q. Then, you have the Armadale corporation, the people who own the Manitoba *Free Press,* the Regina *Leader Post,* Saskatoon *Star Phœnix, Prairie Farmer, Saskatchewan Farmer,* and they own a station in Winnipeg, and two in Regina. Are they interested in the Kenora station?—A. I think they own one in Edmonton.

Q. Where?—A. Edmonton.

Q. I do not think so. Is it not Kenora?—A. They own three all told, two in Regina.

Q. Have they not an interest in the Kenora station bought from James Richardson & Sons?—A. Competition comes from the fact some stations are owned by some people and operated by others. That is the case with Mr. Thompson. He owns stations and he also operates stations for other people. What his interest is in those stations where he is the operator we do not really know. Whether he is just manager and operator or part owner we do not know.

Q. Then you have a situation in Alberta as well where the Edmonton station and the Calgary station are owned by the same people who own the Calgary *Herald* and Edmonton *Journal*. While I think they and its Armadale group are giving service and giving equal treatment to people of various ideas I do not think it is a very healthy situation. Since the question of relationship of the journals, and so on, to broadcasting has been raised by Mr. Carson himself I think it is a matter which the committee should go into and one on which they ought to make some recommendation because obviously news channels, both radio and journalistic, are being controlled by a very small group of people in this country. I think that is a very unhealthy situation and one which should be carefully reviewed by this committee. I think we did express some view regarding it in one of the previous reports. I was going to ask, too, on what basis broadcasting rates were set by the corporation or by the private stations?

Mr. ISNOR: Before you get away from that other angle, as a rule you are very clear and it is not difficult to follow you, but I just fail to get your point there.

Mr. COLDWELL: May I repeat it?

Mr. ISNOR: Yes.

Mr. COLDWELL: My point is, it is not in the interests of the state, Canada, to have the vehicles of information, newspapers and radio stations, controlled by a few groups. In this country you have the Thompson group in Ontario; you have the Manitoba *Free Press* group in Manitoba and Saskatchewan and you have the *Journal-Herald* group in Alberta controlling newspapers and radio stations.

Mr. TRIPP: What about the commonwealth group from coast to coast?

Mr. COLDWELL: I do not know of a group of that name controlling newspapers and radio stations.

Mr. TRIPP: I just heard there was a new paper starting up in Halifax.

The CHAIRMAN: If you turn to page 316 of the record you will see a list there of all stations and by whom they are owned.

Mr. HANSELL: Did we not make a recommendation to that effect last year or the year before? I was under the impression there had been regulation.

Mr. ISNOR: With respect to new licences only.

Mr. COLDWELL: Yes, two years ago.

Mr. HANSELL: That was followed out, was it not. Dr. Frigon?

The WITNESS: I do not recall there was any specific recommendation in the report about newspapers. There was a specific recommendation about ownership, yes.

By Mr. Hansell:

Q. About ownership, that is it; that was followed out, was it not?—A. Yes, to a great extent; it is known now that we do not encourage ownership of many

stations by one individual or one group, and we keep away from that. I do not recall that we have recently recommended any permits for stations which belonged to the owner of another station.

The CHAIRMAN: May I call your attention to the report of 1942, page 1095:

> Your committee further recommends that every effort be made to obviate duplication of broadcasts in the same areas and provide listeners with alternative programs. At present eight broadcasting stations are owned or controlled by one interest and six by another. Under the existing law and regulations, the minister (at present the Minister of Munitions and Supply) is given power to license private stations upon the recommendation of the corporation and a licence may not be transferred without permission of the minister. To prevent dangerous concentrations of broadcasting stations in private hands, your committee recommends that the regulations and practice be changed so that:—
>
> (*a*) Neither the ownership nor the shares evidencing ownership of a station shall be transferred without the authority of the minister;
>
> (*b*) A station shall be owned and operated by the holder of the licence;
>
> (*c*) Except in the most unusual circumstances, no one shall hold more than one licence;
>
> (*d*) The responsible minister and the corporation shall have the power to obtain all information necessary to carry out these provisions and to ensure that private stations are operated for the benefit of the nation and of the communities in which they are located. If necessary, the revenues, profits, and expenditures of privately owned broadcasting stations should be ascertained in order to see whether the licence fees payable by them to the government are adequate and if the public service rendered by them is commensurate with the direct and indirect profits and advantages enjoyed by them from the right to use a broadcasting channel.

By Mr. Coldwell:

Q. Have the regulations been changed to apply this recommendation?—A. There have been no regulations but the board has lived up to this recommendation to a great extent. I cannot recall now of any station having been recommended as an addition to a group. I have even been told—this is only rumor that Mr. Thompson is now buying papers because he knows he cannot extend his ownership in radio.

Q. Is he buying papers out of the profits of the radio stations?—A. You had better ask him that.

Q. I was going to say that the recommendation did not cover what I had in mind which was the concentration of control over the information agencies by three or four groups in this country.

Hon. Mr. LAFLÈCHE: I think that is the point. Please read it again.

Mr. COLDWELL: I had in mind newspapers as well. I think the government is quite logical in ordering the divorcement of air transportation from surface transportation. If they are logical in that it is logical to divorce radio stations from the newspapers; I think it is even more logical because it is a control of the channels of information which are vital to the community. I would like to see the committee consider that. I am not pressing it at the moment, but I should like to see the committee, when we make our report, consider what I regard to be a very important point. That is why I raised it. Mr. Carson raised it, and consequently it is open for discussion.

Mr. HANSON: Do you mean cancel radio licences which are now held by papers throughout Canada?

Mr. COLDWELL: That is right.

Mr. HANSON: That is quite a problem. In British Columbia we have two big newspapers, the *Sun* and *Province*. They both have radio stations.

Mr. HANSELL: Was not the reason why newspapers bought up radio licences because newspapers were in danger of becoming more or less obsolete news vehicles, and they wanted to be prepared should newspaper advertising swing to radio. It seems to me that is the basis of it.

Hon. Mr. LAFLÈCHE: Newspapers may have had in mind the protecting of their newspapers.

Mr. HANSELL: Yes.

Hon. Mr. LAFLÈCHE: By supplementing; in ordinary business I think that would be good and ordinarily legitimate business practice. How it affects the interest of the public is another matter.

The CHAIRMAN: Of course, there are some newspapers which contend—and in my judgment not without justification—that if they can procure a radio licence it is just as much a part of their equipment as a printing press or teletype. As I say that is not entirely without justification. They consider it as an adjunct of their business. In these modern times there may be some justification for that contention because it brings in news to them. It is like the teletype. They can pass that news on through the printed press.

Mr. COLDWELL: Of course, there may be some room for argument in that case, but I am thinking of the tremendous concentration which has gone on.

The CHAIRMAN: Monopoly.

Mr. COLDWELL: Monopoly, where you have one group; for example, in my own province of Saskatchewan we have the principal daily newspapers and three of the radio stations are controlled by one group. That is not in the public interest. The same thing may happen in Alberta later on when these papers go into the market there. I think some attention should be given by the committee and by the government to this particular situation.

Mr. ROSS: Have you no daily newspaper in Saskatchewan?

Mr. COLDWELL: No widely circulated daily newspaper not owned by this group.

The CHAIRMAN: In his district.

Mr. COLDWELL: That is of large circulation.

Mr. TRIPP: It looks to me as if we are going far afield to say that a man can buy two cows but he cannot buy a horse and a cow.

Mr. COLDWELL: I am not saying that. If a man buys all the cows and horses in the neighbourhood he has a monopoly of all production.

The CHAIRMAN: He cannot use all the production. He has got to distribute it.

Hon. Mr. LAFLÈCHE: The other man has to buy a mule then.

Mr. ISNOR: I think the point raised by Mr. Hansell covers what I have in mind, Mr. Chairman. When newspapers branched out and constructed radio stations, applied for licences and obtained them, they felt that it was necessary for them to have a channel or outlet to assist them in the newspaper business. Political parties have gone into the field of newspapers now. Certain political parties have produced and are printing newspapers, perhaps on the same principle. I feel that if they were justified in printing newspapers to further their interests then the newspapers are naturally in the same class and cannot be criticized adversely for using the radio.

Mr. COLDWELL: If one political party were to purchase all the newspapers in an area and the radio stations also I do not think that would be in the public interest.

Mr. ISNOR: I can only answer that by saying that if certain parties came into power in Canada and had complete control of the radio and there were no private radio stations then they would be in the very same position.

Mr. COLDWELL: I do not know of any political party that proposes that.

Mr. ROSS: I know, but it is possible.

Mr. COLDWELL: The political party with which I am associated believes in a national radio system and believes in the community station as a community station, not as part of a national chain. We have never taken any other position. I do not know the party.

The CHAIRMAN: Is not the fundamental point this, that the Canadian Broadcasting Corporation perhaps should not have given to the private stations the rights which they have, rights which they probably should have retained in the interests of the general public? The idea is that having done that they cannot get away from it, but they should put themselves in a position of not extending that privilege any further to other individual stations.

By Mr. Coldwell:

Q. We had better ask Dr. Frigon if he does not know of the case in Kingston? What about the case in Kingston where Mr. Davies owning one station bought another, and apparently farmed it out to the Thompson interests? —A. I did hear that the Thompson organization was running the station for him, presumably on a percentage or straight fee basis, or perhaps some other scheme.

Q. Is that not a violation of the suggestion made in the report of the committee because that does give the Thompson interests another outlet? —A. The policy of the station is supposed to be controlled by the owner who would be Senator Davies in that case. Mr. Thompson in that case is simply the operator who supplies the personnel, both technical and program, and runs the station as a business. He is not supposed to have any authority on the policy.

Q. He is not supposed to, but is that not rather playing with words? After all the operator really does pretty well control the policy of the station; it cannot be otherwise.—A. If the owner wants to he certainly can stop that. It would be rather unusual to admit that the manager can do as he pleases with a station if it is owned by somebody else.

Q. There is another point arising out of our discussion this morning. The recommendation which was just read says that if necessary we should be supplied, or the board should be supplied, with financial statements of the private radio stations. The C.B.C. as a government-owned and operated organization must present its financial statement here and it is subject to attack by various people who are interested in advertising, and so on. I think the people of Canada ought to have some knowledge of the profits which are made out of a national asset, the air waves. I think that recommendation should be carried out. The corporation should obtain the necessary power if it does not possess it already to order submission of the financial statements of the private radio stations in Canada for review. What do you think of that?—A. Whether it should go to the C.B.C. or the government I am not prepared to say. Maybe the Department of Transport, which issues the licence permits, should be the party to receive such a report if they are to be made available.

Q. I think they should be made available.

Mr. HANSON: I do not think that this committee has any power to make such a recommendation because we have tried in the railway committee to get the trial balance of the C.P.R. but it never could be done. I do not think we can ask for a statement from a privately-owned company to be brought before this committee.

Hon. Mr. LAFLÉCHE: Mr. Chairman, that subject was mentioned at a previous meeting of this committee. There is something in the record about that before to-day.

Mr. HANSELL: Mr. Coldwell brought it up.

The WITNESS: I think the Minister of Transport has now by regulation the right to ask for a statement, and demand also a statement as to the ownership. I do not think it is general practice that they must file a report, but I think the Minister of Transport by regulation can say to them that they must if required.

Mr. COLDWELL: I think they should be made available if necessary.

Mr. TRIPP: Is there not one department of the government that has all that information, the income tax department?

Hon. Mr. LAFLÉCHE: You cannot get it there.

The CHAIRMAN: The Department of National Revenue will have it all because all these people have to make a corporation return.

Mr. COLDWELL: That is confidential. The operations of the nationally-owned radio system are public property. I see no reason why we should not know something about these private stations. They come here year after year asking for privileges and we are entirely in the dark as to what justification there is financially for the requesting of these privileges.

The CHAIRMAN: The next brief that Dr. Frigon has to submit—

Mr. ISNOR: Mr. Chairman, before you go on with another brief—

The CHAIRMAN: May I make this short statement? The next brief which Dr. Frigon has to submit has to do with the representations made before the committee at the last meeting by Mr. Sedgwick. I have no doubt it will cover some of the business of private stations, and I think if he would present it now probably the two of them could be discussed further together.

The WITNESS:—

I am sorry to have to take some more of your time in order to take care of certain statements made here last week when Mr. Joseph Sedgwick appeared on behalf of the Canadian Association of Broadcasters. I believe you will find in my previous submissions my own answer to all the questions asked last week and our interpretation of the various situations that were dealt with. I shall, therefore, be very brief in my statement this morning and I would like to suggest that you ask me as many questions as you did Mr. Sedgwick when he was on the stand.

The dominating argument submitted by private broadcasters is that there should be competition—local competition, competition between networks, competition in television, competition in frequency modulation when many stations can operate in each locality, etc. "Competition for what?". The answer is "for audience", and there you have the whole matter in a few words. This calls for a race for popularity. Certain types of programs then become almost a burden and are broadcast only because you want to keep articulate minorities reasonably satisfied.

I do not pretend that all broadcasters will do anything to secure an audience; their code of ethics varies from that of the not too scrupulous to that of the high spirited publicly-minded citizen. It is evident, however, that the basic policy which influences a broadcaster has an effect on the type of programs he offers to the public and on the balance of his programs across the week. If the policy is to reach as many people as possible, then the inclination is to favour popular programs, but if the main purpose is to be useful to the public at large, the popular program becomes only part of the fare and not necessarily the main course. You have there two fundamental differences in purpose which cannot fully be

reconciled. It is evident that there will always be a decided conflict of opinion between people as to what constitutes good radio programming. If I am not mistaken one of the reasons for creating the C.B.C. was to protect the interests of the public against those who might be willing to sacrifice the interest of Canadian citizens, to satisfy the greed of a certain type of individuals. Our past performance will prove that I am not fostering a "high-hat" attitude. We believe it is our main function to complement the popular type of programs, supplied by advertisers, with others possibly without great popularity appeal but yet essential to the promotion of Canadian broadcasting as a part of our national life. That explains why our own programs do not get the rating obtained by costly commercial programs. What would be the use of us squandering our money on the type of entertainment which is already offered by sponsors? Mr. Sedgwick ought to know that when he states that "the C.B.C. programs that get an audience for the private stations are for the most part their commercial programs, not their sustaining programs"—and I hope that by this time you know that our chief purpose is not to obtain high ratings with our own sustainers.

With this background, I would like to give a brief summary covering the principal points raised before this committee, especially at the meeting of June 21st.

Mr. Sedgwick says that private broadcasters should have been called in conference when the White Paper was reviewed. The revised edition of the White Paper doesn't change any of the basic principles promulgated in the first edition. Futhermore measures taken under that White Paper concern the use of reserved time on private stations and I do not see why it is necessary to deal with broadcasters, as a group, when the interpretation of the rules concerns mostly individual stations and their local problems. In practice we have tried to organize political broadcasts on our networks in such a way as to interfere as little as possible with the normal operation of stations.

It has been suggested that there should be a joint committee to discuss technical matters on which private broadcasters would be represented. The duty of dealing with technical matters rightly belongs to the government because of the intricate international agreements which must be taken into account. When required, private broadcasters who are interested in any particular problems are consulted, but I cannot see how representatives at large could help in solving them.

It has been suggested that a commission controlling both private enterprise and the C.B.C. would improve present conditions, the main reason given being that it is fundamentally wrong for one body to rule over private stations while also engaged in broadcasting. We claim that no change should be envisaged until the present system ceases to function satisfactorily. The new organization, if it performed its duty towards the Canadian public, would be at least as severe towards private stations as we are ourselves. Indeed, as its sole function would be to control, it would be inclined to exercise its authority with more energy than we ourselves who know broadcaster's difficulties so well. Do private stations really want more effective control to be exercised over their business?

Under such a commission we would become full-fledged competitors of private enterprise with the very strong temptation to just stay within the law and go all out to get audience and popularity. This could not be achieved while maintaining the highest possible quality of public service broadcasting. You will remember that Mr. Sedgwick said when he spoke

of daytime serials "I do not know whether they are higher or lower level, but they are a type of entertainment that appeals to the great mass of our public".

It was said emphatically that the C.B.C. could not be impartial. No evidence whatever was given to substantiate that declaration. Not a single example was given to show that at any time we have done anything which would favour C.B.C. stations at the expense of private owned stations, unless anything we do is considered partial because it is not always in the exclusive interest of some individual broadcaster. Everything we have done, which at times may have appeared to be detrimental to individual stations, had to be done to make sure that listeners at remote points would not be deprived of the best programs available to those in large centres. We have yet to be shown any evidence that we are protecting our commercial interests at the expense of private enterprise.

It is submitted that private stations should be permitted to line up a network across the country in competition with one operated by the C.B.C. The C.B.C. has no interest in opposing that suggestion except that of protecting listeners. We maintain that private broadcasters are not in a position to give satisfactory Canadian broadcasting to the Canadian public because of their evident and quite understandable limitations in financial means. The only real argument submitted in favour of this suggestion is that it would create a competitive situation which would be in the interests of the public. Our competition at present comes from the stations located where there are C.B.C. network basic stations either owned by us or by private enterprise. As I have said before, we are fully prepared to co-operate with private broadcasters in facilitating the broadcasting of programs produced by them on our networks. They are at liberty now to introduce in Canadian broadcasting the competition they are suggesting would be beneficial to all. As we take it, we are expected to see that the best possible broadcasting service is given to all Canadians and the only way for us to do so effectively is to operate the networks and make sure that talent, facilities and money available are most efficiently used.

You were told that the CBC does not contribute to the commercial prosperity of private stations because all it does is to transfer to such stations on its network monies paid by sponsors. It is true that we do not use public money to subsidize private stations directly, but network revenues which stations enjoy are made possible because of the fact that the C.B.C. maintains network facilities across the country and even supplies sustaining programs and highly sought educational programs paid from its own revenues. Private stations do not pay anything for the services they receive from us except a very low licence fee for broadcasting permits and there is a small balance of sponsors' money which helps to pay for expenses of our commercial department. In the United States, where there is nothing else but private network broadcasting, each station has to pay a substantial fee to network operators for the privilege of being on the network and of having access to sustaining programs. As a matter of fact, many stations in the United States consider that even if they do not receive a single dollar revenue from their network affiliation, the prestige connected with such an affiliation fully compensates for the time devoted to network service. In Montreal, Toronto and Windsor there are privately owned stations which are affiliated with American networks and which pay important sums of money to American network operators for the privilege. Indeed, this also applies to our own stations affiliated to an American network where we have to relinquish part of our duly earned commercial

revenue for the sale of time as our contribution to the network. I must add, however, that in all cases American networks generously allow us to carry their sustainers free of charge on our networks.

Mr. Sedgwick stated that "if you sell a station on your network—shall we say for $100, and that you get $50 and give the station $50, what they get in exchange for the $50 you have kept is a sustaining service in addition to what the network sells commercially". That is a vague and very incorrect statement. Mr. Sedgwick knows very well that no station actually receives 100 per cent of its card rate. When commissions, discounts and such charges are deducted it is fair to say that the clear amount collected by the station is of the order of just more than 50 per cent of the rate card. I hope the intention of Mr. Sedgwick was not to make you believe that we keep 50 per cent of commercial revenues to pay for sustaining programs sent to private stations. The figure is not 50 per cent, but below 10 per cent and that portion is hardly sufficient to pay for direct cost of maintaining our commercial department. There is not a cent left over to pay for sustainers.

Quite a case was made of the fact that the C.B.C. will not allow private broadcasters to have television transmitters. Going through the corporation's files we find statements such as these: "No application for television licences should be granted for private stations until further notice". That was in 1936. Later on the Board states that it is not opposed to the establishment and operation of private television stations for experimental purposes only, provided that licences for such stations are restricted to those fully qualified technically and financially and that the licences shall be subject to such terms of expropriation as the Board may deem advisable. In 1938 the same stand is taken, always with the possibility of further study of the question according to circumstances. The same reserve is observed at meetings taking place in 1939. Then in 1939, Mr. Brockington made the following statement before the Committee of the House:—

> So far as the board of governors of the Canadian Broadcasting Corporation is concerned, its *present* policy is not to alienate from the public domain any broadcasting rights in television to privately owned stations or other profit making concerns.

People seem to forget that from that time on there has been a war and that things have been more or less at a standstill ever since. London has even discontinued its television service and big American firms are just marking time. There is nothing in that story to suggest that the picture Mr. Sedgwick has tried to impress on your mind is correct. For the first time Mr. Sedgwick said the other day that CFRB may wish to seek affiliation with a manufacturing concern which would be interested in sponsoring television for the purpose of creating a market for the sale of television receivers. So far as we are concerned no concrete plan has ever been submitted to us by any station. The Minister of Transport has received applications from broadcasters who evidently do not realize the difficulties involved. Here again we claim that there is no urgency in the matter. If I may risk my own personal opinion, I would be tempted to suggest that television in Canada might best be handled on a co-operative basis under the direction of the CBC. This is not turning broadcasters down but really inviting their co-operation. The proof of our desire to co-operate in such matters can be found in the agreement we have passed with the Canadian Marconi Company in Montreal before the war to operate an F.M. transmitter jointly on an experimental basis. The Canadian Broadcasting Corporation is simply performing its most elementary duty in keeping close

watch on television, preventing such a marvellous instrument of education, entertainment and communication from being unduly exploited exclusively for a pecuniary gain. This exploitation may even appear in the form of wild stock promotion with which we were threatened a few years ago in a certain region of the country.

I really envy Mr. Sedgwick who can appear before you as a counsel for the Board of Directors of the Canadian Association of Broadcasters. He brings to you general statements, arguments based on theory or what might be, and the moment he is pressed to give facts and discuss operation details, he is at liberty to say that he doesn't know or that he has not been instructed to deal with this or that question, that he is not informed of the opinion of the majority of broadcasters, and so on. You expect me to deal with actual facts and definite policies and I have tried to do so throughout this enquiry. If there is anything on your mind which is not quite clear, if there is any doubt about any of our regulations or practices, may I ask you to please put questions to me so that when this committee is adjourned, I would have the feeling that I have had an opportunity to explain anything which may worry you about the C.B.C. Once I have been given that opportunity, it will be for you to make your decision according to your best judgment but with full knowledge of the facts.

Hon. Mr. LAFLÈCHE: Mr. Chairman, I recall when Mr. Sedgwick was here, perhaps the first time, someone, perhaps I, asked whether he represented all the private broadcasting stations. I wonder whether Dr. Frigon can throw any light on that situation.

Mr. ISNOR: Did he not say he represented forty-nine, certainly not all.

The CHAIRMAN: I think it was sixty-three.

The WITNESS: I believe the C.A.B. represents a great majority of the stations. There are not many which do not belong to the association. Whether Mr. Sedgwick comes here with opinions which have been discussed by the members of the association I do not know. Whether he comes here with suggestions coming from his board of directors or from the association members I do not really know, but as an association they certainly represent a great proportion of the broadcasters.

Hon. Mr. LAFLÈCHE: So I understood, Mr. Chairman, but I seem to recall that the position was left a little bit up in the air when the question was up last time.

Mr. COLDWELL: I see that Dr. Frigon makes a very good point, that Mr. Sedgwick appears here as an instructed counsel and is therefore unable to give us some information. I think in another year we should call Mr. Bannerman.

The WITNESS: If I may suggest, what I have in mind is that the proper persons to call are people who are the actual operators from different sections of the country. I do not mean that Mr. Sedgwick should not come, but the men who operate stations in Edmonton, Halifax or Vancouver should come.

By Mr. Isnor:

Q. Or Charlottetown?—A. Or Charlottetown; they may be in a position to discuss a problem in a different light than Mr. Sedgwick.

Mr. COLDWELL: I did not mean that Mr. Sedgwick should be denied the privilege. I think we should call somebody in addition.

The WITNESS: I envy him when he can simply say, "I cannot answer that, I do not know." I have not that privilege; I must answer.

Mr. ISNOR: I wonder if we would be on safe ground in inviting sixty to eighty private operators to come here instead of them sending their representative? They had their convention at Quebec and as a result they presented a brief. I would think that is by far the better procedure to follow.

Mr. COLDWELL: I would not call sixty or seventy, but could you not call the manager of CFRB, a large station in Toronto?

Mr. ISNOR: That is the trouble; everything centres around the centre of Canada.

Mr. COLDWELL: I think it does as far as the C.A.B. is concerned.

Mr. Ross: Mr. Sedgwick said in his evidence when he was asked whom he represented:

"I do not propose to read the list"——

The CHAIRMAN: Page 197 of the minutes of evidence.

Mr. Ross:

"—— but summarizing it I can say that of the total of eighty-nine stations operating in Canada, there are eleven owned or operated by the Canadian Broadcasting Corporation, including CFPR, Prince Rupert, two operated by universities, sixty-four stations that are members of the Canadian Association of Broadcasters and are independently operated, and twelve stations that are non-members."

That is what it is.

Mr. HANSELL: I was just going to say that I think Mr. Sedgwick has a pretty good idea of what the C.A.B. think along almost any line.

The CHAIRMAN: Yes, he is their spokesman.

Mr. HANSELL: It is only when you ask some definite question such as I asked as to whether or not any of the public had requested that prices be mentioned. On a question like that, of course, he has got to say, "Well, I do not know; I have not talked with every station; I do not know." That is a natural thing, but I think we are safe in saying that he knows in general terms pretty well what the association thinks and what he is talking about.

By Hon. Mr. LaFlèche:

Q. May I ask Dr. Frigon whether the privately-owned broadcasting stations did not ask for the second network which resulted in the new second network now being operated?—A. They have asked for permission to set up a network, not a full time all day network, but as the occasion might require, and then let it develop as they went along and finally it would become a coast to coast full time all day network, I presume.

By the Chairman:

Q. I think the minister means before the Dominion network was set up.—A. Oh yes, they have asked.

By Hon. Mr. LaFlèche:

Q. May I word my question more correctly? Was not the setting up of the second network under the C.B.C. in response to requests you had had from private radio broadcasting stations?—A. Well, partly. We agree there was room for another network which was requested by private stations and by others, and no doubt their previous request gave weight to the decision. They were unquestionably for a new network.

Q. They wanted a new network?—A. Decidedly so.

Q. And the C.B.C.'s reply to that was the setting up of the second national network?—A. Right, sir.

By Mr. Ross:

Q. Was that the whole reason, Dr. Frigon?—A. No, I said, "part".

Q. It was in part, but the private broadcasters themselves wanted their own network; there is no doubt about that?—A. They wanted a network and they wanted it to be their own.

Q. They wanted to control and manage it themselves. This was a compromise perhaps, and it was also so that the C.B.C. could take advantage of programs; it was an outlet for other programs, both from Canada and the United States?—A. Right.

Q. Because you did not have time on your own system for these things? That is really what it was?—A. And basically it was so that we could offer to the Canadian public a choice of two programs. With two networks you can offer two programs at the same moment.

By Mr. Isnor:

Q. In addition I suppose it would be fair to say that in setting up your second network you felt you would block any move by the private stations to have a network of their own?—A. It all depends what you mean by blocking.

Q. You mentioned a third network in your brief, and I was going to ask you what you meant by a third network.—A. If you say we did that in order that they could not be in a position to have a second network I say no, that was not our intention, but the fact that we did set up a network made it impossible for them at the present moment to have their own network, but the object was not to block any action on their part. It was because we thought we must ourselves create a network.

By Mr. Coldwell:

Q. To give the necessary service?—A. To give the necessary service to the Canadian public and to some extent to advertisers, and by the same token a specific number of broadcasters who thought there should be a second network. That is reflected in the fact we have twenty-three stations privately owned and only one C.B.C. owned station on the network. Our interest in it is not financial. There is no question about that because we will lose money with the second network. Therefore, our only purpose in setting up the second network was decidedly to serve the public and not to make money.

By Mr. Isnor:

Q. But it was brought to your attention by the application of private stations for a network of their own?—A. No, we have been doing that thing for years, but not on an established network basis. For a number of years we have built up networks across the country as the occasion required. That has developed gradually into the organization of a full-fledged network as of the first of January. We have had such networks for the last three years or so. It is only the natural development and progress of network operation.

By the Chairman:

Q. Dr. Frigon, are there any stations which are not on one of the two networks?—A. Yes.

Q. How many?—A. I cannot count them offhand, but anything between ten and fifteen. CFRB is not on the network; CKAC, Montreal, is not; and CHLP, Montreal, is not. They may be on the network as subsidiary stations but they are not permanent basic stations on the network.

By Mr. Hansell:

Q. Would it be right to say, Dr. Frigon, that if the private stations had not agitated at all for a network of their own that there would have been two networks?—A. Certainly; it is a logical development of broadcasting in Canada which we recognized years ago by studying it to meet the requirements of broadcasters and of the public.

By Mr. Isnor:

Q. As I understand it, your Dominion network, the second network, takes in private stations which were already in existence along with one C.B.C. station?—A. That is right.

Q. No new stations were added?—A. No new stations were built for the purpose of being added to the network. There are stations which were not on any network before which are now on the network; there are stations which were on the old national network which have been transferred to the Dominion network.

Q. Because of the bringing into being of this second network will it add more outlets of your own at C.B.C. stations?—A. Well, it means that CJBC, Toronto, is now on the Dominion network and we are providing now for a provincial outlet in Nova Scotia, Halifax. The report has gone to the minister.

Q. That is, you are making capital expenditure so as to carry out services of the second network?—A. Right.

Q. Are there any others besides the one in Nova Scotia?—A. There is only one station, CJBC, which was not on the network before and which is being placed on the Dominion network, and the one which we are building to provide an outlet in Halifax for the Dominion network.

By Mr. Hansell:

Q. Mr. Chairman, might we revert back to the first submission this morning just for a moment? Can you tell us, Dr. Frigon, if the corporation, or radio in Canada, has given much advertising to newspapers and periodicals in the country? Sometimes programs are advertised.—A. Many sponsors do advertise their programs in the newspapers. We ourselves do that in certain isolated cases. There is one radio magazine in Quebec where we have a number of our own ads. Of course, we do advertise our commercial department in trade papers on a limited scale.

Q. Sometimes a radio station will advertise a radio program itself, will it not?—A. Yes.

Q. I do not suppose that will be to a very large extent at all, perhaps quite infinitesimal compared to the total amount of advertising.—A. I do not think it means very important revenue to the press. It is just that much more. We have advertised in the Toronto papers a little in order to establish CJBC but we do not as a rule advertise our programs in daily papers, for instance.

Q. You have a department in Toronto run by a Miss Brown—is that the name of the lady—that seeks to contact newspapers with announcements and so forth?—A. Yes, we have a press and information department which keeps in constant touch with all publications to try to get news of the C.B.C. to the public.

Q. That has nothing to do with advertising?—A. No.

Q. Do the press co-operate very much along that line—A. Some newspapers have flatly refused to take our ads because they claimed we were competitors. I should put it this way; at least one newspaper has decidedly refused to take any paid advertising from us. We did not fight the issue because I do not think it is worth while.

By Mr. Coldwell:

Q. Do they give any reason?—A. Because we were competitors; they also own a private station and we were competitors.

Q. May I ask what newspaper that was?—A. That was *La Presse*, Montreal.

Q. They also refused I believe to take some other advertising.

By Hon. Mr. LaFlèche:

Q. Was that not on one particular occasion?—A. What I have in mind was one particular occasion.

Q. Was that not on a particular occasion?—A. That was on the occasion of us wanting to advertise and publicize the inauguration of CBF. I have never tried since.

Mr. HANSELL: Personally I think it would be advantageous to a newspaper to give some recognition at least to radio programs for the reason that on Saturday a lot of people look at the radio news for the week-end. I think the *Citizen* here plays it up a little bit.

Mr. COLDWELL: Is that not an infringement of the freedom of the press? If the press is going to be free should not its columns be available for advertising, at least to the C.B.C?

The WITNESS: Maybe I should not have given that example because so far as we are concerned we did not bother much.

Mr. COLDWELL: There is such boasting about the freedom of the press. If we get conditions like that where are we going to land?

The WITNESS: Some newspapers are very co-operative. They will publish anything you send them. Others will not publish a line.

Hon. Mr. LAFLÈCHE: Now that some light has been shed on that case of which I had heard something. I never discussed it with any person connected with the newspaper but I seem to recall that they had reasons of the moment for treating you that way. It was in regard to one specific occasion, was it not, the opening of a new station?

The WITNESSS Yes. Some newspapers have the habit of erasing from their photographs any C.B.C. name plate on a microphone when they take a photograph. Where there is a microphone with the C.B.C. name on it they take the C.B.C. off. We do not bother about that.

Mr. COLDWELL: The claim is made we have a free press in this country. Obviously we have not.

Mr. ISNOR: Is that just fair? If a competitor came to me and asked me to put his showcard in my window advertising his business I would hesitate to do so, and I consider I am fairly broad in my views.

Hon. Mr. LAFLÈCHE: Would you hesitate or refuse?

Mr. COLDWELL: You have the same attitude on the part of some of these newspapers, the *Montreal Star*, for example, with regard to political advertising. They refuse to take advertisements, for example, from my own organization. How free is the press? That is the one thing I am interested in in this radio business. If we put the radio stations in the hands of a few people by and by some points of view may be cut off the air completely.

Mr. ISNOR: I will have to test your paper in Nova Scotia and see whether they will take my card.

Mr. COLDWELL: For instance, there is the *Saskatchewan Liberal*. I would not expect the *Saskatchewan Liberal* to accept advertising from our organization, although the *People's Weekly* is associated with us in Edmonton and regularly accepts advertising from any political party. If they refused it would be on a different basis altogether.

By Mr. Hansell:

Q. Dr. Frigon, I noticed in the *Canadian Forum*—I read that paper quite a little bit—an advertisement in there advertising, *"Of Things to Come"*; was that put in by the C.B.C?—A. That was one of the very rare exceptions.

Our people in Toronto thought as they had a number of copies left over of the book *"Of Things to Come"* that by taking space in that magazine and in another one they would have proper contact with the public.

Q. Who wrote up the advertising display? Was it the *Canadian Forum* or the C.B.C? I do not want to embarrass anybody—it does not matter much to me—but the display certainly gave certain individuals a little more prominent mention than others.

Mr. COLDWELL: I have not seen the ad. I do not always see the papers.

The WITNESS: I would say this ad which came out was not according to our general policy. We do not do those things but it just happened somebody thought it was a good thing and they proceeded with it but it is not our policy to do that. I do not think it will be done again.

Mr. HANSELL: I have no particular objection, but I think if one booklet is advertised there should not be any particular prominence given to any one or two individuals. I do not think the names of those who were mentioned in the ad. were necessarily the best broadcasters or the best programs of the series. It is all right though; it does not matter.

By Mr. Ross:

Q. Mr. Sedgwick said that the private broadcasters should have been called in when the white paper was reviewed. You say here:

> I do not see why it is necessary to deal with broadcasters, as a group, when the interpretation of the rules concerns mostly individual stations and their local problems.

Is that quite so? Is seems to me that the private stations have their own organization and they should have been brought in. Mr. Sedgwick seems to think they should have been. I wonder if you can say anything more about that?—A. First of all, the white paper is a statement of policy as to how we want to handle political broadcasting. As it is policy it is decidedly within the authority of the board to decide what should be done. When it comes to private stations interpreting that policy then it becomes almost a local problem. You may want to use some station and the owner says, "I cannot give you that time," because of some reason or another. The paper says there should be one half-hour on each side of the political broadcasts free of political controversy on the station. He may say, "I have an old commitment; I have a news bulletin which is fifteen minutes". He will say, "What can I do?" We will say, "All right, in that case you keep your bulletin", and we arrange with them. It is a matter of arranging local schedules to help broadcasters. In the Saskatchewan election the last time I am told we did allow them to carry programs within the half-hour limit to help them because it did not interfere with the political broadcasts, and we thought it was all right. That is what I mean when I say that the interpretation or application of the white paper is a good deal a matter of dealing with each individual according to the local problem. When it comes to saying whether they should be given time or not on a network I think that is up to the C.B.C. to decide, especially when we use for these broadcasts only time reserved for us, time ear-marked on stations for our own use.

Q. The only thing I see about it is they have their own organization, and there are bound to be matters which would concern the industry as a whole. Therefore, it seems to me they should be called in on these matters. That is my own opinion.—A. The only question which came up which had to be decided was whether there should be time made available between election periods for political parties. If they had said, "We do not like it," I suppose it would have been the duty of the C.B.C. to say that it must go on the air. Whether we consult them or not the matter of having free time for political parties between election periods is, I think, exclusively for the board to decide.

Q. I think the principle of the thing is that they have their organization. They consult you from time to time on various other matters, and I think for the sake of harmony probably it would be better to call them in because they are a recognized body and they have their organization. Their organization is the spokesman for their group.—A. I do not think there was any reason or any need to call them in on that particular occasion. You will probably find from now on there will be more frequent consultation with them. As I think I said before I am going to meet the western broadcasters on the 4th of August to discuss many problems. They are welcome to come and see us and have come, and so has their organization. The association as such is not an operating association. It is a number of stations which are grouped in an association to discuss overall problems, policy problems at large. The C.A.B. does not operate stations.

Q. No, I understand that but they are there to consult with their people from time to time. The question of policy of the private stations is what they are interested in, and when the policy of the C.B.C. is made it seems to me they should be represented.—A. They did not consult us when they decided to recommend a new commission to rule broadcasting in Canada.

Q. What?—A. They did not consult us when they decided to recommend a new commission to control broadcasting in Canada.

Q. No, they did not consult you, but I may say here they certainly had grievances if you can believe what Mr. Bannerman said this year at Quebec. There is just one point here which is interesting to me. He says:

> Let me present some illustrations of such delay from the relations of this association with the Board of Governors. So far as I can discover the only decisions of the board given promptly have been those when the decision was "no".

—A. Some people think if you cannot say "yes" to their requests right away that you are delaying the answer. At times we hope we may be able to say "yes" and we wait long enough to survey very fully to find out whether we cannot say "yes" to some of their requests. If we wait too long they are not satisfied. If we say "no" on the first occasion I suppose they would be satisfied; I don't know. I do not think they have anything to complain about there. When a case was delayed it was because there was some very good reason for delay, and it was because we were trying to find some way of satisfying them.

Q. On the question of power they were very dissatisfied but finally now they have been satisfied to a certain extent.—A. Do you think it would have changed anything if we had made this decision two years ago? Suppose, to satisfy them, we had said they could have 5 kilowatts; do you think one single station would have gone to that since then?

Q. I do not know whether they would or not.—A. We have tried to bring CJBC to 5 kilowatts and it has taken a year to find parts and design and build it ourselves. Maybe they have some way of getting equipment that we have not got.

By Mr. Isnor:

Q. I know one station that would have increased their power if they had permission. I was told just a short time ago of that station.—A. Pardon me; if I may follow this through, I still say there are a number of stations which were allowed to bring their power to 1 kilowatt and there are quite a number of them which have not been able to do so in the twelve months and more for the very simple reason they cannot any more than we can ourselves. Now, I do not know how a station which could not bring their power to 1 kilowatt could

go to 5. I cannot see it at all. There might be some isolated cases here and there I do not know of, but at present there is no equipment available except on very high priority and even at that it is difficult.

Q. I think this station already has its equipment.—A. There may be some isolated cases, I suppose.

Q. Perhaps if the operator reads the minutes he will renew his application.—A. Well, the board has received a technical report yesterday which makes it possible for thirty-four stations to go to 5 kilowatts if and when they can find equipment, if they are willing to spend the money which is involved, which in some cases is more than they believe, if they are prepared to move their transmitters out of town according to Havana requirements, if generally speaking they meet all the requirements under international agreement. There are thirty-four possible cases in Canada at the present time and they will all be notified individually that now the coast is clear, that if and when they can go to 5 they can do it.

By Mr. Coldwell:

Q. That is a change of policy?—A. That is what I announced a couple of months ago.

By Hon. Mr. LaFlèche:

Q. Is it as much a change of policy, Dr. Frigon, as it is a natural development keeping up with changing conditions?—A. Thank you for bringing that point up. It is not a change of fundamental policy. We have always maintained that the duty of the private station is to serve well its locality. In 1936 we thought, as did most everybody else, that 1 kilowatt was sufficient to do that job. Nowadays under the Havana Agreement as it stands at the present time, considering present broadcasting conditions, habits of the public, and so on, we believe that 5 is a better figure and it has been adopted. We do not ignore the basic policy but we think that 5 kilowatts now is the power which is more appropriate for the service which private stations are supposed to render.

Mr. COLDWELL: Have you the names of the thirty-four stations?

Mr. ROSS: They are in the evidence. You gave them in the evidence?

The WITNESS: Yes, but we have gone one step further. Our joint technical committee has studied every application separately and has made a list of those which are obviously in the category that they can go to 5 kilowatts. There is no objection whatever. There may be others which if they wanted to, if they applied for it, could not do so for technical reasons, but there are thirty-four stations listed now that will be told they may if they wish go to 5 kilowatts and if they satisfy all requirements.

By Mr. Hanson:

Q. In connection with the Prince Rupert station there are some financial difficulties. Has that anything to do with the power, not sufficient power, or lack of equipment, or what is it?—A. I would say that the Prince Rupert station is fundamentally a matter of economy, of finance. We have a line from Prince George through the Cariboo district. Now we have to extend our line from Prince George to Prince Rupert. We already have a station in Prince Rupert which can, I hope, give fairly good service. When we can afford to increase that service, to make that service better, we will do it, but it is directly a matter of shall we spend that money at that particular point of the country rather than at some other point?

Q. It has nothing to do with the power?—A. No.

Q. Just financial?—A. It is a matter of finance, paying for the line to Prince Rupert, and a sustaining station there.

Q. A ground line is available now if you had the money?—A. I think we can secure a line now from the C.N.R.

By Mr. Rennie:

Q. What is the rate of power for CFPL, London?—A. One kilowatt, 1,000 watts.

By Hon. Mr. LaFlèche:

Q. A moment ago Dr. Frigon explained what appeared to be a small difficulty in getting an outlet for one of the radio networks in the maritime provinces. I wonder if he would be good enough to describe that situation to us?—A. In the maritime provinces there are not enough stations to have two networks. There is only one station in Sydney, only one in Yarmouth. Those in New Brunswick are scattered apart, and there is no duplication of service at the present time. Where there is no duplication of service there can be only one service. There is only one network. We have tried to line up the stations under two networks, one by Trans-Canada and one by Dominion and the board has decided to establish in Halifax under the C.B.C. what you might call a provincial station. New Brunswick has CBA——

By Mr. Isnor:

Q. Just a minute until I get this right. What do you mean by a provincial station?—A. I mean C.B.C. owned but to serve the region of the province of Nova Scotia.

Q. Will it serve the province of Nova Scotia?—A. Not completely, not any more than any station serves a whole province anywhere.

Q. We are speaking of networks now. I want to question that because you say it is to serve a province. I want to point out from information I have such a station as you propose will not cover, may I say, one-tenth of the province.—A. You are quite right. The station which we propose to instal now is only a 100 watt station but that power should be increased. I think we should go to at least 5 kilowatts. Even then we know it will not cover the whole province. There is only one station in Canada which covers one whole province and that is CBK in Saskatchewan.

Q. I am going to suggest to you that your network could be used to better advantage and give greater service to Nova Scotia, including Cape Breton, of course, and Prince Edward Island, if you used Yarmouth, Halifax, Sydney and Charlottetown as private stations to carry your second network?—A. The problem which the board had to decide was this: should we have in the maritimes the one best possible network to give the best coverage possible and one network with a very limited coverage, or should we have two networks about equally good, but neither of the two giving full coverage? The board decided in favour of the second alternative; in other words, that we have two networks which would provide service to about 60 per cent of the radio homes, I think, as compared with what might have been 85 per cent of the radio homes and 20 per cent.

Q. You have put your finger right on it. Eighty-five per cent will give greater service and better service and maintain your reputation to a greater extent than would 60 per cent coverage?—A. That was the problem to be solved, and the board has decided it would be better to have two networks and part coverage than have only one giving full coverage and another one very little coverage.

By Hon. Mr. LaFlèche:

Q. I do not know all about that situation, but I have had an impression and I should like Dr. Frigon to give us his advice on it. I thought that by putting up a very small station in Halifax to be run as a C.B.C. outlet for the city of

Halifax only, as I understand it, on this occasion we could have better facilities by using—and this would be the exception—to a greater extent the local broadcasting facilities privately owned?—A. If I could show you a chart which has been prepared some time ago I could show you the only places where we have full C.B.C. service are where we have our own stations. Now as our own stations carry all our programs we think we will give better service to Halifax than by dealing with exclusively private stations. That is another point of view. I do not know whether that answers your remark.

Q. I am afraid that for my own benefit I shall have to get further information. I cannot see it yet myself.—A. Unfortunately in the maritimes there are not enough stations to provide for two networks. That is the bare fact.

By Mr. Isnor:

Q. Your statement is that there is not a sufficient number of stations?—A. To give two complete networks.

Q. Then, if you had the opportunity of having another outlet you would approve of it?—A. Where?

Q. We will say in Halifax.—A. We do not need another one. We will have two with our own station. We will have CHNS which is already there and our own station.

Q. But you have an opportunity at the present time of having an outlet which would link up with your Dominion or second network?—A. Yes, but we would not be giving to Halifax the service we would like to give to the capital of Nova Scotia.

Q. You would be giving just as good service as you propose to give?—A. Oh no.

Q. And in addition you would serve the rest of the province to a greater extent than you are planning on doing?—A. I have to repeat we do not intend to leave the station at 100 watts. We had to do that because we had to have the station now. We had a transmitter that we could put within the city limits, and it had to be done quickly. CBA covers quite a proportion of the Nova Scotia rural area. There is no question from our own point of view that when we have our own stations the service is better. In other words, the C.B.C. programs get an outlet, are heard. The private stations have their requirements, their limitations, which are quite legitimate.

Hon. Mr. LaFLÈCHE: May I just say one word, please? I have heard so much coming from the maritime provinces, particularly Nova Scotia, to the effect that the people there do not have as good radio service as in other parts of Canada that as far as I am concerned I am most heartily in accord with improving the service there. I have heard of this 100 watt station and really that to me was a problem. I could not quite understand it.

The WITNESS: To provide satisfactory service in the maritimes we would need a number of medium power stations distributed appropriately. In other words, building one 50-kilowatt station in the maritimes did not solve the problem but it was all we could do at the time. If we had waited five or ten years to build say four or five 5-kilowatt stations instead of the one 50-kilowatt it would have been much better, but it had to be done then because people were demanding a maritime station and the only thing we could do at the time was a 50-kilowatt station which we did. As time goes on, as our financial revenues improve—and I hope they will—I hope that will come. When we are permitted to build more stations properly located then we will give proper service but unfortunately the maritime provinces do not offer for broadcasters a sufficient market to justify two networks.

By Mr. Isnor:

Q. What do you mean by that, revenue?—A. Yes.

Q. You are dealing with this question from a national standpoint. Why should we suffer as we have suffered in the past because of our location?—A. Could you have two stations making their living out of Yarmouth?

Q. No, but I say we could improve and have stronger stations at Yarmouth, Halifax, Sydney and Charlottetown. I understand that Charlottetown has the equipment ready to go ahead to increase their coverage. I know from experience as I have a branch at Truro that we can get Charlottetown at Truro far better than CBA.—A. The owner of Charlottetown was told we will be happy if he goes to 5 kilowatts.

Q. If these four stations add to their power then you will have sufficient coverage to have, I would judge, a pretty good Dominion network?—A. You are perfectly right. The only thing is to have the money to do it.

The CHAIRMAN: Order; that will end the discussion for to-day. We have here a statement by Mr. Weir, the C.B.C. commercial manager, which has been distributed to you, in reply to the Periodical Press. I am sorry that time did not permit Mr. Weir to present his brief but it has been distributed and will be appended in the evidence and taken as read. (See appendix M). What is the wish of the committee with reference to further questioning of Dr. Frigon or of Mr. Weir? I think the ground has been well covered and that the committee might well consider at this time the matter of general discussion of the representations which have been made before the committee and the formulating of a report.

Mr. ISNOR: I think so.

The CHAIRMAN: At the next meeting to be called I would ask members of the committee to come with such recommendations as they would like to have incorporated in the report and also be prepared to discuss other matters. Among other matters which will be up for discussion is the matter of what recommendations we may wish to make, and how they will be put into effect, as to a different set-up in the executive. Is the committee in favour of a full-time paid chairman and a different set-up in the executive? That is one of the important questions which we will discuss in camera at the next meeting, and also the matter of the report. I suggest to the members that they take some time and attempt to go over some of the submissions which have been made and familiarize themselves with them with a view to expediting the business when it comes to the general discussion.

Mr. Ross: Why will the meeting be in camera?

The CHAIRMAN: Because it is a matter of custom that a meeting which has to do with a report is not recorded and it is not open to the public. Every committee of the house carries out that procedure as far as I know.

Mr. Ross: I have received a memorandum from the Canadian Congress of Labour.

The CHAIRMAN: That was read this morning and incorporated in the report. It was brought up as the first order of business, not read fully but mentioned.

By Mr. Ross:

Q. Before Dr. Frigon goes what is to be the attitude of the Canadian Broadcasting Corporation in connection with the licensing of private stations for facsimile — — A. Television.

Q. F.M.?—A. I have covered that this morning in my report.

Q. I see you put in here that you are not going to change your mind and allow private stations to experiment?—A. We never said we would not allow them.

Hon. Mr. LAFLÈCHE: It is pretty well covered in there.

Mr. Ross: I just wanted to know if they were going to be given an opportunity.

The CHAIRMAN: Will the committee be prepared to meet again this week or would you sooner leave it over until the first of next week?

Mr. ISNOR: Next week.

The CHAIRMAN: The committee stands adjourned to meet again at the call of the chair.

The committee adjourned at 1.10 o'clock p.m. to meet again at the call of the chair.

APPENDIX L

MEMORANDUM

SUBMITTED BY THE CANADIAN CONGRESS OF LABOUR

The Canadian Congress of Labour, representing some 250,000 Canadian workers in a wide variety of industries, welcomes the opportunity to express its views to your Committee on the important subject which is now under consideration.

Those views can be stated very simply and very briefly. The Congress is heartily in favour of the basic policy embodied in the Aird Report, the Canadian Broadcasting Act, and the reports of successive Parliamentary Committees with regard to "public ownership of all high-powered stations under a national system of broadcasting." In certain respects, that policy can be more fully implemented than has been done in the past, but the Congress is wholly opposed to any change in the policy itself. The radio belongs and ought to belong to the people of Canada; it is far too important a means of information and education to be allowed to fall under the domination of private interests.

The Canadian Broadcasting Corporation has, on the whole, been doing an excellent job, and deserves to be supported and strengthened, not undermined or weakened. Specifically, the Congress is opposed to the proposals made by spokesmen for the private broadcasting stations, which have been sufficiently answered in the evidence presented to you by Dr. Frigon, notably at pages 59-60, 276, and 280-281. The Congress is of the opinion that freedom of discussion is far greater and far more secure on the publicly-controlled radio than in the privately-controlled press.

Many of the programs of the C.B.C. have performed valuable services to the Canadian people and deserve the warmest praise. In some of the programs, notably the Farm Forum and Labour Forum, the C.B.C. has been a pioneer, and is to be strongly commended for its initiative and enterprise. The Congress hopes that such programs, and especially the Labour Forum, will be continued on an even more representative basis and with an even wider field of discussion than in the past. The Congress has been happy to co-operate in this work, and will be glad to continue its co-operation. Programs of this kind, properly conducted, and with due regard for various points of view, may make an important contribution to the democratic way of life.

With respect to the Corporation itself, the Congress wishes to make the following recommendations:

(1) The appointment of a permanent General Manager. It is no reflection on the abilities and services of Dr. Frigon to say that the present situation, in which the Corporation has for nearly a year been without a General Manager, is not satisfactory, and is indeed unfair not only to the public and the Corporation but to Dr. Frigon himself. A permanent appointment should be made without further delay. The Congress wishes, in this connection, to urge serious consideration of the suggestion that the new General Manager be appointed from within the ranks of the C.B.C. itself. In principle, and unless there is some strong overriding reason against it in a particular case, it is desirable that the system of promotion and seniority should apply to all positions in the Corporation, up to and including that of General Manager.

(2) If the policies and functions of the C.B.C. are clearly understood by every Canadian citizen, there will be no question as to the support it will receive from the public, and urgent and continued attention should therefore be given to publicity regarding these matters.

(3) The immediate and unreserved acceptance of collective bargaining by the C.B.C. On this point the Congress naturally feels strongly. Unions are among the strongest bulwarks of democracy, and the chief means of introducing into industry some measure of constitutional government. Private industry throughout Canada is now obliged by law to recognize and bargain with unions of the workers' choice. Public enterprise cannot afford to be less democratic. With the extension of public enterprise into one field after another (an extension which the Congress favours), it would be disastrous if the principle became established that transfer of any industry or service from private to public control involved curtailment of the workers' rights. The continued refusal of the C.B.C. to recognize and bargain with unions is completely without justification. It has no longer even the foundation formerly provided by the assertion of the Department of Justice that emanations of the Crown were legally debarred from signing agreements with unions.

Dr. Frigon, in his evidence at page 328, appears to be unaware that, since the passing of P.C. 1003, early this year, the C.B.C., like a private employer, is obliged to recognize and bargain with any union which a majority of its employees choose to represent them. Section 2, sub-section 1, paragraph (*g*) of P.C. 1003 explicitly declares that the word "employer" includes the National Harbours Board, and "any other body incorporated to act as an agent of His Majesty in right of Canada except any such body whose employees are entitled to a cost-of-living bonus to employees of the Government of Canada (P.C. 6702), as amended"; and P.C. 18/1656 of March 3, 1942, explicitly excludes the C.B.C. from the operation of P.C. 6702. There can therefore be no question that the C.B.C. comes under P.C. 1003, and that the management of the Corporation has no longer any excuse whatever for refusing to sign a contract with a union if its employees desire such a contract. It need hardly be added that organized Labour's confidence in the Corporation would be hardly strengthened by a frank acceptance of this fact.

Respectfully submitted,

THE CANADIAN CONGRESS OF LABOUR,

A. R. Mosher, President,
Pat Conroy, Secretary-Treasurer.

APPENDIX M

STATEMENT BY E. A. WEIR, C.B.C. COMMERCIAL MANAGER, IN REPLY TO THE PERIODICAL PRESS ASSOCIATION

Mr. Chairman, Mrs. Casselman and gentlemen—the remarks I shall make are by way of setting out the factual background behind the $500,000 commercial limitation referred to by the Periodical Press Association before this Committee on June 1st. It proves, I believe, that their case is neither as clear-cut nor as public-spirited as they claim.

The Royal Commission on Radio Broadcasting, usually known as the Aird Commission, in its report dated September 11, 1929, recommended seven 50,000 watt transmitters and a number of smaller stations as the basic set-up for a national broadcasting service.

On the question of revenue it suggested three sources,

1. Licence fees.
2. Rental of time on broadcasting stations.
3. Subsidy from the Dominion Government.

The licence fee recommended was $3.00 and on the question of advertising revenue it said:—

> It is rather difficult to estimate what revenue would be collected for rental of time, but we think that an amount of approximately $700,000 annually could be expected at the beginning.

Note the Commission said: "At the beginning". Moreover, this reference to $700,000 annually at the beginning referred to the lease of time on the seven publicly owned stations and not to any revenue which might accrue from other sources and against which operating charges would be made. On the matter of revenue the Aird Report added:

"As compared with many European countries where the responsibility of broadcasting has been assumed by the Government, Canada has a comparatively small population scattered over a vast tract of country. The large territory requires a greater number of stations while the relatively small population makes it obviously impossible to finance the entire scheme from licence fees if the same are to be kept at a moderate figure. Revenues from programs employing indirect advertising will, we believe, supplement the deficiency in licence fees to a *considerable extent*. The most desirable means of meeting the *additional* expenditure required would seem to be a subsidy from the Dominion Government. We would recommend that the proposed Company be subsidized to the amount of $1,000,000 per year for a period of say five years, renewable subject to review for a further period of five years after the expiry of the first".

This reference to the Aird Report is made on account of the almost continuous misrepresentations which have appeared during the intervening years in the press, to the effect that the Aird Report never contemplated any revenue from commercial broadcasting and that the C.B.C. is an institution which should depend for its revenues upon licence fees entirely. These misrepresentations have not necessarily been deliberate. Many publications whose editors or owners have not studied the Aird Report still are under the impression that the intention was to finance public service broadcasting entirely from licence fees.

Canadian Broadcasting Act Did Not Limit Commercials

When the Canadian Broadcasting Act was passed in 1936 it provided that the Board of Governors might secure programs from within or outside Canada and make such arrangements as were necessary for their transmission. It placed the control of all networks, stations and of the programs on those networks under the supervision of the Corporation. It put no limit whatsoever upon the anticipated income which might be derived by the Corporation from the sale of commercial programs.

The representative of the Periodicals Press Association on June 2nd, 1944, quoted from a letter written to the Honourable C. D. Howe on January 15th, 1938, as follows:—

> Without consulting the public on an issue that might well have been submitted to national consideration and ballot, on its own initiative, the Canadian Broadcasting Corporation has abandoned its statutory purpose and policy by selling the Canadian public's best listener hours for the extension of foreign broadcasts.

It is very difficult to see, in view of the Aird Report and the Broadcasting Act of 1936, how the publishers could still feel in 1938 that a national referendum should have been held before the C.B.C. could engage in the sale of commercial networks.

Canadian Radio Broadcasting Commission Deterred from Commercials

The Canadian Radio Broadcasting Commission which preceded the C.B.C. and lasted from the end of 1932 to the end of 1936, was never able to enter the commercial network field beyond a very few evening network broadcasts and these largely subsidiary hookups. Once or twice it essayed an ambitious extension but such pressure was exerted by the press that the Commission abandoned its plans. CRBC network operations were confined to six hours per day from 6.00 p.m. until 12.00 p.m. There was no regular daytime network service. No major network commercial programs of American origin were heard then from Canadian stations except in the cities of Toronto, Montreal and Windsor. Canadians in other parts of Canada were continually tuning to American stations. Canadian radio stations were in a very secondary position. They could not maintain their audiences. They found it difficult to keep on the air all day with attractive programs.

The transcription centres of the United States were combed for everything resembling a program and these were imported and distributed from station to station.

First Network Broadcast October, 1937

The C.B.C. Commercial Department was organized in 1937, about six months after the Corporation itself. A contract with the transmission companies was completed early in October, 1937. And between October 3rd and December 25th five contracts for series of network programs of Canadian origin and one from the United States were signed. These included Imperial Oil Hockey, Imperial Tobacco, Tuckett's Buckingham House Party, National Breweries and International Silver Theatre. Two of these were extended to the French Network. Early in December, 1937, the C.B.C. plan for network broadcasting with a rate card was discussed with the Association of Advertising Agencies and the Canadian Association of Advertisers, the two bodies from whose members most contracts and business must develop. Indeed these organizations had been consulted and were very helpful in devising the plan which aimed at making national network sponsors partners with the C.B.C. in carrying their programs from one end of Canada to the other, so as to give to listeners as wide a variety of good entertainment as possible. The most important feature was an arrangement whereby the sponsor was given progressive discounts for each region added to his network. The thought was to induce him to share with the C.B.C. the obligation of carrying programs into the remote areas of the country and insofar as possible to also include the French network in his plans. This principle has been adopted since in one form or another by most of the American networks.

American Programs January, 1938

With the opening of 1938 more sponsors who were able to utilize programs originating in the United States began to do so. All of these had Canadian plants and employed Canadian labour but by utilizing programs already running in the United States and adapting the commercials for Canadian use they were able to give much more expensive and entertaining programs than would otherwise have been the case.

The additional programs which thus opened the new year were:—

General Foods: "Jack Benny".
Lever Brothers: "Lux Radio Theatre"; "Big Town" and "Al Jolson".
Carnation: "Contented Hour".
Kraft Cheese: "Kraft Music Hall" and
Standard Brands with "The Chase & Sanborn Hour"; "One Man's Family"; "Red Ledger" for Fleischman's Yeast; "Spotlight Parade" and The Rudy Vallee Show.

Six advertisers included the French network. Thus of the sixteen network programs being broadcast in January, 1938, six originated in Canada and ten in the United States.

First Meeting in Toronto.

This sudden emergence on a national scale of programs heard previously over only a few border cities was apparently a complete surprise and shock to the press. They had not been consulted and they did not realize what was happening, though no one in the C.B.C. made the slightest effort to keep them from knowing.

Their perturbation, indeed indignation, at this development of nationally sponsored programs was considerable, to say the least. They called a meeting in Toronto immediately of representatives of the dailies, weeklies and magazines and made it very clear to the General Manager of the C.B.C. that they expected him to appear and account for this activity. It was a large meeting and some emphatic statements were made about the commercial operations of the C.B.C. and their effect on the revenues of the press. Among other things, the C.B.C. was blamed for the cancellation of four colour pages in several magazines, but it was subsequently found that this cancellation had taken place many months previously and had no relationship whatsoever to the C.B.C. network broadcasts.

The General Manager of the C.B.C. found himself on the spot. The press demanded that he indicate then and there how far the C.B.C. intended to go. He was told that it was useless to try to evade the issue. The press must know the worst without delay. It was while on his feet under these circumstances and without any previous discussion with his colleagues that Mr. Murray evolved the now much discussed formula, a formula which has been proved to have been little more than a sheer guess of the C.B.C.'s ultimate requirements. I say this advisedly on account of subsequent developments. What was the formula? The General Manager of the C.B.C. said substantially as follows:—

> We must have a certain amount of commercial revenue in addition to licence fees. That is imperative. How much I am unable to determine. However, I would say that if we had a $3.00 licence fee we could probably limit our commercial revenue to $250,000. If we had a $2.50 licence fee we could probably content ourselves with $500,000 commercial revenue, but if we have to carry on with a $2.00 licence fee then there is no limit to the number of commercial programs we shall need.

Mr. Murray explained at some length that the public service nature of the C.B.C. maintenance of a substantial proportion of cultural sustaining programs and precluded the overloading of C.B.C. schedules with network commercials. On this point his listeners exhibited considerable incredulity.

Press Approaches Minister For Increase in Licence Fee.

Mr. Murray's statement was an open invitation to the press to seek from the Government a $3.00 licence fee and a committee from the various sections of the press was appointed immediately to interview the Minister of Transport to seek from the Government an increase in the licence fee so as to stave off C.B.C. commercial expansion. In the submission of the Periodical Press representatives before this Committee on June 2nd, 1944, it was stated:—

> The press was being asked if they would favour an increase of the $2.00 fee if it would mean increased service to the public and we said that we were in favour of an increase of fee at that time if it meant an increase to the Canadian people of the service of the Corporation.

It is submitted that the action of the Press in moving so quickly for a $3.00 licence fee was not motivated by their interest in a better broadcasting service to the Canadian public but by the desire to limit as much as possible what they believed was interference with their own revenues.

When the Toronto meeting between the press and the General Manager of the C.B.C. closed, it was understood there would be another meeting shortly. It was not anticipated that in the meantime the C.B.C. would be subjected to an attack in the press of the most violent and abusive character. It may seem like digging up dry bones to review this, but this picture cannot be appreciated in its true light without realizing the nature and severity of this attack. It was very general but brief quotations from two papers will suffice to disclose its nature:—

The Quebec Chronicle Telegraph January 22nd, 1938:

> We saw on Saturday how, notwithstanding the fact that the very object of its existence is to provide Canadian programs that will prevent the Americanization of Canada's air, the Canadian Broadcasting Corporation for which the American-born minister, Honourable Clarence Decatur Howe is officially responsible has just sold that air for some $600,000 to American interests. In itself this betrayal of trust, this insult to patriotism is sufficiently contemptible. But Mr. Howe and his subordinates have added a refinement of cynicism to their act that we have no adequate word to qualify.
>
> In view of later developments, what other conclusion can we come to than that the idea underlying the proposed Canadian National Network, of which two units are already functioning, was not to link Canadians together but to sell them as listeners-in to commercial sponsors in the United States.
>
> Indeed, the whole Canadian broadcasting scheme itself will have been Americanized when the network is finally completed for in the United States, a similar network is operated by the National Broadcasting Corporation which lives by selling time to National Sponsors for commercial programs. There is only this difference left that, whereas in the United States no licence fee is charged to set-owners whose ears are sold to the sponsor, here in Canada their ears are likewise sold but they are obliged to pay a licence fee as well, which thus becomes insult added to injury.

The Financial Post on January 15, 1938 said:

> The C.B.C. is continuing its drive for new United States contracts, offering on the bargain block the facilities it has built up to reach every corner of the Dominion. . . This network established with public funds and public credit has become the main selling point for piping into Canadian homes more and more programs written, prepared, sponsored and presented in the United States. Canadian musicians have no part in them; Canadian playwrights and Canadian actors find once again that Ottawa has abdicated, that the Canadian entertainment capital is New York. The C.B.C. points out that it needs money. It suggests that it be given time to collect funds from abroad and then it will be healthy enough to go Canadian. It is like a man who says that if he can rob a few more banks he can afford to go straight.
>
> There is only a certain amount of money available, for national advertising in Canada; no matter where that advertising originates this policy in the end re-acts on all types of publications. And as the service given by a newspaper or a magazine must vary with the volume of the advertising any subsidized form of competition in the end will have the effect of weakening editorial service of Canadian publications. Thus the United States penetration of Canadian radio deals Canadian unity a double blow.

Press Carried Same Advertising

This campaign, based mainly on the charge that the C.B.C. was selling out Canada was very general throughout the country, though it did not find its way into all sections of the press. However, the very interesting thing to notice is that at the very moment members of the press and particularly the periodicals press were censuring the C.B.C. wholesale for alleged prostitution of Canada to United States interests they themselves were carrying large advertisements for many of these very same companies, advertisements which in some cases featured the new programs. And they are still doing so.

Immediately after the meeting in Toronto in January 1938, the General Manager of the C.B.C. consulted members of the Board of Governors and sold his formula to them. The Board, I believe discussed the matter with the Minister. About three weeks after the first meeting Mr. Murray met a select committee of about fifteen press representatives. At that meeting he reiterated almost the exact words which he had used before with respect to his formula. He explained his discussions with the Board and announced that as a result of these discussions his general statement had now become a matter of Corporation policy. He added as follows and I paraphrase again:—

Second Meeting in Toronto

> Now gentlemen, what I should like to have your assistance with is this; where am I to find this revenue? Shall we go out in Toronto and Montreal among advertisers and agencies and enter into direct competition with you for it from Canadian sources or shall we continue to take much of it from the sources which we are at this moment receiving it? This is a very definite and immediate problem in which I need your guidance.

Various opinions were expressed. It was suggested that the Commercial Manager of the C.B.C. might develop civic programs from such institutions as the City of Toronto or public corporations like the Hydro Electric. The C.N.R. and the C.P.R. which have always been fair game for those needing financial help might be approached. However, before the meeting closed it was recognized that these sources were at best extremely problematical and it was agreed practically unanimously by the representatives of the press that if the C.B.C. must have the money, then it would be preferable to keep on taking it from the source from which it was then being derived, viz., programs originating in the United States rather than to intensify competition at home for the advertiser's dollar.

In the meantime, both the Chairman of the Board of the C.B.C. and the Minister issued statements indicating limitations to the amount of money the press felt it might lose and the agitation subsided overnight. The great issue of Americanization was over.

It was, of course, only natural that the larger proportion of the first network programs should originate from the United States where many of these were already being broadcast. (Actually 40 per cent of all networks contracted for up to February 1, 1938, were of Canadian origin). In due time, Canadian originations overtook in number American originations and two years ago accounted for 61 per cent of commercial originations on the C.B.C. network. The programs then as now were the pick of productions from the U.S.A. and were then as now in great demand by Canadian listeners.

Press High-Pressured C.B.C. and Minister

What I am endeavouring to point out is that it was in an atmosphere of intensified pressure from the newspapers, and especially the magazines, to control C.B.C. commercial operations, that this declaration of C.B.C. requirements was made by the then General Manager, and having made it he felt

he must sell the idea to the Board. At that time the C.B.C. had only been in operation one year. The war was still 19 months away; even the epoch-making Royal Visit was still a year off. In view of the enormous expansion which has taken place in C.B.C. activity since then, a large part of which has been associated with the war, it is clear that neither the General Manager nor the Board, nor indeed the Minister, anticipated or could anticipate the demands which have been made since on the Corporation. This is very clear from the statement of Mr. Murray before the Parliamentary Committee on March 31, 1938. He said:—

> It seemed clear that a total annual net revenue of $3,500,000 a year would be required to maintain the service and repay the capital loans. . . This meant that it would be necessary to secure from other sources $3,000,000 a year, that is, if the plan of national coverage was to be completed and capital repaid at 3½ per cent.

C.B.C. Expense Now Five Million

That was in March, 1938. Since that time, expenditures of the C.B.C., mainly for added service demanded by the Canadian public and commended by successive Parliamentary Committees, has grown from $3,500,000 a year to almost $5,000,000 and the plan for national coverage is still far from completion. Moreover, the budget is tighter today than ever and the demands for further service are still expanding and must expand on a still greater scale if broadcasting and its new potential auxiliary services are to be developed.

Since 1939 the C.B.C. News Department has been started. The Farm Department which has given such an impetus to production and to group listening all across Canada has been organized. A large unit, admitted to be second to none in the field of war reporting, has been built and maintained overseas. These three alone account for increased annual expenditures of over $400,000 to say nothing of special war programs. These and many other operations have been undertaken which neither the General Manager nor the Board anticipated so soon. Indeed, the real problem of the C.B.C. is to know where the money is going to come from to finance the expansion program with which it will be faced as soon as the war is over.

Press Referred Committee to Discuss Rates

At the second meeting of the General Manager with press representatives in Toronto about the end of January 1938, the same contention was made as was repeated before this Committee that C.B.C. network rates were too low, that they were unfair. The General Manager invited the press to name a committee to discuss rates in detail with the Commercial Manager. No committee was named but nearly two years later, on October 24, 1939, at a meeting attended by the General Manager of the C.B.C. and the Commercial Manager a long debate ensued between two factions of the press. One argued that the appointment of such a committee to discuss rates with the C.B.C. was tantamount to admitting the C.B.C.'s rates, the C.B.C. had an equal right to enquire into press rates. It was maintained by this group that if network rates were increased the C.B.C. in all probability would still carry as many programs, thereby in their opinion taking from the pockets of the publishers still more money than if the rates were low. It was finally decided by the press that no such committee should be appointed.

Publishers Knew What "Gross" Meant

At this same meeting in October, 1939, the $500,000 limitation was again discussed. I quote from the Press record of the meeting:—

> Members of the joint committee asked Mr. Murray how closely the C.B.C. had been able to approximate the estimated figure of $500,000

under receipts from the sale of time on the air. He said that in 1938-39 gross business without commissions had amounted to $1,129,000, of which $660,000 had been obtained from the United States and $468,000 from Canada. This represented a net of $506,702. His estimate for 1939-40 was $1,326,000, with a net of approximately $600,000.

At the same meeting the General Manager added that sponsored programs to the extent of $250,000 had been rejected in order that certain hours might be kept clear for sustaining programs. His policy had been to reject local business and national spot announcements and to concentrate on national accounts in Canada and the U.S.A. He also expressed the belief that it would be impossible to increase the existing licence fee at that time.

Radio and Press Rates Not Delivered by Financial Needs But by Competition

The press contends that if the C.B.C.'s revenues were taxable and if the C.B.C. were a privately operated enterprise, its network rates would have to be substantially advanced probably to the point where such business would be lost and conceivably find its way to the press, but neither radio nor press rates are determined primarily by the financial needs of the medium. They are determined mainly by the coverage of the radio station or the audited circulation of the magazine as compared with rates in competing stations or media. No radio station or magazine which disregards this basic principle could exist for very long. It is the number of radio homes within a certain signal strength, the population, and the purchasing power of that population which determine station rates. Conditions in Canada are unusual. There are many factors to be considered. Most of the stations on the CBC network (52 out of 62) are privately owned and though their network rates do not always coincide with their spot or published station rates, there is never any great divergence. Hence, the rates of these privately owned stations, together with the few CBC stations, are major factors in determining network rate. In some sections of Canada, notably the Maritimes, rates are higher than in others. Speaking generally, however, network rates are substantially higher in Canada per thousand homes than in the United States, but competition except in the larger cities is also less. It is not taxation, nor public or private ownership that decides rates but population, wealth and service.

Radio Now Integral Part of Appropriation

Radio is now recognized as an integral part of most advertising appropriations. The percentage spent on radio varies, but broadly speaking generally falls somewhere between 20 per cent to 30 per cent of an appropriation and usually, I believe, closer to 20 per cent than to 30 per cent. The development of listener surveys on a scientific basis has given the advertiser specific information on radio coverage and this combined with known sales results has made radio a medium of the utmost importance. The press itself has made some exhaustive surveys in this respect but the results usually have been pigeon-holed.

The truth is that press and radio as advertising media are complementary to each other. Radio cannot do the same job in the same way as the press. Neither can the press do the same job as radio. Each appeals to different senses. Each contributes its part towards making an advertising appropriation more effective than if either were used alone. Different advertisers use them in different ways. Very few use radio exclusively or nearly so, though I can think of a prominent Canadian garment manufacturer who virtually built his business by aggressive radio advertising over local stations. He is now buying page space in colours in some of the magazines through money he made by radio. He has never been a network advertiser.

Radio Does Not Decrease Press Appropriations

The reiterations of the press to the effect that it suffers to the extent to which radio attracts advertising, that every dollar spent in broadcasting is a dollar out of the pockets of the press and that if radio were not used press appropriations would be that much greater, is sheer fallacy. Any number of agency men will tell you that radio is generally an added appropriation and that, by and large, press appropriations have not been decreased as a result of that addition. It is believed that newspapers and magazines have enjoyed quite as large if not a larger percentage increase in advertising revenue than the Corporation's increase from that source over the last five years. Some advertisers who used radio in 1937 and 1938, but did not use the magazines, are now using both on a substantial scale. Moreover, not a little of what was previously black and white advertising in the magazines is now multi-coloured. (See Appendix for comparison of U.S. radio network advertising with U.S. magazine advertising for 1937, 1940, 1943).

Local Stations Compete with National Magazines

On June 2nd, Mr. Carson, when dealing with local versus national advertising said:—

> Now I would say that the local station is a direct competitor of the local newspaper, but the local station is not a direct competitor in that sense of a national publication. It is the coast to coast advertising program on a national network which takes money out of the same appropriation from which moneys are found for national advertising in national media.

In this regard I must differ with Mr. Carson. The local radio station *is* a direct competitor of both the local newspaper and the national magazine, a competitor of the latter to the extent to which it carries both spot programs and spot announcements for products of national distribution. There are many types of business broadcast over local stations which are directly competitive with magazines but which have never appeared on networks. Take e.g., Ever-Ready batteries which for years have been advertised both in the magazines and over local radio stations but not by national networks. This applies to all the battery business. The national magazines have provided general coverage; local radio stations—regional or local coverage. The situation is the same with farm machinery and equipment companies, fertilizer concerns, manufacturers of wall boards and roofing, life assurance companies, the chartered banks, department stores and virtually the whole field of patent medicines, stock foods, antiseptics, hair tonics, deodorants, corn salves, bunion savers, foot powders and leg do's. These are not only nationally distributed products, but very many of them have large appropriations.

C.B.C. Network Increase Very Small Percentage

We have seen that in the discussions with the press on October 23rd, 1939, the then General Manager made it clear that this estimate of revenue in 1939-40 was approximately $600,000 with gross billings (not gross revenue) of $1,326,000. In 1943, C.B.C. commercial revenues from network broadcasting were $1,243,500 with gross billings of $2,489,000. Of this $1,243,500 revenue, $923,000 or about 75 per cent was from network broadcasts, the kind of broadcasts to which the Periodical Press Association takes exception. Now included in the $1,243,000 of C.B.C. revenue in 1943 was $250,000 from government business associated directly with the war. (There was no charge by the C.B.C. for recruiting programs of all kinds). This really means that the complaints of the press rest upon an increased revenue to the C.B.C. from commercial sources of the difference

between $700,000 and about $1,000,000 or approximately 1·6 per cent of the $36,000,000 advertising placed in dailies, weeklies and magazines in 1941 as shown by the Dominion Bureau of Statistics.

Dominion Network Has Not Meant Cancellations

The Press representative on June 1st stated that:—

> Already the sale of time on the new Dominion network has resulted in the cancellation of substantial advertising schedule lodged with representative Canadian publications.

Well, we do not believe this statement. The facts are that the Dominion network is not new at all. There are no stations on it that were not in existence before. Nothing has been added in the way of facilities, no new channels or stations; no additional wires have been strung. "Dominion" is merely a new name for the alternative network which was discussed before the Parliamentary Committee two years ago. It had six national sponsors totalling 4½ hours then. To-day there are nine sponsors, totalling 5½ hours. Only one of these is a new account to national radio and one was a transfer from the Trans-Canada network to the Dominion.

What the C.B.C. did with the Dominion network was to make arrangements for a definite improvement in program service for listeners. Instead of having two or more stations in the same territory carrying the same programs at the same time, they will for part of the day at least be broadcasting different programs but using the same facilities and staffs. The privately owned stations benefit, of course, as they should. The C.B.C. benefits slightly too, not so much commercially since it has only one low power station on the network but by having outlets whereby it can give to listeners better alternative program service. (Ordinarily on a half-hour evening program C.B.C's revenue from the Dominion network is $289.72 as compared with $537.29 on the Trans-Canada network). The fact that in this program service is included some commercials does not necessarily mean that total commercials have been increased correspondingly. Included in these programs are "Information Please", "Philco Hall of Fame", "Bob Hope", also "Light Up and Listen" and "Borden's Cavalcade". The last two programs formerly ran locally on transcriptions but because of better service and less operational difficulties, the sponsors switched to network. The expenditure on the network is not new money. Most of it was there before on local stations.

Can anyone say that it makes no difference whether or not "Information Please" or Philco, Ronald Colman or Bob Hope can be heard over local Canadian Stations? Compare that with trying to tune them in long distance.

All of the stations on the Dominion network are privately owned except CJBC in Toronto. Many of the programs already available to and produced for CJBC in Toronto were fed to this re-organized network, so that instead of hearing a single program of national character over the already available stations and line facilities, listeners may now hear two in those evening periods devoted to network broadcasting. The new network has been a normal development which was bound to come in due course and in the proper order of development. All this has been done in co-operation with the individual privately owned stations concerned. These stations, instead of carrying transcriptions, recordings or similar services in these hours have had this advertising replaced with live, national advertising, enabling them to spend more money on local talent in their remaining hours of daily broadcasting time.

The suggestion was made by Mr. Charters that through the Dominion network the C.B.C. opened up another 24 hours daily for sale but Mr. Charters knows better than that. Out of the 24 hour day, stations operate 16 hours or less now, and actually *only about three popular listening hours are available* on the Dominion network viz., between 7.30 and 10.30 p.m. E.D.T. and a proportion of that must be devoted to C.B.C. sustaining programs.

Magazine Lineage and Circulation

According to "Advertising Age", an authoritative advertising publication, Canadian magazines in the month of March, 1944, showed 318.4 pages of advertising with 209,325 lines as compared with 275.5 pages and 180,283 lines in the same month of 1943, an increase of over 16 per cent. Canadian Farm publications showed 274 pages with 241,822 lines in March, 1944, compared with 217.4 pages and 194,262 lines in March, 1943. This is an increase of 24.5 per cent in March lineage over the same month a year ago. In this connection the following quotation from page 16 of March 11, 1944, issue of Toronto *Saturday Night* is interesting:—

> Fifth on the continent, *Saturday Night* carries nearly three times as much advertising as does any other national periodical of general appeal in the Dominion. It is one of only five periodicals of this character on the entire continent carrying over one million lines of advertising. These periodicals are *Life, Saturday Evening Post, Time, Colliers' Weekly* and *Saturday Night.*

The facts are, as every advertising agency man knows and as admitted by the press representative here, that the business now available cannot possibly be accommodated by many papers.

Let us now look at the weekend publications, those heavy consumers of newsprint, ink, photographic and cut material comprising the *Financial Post, Saturday Night, Toronto Star Weekly,* Montreal *La Presse, La Patrie, Le Petit Journal,* Montreal *Standard* and the *Photo Journal.* Here is something really worth looking at. In 1940 these had weekly circulations totalling 918,818 copies. In 1942 the combined circulation had gone up to 1,266,656; in 1944 the same publications had gone up to 1,630,274 in combined circulation. This is an increase of 77 per cent during the years that Canada has been at war. Even farm papers increased 80,000 copies from 1940 to 1944. How can publications justify their attacks on the C.B.C. under such circumstances? Which really is expanding, the C.B.C. or the publications? To such an amazing extent is the public uninformed of the actual conditions in the publishing industry that it is beginning to believe that the publishers are suffering untold agonies at the hand of government regulations, and now the C.B.C. is blamed along with the government.

It is interesting to note that C.B.C.'s total revenues have increased 21.4 per cent since 1940-41, an average of seven per cent annually. Included in this is commercial revenue which showed a gain of 32.3 per cent over the same period or about 11 per cent annually.

C.B.C. Selling Expense Discussed

It was suggested before this Committee on June 2nd that the C.B.C. maintains an aggressive selling organization and that the increased business is the result of a hard hitting effort. Well, the contrary is the case. The C.B.C. does not maintain salesmen. It pursues no aggressive efforts. Indeed, I am sorry to say that in my opinion it neglects to do many of the most elementary things which an aggressive selling organization would do to get business. This is shown clearly from the amount spent by the Commercial Department as disclosed in the accounts of the Corporation. The actual expenditure of the Commercial Department in 1939-40 was $108,000, whereas in 1942-43 it was only $102,000. The most important point is that only 10 per cent of this was devoted to promotion. Ninety per cent of it went to essential operations. It is doubtful if such a large volume of operations is handled anywhere by so small a staff and in two languages.

C.B.C.'s Expenditures on Press & Information Service for Education

I am anxious to correct another wrong impression which may have been created by one paragraph in the evidence of Mr. Carson on June 1st, he said:—

> Publication of the Annual Report of the C.B.C. for the fiscal year ended March 31st, 1943, was delayed unwisely we believe until March, 1944. A belated study of that report with particular reference to "Promotion and Information Service" (pages 19 to 22) clearly demonstrates that, unlike the publishing industry and its customers the C.B.C. as a government body enjoys unlimited privileges in the use of paper and in the expenditure of its surplus funds for promotion, direct mail and other selling activities.

This statement is completely erroneous. In the first place, the C.B.C. has no so-called "Promotion and Information Service", nor is it so referred to in the Annual Report. It is a Press and Information Service. The C.B.C. does not enjoy unlimited privileges with respect to the use of paper. It is subject to the restrictions imposed by the Paper Controller as are other organizations.

Not a cent of expenditure under the section mentioned went for commercial promotion. It was spent for printing a limited number of schedules in an endeavour to keep the press informed of what was being done by the C.B.C. and for educational pamphlets and leaflets to better inform listeners as to some of the more important programs which might be heard.

Here are the more important of the publications:—

> "Young Canada Listens"—a 32 page school manual printed in co-operation with the Association for Adult Education and for use by the Provincial Departments of Education in the extension of school broadcasts.
>
> "Radio-College"—a booklet released to French-speaking schools using the broadcasts presented on the French network.
>
> "Monthly Guide to Educational and Cultural Programs"—a small folder which circulates to schools and a limited number of people particularly interested. A small two-colour brochure to feature the winter and spring series of the National Farm Radio Forum and which went to farm organizations and to principal Forum secretaries throughout Canada.
>
> "C.B.C. Ideal Daily Diet Chart"—10,000 copies.
>
> "Vitamin Gardening Booklet"—30,000 copies.
>
> "Music for Young Folk"—a 16 page manual to accompany the Music Appreciation Series over the Ontario network.

There were a number of other minor publications. The entire lot represents but the merest fraction of what the C.B.C. should be spending in this field if the most effective use of its expenditures on programs is to be made.

Lack of Press Publicity Must Lead to C.B.C's Own Publication

The co-operation which the C.B.C. had hoped to receive from the press and which was discussed at some length during the meetings with the publishers in 1938, has certainly not been forthcoming. Single line, two or three word listings of the most important and expensive programs, whether commercial or sustaining as now appear in the daily papers, give listeners no idea of the importance of national radio programs. It is well known that in certain sections of Canada there are tacit understandings by the various newspapers that as little prominence as possible shall be given to radio.

The C.B.C. spends annually a very large sum of money on sustaining programs, but so far has been quite unable to secure any worthwhile press publicity. We do not blame the publication though we do feel certain many of

them are short-sighted in their day-to-day treatment of radio. Eventually this situation must lead to the issuance of a national publication by the C.B.C. itself in order that listeners will be able to follow regularly and understand the importance of the great variety of programs and expenditures which are being made by the C.B.C. The necessity for this is clearly recognized in other countries. In Great Britain, the B.B.C., which the press of this country is so anxious to see copied here, is up to the ears in the publishing business. The B.B.C. not only has several publications, but one of these publications had a circulation of over 3,180,000 net paid weekly during 1943, and its annual net profit on publications was approximately $2,500,000.

The press suggests that a limitation should be put upon the acceptance of network commercials by the C.B.C. It also contends that the occupation of evening time is particularly objectionable. If network commercials were to be limited, where would that limitation be drawn if discrimination were to be avoided and if listeners were to be satisfied? What programs would be dropped? Would they be "Charlie McCarthy", "Album of Familiar Music" "N.H.L. Hockey", "Lux Radio Theatre", "Fibber McGee", "Alan Young", "Aldrich Family", or "Kraft Music Hall"?

The truth is that there already exists a definite limitation upon the acceptance of C.B.C. network commercials. That limitation is the necessity for program balance. The obligations of public service, of bringing a balanced schedule of news, which is not sponsored on C.B.C. stations or networks of balanced controversy which likewise is not sponsored, of educational and cultural programs in various forms, of special group entertainment make it quite impossible to go beyond a reasonable limit with commercials, a limit very far short of what could and would be sold if the C.B.C. were not a publicly owned public service corporation. Indeed the prime purpose of the C.B.C. is to provide a planned and balanced program service and to discover and encourage artistic resources in Canada.

Canadian Broadcasting Corporation.

U.S. ADVERTISERS' EXPENDITURES

on

U.S. NETWORK RADIO–U.S. MAGAZINES

1937-1940-1943

Below is a list of representative accounts showing their expenditures on radio 1937, 1940 and 1943. In none of these cases has magazine advertising shown other than an increase even while the radio appropriations were growing. All of these companies have their Canadian affiliates who are large radio advertisers but no statistics are available with respect to Canada.

Advertiser	Network Radio	Magazines	Network Radio	Magazines	Network Radio	Magazines
	1937		1940		1943	
Bristol-Myers	$ 762,200	$ 155,097	$1,077,176	$1,974,032	$2,053,606	$2,204,119
Carnation Milk	462,168	14,613	726,051	9,189	570,200	235,429
Coca-Cola	265,170	867,325	44,510	1,142,070	4,028,011	1,009,132
Colgate-Palm.-Peet	1,880,870	2,009,690	4,334,222	1,225,607	2,485,467	2,805,096
General Foods	2,764,944	1,969,340	5,887,349	1,646,472	8,487,435	2,774,843
Lever Brothers	2,182,123	1,634,640	3,171,074	2,135,520	5,794,570	2,453,087
Pepsodent	1,269,158	458,209	624,910	562,806	728,748	553,040
Procter and Gamble	4,496,067	2,376,866	10,999,416	2,645,921	10,825,222	4,676,014
Wrigley	1,241,054	234,943	1,368,224	1,368,224	2,657,483	2,657,483

1937 Statistics—"Variety" Annual 1938, New York.
1940-1943 Statistics—"Advertising Age" February 7th, 1944, New York.

SESSION 1944

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS

No. 13

THIRD AND FINAL REPORT

INCLUDING INDEXES OF

1. Witnesses.
2. Appendices to evidence.
3. Documents tabled and distributed to members of the Committee.
4. Documents tabled and filed with the Clerk.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1944

MINUTES OF PROCEEDINGS

WEDNESDAY, July 5, 1944.

(23)

The Special Committee on Radio Broadcasting met in camera at 4 o'clock. Mr. J. J. McCann, the Chairman, presided.

Members present: Messrs. Bertrand (*Prescott*), Mrs. Casselman (*Edmonton East*), Coldwell, Hansell, Hanson (*Skeena*), Isnor, LaFlèche, Laflamme, Matthews, McCann, Mullins, Ross (*St. Paul's*), and Veniot.—(13)

The following correspondence in relation to station CFJC, Kamloops, was read and tabled.

1. A letter from the Chief Executive of the C.B.C. to the Clerk of the Committee, accompanied by a resumé of decisions of the Board of Governors.
2. Acknowledge of the Clerk.
3. A letter from the Clerk to Mr. T. J. O'Neill, M.P., forwarding information received from the C.B.C. in connection with station CFJC.

The Committee began the study of the evidence presented before the Committee in view of its report to the House.

At 6 o'clock the Committee adjourned until Thursday, July 6, 1944, at 11 o'clock.

ANTONIO PLOUFFE,
Clerk of the Committee.

THURSDAY, July 6, 1944.

(24)

The Special Committee on Radio Broadcasting met in camera at 11 o'clock. The Chairman, Mr. J. J. McCann, in the Chair.

Members present: Messrs. Bertrand (*Prescott*), Boucher, Mrs. Casselman, Coldwell, Hanson (*Skeena*), Isnor, LaFlèche, Laflamme, Macdonald (*Brantford City*), McCann, Rennie and Ross (*St. Paul's*).—(12).

The Committee resumed its consideration of the evidence.

The Chairman invited suggestions from the members of the Committee, preferably in writing.

At 12:45 o'clock the Committee adjourned at the call of the Chair.

ANTONIO PLOUFFE,
Clerk of the Committee.

WEDNESDAY, July 26, 1944.

(25)

The Special Committee on Radio Broadcasting met in camera at 4 o'clock. Mr. J. J. McCann, the Chairman, presided.

Members present: Messrs. Bertrand (*Prescott*), Boucher, Mrs. Casselman, Hanson, (*Skeena*), Isnor, LaFlèche, McCann, Picard, Rennie, Ross (*St. Paul's*), Tripp and Veniot.—(12).

In the unavoidable absence of Mr. Coldwell, member of the Committee, Mr. Nicholson was in attendance.

The Committee considered a draft report to the House.

On motion of Mr. Isnor, seconded by Mr. Picard,—
Resolved,—That the report be adopted as read and presented to the House.

On behalf of the Committee, Mr. Veniot expressed to the Chairman the thanks of the members for the manner in which he conducted deliberations. The Chairman thanked the members for their cooperation and help.

At 5:45 o'clock the Committee adjourned sine die.

ANTONIO PLOUFFE,
Clerk of the Committee.

REPORT TO HOUSE

HOUSE OF COMMONS,

THURSDAY, July 27, 1944.

The Special Committee on Radio Broadcasting begs leave to present the following as its

THIRD AND FINAL REPORT

Your Committee was appointed by a resolution of the House adopted on February 25, 1944. It has held twenty-five (25) meetings during which it heard the Minister of National War Services, the Chairman of the Board of Governors, the Acting General Manager and various officers of the Canadian Broadcasting Corporation, as well as representatives of the Canadian Association of Broadcasters. It also had representations made to it by the Canadian Federation of Agriculture, the Canadian Association for Adult Education, the Periodical Press Association, the Canadian Weekly Newspapers Association of Canada, as well as a number of other persons.

Your Committee would like to preface its recommendations by stating its confidence in the Canadian Broadcasting Act, 1936.

In the reports of 1942 and 1943, a number of principles governing national broadcasting in Canada were enunciated and emphasized. Your Committee now desires to reaffirm these principles and to point out that since 1932 there has been unanimity by all political parties on the national control of Canada's place in the radio realm as a public utility. In the years since the report of the Royal Commission under Sir John Aird in 1929, experience has demonstrated the soundness of the Canadian policy, namely, "National Service in the interests of Canadian listeners and in the national interests of Canada."

Your Committee wishes to state that we believe it is of paramount importance to have a single national authority in control of radio in Canada.

The Committee's attention was directed to the operations of the Corporation since the last Parliamentary Committee sat in 1943 and reviewed the policies and aims of the Corporation and its regulations, resources, expenditure and development.

Your Committee is pleased to note that many of the recommendations made by the 1943 Committee have been implemented, and we believe that such changes have worked out to the betterment of the Corporation and also the listening public.

We note that the vacancies on the Board of Governors have been filled by persons of outstanding ability and include people representative of various points of view. We believe they are capable of commanding the confidence of the Canadian people, and we trust they are willing to devote a large part of their time to this national service. The more frequent meetings of the Board held during the year would indicate such a desire. Your Committee recommends that the Government progressively strengthen the Board, when vacancies occur, by appointing persons selected because of outstanding ability and genuine interest. The success of the Corporation is clearly the responsibility of the Board of Governors.

We regret the resignation of Mr. Rene Morin as Chairman of the Board of Governors. Mr. Morin has been connected with the Board of Governors of the Canadian Broadcasting Corporation since September 10, 1936.

We pay tribute to the excellent service which he has rendered in that capacity, and are pleased that he has consented to remain a member of the Board.

In the appointment of Mr. Howard B. Chase as successor to Mr. Morin, recognition has been given to Labour, and we wish Mr. Chase every success in his new office.

The position of General Manager has been vacant since November, 1943, when Dr. James E. Thomson tendered his resignation.

The Act provides for what is in fact a part-time Chairman of the Board of Governors. The General Manager is a full-time officer of the Board. He is the Chief Executive. In other words he is there to carry out the policies, not to formulate policies. The by-laws of the Corporation provide that the Assistant General Manager shall exercise the powers of the General Manager in his absence.

Dr. Augustin Frigon, the Assistant General Manager, has been with the Corporation since its inception. He had been a member of the Aird Commission which investigated radio broadcasting in 1928 and made a report on which the present legislation in Canada is largely based. There can be no doubt that he fully possessed the qualifications to manage the affairs of the Corporation.

There has been a great expansion of the service of the Corporation since its inception. The activities of the Chief Executive of the Corporation embrace two fields which are very wide apart. These activities demand widely differential qualities and qualifications.

At present the Chief Executive is responsible to the Board of Governors for the general policies of the Corporation under the direction of the Board, and must assume the responsibility for all broadcasting respecting political, religious, economic, social, educational, and other controversial matters. He is also in charge of public relations as well as of the relations between the Corporation and private stations, and will soon have to supervise the operation of the Government shortwave station now under construction. Further, the Corporation owns and operates ten broadcasting stations throughout Canada, as well as two shortwave stations, and operates two networks connecting these stations with a large number of private stations; the commercial operations of the Corporation have become quite extensive. The relations, with a large staff, involve many delicate problems, and its annual budget now amounts to $5\frac{1}{2}$ million dollars involving a strict control of its finances.

One function calls for imagination, a broad culture, a comprehensive understanding of our national problems, and an enthusiastic faith in the future of our country. Whilst for the other, business experience, administrative ability, and a positive mind are required. The Committee, naturally, asked themselves whether such diversive functions can properly be filled by a single person, and whether the set-up of the Corporation would not be improved and a better control experienced should two separate officials, a full-time Chairman, and under him and the Board the General Manager, each possessing the best qualifications possible in the particular field allotted to them, be charged with the carrying out of the Canadian Broadcasting Act. This would not involve a dual authority, as each would have his own definite field of action, and their respective functions should not involve any conflict, and should any conflict arise, the authority of the Chairman must be predominant or such matters might be referred to the Board.

As an indication of the increased duties and responsibilities of the Chief Executive, may we quote from the evidence of the Acting General Manager, Dr. Frigon:—

> May I point out to you that the duties of whoever is in charge of our organization have become quite considerable in importance, complexity and responsibility. Our budget will reach $5,400,000 for the

coming year; our employees now number 807. We have commercial dealings either through actual program bookings or subsidiary network arrangements with the majority of the 79 privately owned stations to which line facilities are available, and are responsible under the Broadcasting Act for the observance by private stations as well as C.B.C. stations of the regulations made under that Act; we have engineers designing radio equipment and engaged in extensive construction work; we have a staff of war correspondents on the battle front; we employ in our own studios some seven or eight hundred radio artists every week; we have an extensive news bulletin service; in conjunction with the radio branch of the Department of Transport we are heavily engaged in the application of international agreements and we will soon do international broadcasting; we bring broadcasts into schools; we encourage talent across the country; our own commercial activities are important; we regulate programs on all stations; we advise the government on the allocation of broadcast permits; incidentally, we struggle with controversial broadcasts. All this requires expert knowledge, experience, background and so much attention and time that the load in indeed very heavy.

One feature of our affairs is the spontaneity of decision which is required. Our responsibility in respect to program control, both for ourselves and for private enterprise, results in a continuous series of crises which, at times, come in such rapid succession that one's mind has difficulty in adjusting itself to the tempo. Problems arise all over the country, at the most unexpected moments, which require a solution in a matter of minutes. Most frequently these have to be submitted to the highest authority of the Corporation.

I have had quite varied experience in my life, at times in very important fields of activities, but I do not know of any business which is so active and complicated and which requires such sustained attention as that of the C.B.C.

Your Committee would, therefore, recommend that there be a salaried Chairman giving all his time to the Corporation, and that the Board of Governors of the Corporation submit a recommendation so that the position of General Manager be filled as soon as possible. Such a setup would necessitate an amendment to the Canadian Broadcasting Act, and we recommend that an amendment be made to meet the situation.

The whole program situation has been reviewed by the Acting Chief Executive. It is recorded in the evidence. Program planning is perhaps the most difficult task before the Corporation, as all classes of the population and all sections of the country have to be catered to. The cultural and educational responsibilities as well as those of pure entertainment, must ever be kept in mind. The schedule of radio programs contains everything: news, bulletins, actualities, talks, addresses, discussions, church services, school teaching, official communique, commercial advertisements, music, drama, variety shows, sports news, and at present war news, and services of all kinds. Your Committee is pleased to note that the matter of school broadcasting, labour forum, and farm broadcasting are receiving increased attention and time allotment, and that they have met with wide and favourable acceptance by the public. In modern wartime, radio is a new and important weapon. By it the changing aspects of the war are brought to our people at home and the folks in Canada are kept in touch with the Canadian troops overseas, and the troops in the United Kingdom and any battle theatres, are kept in touch with the folks at home. As a vital morale builder, the nation has no more powerful instrument.

Special mention should be made of the C.B.C. Overseas Unit. The C.B.C. now operates four mobile units overseas with a staff of six engineers. One of

these units accompanied the Canadian forces in the invasion of Sicily and Italy and in Normandy. The equipment consists of recording facilities in a military type vehicle suited for field use and, in addition, supplementary portable recording equipment which is used for front line work. In the field, the portable equipment is usually employed for the actuality broadcasts and news commentaries; the military vehicle equipment is then used for editing the front line actuality recording before they are released for broadcasting by shortwave from Algiers to Canada, where they are picked up at our Ottawa or Toronto short-wave receiving stations, for relay to the C.B.C. network.

A report recently sent from Italy by our engineer-in-charge of Canadian Broadcasting Corporation overseas operations, indicates that the development work carried on from the very beginning of the war, both in Canada and overseas, to produce suitable field equipment and operating procedure, has resulted in the C.B.C. being in advance of other broadcasting organization overseas, so far as front-line recording of actuality broadcasts by radio is concerned.

The difference between the C.B.C. setup and that used by others is that they virtually have a travelling recording laboratory on wheels near the front, with the complementary portable equipment used for front-line work. No other broadcaster has had this advantage to date according to C.B.C. overseas engineer and to information supplied by the B.B.C.

Regardless of personal risk to both correspondents and engineers, the units of C.B.C. in the field have by voice given Canadians at home a graphic picture of the heroic part played by our men on the fighting front. For this the Committee congratulate and commend them.

We recommend that their interest in the Corporation be protected in their absence and also recommend that men in the armed services when they return to civil life be given preference in employment in the C.B.C.

The matter of news broadcasts has been the subject of much comment and criticism. Your Committee heard evidence from D. C. McArthur, Chief News Editor, C.B.C. He outlined, in a general way, the organization and scope of the news service and the way in which it operates. The Corporation have access to the full news service of the Canadian Press as well as that of the British United Press. The news bulletins are then edited by newswriters and editors chosen for their experience and judgment in handling news, their enterprise, fairness and their feeling for radio. They have been instructed that political and controversial news must be given with absolute impartiality. The C.B.C. news service was organized to give a uniform type of service to listeners in every part of Canada. News rooms have been set up across the country from which are broadcast bulletins of national interest, many times a day, while in regional bulletins is included a reasonable proportion of news of local interest.

Your Committee is of the opinion that Canadian listeners are receiving a service that is not surpassed in any other country, and that the news is given with accuracy and fairness.

The Corporation's policy with respect to political and controversial broadcasting, generally known as the "White Paper", was revised by authority of the Board of Governors, February 21, 1944. The basic principle of the "White Paper" is that generally speaking network party political broadcasting during a general election is to be on a sustaining or free basis. Revisions and additions were necessary on account of changing conditions. The policy with respect to Dominion general elections has since been extended to cover general elections for the provincial legislatures, and was granted for the first time for the Ontario Campaign, August, 1943. The division of time was made by agreement between the participating parties. This policy will apply to all future provincial campaigns. In civic and municipal election campaigns and in by-election campaigns, private stations and hook-ups of private stations are available.

Political parties have now been more clearly defined and under the revised policy political parties have been granted free time between election campaigns. Now two half hours per month are allotted to federal political broadcasts, and Canadian listeners will have the benefit of listening to political representatives 24 times a year as compared to twice last year and none whatever up to January, 1943. Similarly, a half hour per month is allotted to provincial political broadcasts.

Your Committee believe this to be a fair arrangement and recommend that it be given a trial and that if after a year's trial it proves to be unsatisfactory that it be further revised.

The Canadian Association of Broadcasters, whose membership is made up of 64 privately-owned stations out of a total of 79 privately-owned stations, gave lengthy evidence outlining the position of the private stations in relation to the whole structure of broadcasting in Canada and a summary of their brief is as follows:—

1. That there is a useful place in the Canadian economy for the C.B.C. but that the corporation should be confined to the operation of its own stations, to program development and production and to network broadcasting over stations other than its own by fair affiliation agreements entered into freely as a matter of contract, not as a matter of regulation or compulsion.

2. That stations should be assured of the continuance of their licences and the frequency occupied so long as they operate with due regard to the public interest. The power to cancel or suspend licences, or to alter frequencies, should be taken from the C.B.C. and committed to an impartial body.

3. That as a corollary to paragraphs 1 and 2 the power to pass regulations applicable to private stations should be taken from the corporation and committed to an impartial and judicial body.

4. That private stations should be not merely permitted but encouraged to establish permanent, semi-permanent or occasional networks amongst themselves so that the better programs, sustaining and commercial, may be given to the greatest available audience—and for that purpose they should be permitted to buy lines from the line companies direct.

5. That if as now appears, a second national network is desirable and practical, such network should be established on a station co-operative basis, with a fair division as between it and the C.B.C. network of station outlets and U.S. network affiliations, and a fair arrangement as to line facilities, so that such network may be truly independent and freely competitive with the C.B.C. national network.

6. That the technical advances in the radio art, particularly television, frequency modulation, and facsimile should be developed by all broadcasting stations, public and private, and that experimental licences should be granted as applied for, as frequencies permit, and that commercial licences should be granted as soon as their operation is practical and the necessary equipment is available.

7. That the fullest possible use be made of the channels allocated to Canada under the Havana Agreement or that may be allocated under future international agreements, and that permission be given immediately to all stations to increase their power up to the practical limits allowed, and that they be encouraged to make such power increases as soon as equipment is procurable.

It is contended by the Canadian Association of Broadcasters that these principles submitted constitute a broad basis for betterment of the service to

the people of Canada in respect to radio broadcasting. The Canadian Association of Broadcasters have very evidently forgotten that private broadcasting stations have no vested interest in the radio frequencies they are allowed to use. We believe that the regulations with reference to control over the privately-owned stations have been exercised with fairness, and we recommend a continuation of that policy. The Canadian Association of Broadcasters appear to be fearful of the future and wish to safeguard their position, and suggest the matter of supervision and regulation be committed to an impartial body.

May your Committee point out that ever since 1928 every parliament, every political party, every parliamentary committee inquiring into the question has been in favour of a system similar to the one we now have. Your Committee are of the opinion that nothing would be gained for the public by having an over-all controlling commission, although the Board of Governors might be specially charged with the duty of making it clear to all concerned that they are prepared to encourage co-operation and concerted action in the national interest following formal hearings of private broadcasters. Your Committee discussed the advisability or necessity of broadening of the terms of reference for future committees on radio broadcasting so that the affairs of the private broadcasters might be investigated as well as those of the Canadian Broadcasting Corporation.

The financial statement which was submitted by the Corporation was closely scrutinized and found satisfactory. An operating surplus of $285,500 is shown, part of which has been voted to specific capital expenditures such as the installation of a transmitter at Halifax, improvement of studios at Quebec, equipment of overseas units, etc. Your Committee are of the opinion that this money should be devoted to improving programs and that capital expenditure should be provided from moneys granted by parliament or by loans rather than taken from fees collected from licencees and commercial earnings. Looking to the future of radio, much costly preliminary work and expenditure will have to be made to develop television, frequency modulation and facsimile. The Canadian Broadcasting Corporation should keep up-to-date and be prepared to make effective any advances in modern radio. To meet this need your Corporation should have appropriated by Parliament to its use for these specific and other purposes sufficient moneys to meet their needs, so that the general radio services to the country should be uniform.

Progress is being made on the new short wave station near Sackville, N.B. Construction is near completion, and if delivery of transmitter and other equipment can be secured, operation of the station should start in the late fall of this year.

The Corporation reports that when this project is completed Canada will have one of the most up-to-date international broadcast transmitter plants on the North American continent.

Your Committee held one of its meetings in Montreal and had an opportunity of visiting the studios and technical workshops of the Corporation as well as inspecting its physical assets and meeting many of the staff. We found that in the shops were being built a number of small transmitters and receivers, as due to wartime scarcities and priorities, it was impossible to obtain the proper equipment from manufacturers. We also visited the high power broadcasting station at Vercheres. We were impressed at the magnitude and intricacies of the enterprise, as well as with the enthusiasm and efficiency of the employees. Various departments are scattered around in different buildings in different parts of the city. We were glad to learn that the management contemplated centering its activities under one roof but their plans were interrupted by the war. We recommend that as soon as conditions will allow that a plan of centralization of activities be resumed.

Evidence was given of the loyalty and devoted services of the staff of the Corporation. Your Committee believes that the staff of the Corporation deserves great credit and praise for the work carried on by them in difficult circumstances.

A copy of the evidence taken before the Committee is tabled herewith.

All of which is respectfully submitted.

JAMES J. McCANN,
Chairman.

(A)

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DOCUMENTS TABLED AND DISTRIBUTED IN THE COURSE OF THE PROCEEDINGS

NOTE.—*The letters* E.F. *denote those tabled in both languages.* E. *Tabled in English.* F. *Tabled in French.*

No.		
1.	C.B.C. Annual Report to March 31, 1943	E. F.
2.	Aird Report of the Royal Commission on Radio Broadcasting of 1929	E. F.
3.	C.B.C. Policy and Rulings on Political and Controversial Broadcasting (new edition)	E.
4.	School Broadcasts of 1943-44 (Young Canada Listens)	E.
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11.	Report and Summaries of War Correspondents in Italy over C.B.C.	E.
12.	C.B.C. Internal Rules and Regulations Governing News (part 14)	E. F.
13.	Directives of Chief News Editor to News Editors	E.
14.	Stations' Logs for March 31, 1944	E.
15.	Extract of New York *Herald-Tribune,* dated May 21, 1944, on Television	E.
16.	Letter from President of the Canadian Association for Adult Education, dated May 18, 1944, to Lt.-Col. W. H. Brittain	E.
17.	Statement from Commission C. J. Durr, Federal Communications Commission, Washington, D.C., dated May 5, 1944, on "How Free is the Radio"	E.
18.	Report of the Periodical Press Association's 25th Meeting, May 11, 1944	E.
19.	Address by I. D. Carson on the Press and the People, dated November 12, 1942.	E.
20.	An Act respecting Broadcasting (chap. 24). Assented to June 23, 1936	E.
21.	C.B.C.'s Special Operations on "D"-day (June 6, 1944)	E.

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The following have been tabled and filed with the Clerk of the Committee:—

1. Station CHAB (Moose Jaw) Coverage Survey with letter to Chairman dated May 31, 1944.

2. C.B.C. internal memoranda concerning Elmore Phillpott's broadcast relating to General A. G. L. McNaughton.

3. Survey of listener attitude towards C.B.C. national news summary by Elliott Haynes Limited dated March 31, 1944.

4. Affidavits in the matter of C.B.C. national news editors.

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